

# TARRANT COUNTY, TEXAS

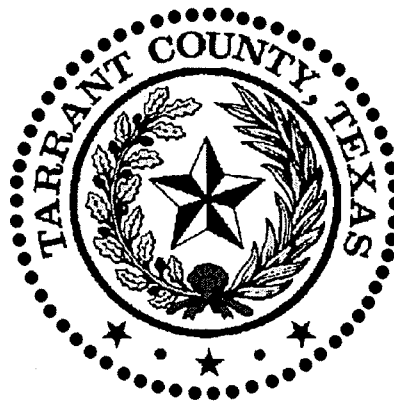


## Comprehensive Annual Financial Report For the fiscal year ended September 30, 2014



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

**Fiscal Year Ended September 30, 2014**



**Prepared By**  
**County Auditor's Office**

**S. Renee Tidwell, CPA**

**County Auditor**

**TARRANT COUNTY, TEXAS  
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**INTRODUCTORY SECTION**



## **TARRANT COUNTY**

**TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506  
100 E. WEATHERFORD  
FORT WORTH, TEXAS 76196-0103  
817/884-1205  
Fax 817/884-1104**

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

**CRAIG MAXWELL  
FIRST ASSISTANT COUNTY AUDITOR  
cmaxwell@tarrantcounty.com**

March 26, 2015

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

The comprehensive annual financial report of Tarrant County, Texas (the "County") for the fiscal year ended September 30, 2014 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 representation 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 have been audited by Deloitte & Touche LLP, independent auditors. 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, 2014 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, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

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 auditors.

## **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 approximately 1,931,335 citizens. It is one of the fastest growing urban counties in the United States today.

The Commissioners Court is the general 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 general governing body of the County. Among the major duties of the Court, 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, including jails; 8) Provide for hospitals, public welfare and veterans assistance; and 9) Provide for the data service and archival needs of the County.

The County provides those 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, Mental Health and Mental Retardation 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 to be presented 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 77-79 as part of the required supplementary information. The other budget comparisons at the department level are presented on pages 89-96 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. Similarly, local real estate values have demonstrated steady yet modest increases over the past decade. Furthermore, in the past several years, the economic impact of developing the Barnett Shale natural gas resources of the area has provided significant employment and other business opportunities.

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

Major factors of this continued stability include:

**AllianceTexas:** AllianceTexas is a 18,000-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 400 companies, 40,000 employees and more than 7,700 single-family homes. Located within AllianceTexas is: FedEx, Deloitte, Fidelity Investments, TD Ameritrade, Mercedes-Benz, Nestle, LG Electronics Amazon, Flextronics, Carolina Beverage, Heritage Bag Company Saddle Creek Logistics, Wal-Mart.com, and others

**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, Sprint PCS, Airborne Express, Coors, and Campfire, U.S.A's state-of-the-art Childcare Center and National Training Center for childcare providers.

**Amazon:** Amazon built a 1.1 million square-foot distribution center. This center is one of three new e-commerce fulfillment sites in Texas.

**Cooks Children's Hospital:** Cooks has approved a \$350 million expansion budget. The expansion will include a sixth tower that will house expanded emergency and surgery departments.

**Meacham International Airport:** The City of Fort Worth has approved a \$17.5 million renovation and expansion of the airport. The airport is 850-acres, has three runways and 100 tenants and subtenants.

**GM Arlington** added 10,000 square feet of space and invested more than \$254 million to retool its facility in order to make the next generation truck and/or SUV's starting 2014. GM employs over 4,500 workers at the plant currently and plans to add at least 110 more with the retooling. Hundreds of other area jobs are tied to GM through its parts and component suppliers, such as Android and Lear. GM spends over \$650 million a year just with these local suppliers alone. In addition, General Motors constructed on a new 225,000 square foot Stamping Facility on the grounds of the GM Arlington Plant. The \$200 million facility will manufacture the metal exterior skin for the vehicles produced at the Arlington Plant that are currently being stamped at other locations in the United States and shipped to Arlington.

**GE Transportation:** constructed a one million square foot locomotive manufacturing facility which employs over 500 people. The factor produces 1.2 locomotives per day.

**American Airlines:** American has begun construction of a new \$88 million reservation center near Dallas/Fort Worth International Airport that will retain employment of over 1,300 full time employees

**Trinity Terrace:** The Fort Worth retirement community near the Trinity River downtown, is launching construction of a new 23-story third tower that will include a penthouse apartment and fine dining. The new tower will include 79 apartments, extensions of Terrace Tower's hospital and assisted living floors, and an Alzheimer's wing.

**Lockheed Martin:** In October 2001, the U.S. Department of Defense awarded a contract valued at \$200 billion to Lockheed Martin for the production of aircraft that will be used by the U.S. Air Force, Navy, and Marines, as well as the United Kingdom's Royal Air Force and Navy. The contract, which is the largest defense contract in U.S. history, provides 12,500 jobs for Tarrant County.

**Dallas Cowboy Stadium:** The Dallas Cowboy Stadium opened in 2009 and has played host to numerous professional, college and high school football games, as well as basketball, pro bull riding, boxing, and concert events. The stadium hosted the 2010 NBA All Star game, the 2011 Super Bowl, the 2013 semifinals of the CONCACAF Gold Cup, the 2014 NCAA Final Four Basketball Tournament, and in 2015 the first College Football Playoff National Championship.

**Texas Motor Speedway:** Located in far north Fort Worth, the speedway was completed in the Spring of 1997. NASCAR Sprint Cup races have been held at the speedway as well as sanctioned IRL Indy Car races. NASCAR has sanctioned two Sprint Cup races for the speedway. The facility has hosted several major music concerts and other large events since opening.

**Other major businesses:** Other major businesses recently locating to or expanding in Tarrant County include Chesapeake Energy Corporation, Cypress Equities, Carter Distribution Center, Touchstone Wireless, National Presort, Inc., Baylor All Saints Medical Center, Tarrant County College District, and Legoland Discovery Centre.

## **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 2014 totaled \$0.264 with \$0.027172 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 these 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 May 13, 2006, the voters of Tarrant County overwhelmingly approved five bond propositions for a total of \$433,120,000 to fund street, road and bridge improvements, a new jail facility, a new civil courts building, expansion of the juvenile justice facilities, and new medical examiner and crime lab facilities. \$200 million of these bonds, along with matching funds from local municipalities or Texas Department of Transportation, will be used for transportation issues. To date, the County has issued \$352,700,000 of bonds for these purposes.

## **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 comprehensive annual financial report for the fiscal year ended September 30, 2013. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 Auditors, Deloitte & Touche LLP.

Sincerely,



S. Renee Tidwell, CPA  
County Auditor



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

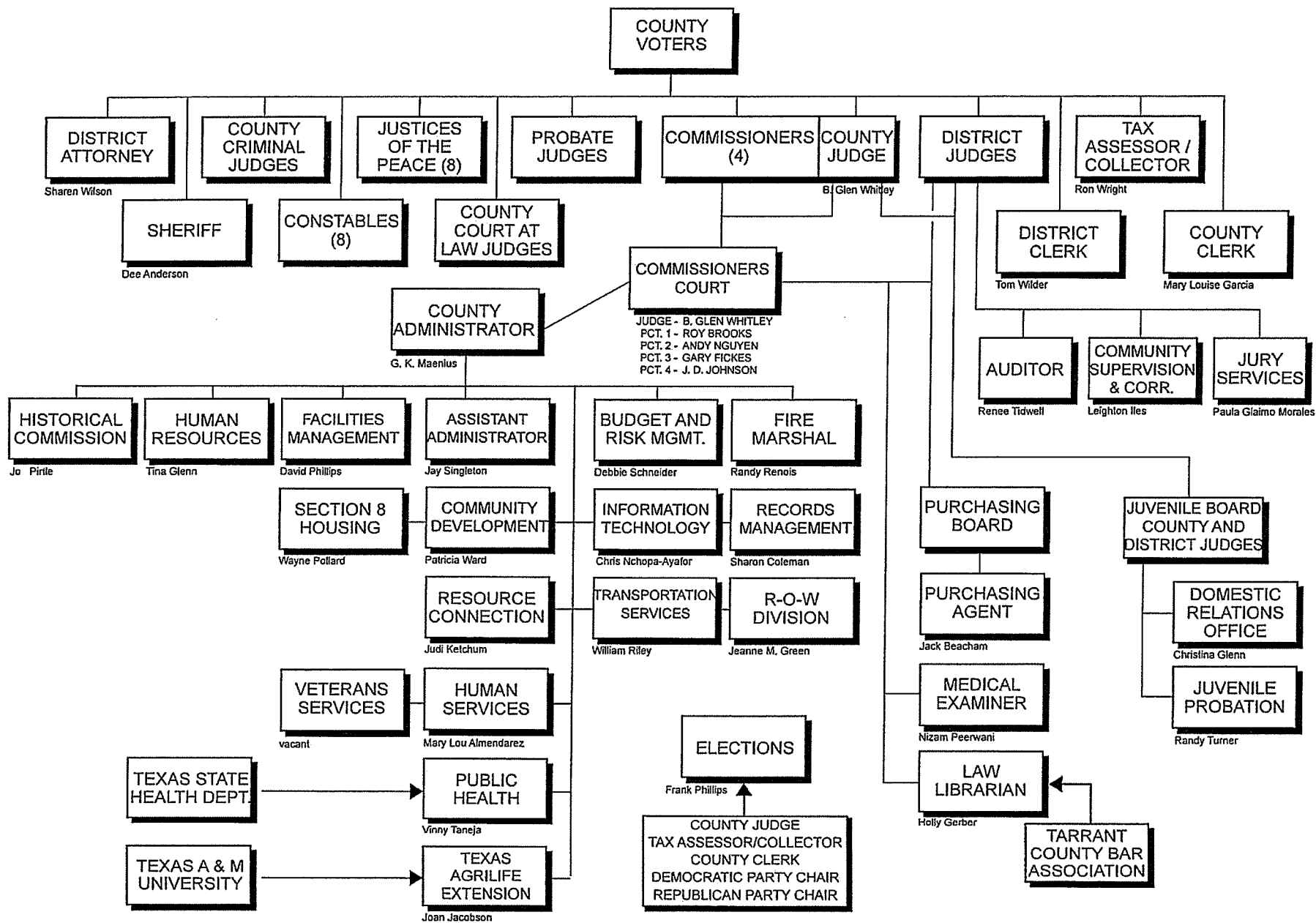
**Tarrant County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

# TARRANT COUNTY ORGANIZATION



**TARRANT COUNTY, TEXAS  
PRINCIPAL OFFICIALS**

Commissioners Court:

B. Glen Whitley  
Roy Brooks  
Andy H. Nguyen  
Gary Fickes  
J. D. Johnson

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

Board of District Judges:

Elizabeth Beach  
Wayne Salvant  
Robb Catalano  
Mike Thomas  
Melody Wilkinson  
David Evans  
Don Cosby  
R. H. Wallace, Jr.  
John P. Chupp  
Susan McCoy  
Louis Sturns  
Jesus Nevarez, Jr.  
William Harris  
Tom Lowe  
Everett Young  
Nancy Berger  
Jean Hudson Boyd  
Jerome S. Hennigan  
Judith Wells  
James Birdwell  
Dana Womack  
Bonnie Sudderth  
Michael Sinha  
Mollee Westfall  
Scott Wisch  
George Gallagher  
Ruben Gonzalez

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

County Judges:

Sherry Hill  
Michael Mitchell  
Billy Mills  
Deborah Nekhom  
Jamie Cummings  
Molly Jones  
Cheril Hardy  
Daryl Coffey  
Brent Carr  
Phillip Sorrells  
Don Pierson  
Jennifer Rymell  
Mike Hrabal  
Steve M. King  
Pat Ferchill

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  
Judge, Probate Court No. 1  
Judge, Probate Court No. 2

**TARRANT COUNTY, TEXAS  
PRINCIPAL OFFICIALS**

County Judges: (continued)

Ralph Swearingin, Jr.	Justice of the Peace, Precinct 1
Mary Tom Curnutt	Justice of the Peace, Precinct 2
Russ Casey	Justice of the Peace, Precinct 3
Jacquelyn Wright	Justice of the Peace, Precinct 4
Sergio L. DeLeon	Justice of the Peace, Precinct 5
Gary Ritchie	Justice of the Peace, Precinct 6
Matt Hayes	Justice of the Peace, Precinct 7
Lisa R. Woodard	Justice of the Peace, Precinct 8

Law Enforcement:

Dee Anderson	Sheriff
Joe Shannon	Criminal District Attorney
Randy Turner*	Chief Juvenile Probation Officer
Leighton Iles*	Community Supervision & Corrections Director
Harry D. Clark III	Constable, Precinct 1
David Woodruff	Constable, Precinct 2
Darrell Huffman	Constable, Precinct 3
Dub Bransom	Constable, Precinct 4
Ruben Garcia, Jr.	Constable, Precinct 5
Jon Siegel	Constable, Precinct 6
Clint Burgess	Constable, Precinct 7
Michael R. Campbell	Constable, Precinct 8
Christina Glenn*	Domestic Relations Director

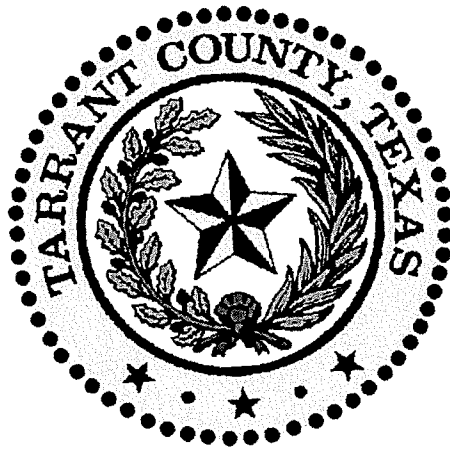
Administrative Officials:

G.K. Maenius*	County Administrator
S. Renee Tidwell*	County Auditor
Ron Wright	Tax Assessor-Collector
Jack Beacham*	Purchasing Agent
Debbie Schneider*	Budget and Risk Management Director
Christopher Nchopa-Ayafor*	Chief Information Officer

Recording Officials:

Mary Louise Garcia	County Clerk
Tom Wilder	District Clerk

\*Appointed officials. All others listed are elected officials.





**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Commissioners Court  
Tarrant County, Texas

### Report on the Financial Statements

We have audited the accompanying 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tarrant County Hospital District (TCHD) or the Mental Health and Mental Retardation of Tarrant County (MHMRTC), which represent all of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for TCHD and MHMRTC, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the 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, 2014, 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.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison Schedules- General Fund and Road and Bridge Fund, and the Schedule of Funding Progress – Retirement and Other Postemployment Benefit Plans be presented to supplement the basic financial statements. Such information, 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.

### ***Other 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 financial statements, budgetary compliance schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and budgetary compliance schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on the procedures performed as described above, the combining financial statements and budgetary compliance schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Deloitte & Touche LLP*

March 26, 2015

## 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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

### Financial Highlights

- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$256,212,000 (*net position*). This is an increase of \$12,920,000.
- Total net position of the County is comprised of the following:
  1. Net investment in capital assets of \$218,625,000 include land, buildings, 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 \$23,439,000 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 \$14,148,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$276,897,000, a decrease of \$32,791,000 in comparison with the prior year. Approximately 17 percent of this total amount, \$47,134,000, 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 \$48,616,000, or approximately 14 percent of total general fund expenditures.
- The County's bonded debt decreased by \$18,815,000 (approximately 6 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 and liabilities, with the difference between the two 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 health mental retardation authority, housing finance, and industrial development corporations. Financial information for the hospital district and mental health mental retardation authority are reported separately from the financial information presented for the primary government itself. The Housing Finance (“TCHF”) 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 16-19 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* elsewhere in this report.

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 20-26 of this report.

**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 an accounting device 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* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

**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 statement can be found on page 30 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 31-76 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary* information including budget to actual schedules for general fund and road and bridge fund, as well as the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 77-82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on budget to actual statements, pensions, and other postemployment benefits. Combining and individual fund statements and schedules can be found on pages 86-89 and 100-102 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 exceeded liabilities by \$256,212,000 at the close of the most recent fiscal year.

The largest portion of the County's net position \$218,625,000 (approximately 85 percent) 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 portion of the net position, \$14,148,000, represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. The remaining balance of net position represents resources that are subject to external restriction on how they may be used. Restrictions include \$14,383,000 for records management, \$3,007,000 contractual or donor imposed restrictions and \$6,049,000 for other purposes.

### Tarrant County's Net Position

(Amounts in thousands)

	September 30, 2014			September 30, 2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 370,829	\$ 2,248	\$ 373,077	\$ 390,543	\$ 1,975	\$ 392,518
Capital assets	459,161	4,567	463,728	430,942	4,922	435,864
Total assets	<u>829,990</u>	<u>6,815</u>	<u>836,805</u>	<u>821,485</u>	<u>6,897</u>	<u>828,382</u>
Deferred outflows	3,797	-	3,797	-	-	-
Other liabilities	107,104	568	107,672	107,032	435	107,467
Long-term liabilities outstanding	476,676	42	476,718	493,905	21	493,926
Total liabilities	<u>583,780</u>	<u>610</u>	<u>584,390</u>	<u>600,937</u>	<u>456</u>	<u>601,393</u>
Net position:						
Net investment in capital assets	214,058	4,567	218,625	187,832	4,922	192,754
Restricted	23,439	-	23,439	20,967	-	20,967
Unrestricted	12,510	1,638	14,148	11,749	1,519	13,268
Total net position	<u>\$ 250,007</u>	<u>\$ 6,205</u>	<u>\$ 256,212</u>	<u>\$ 220,548</u>	<u>\$ 6,441</u>	<u>\$ 226,989</u>

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

The County's net position increased by \$12,920,000, or approximately 6 percent during the current fiscal year. This increase represents the degree to which increases in ongoing revenues have surpassed ongoing expenses. Revenues increased approximately 3 percent, related to increases in grant revenues and property taxes resulting from increased property values. Expenses decreased 4 percent across all functional areas. This decrease was a result of changes to our OPEB plan as discussed in note 10.



**Governmental activities.** Governmental activities increased the County's net position by \$13,156,000, thereby accounting for the increase in the net position of the County. Revenue increased \$18,245,000 or approximately 3 percent from prior year and expenditures decreased \$24,646,000 or approximately 4 percent from prior year, resulting in an increase in net position.

**Business-type activities.** Business-type activities net position decreased \$236,000. Expenses increased \$541,000 or approximately 17 percent due to one-time renovations for new tenants, current year revenues increased \$163,000 or approximately 5 percent, as tenant space is occupied.

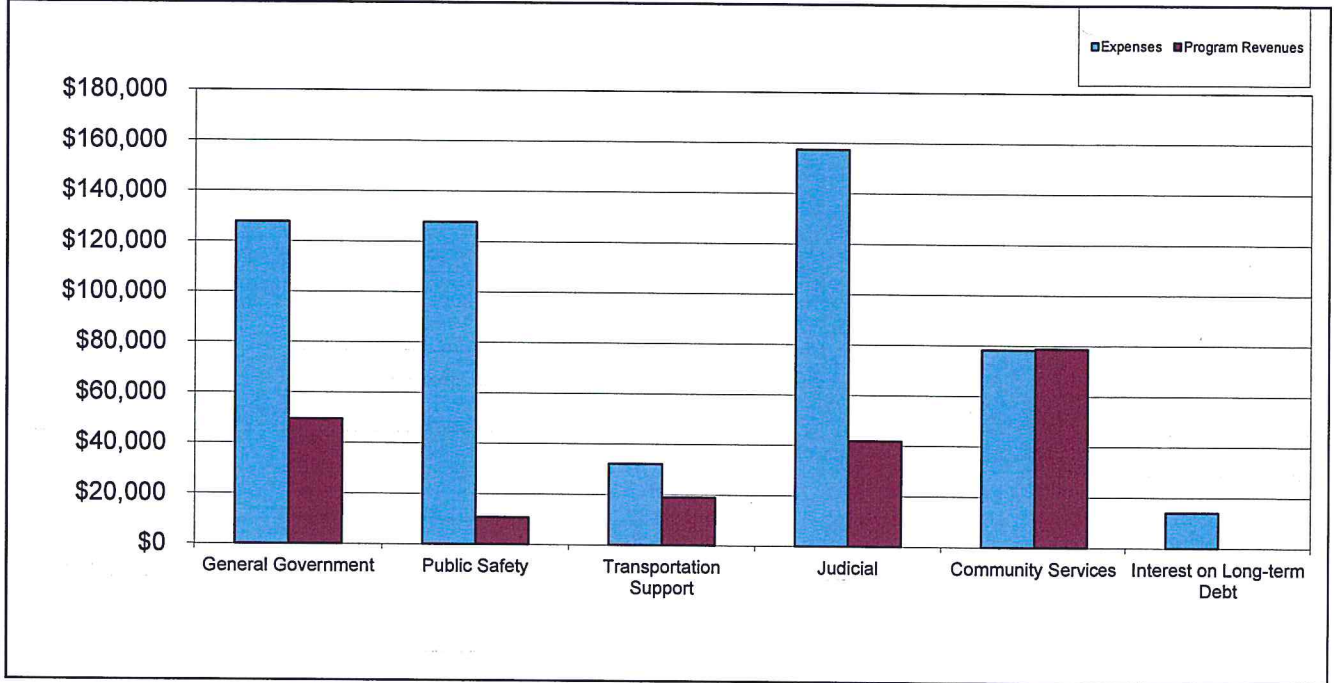
## Tarrant County's Changes in Net Position

(Amounts in thousands)

	For the year ended September 30, 2014			For the year ended September 30, 2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Fees, fines and charges for for services	\$ 119,321	\$ 3,138	\$ 122,459	\$ 118,963	\$ 2,962	\$ 121,925
Operating grants and contributions	80,696	-	80,696	76,631	-	76,631
Capital grants and contributions	347	-	347	1,144	-	1,144
General revenues:						
Property taxes	335,242		335,242	325,106	-	325,106
Alcoholic and bingo taxes	9,110	-	9,110	6,694	-	6,694
Investment earnings	1,151	5	1,156	816	4	820
Other general revenue	5,205	320	5,525	3,473	334	3,807
Total revenues	551,072	3,463	554,535	532,827	3,300	536,127
Expenses:						
General government	127,883	-	127,883	130,932	-	130,932
Public safety	127,787	-	127,787	133,199	-	133,199
Transportation	32,234	-	32,234	40,820	-	40,820
Judicial	157,483	-	157,483	160,619	-	160,619
Community services	78,405	-	78,405	82,852	-	82,852
Interest and fiscal charges	14,124	-	14,124	14,140	-	14,140
Resource Connection	-	3,699	3,699	-	3,158	3,158
Total expenses	537,916	3,699	541,615	562,562	3,158	565,720
Increase(decrease) in net position	13,156	(236)	12,920	(29,735)	142	(29,593)
Net position-beginning, (note 18)	236,851	6,441	243,292	250,283	6,299	256,582
Net position-ending	\$ 250,007	\$ 6,205	\$ 256,212	\$ 220,548	\$ 6,441	\$ 226,989

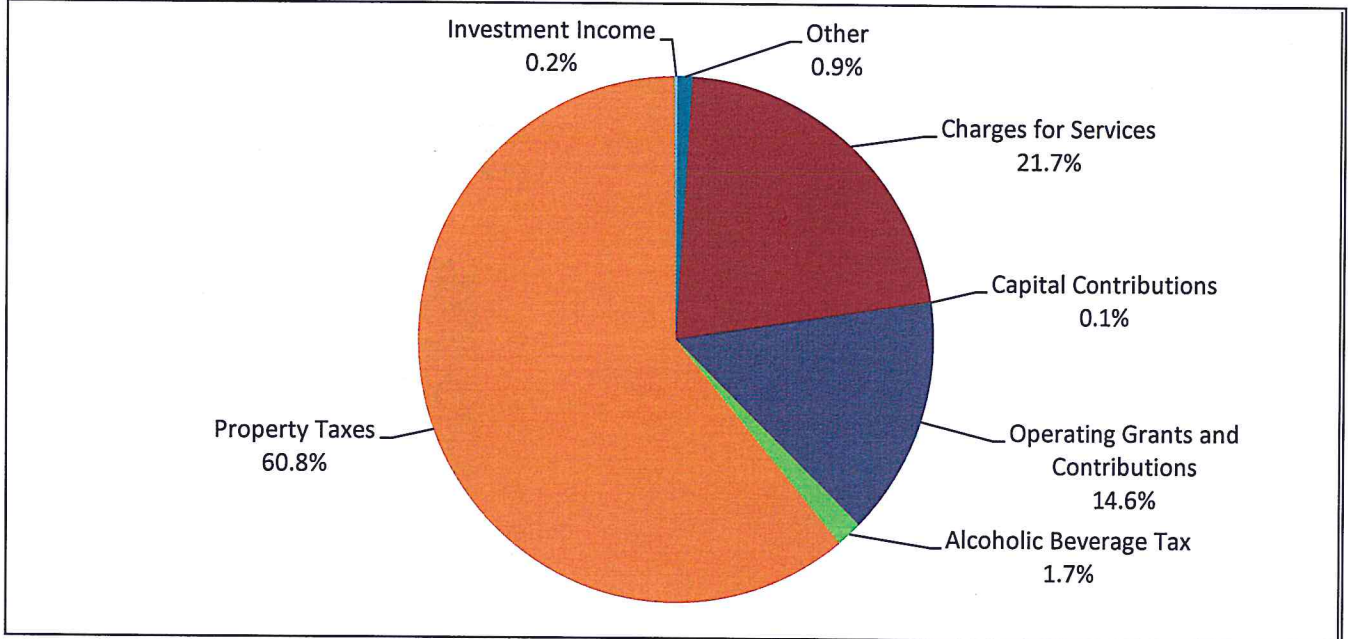
## Expenses and Program Revenues – Governmental Activities

(Amounts in thousands)



## Revenues by Source – Governmental Activities

(Amounts in thousands)



## 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 \$276,897,000, a decrease of \$32,791,000. Approximately 17% of this total amount, \$47,134,000, 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) \$5,046,000 is not in spendable form, 2) \$114,877,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$78,774,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$31,066,000 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 \$48,616,000, while total fund balance was \$78,943,000. 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 14 percent of total general fund expenditures, while total fund balance represents approximately 22 percent of that same amount.

The fund balance of the County's general fund increased \$815,000 during the current fiscal year. Expenditures and revenues were closely matched for the year. Revenues increased about 2 percent from prior year mostly due to increased tax collections from increased property values as well as increased tax office fees due to the legislative allocation of sales tax collection commissions between the general fund and road and bridge fund. Another increase was related to intergovernmental grant revenue. Expenses increased about 4 percent, mostly due to employee raises.

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 \$16,276,000 of which \$774,000 is in nonspendable form, the remainder is committed by the Commissioners Court. The fund balance only increased \$474,000, while expenses increased 5 percent and revenues increased 2 percent, there was an operating transfer from the general fund of \$2,749,000 to support operations.

The debt service fund has a total fund balance of \$1,112,000, all of which is committed for the payment of debt service. The net increase in fund balance during the current year in the debt service was \$626,000. The County approved a property tax for debt service at the beginning of the current fiscal year. This tax produced revenues of \$34,915,000 in the current fiscal year. The county maintains a reserve of at least \$1,000,000 in this fund.

The capital projects fund has a total fund balance of \$145,156,000, all of which is either nonspendable, restricted or committed for the payment of capital projects. The net decrease in fund balance during the current year was \$41,018,000. The fund balance decreased due to continued expenditures for capital projects. Details of the bond projects are further described in the long-term debt section on page 12.

Grants fund has no fund balance as all expenditures should be reimbursed by state and federal funds. Also, any excess revenues received are deferred until earned.

Other governmental funds are for specific purposes and expenditures are closely aligned with revenues, however fund balance increased \$6,312,000. Records preservation and automation fund increased \$1,705,000 for upcoming projects to enhance public access and to make records searchable and available online. Public health contract increased \$4,555,000 due to increased revenues from Medicaid 1115 waiver.

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

Total net position of the Resource Connection at the end of the year amounted to \$6,205,000. The total decrease in net position for the fund was \$236,000. The expenses increased as the current year expenses included one-time expenses related to renovations of tenant lease space.

## **General Fund Budgetary Highlights**

There are no differences between the original budget and the final amended budget in total, however, transfers were made between departments. There were no large transfers. Many of the transfers were to transfer court costs amongst the numerous courts.

Actual revenues were slightly greater 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 \$33,924,980, contingency of \$1,382,500 and undesignated balance of \$3,848,535.
- Several departments' expenses were less than budgeted for building operations, elections, information technology, sheriff, and jail operations.
- Actual revenue was greater than budgeted revenue. Most of the increase was intergovernmental grant revenue, tax office fees due to the legislative allocation of sales tax collection commissions between the general fund and road and bridge fund, and increased collection of property taxes.

## **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, 2014 amounted to \$463,728,000 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, roads and bridges and

construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was \$27,864,000.

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

- Continued development of criminal justice software
- Continued construction of a civil courts building
- Construction of new subcourthouse

Additional information on the County's capital assets can be found in Note 5 on pages 42-43 of this report.

### Tarrant County's Capital Assets

(Net of depreciation)  
(Amounts in thousands)

	September 30, 2014			September 30, 2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 53,977	\$ 2,071	\$ 56,048	\$ 54,003	\$ 2,071	\$ 56,074
Buildings and improvements	249,487	1,412	250,899	261,856	1,684	263,540
Furnishings and equipment	15,499	72	15,571	15,930	82	16,012
Software	9,151	-	9,151	10,380	-	10,380
Infrastructure	45,726	1,012	46,738	46,157	1,085	47,242
Construction in progress	75,517	-	75,517	38,023	-	38,023
Software in development	9,804	-	9,804	4,593	-	4,593
Total	<u>\$ 459,161</u>	<u>\$ 4,567</u>	<u>\$ 463,728</u>	<u>\$ 430,942</u>	<u>\$ 4,922</u>	<u>\$ 435,864</u>

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$317,820,000. All of this debt represents bonds payable solely on future ad valorem tax revenue. The remainder of the County's long-term obligation is comprised of a capital lease with a balance of \$1,304,000.

### Tarrant County's Outstanding Debt

(Amounts in thousands)

	Governmental Activities 2014	Governmental Activities 2013
	General Obligation	\$ 180,400
Limited Tax Refunding Bonds	137,420	146,510
Capital Lease	1,304	1,920
Total	<u>\$ 319,124</u>	<u>\$ 338,555</u>

The County's bonded debt decreased by \$18,815,000 or 6 percent during the current fiscal year. This decrease is a reflection of principal payments which reduced the outstanding debt.

On May 13, 2006, the voters of Tarrant County approved five bond propositions for a total of \$433,120,000 to fund street, road and bridge improvements, a new jail facility, a new county/district courts building, expansion of the juvenile justice facilities, and new medical examiner and crime lab facilities. The County has issued \$352,700,000 Limited Tax Bonds for this purpose. \$200 million of these bonds, along with matching funds from local municipalities or Texas Department of Transportation, will be used for transportation projects to improve mobility in the county. On March 7, 2006, the Tarrant County Commissioners Court approved a resolution expressing its intent to be fiscally responsible for the issuance of these bonds. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax increase.

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 \$6,041,215,000, 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 6 on pages 43-46 of this report.

## **Economic Factors and Next Year’s Budgets and Rates**

Tarrant County’s economic condition remains positive.

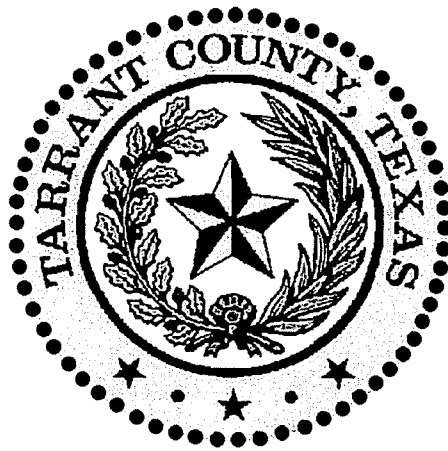
- The unemployment rate decreased for Tarrant County to 5.0 percent, compared to the prior year of 6.0 percent. The state’s average unemployment rate of 4.9 compared to the prior year of 6.3 percent. The national unemployment rate is 5.7 percent.
- Continued increase in the tax rolls in Tarrant County, due to both new construction and increase in values.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County’s budget for the 2015 fiscal year.

At September 30, 2014, the unassigned fund balance in the general fund was \$48,616,000. Total assigned fund balance, \$27,578,000, includes \$26,337,000 assigned for the purpose of spending in the 2015 fiscal year budget. This available fund balance enabled the County’s tax rate to remain the same for the 2015 fiscal year.

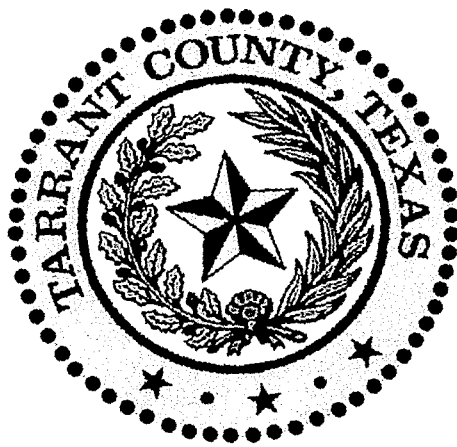
## **Requests for Information**

This financial report is designed to provide a general overview of Tarrant County’s finances for all those with an interest 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**





TARRANT COUNTY, TEXAS

STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash, cash equivalents, and investments	\$ 325,803	\$ 2,115	\$ 327,918
Taxes receivable, net of allowance for uncollectibles	8,292	-	8,292
Other receivables, net of allowance for uncollectibles	23,006	128	23,134
Prepaid expenses and inventory	3,293	5	3,298
Long-term receivable	1,900	-	1,900
Investment in joint venture	-	-	-
Capital assets, net:			
Not subject to depreciation	139,298	2,071	141,369
Subject to depreciation	319,863	2,496	322,359
Net pension asset	8,535	-	8,535
<b>Total assets</b>	<b>829,990</b>	<b>6,815</b>	<b>836,805</b>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding	3,797	-	3,797
<b>Total deferred outflows of resources</b>	<b>3,797</b>	<b>-</b>	<b>3,797</b>
<u>LIABILITIES</u>			
Accounts payable	18,871	349	19,220
Accrued interest payable	3,258	-	3,258
Other liabilities	24,297	42	24,339
Unearned revenue	11,077	85	11,162
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	26,702	92	26,794
Capital lease	616	-	616
Bonds & notes payable	18,645	-	18,645
Other noncurrent liabilities	3,638	-	3,638
Portion due or payable after one year:			
Compensated absences payable	15,138	42	15,180
Capital lease payable	688	-	688
Bonds and notes payable	320,104	-	320,104
Other noncurrent liabilities	140,746	-	140,746
<b>Total liabilities</b>	<b>583,780</b>	<b>610</b>	<b>584,390</b>
<u>NET POSITION</u>			
Net investment in capital assets	214,058	4,567	218,625
Restricted:			
Records management	14,383	-	14,383
Contractual or donor imposed	3,007	-	3,007
Other purposes	6,049	-	6,049
Unrestricted	12,510	1,638	14,148
<b>Total net position</b>	<b>\$ 250,007</b>	<b>\$ 6,205</b>	<b>\$ 256,212</b>

See accompanying notes to the financial statements.

Component Units	
Tarrant County Hospital District	MHMR of Tarrant County
\$ 422,704	\$ 27,289
4,075	-
209,616	10,290
26,517	895
-	608
52,618	3,088
231,469	15,357
-	-
<u>946,999</u>	<u>57,527</u>
-	-
-	-
89,178	2,441
-	-
42,218	3,517
-	641
-	57
-	632
2,405	-
5,357	1,160
-	2,555
-	580
46,045	-
2,529	-
<u>187,732</u>	<u>11,583</u>
233,599	17,232
-	-
1,735	-
315	-
<u>523,618</u>	<u>28,712</u>
<u>\$ 759,267</u>	<u>\$ 45,944</u>

TARRANT COUNTY, TEXAS

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014 (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	\$ 127,883	\$ 47,345	\$ 2,263	\$ -
Public safety	127,787	6,621	3,892	325
Transportation support	32,234	18,851	217	-
Judicial	157,483	29,311	12,614	22
Community services	78,405	17,193	61,710	-
Interest and fiscal charges	14,124	-	-	-
Total governmental activities	537,916	119,321	80,696	347
Business-type:				
Resource Connection	3,699	3,138	-	-
Total primary government	<u>\$ 541,615</u>	<u>\$ 122,459</u>	<u>\$ 80,696</u>	<u>\$ 347</u>
Component units				
Tarrant County Hospital District	\$ 801,088	\$ 299,019	\$ 185,143	\$ 385
MHMR of Tarrant County	116,201	30,277	91,183	215
	<u>\$ 917,289</u>	<u>\$ 329,296</u>	<u>\$ 276,326</u>	<u>\$ 600</u>

General revenues:  
Property taxes  
Alcoholic beverage and bingo taxes  
Unrestricted investment earnings  
Other general revenue  
Total general revenues  
Change in net position  
Net position-beginning, as previously stated  
Restatement (see Note 18)  
Net position-beginning, restated  
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
\$ (78,275)		\$ (78,275)		
(116,949)		(116,949)		
(13,166)		(13,166)		
(115,536)		(115,536)		
498		498		
(14,124)		(14,124)		
(337,552)		(337,552)		
-	(561)	(561)		
<u>\$ (337,552)</u>	<u>\$ (561)</u>	<u>\$ (338,113)</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ (316,541)	
				\$ 5,474
			<u>\$ (316,541)</u>	<u>\$ 5,474</u>
335,242	-	335,242	291,013	-
9,110	-	9,110	-	-
1,151	5	1,156	2,471	16
5,205	320	5,525	51,428	1,025
350,708	325	351,033	344,912	1,041
13,156	(236)	12,920	28,371	6,515
220,548	6,441	226,989	730,896	39,429
16,303	-	16,303	-	-
236,851	6,441	243,292	730,896	39,429
<u>\$ 250,007</u>	<u>\$ 6,205</u>	<u>\$ 256,212</u>	<u>\$ 759,267</u>	<u>\$ 45,944</u>

TARRANT COUNTY, TEXAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>				
Cash, cash equivalents, and investments	\$ 82,773	\$ 16,148	\$ 1,112	\$ 154,388
Receivables				
Taxes, net of allowance for uncollectibles	7,314	7	971	-
Other receivables, net of allowance for uncollectibles	8,645	884	-	-
Due from other funds	10,007	-	-	-
Supplies and prepaid items	822	774	-	19
Long-term receivable	1,620	-	-	280
TOTAL ASSETS	<u>\$ 111,181</u>	<u>\$ 17,813</u>	<u>\$ 2,083</u>	<u>\$ 154,687</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 5,181	\$ 878	\$ -	\$ 9,513
Other liabilities	14,679	652	-	12
Due to other funds	-	-	-	-
Unearned revenue	4	-	-	6
Total liabilities	<u>19,864</u>	<u>1,530</u>	<u>-</u>	<u>9,531</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-property taxes	7,314	7	971	-
Unavailable revenue-other receivables	5,060	-	-	-
Total deferred inflows of resources	<u>12,374</u>	<u>7</u>	<u>971</u>	<u>-</u>
<u>FUND BALANCES</u>				
Nonspendable	2,442	774	-	299
Restricted	-	-	-	89,850
Committed	307	15,502	1,112	55,007
Assigned	27,578	-	-	-
Unassigned	48,616	-	-	-
Total fund balances	<u>78,943</u>	<u>16,276</u>	<u>1,112</u>	<u>145,156</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 111,181</u>	<u>\$ 17,813</u>	<u>\$ 2,083</u>	<u>\$ 154,687</u>

See accompanying notes to the financial statements.

<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 11,987	\$ 38,721	\$ 305,129
-	-	8,292
10,944	1,759	22,232
-	-	10,007
1,482	49	3,146
-	-	1,900
<u>\$ 24,413</u>	<u>\$ 40,529</u>	<u>\$ 350,706</u>
\$ 2,035	\$ 700	\$ 18,307
1,763	4,012	21,118
9,611	396	10,007
11,004	11	11,025
<u>24,413</u>	<u>5,119</u>	<u>60,457</u>
-	-	8,292
-	-	5,060
<u>-</u>	<u>-</u>	<u>13,352</u>
1,482	49	5,046
-	25,027	114,877
-	6,846	78,774
-	3,488	31,066
(1,482)	-	47,134
<u>-</u>	<u>35,410</u>	<u>276,897</u>
<u>\$ 24,413</u>	<u>\$ 40,529</u>	<u>\$ 350,706</u>

TARRANT COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

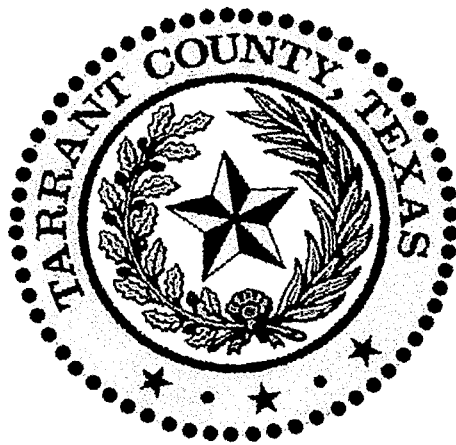
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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - total governmental funds	\$ 276,897
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	459,161
The net pension asset is not an available resource and, therefore, is not reported in the funds.	8,535
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	13,352
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.	9,072
Deferred outflows of resources is not an available resource and, therefore is not reported in the funds.	3,797
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>(520,807)</u>
Net position - governmental activities	<u>\$ 250,007</u>

See accompanying notes to the financial statements.





TARRANT COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>REVENUES</u>				
Taxes	\$ 298,451	\$ 1	\$ 34,915	\$ -
Licenses and permits	1,078	-	-	-
Fees of office	52,166	18,850	-	-
Intergovernmental	21,616	32	-	-
Investment income	545	39	33	423
Other revenues	13,957	2,016	1	665
	<u>387,813</u>	<u>20,938</u>	<u>34,949</u>	<u>1,088</u>
Total revenues				
<u>EXPENDITURES</u>				
Current:				
General government	101,189	2,948	-	-
Public safety	113,545	-	-	-
Transportation support	-	20,265	-	-
Judicial	138,889	-	-	-
Community services	5,337	-	-	-
Capital outlay	49	-	-	66,239
Debt service:				
Principal payments	-	-	18,815	-
Interest and fiscal charges	-	-	15,508	-
	<u>359,009</u>	<u>23,213</u>	<u>34,323</u>	<u>66,239</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>28,804</u>	<u>(2,275)</u>	<u>626</u>	<u>(65,151)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	660	2,749	-	24,133
Transfers out	<u>(28,649)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(27,989)</u>	<u>2,749</u>	<u>-</u>	<u>24,133</u>
Change in fund balance	815	474	626	(41,018)
FUND BALANCES, beginning of year	<u>78,128</u>	<u>15,802</u>	<u>486</u>	<u>186,174</u>
FUND BALANCES, end of year	<u>\$ 78,943</u>	<u>\$ 16,276</u>	<u>\$ 1,112</u>	<u>\$ 145,156</u>

See accompanying notes to the financial statements.

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<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 50	\$ 333,417
-	-	1,078
1,042	9,682	81,740
66,749	24,242	112,639
20	91	1,151
498	4,103	21,240
<u>68,309</u>	<u>38,168</u>	<u>551,265</u>
1,848	5,925	111,910
3,739	1,699	118,983
186	-	20,451
9,907	3,974	152,770
49,759	19,740	74,836
2,870	1,212	70,370
-	-	18,815
-	-	15,508
<u>68,309</u>	<u>32,550</u>	<u>583,643</u>
-	5,618	(32,378)
144	1,354	29,040
(144)	(660)	(29,453)
-	694	(413)
-	6,312	(32,791)
-	29,098	309,688
<u>\$ -</u>	<u>\$ 35,410</u>	<u>\$ 276,897</u>

TARRANT COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

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

Net change in fund balances--total governmental funds	\$ (32,791)
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)	30,060
Governmental funds report the additional contribution to the pension plan as expenditures. However, in the statement of activities the cost of the asset is amortized.	5,775
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note 2)	(1,841)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,648
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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2)	19,431
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)	(11,688)
The change in net position of certain activities of internal service funds is reported with governmental activities.	<u>2,562</u>
Change in net position - governmental activities	<u>\$ 13,156</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

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	<u>Business-type Activities- Enterprise</u>	<u>Governmental Activities- Internal Service</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,115	\$ 20,674
Other receivables, net of allowance for uncollectibles	128	774
Prepaid expenses and inventory	<u>5</u>	<u>147</u>
Total current assets	<u>2,248</u>	<u>21,595</u>
Noncurrent assets:		
Capital assets		
Land	2,071	-
Building and improvements, net	1,410	-
Equipment, net	72	-
Infrastructure, net	<u>1,014</u>	<u>-</u>
Total noncurrent assets	<u>4,567</u>	<u>-</u>
Total assets	<u>6,815</u>	<u>21,595</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	349	564
Other liabilities	42	6,817
Unearned revenue	85	52
Compensated absences payable	<u>92</u>	<u>-</u>
Total current liabilities	<u>568</u>	<u>7,433</u>
Noncurrent liabilities:		
Other noncurrent liabilities	-	5,090
Compensated absences payable	<u>42</u>	<u>-</u>
Total noncurrent liabilities	<u>42</u>	<u>5,090</u>
Total liabilities	<u>610</u>	<u>12,523</u>
<u>NET POSITION</u>		
Investment in capital assets	4,567	-
Unrestricted	<u>1,638</u>	<u>9,072</u>
Total net position	<u>\$ 6,205</u>	<u>\$ 9,072</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<u>OPERATING REVENUES</u>		
Building rental	\$ 3,138	\$ -
Charges for services - external	-	14,383
Charges for services - internal	-	49,169
Oil and gas royalties	314	-
Other revenues	6	1,347
	<u>3,458</u>	<u>64,899</u>
<u>OPERATING EXPENSES</u>		
Personnel	1,056	-
Building and equipment	2,089	37
Depreciation and amortization	370	-
Self insurance claims	-	54,521
Insurance premiums	27	2,656
Other expenses	157	5,583
	<u>3,699</u>	<u>62,797</u>
Total operating expenses	<u>3,699</u>	<u>62,797</u>
Operating income (loss)	<u>(241)</u>	<u>2,102</u>
<u>NONOPERATING REVENUES</u>		
Investment income	<u>5</u>	<u>47</u>
Total nonoperating revenues	<u>5</u>	<u>47</u>
Income (loss) before transfers	<u>(236)</u>	<u>2,149</u>
Transfers in	-	600
Transfers out	-	(187)
Change in net position	(236)	2,562
Total net position - beginning	<u>6,441</u>	<u>6,510</u>
Total net position - ending	<u>\$ 6,205</u>	<u>\$ 9,072</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers	\$ 2,576	\$ 15,471
Receipts from interfund charges	911	49,169
Payments to suppliers	(2,149)	-
Payments on behalf of employees	-	(60,767)
Payments to employees	(1,039)	-
Net cash provided by operating activities	<u>299</u>	<u>3,873</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income	<u>5</u>	<u>47</u>
Net cash provided by investing activities	<u>5</u>	<u>47</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers in	-	600
Transfers out	<u>-</u>	<u>(187)</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>413</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of capital assets	<u>(15)</u>	<u>-</u>
Net cash used by capital and related financial activities	<u>(15)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	289	4,333
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,826</u>	<u>16,341</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,115</u>	<u>\$ 20,674</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Income (loss) from operations	\$ (241)	\$ 2,102
Net cash provided by operating activities:		
Depreciation & amortization	370	-
Changes in assets and liabilities:		
Supplies & prepaid items	-	(8)
Other receivables	16	(273)
Accounts payable	124	8
Other liabilities	6	2,030
Unearned revenue	13	14
Compensated absences	11	-
Net cash provided by operating activities	<u>\$ 299</u>	<u>\$ 3,873</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

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	<u>Agency Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash, cash equivalents, and investments	\$ 39,237
Other receivables	60
Restricted assets	<u>70,283</u>
TOTAL ASSETS	<u>\$ 109,580</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 5
Due to third parties	<u>109,575</u>
TOTAL LIABILITIES	<u>\$ 109,580</u>

See accompanying notes to the financial statements.



## TARRANT COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2014

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#### 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 2014, the County implemented GASB statements No. 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement No. 66, *Technical Corrections - 2012- an amendment of GASB Statements No. 10 and No. 62*, and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The following is a summary of the significant policies:

##### (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, and TCHFC's board of directors and the Commissioners Court are substantially the same. The TCHFC is reported in the other governmental column in the fund financial statements. All debt issued through TCHFC was conduit debt (see Note 6).

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, and TCIDC's board of directors and the Commissioners Court are substantially the same. TCIDC is reported in the other governmental column in the fund financial statements. All debt issued through TCIDC was conduit debt (see Note 6).

##### 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 may appoint and remove 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.

The Mental Health and Mental Retardation 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, 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, 2014. MHMRTC has two component units, MHMR Visions which is included in their financial statements and Trinity Behavior Corporation, which has had no financial activity and therefore 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 has no material balance sheet or results of operations as of and for the year ended September 30, 2014 and therefore are not included in the County's financial statements. All debt issued through TCHFDC was conduit debt (see Note 6). 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 has no material balance sheet or results of operations as of and for the year ended September 30, 2014, and therefore are not included in the County's financial statements. All debt issued through TCCEFFC was conduit debt (see Note 6). 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	MHMRTC
1500 S. Main	3840 Hulen Street
Fort Worth, Texas 76104	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. 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 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 and infrastructure for the County.

**Grants Fund** – The Grants 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 16-building, 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. These proceeds 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:

Agency Funds – These funds account for assets held by the County in a trustee capacity, in the Registry of the Court, or as an agent for others. They include the Payroll Clearing fund for payroll deductions and the Fee Office fund for moneys in the custody of the fee office of the County.

**(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 and fees of office, which are recognized when 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, 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 capital leases are reported as other financing sources.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**(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.

All investments of the County are recorded at fair value (defined as the price at which two willing parties would complete an exchange) 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;

- e. Certificates of deposit issued by state and national banks domiciled 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;
- f. 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 bank domiciled in Texas;
- g. Commercial paper with a stated maturity of 270 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.

**(e) Supplies and Prepaid Items**

Supplies are recorded by the County at cost using the average cost method. The cost of government fund type inventories is recorded as an expenditure 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.

**(f) Restricted Assets**

Restricted assets are used to differentiate assets, the use of which is restricted by the donor or contractual agreement. The County's restricted assets represent cash and investments held in the fiduciary fund pursuant to court-ordered trust accounts and securities posted by bondsmen to secure bail bonds.

**(g) Capital Assets**

Capital assets, which include property, plant, equipment, 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 estimated fair market 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.

Capital assets of the County are depreciated or amortized (including assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives. 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.

The following presents the estimated useful lives for capital assets of the County:

Infrastructure	7 - 35 years
Buildings and improvements	20 - 40 years
Furnishings and equipment	5 - 8 years

**(h) 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.

**(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 will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position 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 only one item that qualifies for reporting in this category. It is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County only has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**(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 \$0.264 (\$0.236828 for the maintenance and operations and \$0.027172 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 during the fiscal year.

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) 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; these amounts can be reported only in the County's general fund.

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

#### **(m) 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 three categories of restrictions: records management, which is restricted by state statute, contractual or donor imposed restrictions, 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 and liabilities that is not reported in the other categories of net position; net invested 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 \$520,807 difference are as follows (in thousands):

Bonds payable	\$ 317,820
Less: Issuance discount (to be amortized as interest expense)	(1,394)
Plus: Premium on issuance (to be amortized as interest expense)	22,323
Accrued interest payable	3,258
Capital lease payable	1,304
Compensated absences	41,840
Other postemployment benefits liability	<u>135,656</u>
Net adjustment to fund balance	<u><u>\$ 520,807</u></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 \$30,060 difference are as follows (in thousands):

Capital outlay	\$ 53,806
Depreciation expense	<u>(23,746)</u>
Net adjustment to fund balance	<u>\$ 30,060</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 \$1,841 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.	<u>\$ (1,841)</u>
Net adjustment to fund balance	<u>\$ (1,841)</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 \$19,431 difference are as follows (in thousands):

Principal repayments:	
General obligation debt	\$ (9,090)
Limited tax refund debt	(9,725)
Capital lease	<u>(616)</u>
Net adjustment to fund balance	<u>\$ (19,431)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$11,688 difference are as follows (in thousands):

Changes in:	
Compensated absences	\$ (2,508)
Other postemployment benefits	(10,638)
Accrued interest payable	(29)
Amortization of deferred charge on refunding	(250)
Amortization of bond discounts	(95)
Amortization of bond premiums	<u>1,832</u>
Net adjustment to fund balance	<u>\$ (11,688)</u>

### 3. CASH AND INVESTMENTS

#### Cash

At year-end, the County's carrying amount of cash (including restricted cash in the fiduciary funds) was \$355,801,011 and the bank balance was \$360,967,790, 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, 2014, the County had the following investments and maturities (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>		<u>% of total Portfolio</u>
		<u>less than 1</u>	<u>1 - 5</u>	
Governmental funds:				
Investment pools	\$ 17,667	\$ 17,667	\$ -	21.6%
Certificate of deposit	2,308	1,692	616	2.8%
U.S. Agency obligations	20,014	-	20,014	24.5%
Fiduciary funds:				
Certificates of deposit	41,105	16,733	24,372	50.4%
Money market fund	543	543	-	0.7%
Total Investments	<u>\$ 81,637</u>	<u>\$ 36,635</u>	<u>\$ 45,002</u>	<u>100%</u>

Investments are stated at fair value. The investment pools include LOGIC, Texpool, Texas CLASS, Texstar, and Lone Star. The pools operate in a manner consistent with the SEC's Rule 2a7, which reports its investments using amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pool is the same as the value of pool shares. All external investment pools in which the County participates have a credit quality rating of "AAA".

Regulatory oversight for the operations of these external 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 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, 2014, 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.

Debt proceeds may be invested in a single security or investment if such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation. The County has more than 5% of its investments in several pools and securities, 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	\$ 355,801
Investments	<u>81,637</u>
Total	<u>\$ 437,438</u>
Cash and investments per Statement of Net Position:	
Unrestricted	\$ 327,918
Cash and investments per Statement of Fiduciary Net Position:	
Unrestricted	39,237
Restricted	<u>70,283</u>
Total	<u>\$ 437,438</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>
Taxes Receivable	\$ 25,342	\$ 18	\$ 3,896	\$ 29,256
Allowance for uncollectibles	<u>(18,028)</u>	<u>(11)</u>	<u>(2,925)</u>	<u>(20,964)</u>
Net Taxes Receivable	<u>\$ 7,314</u>	<u>\$ 7</u>	<u>\$ 971</u>	<u>\$ 8,292</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					Other	Total
	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Governmental Funds</u>	
Accounts receivable	\$ 1,776	\$ 121	\$ -	\$ 517	\$ 1,674	\$ 4,088
Fee office receivable	73,840	-	-	-	-	73,840
Intergovernmental receivable	1,915	763	-	10,651	85	13,414
Allowance for uncollectible	<u>(68,886)</u>	<u>-</u>	<u>-</u>	<u>(224)</u>	<u>-</u>	<u>(69,110)</u>
Net accounts receivable	<u>\$ 8,645</u>	<u>\$ 884</u>	<u>\$ -</u>	<u>\$ 10,944</u>	<u>\$ 1,759</u>	<u>\$ 22,232</u>

<b>Business-type Activities</b>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Accounts receivable	\$ 139	\$ 774	\$ 913
Allowance for uncollectible	<u>(11)</u>	<u>-</u>	<u>(11)</u>
Net accounts receivable	<u>\$ 128</u>	<u>\$ 774</u>	<u>\$ 902</u>

The long-term accounts receivable in the general fund of \$1,620,000 relates to the 1998 sale of the Tarrant County Convention Center to the City of Fort Worth. The agreement allows for the City to pay the County over a twenty-year period. The long-term accounts receivable in the capital projects fund of \$280,000 relates to the renovation of tenant space for MHMRTC. MHMRTC will reimburse the County over ten years.

## 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows (in thousands):

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance September 30, 2014</u>
<b>Governmental activities:</b>					
Capital assets; not depreciated:					
Land	\$ 54,003	\$ 207	\$ (233)	\$ -	\$ 53,977
Software in development	4,593	5,514	-	(303)	9,804
Construction in progress	38,023	37,494	-	-	75,517
Total capital assets not depreciated	<u>96,619</u>	<u>43,215</u>	<u>(233)</u>	<u>(303)</u>	<u>139,298</u>
Capital assets; being depreciated:					
Buildings and improvements	388,778	314	(2,891)	-	386,201
Furnishings and equipment	75,647	5,263	(3,459)	53	77,504
Software	37,562	786	(194)	250	38,404
Infrastructure	100,964	4,260	(789)	-	104,435
Total capital assets; being depreciated	<u>602,951</u>	<u>10,623</u>	<u>(7,333)</u>	<u>303</u>	<u>606,544</u>
Less accumulated depreciation for:					
Buildings and improvements	(126,922)	(11,426)	1,634	-	(136,714)
Furnishings and equipment	(59,717)	(5,701)	3,413	(22)	(62,005)
Software	(27,182)	(2,260)	189	22	(29,253)
Infrastructure	(54,807)	(4,359)	457	-	(58,709)
Total accumulated depreciation	<u>(268,628)</u>	<u>(23,746)</u>	<u>5,693</u>	<u>-</u>	<u>(286,681)</u>
Total capital assets; being depreciated, net	334,323	(13,123)	(1,640)	303	319,863
Governmental activities capital assets, net	<u>\$ 430,942</u>	<u>\$ 30,092</u>	<u>\$ (1,873)</u>	<u>\$ -</u>	<u>\$ 459,161</u>

**Business-type activities:**

Capital assets; not depreciated:					
Land	\$ 2,071	\$ -	\$ -	\$ -	\$ 2,071
Capital assets; being depreciated:					
Buildings and improvements	6,033	-	-	-	6,033
Furnishings and equipment	487	15	(61)	-	441
Infrastructure	1,320	-	-	-	1,320
Total capital assets; being depreciated	<u>7,840</u>	<u>15</u>	<u>(61)</u>	<u>-</u>	<u>7,794</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,347)	(274)			(4,621)
Furnishings and equipment	(405)	(25)	61		(369)
Infrastructure	(237)	(71)			(308)
Total accumulated depreciation	<u>(4,989)</u>	<u>(370)</u>	<u>61</u>	<u>-</u>	<u>(5,298)</u>
Total capital assets; being depreciated, net	2,851	(355)	-	-	2,496
Business-type activities capital assets, net	<u>\$ 4,922</u>	<u>\$ (355)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,567</u>

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

Governmental activities:	
General government	\$ 11,235
Public safety	4,433
Transportation	7,390
Judicial	432
Community services	256
Total governmental activities depreciation expense	<u>\$ 23,746</u>

**6. LONG-TERM DEBT**

General obligation debt and limited tax refunding bonds are generally payable from property tax revenues. Capital leases are payable from the capital projects fund. OPEB obligations and compensated absences are generally liquidated from the general fund, but could be liquidated from other funds with employees.

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.

At fiscal year end \$89,850,911 of these bond proceeds remained unspent and accordingly the debt related to the proceeds has not been used in the calculation of net investment in capital assets.

Long-term debt of the County consisted of the following at September 30, 2014 (in thousands):

General Obligation Bonds - Series 2006 Original amount of \$82,060 dated Aug. 15, 2006, with interest rates from 4.5% to 5.0%, payable in annual installments in varying amounts plus interest through 2026	\$ 57,290
General Obligation Bonds - Series 2007 Original amount of \$52,510 dated Aug. 15, 2007, with interest rates from 5.0% to 5.25%, payable in annual installments in varying amounts plus interest through 2027	39,420
General Obligation Bonds - Series 2008 Original amount of \$107,480 dated Aug. 15, 2008, with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2028	83,690
Limited Tax Refunding - Series 2005 with interest rates from Original amount of \$39,870 dated Aug. 1, 2005, with an interest rate of 5.0%, payable in annual installments in varying amounts plus interest through 2025	8,055
Limited Tax Refunding and General Obligation - Series 2010 with Original amount of \$70,045 dated Sept. 15, 2010, with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2030	59,085
Limited Tax Refunding and General Obligation - Series 2013 with Original amount of \$72,260 dated Sept. 1, 2013, with interest rates from interest rates from 2.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2033	<u>70,280</u>
	317,820
Less - current maturities	<u>18,645</u>
Long-term debt, net of current maturities	299,175
Plus (less) amortized amounts:	
For issuance premiums	22,323
For issuance discounts	<u>(1,394)</u>
Long-term debt, net of current maturities, premium, and discount	<u><u>\$ 320,104</u></u>

Amortized amounts are 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	General Obligation		Limited Tax Refunding Bonds		Total Principal & Interest
	Principal	Interest	Principal	Interest	
2015	\$ 10,120	\$ 8,991	\$ 8,525	\$ 6,646	\$ 34,282
2016	10,625	8,485	8,865	6,331	34,306
2017	11,160	7,954	9,290	5,936	34,340
2018	11,715	7,396	9,745	5,508	34,364
2019	12,255	6,854	10,235	5,020	34,364
2020-2024	71,110	24,433	46,285	17,896	159,724
2025-2029	53,415	5,907	29,965	8,083	97,370
2030-2033	-	-	14,510	1,538	16,048
Total	<u>\$ 180,400</u>	<u>\$ 70,020</u>	<u>\$ 137,420</u>	<u>\$ 56,958</u>	<u>\$ 444,798</u>

The County has entered into a lease agreement for financing the acquisition of computer equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The carrying value of the equipment acquired through the lease agreement is \$2,091,212, which is \$2,553,950 plus trade-in amount of \$278,926 less accumulated depreciation of \$741,664.

The future minimum lease obligation and the net present value of the minimum lease payments as of September 30, 2014 is as follows (in thousands):

Fiscal Year	Governmental Activities
2015	\$ 690
2016	635
2017	38
Total minimum lease payments	<u>\$ 1,363</u>
Less: amount representing interest	<u>(59)</u>
Present value of minimum lease payments	<u>\$ 1,304</u>

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2014 (in thousands):

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2014</u>	<u>Amounts Due within One year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 336,635	\$ -	\$ (18,815)	\$ 317,820	\$ 18,645
Deferred amounts:					
Premium	24,155	-	(1,832)	22,323	-
Discount	(1,489)	-	95	(1,394)	-
Total bonds payable	359,301	-	(20,552)	338,749	18,645
Capital lease	1,920	-	(616)	1,304	616
OPEB obligation (Note 18)	125,018	15,803	(5,165)	135,656	-
Claims and judgements	6,982	7,021	(5,275)	8,728	3,638
Compensated absences	39,332	29,516	(27,008)	41,840	26,702
Total	<u>\$ 532,553</u>	<u>\$ 52,340</u>	<u>\$ (58,616)</u>	<u>\$ 526,277</u>	<u>\$ 49,601</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 123	\$ 80	\$ (69)	\$ 134	\$ 92
Total	<u>\$ 123</u>	<u>\$ 80</u>	<u>\$ (69)</u>	<u>\$ 134</u>	<u>\$ 92</u>

On May 13, 2006, the voters of Tarrant County overwhelmingly approved five bond propositions for a total of \$433,120,000 to fund street, road and bridge improvements, a new jail facility, a new county/district courts building, expansion of the juvenile justice facilities, and new medical examiner and crime lab facilities. The County has issued \$352,700,000 Limited Tax Bonds for this purpose.

**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, 2014 is as follows (in thousands):

Tarrant County Housing Finance Corporation	\$ 227,508
Tarrant County Industrial Development Corporation	2,935
Tarrant County Health Facilities Development Corporation	268,810
Tarrant County Cultural Education Facilities Finance Corporation	<u>4,212,355</u>
Total Conduit Debt	<u>\$ 4,711,608</u>



## 7. DEFICIT NET POSITION

The following County fund had a deficit net position as of September 30, 2014 (in thousands):

Worker's Compensation      \$ 5,693

The County funds all current year claims in the Workers Compensation fund. The deficit net position is due to the accrual of future year liabilities based on an actuarial study. The County plans to reduce the deficit in this fund with charges to other funds.

## 8. INTERFUND BALANCES AND ACTIVITY

The following is a summary of County interfund transfers, receivable and payables at September 30, 2014 and for the year then ended (in thousands):

Transfer From	Amount	Transfer To	Explanation
General Fund	\$ 24,133	Capital Projects Fund	Supplement Capital funds
General Fund	2,749	Road and Bridge	Supplement transportation services
General Fund	1,193	District Attorney Contract	Supplement fund sources
General Fund	74	Miscellaneous Trust	Supplement fund sources
General Fund	500	Self Insurance	Supplement Self Insurance fund
Self Insurance	87	Miscellaneous Trust	Supplement fund sources
Workers Compensation	100	Self Insurance	Residual transfer
Court Designated	568	General Fund	Supplement courthouse security activity
District Attorney Contract	42	General Fund	Residual transfer
Miscellaneous Trust	50	General Fund	Residual transfer
Grants Fund	144	Grants Fund	Required match and supplement fund sources
	<u>\$ 29,640</u>		

Funds Due From	Amount	Funds Due To	Explanation
Grants Fund	\$ 9,611	General Fund	Short-term loan
Other Governmental	396	General Fund	Short-term loan
	<u>\$ 10,007</u>		

## 9. 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 custodial legal trust arrangement with the investment companies, which administer the plan. 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. Accordingly, the amounts invested with these investment companies are not included in the County's financial statements.

## **10. RETIREMENT PLANS**

### **a. 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). This is accounted for as 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 consisting of 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within 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 their employer.

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

### **b. Funding Policy**

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 employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 13.84% for the months of the calendar year in 2013, and 14.57% for the months of the calendar year in 2014. The contribution rate payable by the employee members for calendar years 2013 and 2014 is the rate of 7% as adopted by the governing body of the employer.

### **c. Annual Pension Cost**

For the County's accounting year ended September 30, 2014, the annual pension cost for the TCDRS plan for its employees was \$32,608,486 and the actual contributions were \$32,608,468. (This excludes contributions of \$2,309,143 for Community Supervision, which is not considered a department or component unit of the County.) The County also advanced funded \$2,161,000 for a cost-of-living adjustment benefit increase for retirees at the rate of 50% of the Consumer Price Index. The advance payment would eliminate the impact of an increase in the County's annually determined contribution rate. The County also

contributed an additional \$4,000,000 to decrease its unfunded actuarial liability. The County's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension asset for 2014 were as follows (in thousands):

	<u>County</u>	<u>Community Supervision</u>
Annual required contribution	\$ 32,608	\$ 2,309
Interest on net pension	(248)	(17)
Adjustment to annual required contribution	236	16
Annual pension cost	<u>32,596</u>	<u>2,308</u>
Contributions made	<u>38,371</u>	<u>2,707</u>
Change in net pension asset	5,775	399
Net pension asset beginning of the year, as restated (see Note 18)	<u>2,760</u>	<u>191</u>
Net pension asset end of the year	<u>\$ 8,535</u>	<u>\$ 590</u>

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, parameters based on the actuarial valuations as of December 31, 2013, the basis for determining the contribution rates for calendar year 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

**Actuarial Valuation Information**  
**Plan for the Employees of the County and Community Supervision**

Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	20 years	20 years	20 years
Asset valuation method	SAF: 10 year smoothed value ESF: fund value	SAF: 10 year smoothed value ESF: fund value	SAF: 5 year smoothed value ESF: fund value
Actuarial assumptions:			
Investment return <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost-of-living adjustments	0.0%	0.0%	0.0%

<sup>1</sup>Includes inflation at the stated rate

**Trend Information**  
(in thousands)

Fiscal Year Ended	County			Community Supervision		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2012	\$ 27,458	100%	\$ -	\$ 1,810	100%	\$ -
2013	29,738	109%	2,760	2,064	109%	191
2014	32,608	117%	8,535	2,309	117%	590

**Schedule of Funding**  
**For the Employees of the County and Community Supervision**  
(in thousands)

Actuarial Valuation Date	12/31/2013
Actuarial Value of Assets	\$ 772,522
Actuarial Accrued Liability (AAL)	947,926
Unfunded Actuarial Accrued Liability (UAAL)	175,404
Funded Ratio	81.50%
Annual Covered Payroll	234,476
UAAL as Percentage of Covered Payroll	74.81%

The schedule of funding progress, presented as Required Supplementary Information, following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**d. Postemployment Healthcare Benefits**

**Plan Description**

Tarrant County provides medical and dental insurance benefits, as well as access to an employee assistance program (EAP) to its retired employees and their dependents. The single employer plan provides medical and dental insurance to plan members. A separate audited report is not available. Membership in the plan at October 2013, data used for the latest actuarial valuation, consists of the following:

Retired participants and surviving spouses	816
Retiree dependents	292
Active members	3,945

**Funding Policy**

Local Government Code Section 157.1010 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.

For retirements effective on or prior to September 30, 2005, retirees and spouses pay contributions equal to 14% of gross pre-65 costs. Retirements effective on or after October 1, 2005, pre-65 retiree contributions will

be based on years of service at retirement, according to the chart below. Post-65 contributions are assumed to be 52.1% of gross costs for all retirees and spouses.

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

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. For the year ended, September 30, 2014, the County contributed \$5,165,152, while the retirees' contributions were \$3,287,054 for a total contribution of \$8,452,205. Total contributions included actual medical claims paid as well as, premiums for certain other insurances.

**Annual OPEB Cost**

For 2014, the County's annual OPEB cost (expense) was \$15,803,545 for the postemployment healthcare plan. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows (in thousands):

Annual required contribution	\$ 16,883
Add interest on net OPEB obligation	3,750
Less adjustment to annual required contribution	<u>(4,830)</u>
Annual OPEB cost	15,803
Less contributions made	<u>(5,165)</u>
Change in Net OPEB obligation	10,638
Net OPEB Obligation beginning of the year, as restated (Note 18)	<u>125,018</u>
Net OPEB Obligation end of the year	<u><u>\$ 135,656</u></u>

**Tarrant County Trend Information**

(in thousands)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 39,461	\$ 4,949	12.54%	\$ 100,038
2013	43,028	4,505	10.47%	125,018
2014	15,803	5,165	32.68%	135,656

## Funded Status and Funding Progress

The funded status of the plan as of October 1, 2013 was as follows (in thousands):

<b>Schedule of Funding</b>	
Actuarial accrued liability (AAL)	\$ 177,775
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	177,775
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	226,616
Unfunded actuarial accrued liability (UAAL) as a percentage of covered payroll	78.45%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are made on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In order to perform the valuation, it was necessary for the County and the actuary to make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare trend and interest rates.

Since the prior evaluation, there have been several plan changes that have reduced the Normal Cost and the AAL. Those changes include:

- The replacement of the EPO plan with an HSA high deductible health plan
- Increased PPO deductible and out-of-pocket maximums
- All costs for medical, pharmacy and behavioral health – including applicable copays, deductibles, and coinsurance- are included in one, plan- specific out-of-pocket maximum.

These changes reduced the normal cost by about \$4.7 million and the AAL by about \$74.4 million.

The County implemented a “soft cap” of 3% for its post-65 retiree medical plans which reduced the normal cost by about \$6.7 million and the AAL by about \$81.9 million. Other assumption changes in the percentages electing coverage for themselves and spouses reduced the service cost by about \$800,000 and the AAL by about \$16.7 million.

In the October 1, 2013 actuarial valuation, a 3.0% discount rate was used along with an investment rate of return of 3.0%, inflation rate of 3.0% and projected salary increases of 2.0%. The 2013 health care cost trends were assumed to be 7.0%, reducing 0.5% each year, reaching 5.0% in the year 2017 and after.

The actuarial cost method used in valuing the County’s liabilities was the projected unit credit method. Under this method the benefits of each individual included in the valuation were allocated by a consistent formula over the years.

The unfunded actuarial accrued liability is being amortized as a level percentage of pay, on an open basis. The amortization period is 30 years.

#### **Medical Reimbursements**

The federal government may provide the County subsidies per the Medicare Part D Prescription Drug Subsidy Program for providing healthcare for Medicare eligible employees. Any current and future year subsidies are recorded as revenue in the year received and is not recognized as a reduction to the actuarial accrued liability.

#### **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 an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits.

The County implemented GASB 45 during fiscal year 2008. Accordingly, information and amounts presented in the County's Comprehensive Annual Financial Report relative to OPEB expense/expenditures, related 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.

The schedule of funding progress, presented as Required Supplementary Information, following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **11. COMMITMENTS**

#### **Construction and other significant commitments**

The County has active construction projects as of September 30, 2014. These projects consist of construction of a new jail, subcourthouse and civil courts building. The County has 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>
Jail construction	\$ 71,987	\$ 269
Subcourthouse construction	13,325	2,905
Civil courts building construction	58,928	9,405
Transportation projects	107,723	21,867
Total	<u>\$ 251,963</u>	<u>\$ 34,446</u>

These commitment amounts were encumbered at year end.

The County has no material future operating lease commitments. Total rental expense incurred for the County for fiscal 2014 was \$2,580,550.

## 12. 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, 2014 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, 2014 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

## 13. 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 including retirees.

Self-Insurance Funds – 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:

	<u>Coverage</u>	<u>Deductible</u>
Buildings	\$ 500,000,000	\$ 250,000
Boilers and machinery	100,000,000	25,000
Scheduled heavy equipment	20,409,606	15,000
Scheduled equipment	41,722,403	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 \$1,000,000 with a deductible of \$500 to \$10,000.

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.

During fiscal year 2014, the County purchased an excess workers' compensation policy with a \$1,000,000 per occurrence retention.

Beginning in fiscal 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 options 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, 2014, 3,512 and 3,185 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>2013</u>	<u>2014</u>
Beginning liability	\$ 2,859	\$ 2,902
New claims/adjustments	51,886	51,611
Claims paid/adjustments	<u>(51,843)</u>	<u>(51,334)</u>
Ending liability	<u>\$ 2,902</u>	<u>\$ 3,179</u>

For the year ended September 30, 2014, 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, 2014.

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>2013</u>	<u>2014</u>
Beginning liability	\$ 9,042	\$ 6,982
New claims/adjustments	3,741	5,275
Claims paid/adjustments	(3,741)	(5,275)
Other - change in estimate	<u>(2,060)</u>	<u>1,746</u>
Ending liability	<u>\$ 6,982</u>	<u>\$ 8,728</u>
Amount due within 1 year	\$ 3,647	\$ 3,638

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

#### 14. OPERATING LEASES - LESSOR

The County is the lessor in several cancelable operating leases to various entities for space at the Resource Connection, a 16-building, one-stop center providing employment, education, health and human services programs to clients through state and local governmental agencies and non-profit organizations. The lease agreements are for only one year, therefore there are no guaranteed future revenues. The County's investment in the property on the operating leases is as follows (in thousands):

	<u>Carrying Value</u>
Buildings	\$ 4,706
Less: accumulated depreciation	<u>(3,604)</u>
Net carrying value	<u>\$ 1,102</u>

#### 15. TAX INCREMENT FINANCING AGREEMENTS

The County participates in several Tax Increment Financing ("TIF") Districts with other governmental entities through Interlocal Agreements. TIF's 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 District. 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.

On May 17, 2011, the County entered into an Interlocal Agreement with the City of Grapevine for the City to refund, on an annual basis, the County's contribution to the TIF District No. 1 for the duration of the TIF agreement. The refund in tax year 2013 totaled \$695,895.

On May 28, 2013, the County approved an amendment to the City of Fort Worth TIF #4 Participation Agreement which increased the maximum deposit limitation to \$8,509,917 and reduced the participation rate to 50% for tax years 2013-2022.

On February 11, 2014, the County established the Tarrant County Energy Transportation Reinvestment Zone #1 – Morris Dido Road, beginning with tax year 2014, for a term of ten years and at a rate of 100% of its collected incremental tax revenue. A 20% cash match is required to receive grant funds from the State.

On March 11, 2014, the County approved an amendment to the City of Fort Worth TIF #3 Participation Agreement, beginning with tax year 2013, the participation rate was reduced from 100% to 40%. The maximum amount of project costs that may be paid through tax increment deposits was increased to \$100,000,000.

On April 8, 2014, the County entered into a Participation Agreement with the Town of Trophy Club TIF #1, beginning with tax year 2015, for a term of twenty years and at a rate of 60% of its collected incremental tax revenue up to a maximum cumulative contribution of \$1,571,011.

On April 22, 2014, the County entered into a Participation Agreement with the City of Everman TIF #1, beginning with tax year 2014, for a term of thirty years and at a rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$552,000.

On June 17, 2014, the County entered into a Participation Agreement with the City of Haltom City TIF #1, beginning with tax year 2015, for a term of twenty years and at a rate of 75% of its collected incremental tax revenue up to a maximum cumulative contribution of \$3,250,000.

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

<u>Name</u>	<u>Percentage Committed</u>	<u>Taxes Forgone During 2014</u>
City of Arlington #1 (maintenance and operation rate only)	100%	\$ 169
City of Arlington #4	75%	435
City of Arlington #5	70%	146
City of Arlington #6	75%	148
City of Benbrook #1	100%	247
City of Euless #3	75%	35
City of Fort Worth #3	40%	542
City of Fort Worth #4	50%	338
City of Fort Worth #6	100%	103
City of Fort Worth #7	80%	590
City of Fort Worth #8	80%	532
City of Fort Worth #9	80%	603
City of Fort Worth #10	70%	61
City of Fort Worth #12	100%	94
City of Fort Worth #13	80%	-
City of Grand Prairie #2	75%	600
City of Grapevine #1	100%	-
City of Keller #1	66.20%	240
City of Kennedale #1	75%	-
City of Mansfield #1	30%	73
City of Mansfield #2	75%	3
City of North Richland Hills #1	100%	-
City of North Richland Hills #2	100%	622
City of Richland Hills #1	75%	-
City of Southlake #1	100%	325
Total taxes forgone		<u>\$ 5,906</u>

## 16. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2014 (in thousands):

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:							
Supplies/prepaid items	\$ 822	\$ 774	\$ -	\$ 19	\$ 1,482	\$ 49	\$ 3,146
Long-term receivable	1,620	-	-	280	-	-	1,900
	<u>2,442</u>	<u>774</u>	<u>-</u>	<u>299</u>	<u>1,482</u>	<u>49</u>	<u>5,046</u>
Restricted:							
Law library	-	-	-	-	-	332	332
Records management	-	-	-	-	-	14,560	14,560
Education	-	-	-	-	-	122	122
Public health	-	-	-	-	-	2,573	2,573
Law enforcement and prosecution	-	-	-	-	-	3,205	3,205
Contractual agreement	-	-	-	-	-	1,546	1,546
Court designated	-	-	-	-	-	2,341	2,341
VIT administration	-	-	-	-	-	348	348
Construction and equipment	-	-	-	23,000	-	-	23,000
Transportation project	-	-	-	66,850	-	-	66,850
	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,850</u>	<u>-</u>	<u>25,027</u>	<u>114,877</u>
Committed:							
Law library	-	-	-	-	-	105	105
Records management	-	-	-	-	-	175	175
Public health	-	-	-	-	-	5,694	5,694
Law enforcement and prosecution	66	-	-	-	-	147	213
Contractual agreement	109	-	-	-	-	528	637
Court designated	132	-	-	-	-	197	329
Construction and equipment	-	-	-	53,850	-	-	53,850
Transportation project	-	15,502	-	1,157	-	-	16,659
Debt service	-	-	1,112	-	-	-	1,112
	<u>307</u>	<u>15,502</u>	<u>1,112</u>	<u>55,007</u>	<u>-</u>	<u>6,846</u>	<u>78,774</u>
Assigned:							
Economic development	-	-	-	-	-	3,488	3,488
Purchases on order	1,241	-	-	-	-	-	1,241
Subsequent year's budget: appropriation of fund balance	26,337	-	-	-	-	-	26,337
	<u>27,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,488</u>	<u>31,066</u>
Unassigned	48,616	-	-	-	(1,482)	-	47,134
Total Fund Balance	<u>\$ 78,943</u>	<u>\$ 16,276</u>	<u>\$ 1,112</u>	<u>\$ 145,156</u>	<u>\$ -</u>	<u>\$ 35,410</u>	<u>\$ 276,897</u>

## 17. 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. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, is effective for the County beginning fiscal year 2015. This statement replaces GASB Statement No. 27 for most government employers. This statement will affect the financial reporting of pension liabilities for governments by requiring them to record the net pension liability on the government-wide financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, is effective for the County beginning fiscal year 2015. This statement establishes standards for: 1) disposals of operations; 2) determining whether a combination is a merger, acquisition, or transfer of operations; and 3) measuring the value of assets, liabilities, deferred inflows of resources, and deferred outflows of resources for governments. Prior to this, governments have been using guidance intended for the business sector.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, is effective for the County beginning fiscal year 2015. This statement is an amendment to GASB 68 and changes the requirements for the classification of resources if a contribution is made to a defined benefit pension plan between the measurement date and the end of the reporting period.

GASB Statement No. 72, *Fair Value Measurement and Application*, is effective for the County beginning fiscal year 2016. This statement addresses accounting and financial reporting issues related to fair value measurements. The statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements.

## 18. ADJUSTMENT TO BEGINNING NET POSITION

During fiscal 2014, an error was identified in the method used to calculate the ending asset or obligation related to the County's pension and OPEB plans. This resulted in the overstatement of the OPEB obligation by \$13,543,007 and understatement of net pension asset by \$2,760,365 in the Governmental Activities, as of September 30, 2013. These errors have been corrected by restating the beginning balance of net position in the 2014 Statement of Net Activities.

The following is a reconciliation of beginning net position as originally reported to the restated amount (in thousands):

	Governmental Activities
Net position September 30, 2013, as previously reported	\$ 220,548
Restatement adjustment	16,303
Net position September 30, 2013, as restated	<u>\$ 236,851</u>

## 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, 2014, 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 nonnegotiable certificates of deposit are carried at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market prices.

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, determined using the first-in, first-out method or market.

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives:

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

TCHD capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing. Total interest incurred was \$1,738,000.

**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 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 as social security and Medicare taxes computed using rates in effect at that date.

**Net Patient Service Revenue**

TCHD has agreements with third-party payers that provide for payments to TCHD at amounts different from its established rates. 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, 2014 the TCHD received approximately \$5,485,000 related to the settlement. This revenue is recognized as other revenue.

**Charity Care**

TCHD provides care without charge or at amounts less than its established rates 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.

**Electronic Health Records Incentive Program**

The Electronic Health Records Incentive Program, enacted as part of the American Recovery and Reinvestment Act of 2009, provides for one time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under the Medicare program are generally made for up to four years based on a statutory formula. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services. Payments under both programs are contingent on TCHD continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period. The final amount for any payment year is determined based upon an audit by the administrative contractor. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

TCHD recognized revenue under the grant accounting model using the cliff recognition approach. Under this approach, revenue is recognized once meaningful use status has been met for the full reporting period.

In 2014, TCHD completed the second year requirements under the Medicare program and recorded revenue of approximately \$1,447,000. In 2014, TCHD completed the third year requirements under the Medicaid program and has recorded revenue of approximately \$860,000. The revenue earned from these programs is included as other operating revenue.

**(b) Net Patient Service Revenue**

TCHD has agreements with third-party payers that provide for payments to TCHD at amounts different from its established rates. 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 based 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 by the Medicare administrative contractor through September 30, 2010.

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, 2009.

Approximately 82 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended September 30, 2014. 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. Net patient service revenue increased in 2014 by approximately \$2,633,000 due to changes in previous estimates.

TCHD has also entered into payment agreements with certain commercial insurance carriers, HMO's 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**

Supplemental Medicaid funding revenue includes revenue received from the Medicaid Disproportionate Share Program of approximately \$39,191,000 for the year ended September 30, 2014. The amounts that TCHD may expect to receive from this program in future years could be impacted by the Medicaid section 1115(a) demonstration program discussed below.

On December 12, 2011, the United States Department of Health & Human Services approved a new Medicaid section 1115(a) demonstration entitled "Texas Health Transformation and Quality Improvement Program". This demonstration will expand existing Medicaid managed care programs and established two funding pools that will assist providers with uncompensated care costs (UC Pool) and promote health system transformation (DSRIP Pool). This demonstration is effective from December 12, 2011 to September 30, 2016. The revenue from the two funding pools is recognized as earned throughout the related demonstration year. During 2014, TCHD recognized approximately \$102,072,000 and \$43,880,000 from the UC Pool and the DSRIP Pool, respectively. The funding TCHD has received is subject to audit and is not representative of funding to be received in future years.

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

#### **(d) Property Tax Revenue**

TCHD received approximately 36 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 \$8,877,000 at September 30, 2014.

TCHD's property tax rate was \$0.226253 per \$100 valuation for the maintenance and operation fund and property tax revenue for this fund was \$288,914,000. TCHD's property tax rate was \$0.001644 per \$100 valuation for the interest and sinking fund and property tax revenue for this fund was \$2,099,000.

**(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, 2014, TCHD's deposits were either insured or collateralized in accordance with state law.

**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, 2014, TCHD's investment balances were as follows (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>	
		<u>less than 1</u>	<u>1-5</u>
Money market mutual funds	\$ 43	\$ 43	\$ -
Investment pools	64,714	64,714	-
U.S. Treasury obligations	1,223	507	716
U.S. Agencies obligations	29,927	2,840	27,087
Municipal bonds	5,714	102	5,612
		<u>\$ 68,206</u>	<u>\$ 33,415</u>
Mutual funds	<u>531</u>		
Total Investments	<u>\$ 102,152</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 obligation. 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 AA+ by Standard and Poor's rating agency. TCHD's investments in municipal bonds

were rated AA- to AA+ by Standard and Poor's. TCHD also invests in the State Investment Pools (Pools), which are considered investments for financial reporting. TCHD has an undivided beneficial interest in the pool of assets held by the Pools. Authorized investments include obligations of the United States or its agencies, direct obligations 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 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.

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

Federal Home Loan Bank	8.8%
Federal National Mortgage Association	3.1%
Federal Farm Credit Bank	10.5%
Federal Agricultural Mortgage Corporation	5.4%

### **Investment Income**

Investment income for the fiscal year ended September 30, 2014 consisted of interest and dividend income of \$2,816,000 and a net decrease in fair value of investments of \$706,000 for a total of \$2,110,000.

### **(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, 2014 consisted of (in thousands):

Medicare	\$ 10,758
Medicaid	20,846
Other third-party payers	25,803
Patients	125,949
	<u>183,356</u>
Less allowance for uncollectible accounts	<u>135,635</u>
Total	<u>\$ 47,721</u>

**(g) Capital Assets**

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

	<b>Balance October 1, 2013</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance September 30, 2014</b>
Land and improvements	\$ 51,835	\$ 301	\$ -	\$ 482	\$ 52,618
Buildings and improvements	237,015	1,055	-	3,283	241,353
Equipment	366,069	17,423	(4,991)	17,186	395,687
Construction in progress	7,358	22,089	-	(20,951)	8,496
	<u>662,277</u>	<u>40,868</u>	<u>(4,991)</u>	<u>-</u>	<u>698,154</u>
Less accumulated depreciation	<u>(378,868)</u>	<u>(40,084)</u>	<u>4,885</u>	<u>-</u>	<u>(414,067)</u>
Capital assets, net	<u>\$ 283,409</u>	<u>\$ 784</u>	<u>\$ (106)</u>	<u>\$ -</u>	<u>\$ 284,087</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 liability for the last two years is as follows (in thousands):

	<b>2013</b>	<b>2014</b>
Balance, beginning of year	\$ 785	\$ 665
Current year claims incurred and changes in estimates for claims incurred in prior years	28	(61)
Claims and expenses paid	<u>(148)</u>	<u>(119)</u>
Balance, end of year	<u>\$ 665</u>	<u>\$ 485</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 summarized as follows (in thousands):

	<u>2013</u>	<u>2014</u>
Balance, beginning of year	\$ 4,450	\$ 2,970
Current year claims incurred and changes in estimates for claims incurred in prior years	26,714	32,533
Claims and expenses paid	<u>(28,194)</u>	<u>(31,243)</u>
Balance, end of year	<u>\$ 2,970</u>	<u>\$ 4,260</u>

### **Worker's Compensation Claims**

The TCHD is self-insured for workers' compensation claims. 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 workers' compensation claims liability for the last two years is summarized as follows (in thousands):

	<u>2013</u>	<u>2014</u>
Balance, beginning of year	\$ 1,728	\$ 1,883
Current year claims incurred and changes in estimates for claims incurred in prior years	1,402	1,446
Claims and expenses paid	<u>(1,247)</u>	<u>(1,347)</u>
Balance, end of year	<u>\$ 1,883</u>	<u>\$ 1,982</u>

### **(i) Long-Term Debt**

Long-term debt of TCHD consisted of the following at September 30, 2014 (in thousands):

#### 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 2.0% to 5.0%, payable annually with installments ranging from \$1,420 to \$2,025 through 2027. The bonds are secured by the net 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

\$ 23,015

Revenue Bonds - Certificates of Obligation Bonds, Series 2006:

Original amount of \$30,330 dated March 1, 2006, bearing interest at rates ranging from 4.0% to 5.0%, payable annually with remaining installments from \$985 to \$2,025 through 2031; The bonds are secured by the net revenues of TCHD, including property tax revenue. The indenture areements require certain restrictive covenants including minimum insurance coverage and days cash on hand. All of the bonds still outstanding may be redeemed at TCHD's option on or after February 15, 2016, at par value plus accrued interest.

	<u>24,425</u>
	47,440
Less - current maturities	<u>2,405</u>
Long-term debt, net of current maturities	45,035
Plus premium	<u>1,010</u>
Long-term debt, net of current maturities, premium and discount	<u><u>\$ 46,045</u></u>

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

Fiscal Year	Principal	Interest	Total Principal & Interest
2015	\$ 2,405	\$ 1,946	\$ 4,351
2016	2,470	1,877	4,347
2017	2,555	1,792	4,347
2018	2,650	1,702	4,352
2019	2,735	1,608	4,343
2020-2024	15,820	5,904	21,724
2025-2029	14,845	2,343	17,188
2030-2031	<u>3,960</u>	<u>186</u>	<u>4,146</u>
Total	<u><u>\$ 47,440</u></u>	<u><u>\$ 17,358</u></u>	<u><u>\$ 64,798</u></u>

The following is a summary of the changes in long-term obligations for TCHD for the year ended September 30, 2014 (in thousands):

	Balance October 1, 2013	Additions	Retirements	Balance September 30, 2014	Amounts Due within One year
Bonds payable	\$ 49,780	\$ -	\$ (2,340)	\$ 47,440	\$ 2,405
Bond premium	1,302		(292)	1,010	-
Self insurance liability	5,518	33,918	(32,709)	6,727	5,357
Other long-term liability	<u>869</u>	<u>290</u>		<u>1,159</u>	<u>-</u>
Total	<u><u>\$ 57,469</u></u>	<u><u>\$ 34,208</u></u>	<u><u>\$ (35,341)</u></u>	<u><u>\$ 56,336</u></u>	<u><u>\$ 7,762</u></u>

**(j) 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 policy was \$141,587,000. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

**(k) Retirement Plans**

**Plan Description**

TCHD sponsors a defined benefit pension plan for eligible employees within a multiple-employer retirement program sponsored for member hospitals by the Texas Hospital Association (THA). HealthShare/THA, a wholly owned subsidiary of THA, is the plan administrator of the pension plan. The plan's assets are invested as a portion of the THA'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 HealthShare/THA. The report may be obtained by writing HealthShare/THA at 1108 Lavaca, Suite 700, Austin, Texas 78701.

**Funding Policy**

The Board of Managers of TCHD has sole authority to establish or amend the obligations to contribute to the plan by participants or the employer. TCHD is not subject to any explicit legal or contractual contribution rate. Plan members are required to annually contribute 1% of their compensation. 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.

TCHD makes annual contributions, which are actuarially determined as a level percentage of total participant compensation less the projected employee contributions in accordance with the Entry Age Normal (EAN) actuarial funding method. Under the EAN method, TCHD contribution rate is set equal to 6.5% of total participant compensation beginning with the current fiscal year until a future actuarial valuation shows that: (a) actuarial value of assets equals or exceeds the EAN accrued liability, which will cause a reduction to the employer contribution rate or (b) the implicit amortization period of the unfunded EAN accrued liability at the current contribution rate exceeds 25 years, which would be remediated by an increase in the employer contribution rate. The employer contributions were 6.5% of estimated participant compensation for the plan year ended September 30, 2014. The costs of administering the plan are paid by the plan and are considered in the determination of the employer contribution rate.

**Annual Pension Cost**

For the fiscal year ended September 30, 2014, TCHD's annual pension cost was \$11,625,000. This cost was equal to the annual required contributions determined in the October 1, 2013 actuarial valuation. There is no existing net pension obligation.

The required contributions for the plan year ended September 30, 2014 were based on the results of the actuarial valuation as of October 1, 2013 using the EAN actuarial funding method and were in compliance with the GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental*

*Employers*, parameters. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 8% per year varying by attained age. Both (a) and (b) reflect an inflation component of 4%. The assumptions did not include any post-retirement benefit increases. The actuarial value of plan assets was determined using a five-year smoothed market value method.

### Three Year Trend Information

(amounts in thousands)

<u>Fiscal Year Ended</u>	<u>Annual Pension cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$ 12,051	100%	\$ -
September 30, 2013	12,380	100%	-
September 30, 2014	11,625	100%	-

### Schedule of Funding Progress

(amounts in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Plan Assets Less than AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Plan Assets Less Than AAL as a Percentage of Covered Payroll</u>
12/31/2011	\$ 113,033	\$ 144,579	\$ (31,546)	78.20%	\$ 185,406	-17.00%
12/31/2012	125,181	159,752	(34,571)	78.40%	190,464	-18.20%
12/31/2013	145,400	170,583	(25,183)	85.20%	178,847	-14.10%

### Other Benefit Plans

TCHD has an IRC Section 401(a) plan that includes an employer match calculated as 50% of an employee's contribution up to 4% of pay. The contributions for the employer match on the plan were approximately \$3,963,000 for the fiscal year ended September 30, 2014.

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 \$9,070,000 for 2014.

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. As of September 30, 2014, approximately \$345,000 was due under this plan. Approximately \$345,000 of benefit was recognized in 2014.

**(l) Subsequent Event**

Subsequent to year-end, The Board of Managers approved a plan to create a joint 501a entity with the two members being TCHD and the UNT Health Science Center (UNTHSC). The new entity (Acclaim Physician Group, Inc.) will result in a physician services organization that is physician led in which there will be standardized governance and coordinated patient care resulting in overall improved care for the residents of Tarrant County. TCHD and UNTHSC will each appoint three representatives to the joint governing body of the new organization. The intent is to have Acclaim operational by the end of 2015.

**20. MENTAL HEALTH MENTAL RETARDATION OF TARRANT COUNTY NOTES**

**(a) Summary of Significant Accounting Policies**

**Deposits**

MHMRTC's cash and cash equivalents 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. Interest revenue is recorded in the applicable fund.

The Public Funds Investment Act generally permits MHMRTC to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of state, agencies, countries, cities and other political subdivisions 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. During the year ended August 31, 2014, MHMRTC did not own any types of securities other than those permitted by statute.

**Receivables**

MHMRTC accounts receivable from patients and insurance carriers for services rendered are reduced by the amount of such billings deemed by management to be ultimately uncollectible. MHMRTC provides for an amount of uncollectible patient fees using the reserve method based on past history.

At the end of the year, accounts receivable for client services were \$7,890,642 less the allowance for doubtful accounts in the amount of \$5,861,800 for a net estimated realizable value of \$2,028,842.

**Inventories and Prepaid Expenditures**

Inventories consist of expendable supplies and drugs held for consumption and medications supplied at various area retail pharmacies for MHMRTC's clients which are valued at cost on a first-in, first-out basis. Under the consumption method of accounting for inventories, supplies are capitalized as inventory until used. Once consumed, inventories are charged to expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.



### **Source 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 torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctors' malpractice; and natural disasters. During fiscal 2014, MHMRTC was covered under a general liability insurance plan with a combined single limit of \$3,000,000 at a cost it considered to be economically justifiable.

MHMRTC has commercial insurance for all other risks of loss, including employee health benefits, workers' compensation and employee life and dental and accident insurance. Settlements have not exceeded insurance coverage for the past three fiscal years.

## **(b) Cash and Investments**

### **Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, deposits may not be returned or MHMRTC will not be able to recover collateral securities in the possession of an outside party. 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 Corporation (FDIC) 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.

Deposits of MHMRTC were fully insured or collateralized with securities held by MHMRTC, its agent or by the pledging financial institution's trust department or agent in the name of MHMRTC at all times during the year ended August 31, 2014 were \$21,449,236.

### **Investment Policies**

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.

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 maturities of investments to correspond with projected cash flow needs. Remaining maturities shall be no longer than two years, except as specifically authorized by the Board of Trustees. MHMRTC policy further provides that maturities on investments exceeding one year shall not exceed 15% of the total portfolio. During the fiscal year ended August 31, 2014, MHMRTC did not own investments other than those permitted by policy.

## **(c) Receivables and Allowance for Uncollectible Accounts**

Contract receivables are for reimbursement of expenditures and fees for services which provided under various programs and grants. All amounts are expected to be collected within the next year.

The following is a summary of these receivables for the fiscal year ended August 31, 2014 (in thousands):

<u>Source of funds</u>	
Local funds	\$ 1,430
State funds	923
Federal funds	<u>5,275</u>
Total	<u>\$ 7,628</u>

**(d) Capital Assets**

Capital assets include property, plant and equipment. Capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment is 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

A summary of changes in capital asset balances, including assets recorded under capital leases for MHMRTC, for the fiscal year ended August 31, 2014, is as follows (in thousands):

	<u>Balance</u> <u>September 1,</u> <u>2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>August 31,</u> <u>2014</u>
Nondepreciable assets					
Land	\$ 1,231	\$ 1,666	\$ -	\$ -	\$ 2,897
Land - restricted	191	-	-	-	191
Construction in progress	193	-	-	(193)	-
Total capital assets not depreciated	<u>1,615</u>	<u>1,666</u>	<u>-</u>	<u>(193)</u>	<u>3,088</u>
Depreciable assets					
Buildings and improvements	12,486	3,380	(83)	-	15,783
Buildings and improvements-restricted	905	-	-	-	905
Equipment and furniture	15,656	1,630	(1,320)	193	16,159
Total other capital assets at cost	<u>29,047</u>	<u>5,010</u>	<u>(1,403)</u>	<u>193</u>	<u>32,847</u>
Accumulated depreciation	<u>(16,451)</u>	<u>(2,399)</u>	<u>1,360</u>	<u>-</u>	<u>(17,490)</u>
Total capital assets, net	<u>12,596</u>	<u>2,611</u>	<u>(43)</u>	<u>193</u>	<u>15,357</u>
Capital assets, net	<u>\$ 14,211</u>	<u>\$ 4,277</u>	<u>\$ (43)</u>	<u>\$ -</u>	<u>\$ 18,445</u>

Total depreciation expense was \$2,399,080.

(e) Long-Term Obligations

**Notes Payable – Banks**

On August 27, 2009, MHMRTC entered into a loan agreement with J P Morgan /Chase Bank, N.A. for the acquisition of real property. The original loan in the amount of \$900,000 called for semi-annual payments in the amount of \$57,445 with an interest rate of 4.88%. This note was paid off in the year ended August 31, 2014.

The following is a summary of the changes in long-term obligations for MHMRTC for the fiscal year ended August 31, 2014 (in thousands):

	<u>Balance September 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2014</u>	<u>Due Within One Year</u>
Compensated absences	\$ 2,555	\$ 4,380	\$ (4,323)	\$ 2,612	\$ 57
Capital lease obligations	1,844	-	(632)	1,212	632
Notes payable	548	-	(548)	-	-
Self insurance liability	594	9,087	(8,521)	1,160	1,160
Total	<u>\$ 5,541</u>	<u>\$ 13,467</u>	<u>\$ (14,024)</u>	<u>\$ 4,984</u>	<u>\$ 1,849</u>

Interest expense for the year ended August 31, 2014, was \$90,473.

(f) 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 Mental Health Mental Retardation 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). Forfeited contributions are held in a separate account and can be used to reduce future contributions.

Amounts contributed are invested in various investments, including equity securities, mutual funds and cash management funds. The required contributions in dollars and the percentage of that amount contributed for the current fiscal year and each of the two preceding fiscal years are as follows (in thousands):

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Percentage Contributed</u>
2012	\$ 2,037	\$ 1,263	100%
2013	2,098	1,285	100%
2014	2,082	1,465	100%

**(g) Lease Obligations**

MHMRTC is obligated under capital leases for certain equipment as of August 31, 2014. The gross amount of assets acquired by capital leases included in the statement of net position is \$1,896,435 and \$580,423 of depreciation expense in the statement of activities.

During 2014, operating lease payments by MHMRTC were \$2,017,169. The future minimum lease payments under operating and capital leases and the present value of the future minimum capital lease payments for MHMRTC as of August 31, 2014 are as follows (in thousands):

<u>Year Ending August 31,</u>	<u>Operating Leases</u>	<u>Capital Leases</u>	
		<u>Principal</u>	<u>Interest</u>
2015	\$ 1,005	\$ 632	\$ 241
2016	760	580	76
2017	624		
2018	565		
2019	204		
and thereafter	<u>215</u>	<u></u>	<u></u>
Total minimum lease payment	<u>\$ 3,373</u>	<u>\$ 1,212</u>	<u>\$ 317</u>

**(h) Commitments and Contingencies**

MHMRTC has participated in a number of state and federally assisted grants, Medicare, and Medicaid 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 involved in certain lawsuits arising in the ordinary course of business. It is MHMRTC management's belief that any liability resulting from such lawsuits would not be material in relation to MHMRTC's financial position.

**(i) Partially Self-Funded Health Benefit Plan**

Effective September 1, 2007, MHMRTC established a self-insurance plan for employee health benefits. MHMRTC purchases commercial stop-loss coverage for medical claims in excess of \$85,000 per plan participant, per policy period. Settled claims have not exceeded insurance coverage for the fiscal year. Liabilities for health benefits are calculated considering known claims and estimates of future claims based on the lag time for medical claims. MHMRTC accounts for this activity in an internal service fund. This internal service fund reflects a claims liability in the amount of \$1,160,261 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.

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

	<u>2013</u>	<u>2014</u>
Beginning liability	\$ 712	\$ 594
Expenses incurred	6,598	9,087
Expenses paid	<u>(6,716)</u>	<u>(8,521)</u>
Ending liability	<u>\$ 594</u>	<u>\$ 1,160</u>

Claim liability is expected to be paid within one year of August 31,2014.

**(j) Tarrant-Harris Software Authority**

MHMRTC has entered into a joint venture with MHMR Authority of Harris County (MHMRA) to participate in a joint development project for computer software to improve and enhance the delivery of mental health, intellectual developmental disabilities, early childhood intervention and addiction services to their respective communities. This organization formed as a result of this joint venture was Topaz Software Authority. In September 2014, the Board of Trustees changed the name to Tarrant-Harris Software Authority.

MHMRTC and MHMRA will equally share the costs and any potential revenues associated with the development, implementation, integration, and marketing of software products and services that result from this joint venture.

MHMRTC has recorded \$608,428 as its equity interest in Topaz which represents the cost of intangible software assets capitalized under GASB Statement 51, Accounting and Financial Reporting for Intangible Assts. Following is audited summarized information for Topaz as of and for the fiscal year ended August 31, 2014 (in thousands):

Capital assets	\$ 1,217
Other assets	46
Total assets	<u>\$ 1,263</u>
Total liabilities	\$ 2
Net position	<u>1,261</u>
Liabilities and net position	<u>\$ 1,263</u>
Contributions from joint venture partners	\$ 165
Total expense	<u>165</u>
Change in net position	<u>\$ -</u>

At year-end, approximately \$1,219,000 out of future budgets has been committed by joint venture partners to fund remaining THSA activities. Separate financial statements for THSA may be obtained from the finance department of MHMRTC.

**(k) Permanently Restricted Capital Assets**

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 the year ended August 31, 2010. These properties are used by MHMRTC to provide group home services to its clients and were previously leased from DADS. The deed received from DADS contains a restriction that states if the properties ever cease to be utilized by MHMRTC to provide community-based mental health or intellectual development disability services for a continuous period of more than 180 days, then title to the property reverts to DADS. In accordance with this deed restriction, MHMRTC reports these properties in the amount of \$974,198 as restricted capital assets within the building and improvements – restricted and land – restricted caption in fixed asset footnote.

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**REQUIRED SUPPLEMENTARY**  
**INFORMATION**

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ 297,694	\$ 297,694	\$ 300,346	\$ 2,652
Licenses and permits	1,191	1,191	1,078	(113)
Fees of office	49,330	49,448	52,166	2,718
Intergovernmental	15,937	15,937	19,721	3,784
Investment income	1,043	1,043	1,267	224
Other revenues	13,493	13,375	13,964	589
Transfers	705	705	660	(45)
Total Revenues	<u>\$ 379,393</u>	<u>\$ 379,393</u>	<u>\$ 389,202</u>	<u>\$ 9,809</u>
EXPENDITURES:				
County Judge	\$ 905	\$ 905	\$ 882	\$ 23
County Administrator	1,852	1,852	1,667	185
Non-Departmental	88,361	87,780	46,703	41,077
Auditor	6,091	6,091	6,031	60
Budget/Risk Management	616	616	489	127
Tax Assessor / Collector	13,349	13,349	12,868	481
Elections Administration	5,991	5,991	4,888	1,103
Information Technology	33,024	33,024	29,613	3,411
Human Resources	2,762	2,762	2,688	74
Purchasing	1,946	1,946	1,923	23
Facilities	3,837	3,882	3,677	205
Sheriff	38,261	38,261	37,104	1,157
Sheriff - Confinement	71,803	71,803	68,753	3,050
Constable Precinct 1	1,116	1,116	1,099	17
Constable Precinct 2	1,053	1,053	1,035	18
Constable Precinct 3	1,145	1,145	1,129	16
Constable Precinct 4	860	870	854	16
Constable Precinct 5	722	730	730	-
Constable Precinct 6	830	830	807	23
Constable Precinct 7	1,056	1,063	1,060	3
Constable Precinct 8	984	963	940	23
Medical Examiner	8,037	8,037	7,902	135
Fire Marshal	346	346	338	8
Community Supervision	110	110	76	34
Juvenile Services	20,005	20,005	19,076	929
Pretrial Services	1,224	1,224	1,222	2
Buildings	21,637	21,592	20,120	1,472
17TH District Court	262	264	264	-
48TH District Court	265	266	263	3
67TH District Court	252	252	250	2
96TH District Court	257	257	251	6
141ST District Court	253	253	249	4
153RD District Court	258	260	256	4
236TH District Court	270	274	270	4
342ND District Court	252	252	250	2
348TH District Court	241	241	238	3
352ND District Court	259	261	261	-
Criminal District Court 1	1,110	1,129	1,106	23
Criminal District Court 2	1,165	1,370	1,343	27
Criminal District Court 3	1,113	1,441	1,438	3
Criminal District Court 4	1,175	1,438	1,432	6
213TH District Court	1,303	1,498	1,465	33
297TH District Court	1,310	1,386	1,382	4



TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
371ST District Court	\$ 1,355	\$ 2,056	\$ 2,050	\$ 6
372ND District Court	1,196	1,096	1,081	15
396TH District Court	1,441	1,527	1,527	-
432ND District Court	1,246	1,451	1,444	7
Magistrate Court	819	826	819	7
231ST District Court	603	599	595	4
233RD District Court	562	552	550	2
322ND District Court	597	554	551	3
323RD District Court	3,016	3,022	3,003	19
324TH District Court	712	701	694	7
325TH District Court	582	602	598	4
360TH District Court	561	558	557	1
Special Judges	276	269	257	12
Criminal Court Administration	856	884	880	4
Grand Jury	143	143	141	2
Criminal Attorney Appointment	548	548	539	9
Criminal Mental Health Court	149	149	146	3
County Court at Law #1	427	428	424	4
County Court at Law #2	425	426	424	2
County Court at Law #3	436	441	428	13
County Criminal Court #1	706	820	801	19
County Criminal Court #2	502	597	578	19
County Criminal Court #3	690	715	688	27
County Criminal Court #4	764	805	783	22
County Criminal Court #5	1,279	1,262	1,221	41
County Criminal Court #6	682	707	695	12
County Criminal Court #7	789	850	841	9
County Criminal Court #8	681	721	709	12
County Criminal Court #9	692	701	684	17
County Criminal Court #10	736	730	712	18
Probate Court 1	1,793	1,870	1,860	10
Probate Court 2	1,906	1,924	1,904	20
Justice of the Peace Pct. 1	678	678	584	94
Justice of the Peace Pct. 2	639	639	624	15
Justice of the Peace Pct. 3	612	612	596	16
Justice of the Peace Pct. 4	652	652	644	8
Justice of the Peace Pct. 5	433	434	432	2
Justice of the Peace Pct. 6	566	567	564	3
Justice of the Peace Pct. 7	664	665	654	11
Justice of the Peace Pct. 8	544	552	547	5
District Attorney	36,396	36,396	36,123	273
District Clerk	9,966	10,027	9,812	215
County Clerk	9,208	9,208	8,603	605
Domestic Relations	6,825	6,825	6,566	259
Jury Services	1,910	1,875	1,659	216
Courts / Judiciary	2,426	502	491	11
Human Services	4,794	4,794	4,008	786
Child Protective Services	2,187	2,187	2,107	80
Public Assistance	225	225	225	-
TX Cooperative Extension	718	722	696	26
Veterans Services	371	370	331	39
Historical Commission	110	110	102	8
<b>Total Expenditures</b>	<b>\$ 444,762</b>	<b>\$ 444,762</b>	<b>\$ 387,944</b>	<b>\$ 56,818</b>

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Fees of office	17,290	17,290	18,850	1,560
Intergovernmental	29	29	32	3
Investment income	20	20	39	19
Other revenues	62	62	2,016	1,954
Transfers	<u>2,749</u>	<u>2,749</u>	<u>2,749</u>	<u>-</u>
Total Revenues	<u>\$ 20,150</u>	<u>\$ 20,150</u>	<u>\$ 23,687</u>	<u>\$ 3,537</u>
EXPENDITURES:				
Buildings	\$ 33	\$ 33	\$ 32	\$ 1
Commissioner Precinct 1	6,824	6,824	5,726	1,098
Commissioner Precinct 2	4,003	4,003	3,611	392
Commissioner Precinct 3	4,798	4,798	4,286	512
Commissioner Precinct 4	6,715	6,725	6,394	331
Right of Way	3,876	3,876	991	2,885
Transportation	2,760	2,860	2,263	597
Road and Bridge Non-Departmental	<u>2,580</u>	<u>2,470</u>	<u>540</u>	<u>1,930</u>
Total Expenditures	<u>\$ 31,589</u>	<u>\$ 31,589</u>	<u>\$ 23,843</u>	<u>\$ 7,746</u>

## TARRANT COUNTY, TEXAS

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2014

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#### **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.
- A separate budget report detailed to the legal level of control is available upon request. 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.

- Supplemental appropriations were made for certain funds and may only be budgeted at only one level.

## 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):

	<b>General Fund</b>	<b>Road and Bridge</b>
<b>Revenues</b>		
Budgetary Basis	\$ 389,202	\$ 23,687
Transfers in	(660)	(2,749)
Market value adjustment for securities not budget relevant	(12)	-
Accrued in prior years, received in 2014	(717)	-
	<hr/>	<hr/>
Revenues on modified accrual (GAAP) basis	387,813	20,938
<b>Expenditures</b>		
Budgetary Basis	387,944	23,843
Transfers out	(28,649)	-
Incurred in prior years, paid in 2014	973	417
Incurred during 2014, payable in future years	(1,299)	(964)
Prepaid, bad debt & inventory adjustments not budget relevant	40	(83)
	<hr/>	<hr/>
Expenditures on modified accrual (GAAP) basis	359,009	23,213
<b>Other Financing Sources (Uses)</b>	<hr/> <b>(27,989)</b>	<hr/> <b>2,749</b>
Changes in Fund Balance	<hr/> <b>\$ 815</b>	<hr/> <b>\$ 474</b>

A separate budget report detailed to the legal level of control is available upon request. The detailed budget report has “sub-funds” and contains more detail than the budget information provided within this report.

**TARRANT COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS**

**RETIREMENT PLAN FOR THE EMPLOYEES OF THE COUNTY  
AND COMMUNITY SUPERVISION**

**Primary Government**

(Amounts in thousands)

(UNAUDITED)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
2012	12/31/2011	\$ 686,447	\$ 852,536	\$ 166,089	80.52%	\$ 226,289	73.40%
2013	12/31/2012	718,194	900,722	182,528	79.74%	228,613	79.84%
2014	12/31/2013	772,522	947,926	175,404	81.50%	234,476	74.81%

**OTHER POSTEMPLOYMENT BENEFITS PLAN**

**Primary Government**

(Amounts in thousands)

(UNAUDITED)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
2010	10/1/2009	\$ -	\$ 229,319	\$ 229,319	0.00%	\$ 213,182	107.57%
2012	10/1/2011	-	354,393	354,393	0.00%	214,190	165.46%
2014	10/1/2013	-	177,775	177,775	0.00%	226,616	78.45%

**PENSION PLAN**

**Discretely Presented Component Unit - TCHD**

(Amounts in thousands)

(UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Plan Assets Less than AAL	Funded Ratio	Covered Payroll	Plan Assets Less Than AAL as a Percentage of Covered Payroll
12/31/2011	\$ 113,033	\$ 144,579	\$ (31,546)	78.20%	\$ 185,406	-17.00%
12/31/2012	125,181	159,752	(34,571)	78.40%	190,464	-18.20%
12/31/2013	145,400	170,853	(25,183)	85.20%	178,847	-14.10%

**NONMAJOR GOVERNMENTAL FUNDS**

**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. Some of these funds are the custody of the Sheriff. 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.

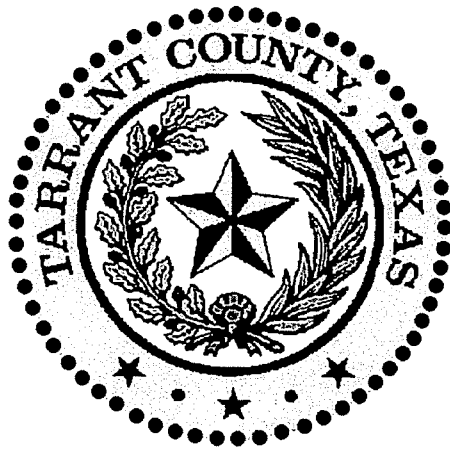
#### HOUSING FINANCE CORPORATION

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.





TARRANT COUNTY, TEXAS

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
<u>ASSETS</u>					
Cash, cash equivalents, and investments	\$ 497	\$ 14,766	\$ 126	\$ 8,455	\$ 3,589
Other receivables, net of allowance for uncollectibles	9	64	-	1	14
Supplies and prepaid items	-	5	-	15	12
<b>TOTAL ASSETS</b>	<b>\$ 506</b>	<b>\$ 14,835</b>	<b>\$ 126</b>	<b>\$ 8,471</b>	<b>\$ 3,615</b>
<u>LIABILITIES</u>					
Accounts payable	\$ 56	\$ 22	\$ 4	\$ 241	\$ 75
Other liabilities	13	73	-	428	3,374
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>69</b>	<b>95</b>	<b>4</b>	<b>669</b>	<b>3,449</b>
<u>FUND BALANCES</u>					
Nonspendable	-	5	-	15	12
Restricted:					
Law library	332	-	-	-	-
Records management	-	14,560	-	-	-
Education	-	-	122	-	-
Public health	-	-	-	2,139	-
Law enforcement and prosecution	-	-	-	-	153
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
VIT administration	-	-	-	-	-
Committed:					
Law library	105	-	-	-	-
Records management	-	175	-	-	-
Public health	-	-	-	5,648	-
Law enforcement and prosecution	-	-	-	-	1
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
Assigned:					
Economic development	-	-	-	-	-
<b>Total fund balances</b>	<b>437</b>	<b>14,740</b>	<b>122</b>	<b>7,802</b>	<b>166</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 506</b>	<b>\$ 14,835</b>	<b>\$ 126</b>	<b>\$ 8,471</b>	<b>\$ 3,615</b>

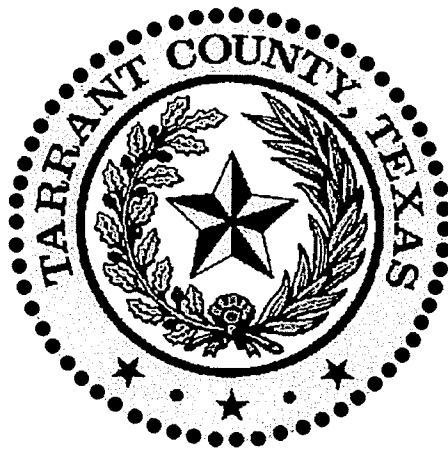
<u>Sheriff Contracts</u>	<u>Miscellaneous Contracts</u>	<u>Court Designated Funds</u>	<u>Vehicle Inventory Tax</u>	<u>Consumer Health</u>	<u>Housing Finance Corporation</u>	<u>Industrial Development Corporation</u>	<u>Total</u>
\$ 3,173	\$ 1,636	\$ 2,187	\$ 350	\$ 454	\$ 3,429	\$ 59	\$ 38,721
62	1,524	85	-	-	-	-	1,759
17	-	-	-	-	-	-	49
<u>\$ 3,252</u>	<u>\$ 3,160</u>	<u>\$ 2,272</u>	<u>\$ 350</u>	<u>\$ 454</u>	<u>\$ 3,429</u>	<u>\$ 59</u>	<u>\$ 40,529</u>
\$ 23	\$ 244	\$ 35	\$ -	\$ -	\$ -	\$ -	\$ 700
37	46	9	2	30	-	-	4,012
-	396	-	-	-	-	-	396
-	11	-	-	-	-	-	11
<u>60</u>	<u>697</u>	<u>44</u>	<u>2</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>5,119</u>
17	-	-	-	-	-	-	49
-	-	-	-	-	-	-	332
-	-	-	-	-	-	-	14,560
-	-	-	-	-	-	-	122
-	54	-	-	380	-	-	2,573
3,029	23	-	-	-	-	-	3,205
-	1,546	-	-	-	-	-	1,546
-	241	2,100	-	-	-	-	2,341
-	-	-	348	-	-	-	348
-	-	-	-	-	-	-	105
-	-	-	-	-	-	-	175
-	2	-	-	44	-	-	5,694
146	-	-	-	-	-	-	147
-	528	-	-	-	-	-	528
-	69	128	-	-	-	-	197
-	-	-	-	-	3,429	59	3,488
<u>3,192</u>	<u>2,463</u>	<u>2,228</u>	<u>348</u>	<u>424</u>	<u>3,429</u>	<u>59</u>	<u>35,410</u>
<u>\$ 3,252</u>	<u>\$ 3,160</u>	<u>\$ 2,272</u>	<u>\$ 350</u>	<u>\$ 454</u>	<u>\$ 3,429</u>	<u>\$ 59</u>	<u>\$ 40,529</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	1,143	4,518	20	1,357	42
Intergovernmental	-	-	94	20,432	-
Investment income	1	33	-	11	1
Other revenues	28	2	-	6	1,017
Total revenues	<u>1,172</u>	<u>4,553</u>	<u>114</u>	<u>21,806</u>	<u>1,060</u>
<u>EXPENDITURES</u>					
Current:					
General government	-	1,914	-	168	-
Public safety	-	-	44	-	-
Judicial	164	375	25	-	2,292
Community services	987	-	-	17,022	-
Capital outlay	-	559	-	61	284
Total expenditures	<u>1,151</u>	<u>2,848</u>	<u>69</u>	<u>17,251</u>	<u>2,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21</u>	<u>1,705</u>	<u>45</u>	<u>4,555</u>	<u>(1,516)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	-	1,193
Transfers out	-	-	-	-	(42)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151</u>
Change in fund balance	21	1,705	45	4,555	(365)
FUND BALANCES, beginning of year	<u>416</u>	<u>13,035</u>	<u>77</u>	<u>3,247</u>	<u>531</u>
FUND BALANCES, end of year	<u>\$ 437</u>	<u>\$ 14,740</u>	<u>\$ 122</u>	<u>\$ 7,802</u>	<u>\$ 166</u>

<u>Sheriff Contracts</u>	<u>Miscellaneous Contracts</u>	<u>Court Designated Funds</u>	<u>Vehicle Inventory Tax</u>	<u>Consumer Health</u>	<u>Housing Finance Corporation</u>	<u>Industrial Development Corporation</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ 50
-	74	1,581	21	926	-	-	9,682
-	3,557	159	-	-	-	-	24,242
7	5	6	1	1	25	-	91
<u>1,657</u>	<u>975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418</u>	<u>-</u>	<u>4,103</u>
<u>1,664</u>	<u>4,611</u>	<u>1,746</u>	<u>72</u>	<u>927</u>	<u>443</u>	<u>-</u>	<u>38,168</u>
-	3,357	430	56	-	-	-	5,925
993	662	-	-	-	-	-	1,699
-	565	553	-	-	-	-	3,974
-	354	100	-	965	310	2	19,740
<u>120</u>	<u>39</u>	<u>98</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212</u>
<u>1,113</u>	<u>4,977</u>	<u>1,181</u>	<u>107</u>	<u>965</u>	<u>310</u>	<u>2</u>	<u>32,550</u>
<u>551</u>	<u>(366)</u>	<u>565</u>	<u>(35)</u>	<u>(38)</u>	<u>133</u>	<u>(2)</u>	<u>5,618</u>
-	161	-	-	-	-	-	1,354
<u>-</u>	<u>(50)</u>	<u>(568)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(660)</u>
<u>-</u>	<u>111</u>	<u>(568)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694</u>
551	(255)	(3)	(35)	(38)	133	(2)	6,312
<u>2,641</u>	<u>2,718</u>	<u>2,231</u>	<u>383</u>	<u>462</u>	<u>3,296</u>	<u>61</u>	<u>29,098</u>
<u>\$ 3,192</u>	<u>\$ 2,463</u>	<u>\$ 2,228</u>	<u>\$ 348</u>	<u>\$ 424</u>	<u>\$ 3,429</u>	<u>\$ 59</u>	<u>\$ 35,410</u>



**BUDGETARY COMPLIANCE**

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) -DEBT SERVICE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Debt Service Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 34,812	\$ 34,812	\$ 34,915	\$ 103
Investment income	16	16	33	17
Transfers	-	-	1	1
Total Revenues	<u>\$ 34,828</u>	<u>\$ 34,828</u>	<u>\$ 34,949</u>	<u>\$ 121</u>
<b>EXPENDITURES:</b>				
Debt service	<u>\$ 35,328</u>	<u>\$ 35,328</u>	<u>\$ 34,323</u>	<u>\$ 1,005</u>
Total Expenditures	<u>\$ 35,328</u>	<u>\$ 35,328</u>	<u>\$ 34,323</u>	<u>\$ 1,005</u>



TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>Capital Projects</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>				
Investment income	\$ 325	\$ 370	\$ 423	\$ 53
Other revenues	-	519	737	218
Transfers	<u>23,764</u>	<u>24,133</u>	<u>24,133</u>	<u>-</u>
Total Revenues	<u>\$ 24,089</u>	<u>\$ 25,022</u>	<u>\$ 25,293</u>	<u>\$ 271</u>
<b>EXPENDITURES:</b>				
County Administrator	\$ -	\$ 88	\$ 60	\$ 28
Non-Departmental	6,552	2,784	7	2,777
Auditor	6	6	6	-
Budget	1	1	-	1
Tax Assessor/Collector	109	479	458	21
Information Technology	15,454	18,975	11,902	7,073
Human Resources	9	9	9	-
Purchasing	-	3	3	-
Facilities	272	251	175	76
Sheriff	99	99	93	6
Sheriff - Confinement	23	23	23	-
Constable Precinct 3	-	1	1	-
Constable Precinct 8	7	6	6	-
Medical Examiner	227	227	222	5
Community Supervision	9	9	8	1
Juvenile Services	47	47	38	9
Pretrial Services	4	4	2	2
Buildings	53,534	53,805	12,006	41,799
Criminal District Court 1	-	1	1	-
Criminal District Court 2	-	1	1	-
Criminal District Court 3	1	1	1	-
432ND District Court	-	2	2	-
Magistrate Court	6	6	6	-
Criminal Court Administration	1	6	6	-
Criminal Attorney Appointment	1	1	1	-
Justice of the Peace Pct. 1	1	1	1	-
Justice of the Peace Pct. 2	1	1	1	-
Justice of the Peace Pct. 5	6	5	5	-
Justice of the Peace Pct. 6	3	3	2	1
Justice of the Peace Pct. 7	4	4	4	-
District Attorney	121	130	122	8
District Clerk	60	63	55	8
Domestic Relations	8	9	9	-
Jury Services	36	37	37	-
Courts/Judiciary	20	4	-	4
Commissioner Precinct 1	6,205	6,205	1,027	5,178
Commissioner Precinct 2	240	275	219	56
Commissioner Precinct 3	398	475	341	134
Commissioner Precinct 4	290	290	143	147
Transportation	<u>56,084</u>	<u>56,084</u>	<u>14,087</u>	<u>41,997</u>
Total Expenditures	<u>\$ 139,839</u>	<u>\$ 140,421</u>	<u>\$ 41,090</u>	<u>\$ 99,331</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Law Library			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,170	\$ 1,170	\$ 1,143	\$ (27)
Investment income	1	1	1	-
Other revenues	28	28	28	-
Total Revenues	<u>\$ 1,199</u>	<u>\$ 1,199</u>	<u>\$ 1,172</u>	<u>\$ (27)</u>
EXPENDITURES:				
Law Library	\$ 1,441	\$ 1,402	\$ 1,018	\$ 384
Judicial Law Library	175	175	167	8
Total Expenditures	<u>\$ 1,616</u>	<u>\$ 1,577</u>	<u>\$ 1,185</u>	<u>\$ 392</u>

	Records Preservation and Automation			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 4,803	\$ 4,803	\$ 4,516	\$ (287)
Investment income	18	18	34	16
Other revenues	-	-	2	2
Total Revenues	<u>\$ 4,821</u>	<u>\$ 4,821</u>	<u>\$ 4,552</u>	<u>\$ (269)</u>
EXPENDITURES:				
Information Technology	\$ 1,408	\$ 1,312	\$ 690	\$ 622
Buildings	-	400	316	84
District Clerk	1,241	1,379	280	1,099
County Clerk	14,704	14,526	3,377	11,149
Total Expenditures	<u>\$ 17,353</u>	<u>\$ 17,617</u>	<u>\$ 4,663</u>	<u>\$ 12,954</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Education			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 18	\$ 18	\$ 20	\$ 2
Intergovernment	-	94	94	-
Total Revenues	<u>\$ 18</u>	<u>\$ 112</u>	<u>\$ 114</u>	<u>\$ 2</u>
EXPENDITURES:				
Sheriff	\$ 48	\$ 129	\$ 37	\$ 92
Sheriff-Confinement	3	6	6	-
Constable Precinct 1	1	2	1	1
Constable Precinct 2	-	1	1	-
Constable Precinct 3	-	1	-	1
Constable Precinct 4	9	9	2	7
Constable Precinct 5	-	1	1	-
Constable Precinct 6	1	2	-	2
Constable Precinct 7	1	2	-	2
Constable Precinct 8	-	1	1	-
Probate Court 1	11	11	5	6
Probate Court 2	15	15	5	10
District Attorney	6	10	10	-
Total Expenditures	<u>\$ 95</u>	<u>\$ 190</u>	<u>\$ 69</u>	<u>\$ 121</u>

	Public Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,144	\$ 1,144	\$ 1,358	\$ 214
Intergovernmental	20,737	20,737	20,431	(306)
Investment income	1	1	11	10
Other revenues	-	-	6	6
Total Revenues	<u>\$ 21,882</u>	<u>\$ 21,882</u>	<u>\$ 21,806</u>	<u>\$ (76)</u>
EXPENDITURES:				
Non-Departmental	\$ 4,219	\$ 4,018	\$ -	\$ 4,018
Buildings	222	222	168	54
Public Health	19,965	20,812	17,239	3,573
Total Expenditures	<u>\$ 24,406</u>	<u>\$ 25,052</u>	<u>\$ 17,407</u>	<u>\$ 7,645</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>District Attorney</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 60	\$ 60	\$ 42	\$ (18)
Investment	-	-	1	1
Other revenues	1,200	1,042	1,088	46
Transfer	900	1,193	1,193	-
Total Revenues	<u>\$ 2,160</u>	<u>\$ 2,295</u>	<u>\$ 2,324</u>	<u>\$ 29</u>
EXPENDITURES:				
District Attorney	\$ 2,160	\$ 2,813	\$ 2,620	\$ 193
Total Expenditures	<u>\$ 2,160</u>	<u>\$ 2,813</u>	<u>\$ 2,620</u>	<u>\$ 193</u>

	<u>Sheriff Contracts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Investment income	\$ 3	\$ 3	\$ 7	\$ 4
Other revenues	1,000	1,000	1,657	657
Total Revenues	<u>\$ 1,003</u>	<u>\$ 1,003</u>	<u>\$ 1,664</u>	<u>\$ 661</u>
EXPENDITURES:				
Sheriff	\$ 803	\$ 840	\$ 171	\$ 669
Sheriff - Confinement	2,689	2,742	1,033	1,709
Total Expenditures	<u>\$ 3,492</u>	<u>\$ 3,582</u>	<u>\$ 1,204</u>	<u>\$ 2,378</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>Miscellaneous Contracts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>				
Fees of office	\$ 47	\$ 55	\$ 74	\$ 19
Intergovernmental	827	4,792	3,576	(1,216)
Investment income	3	3	5	2
Other revenues	718	960	975	15
Transfer	100	104	161	57
	<u>1,695</u>	<u>5,914</u>	<u>4,791</u>	<u>(1,123)</u>
<b>Total Revenues</b>	<b>\$ 1,695</b>	<b>\$ 5,914</b>	<b>\$ 4,791</b>	<b>\$ (1,123)</b>
<b>EXPENDITURES:</b>				
Non-Departmental	\$ 49	\$ 53	\$ 52	\$ 1
Elections Administration	505	4,524	3,040	1,484
Self Insurance	1,092	1,132	440	692
Sheriff	1	1	-	1
Medical Examiner	14	14	4	10
Fire Marshal	83	87	87	-
Community Supervision	580	580	569	11
Juvenile Services	314	314	30	284
Criminal Court Administration	9	13	9	4
District Attorney	469	500	436	64
Domestic Relations	9	9	8	1
Public Health	64	68	5	63
Human Services	215	409	317	92
Child Protective Services	237	264	144	120
Public Assistance	16	45	31	14
Historical Commission	38	38	2	36
Peace Officers Memorial Monument	20	20	-	20
	<u>3,715</u>	<u>8,071</u>	<u>5,174</u>	<u>2,897</u>
<b>Total Expenditures</b>	<b>\$ 3,715</b>	<b>\$ 8,071</b>	<b>\$ 5,174</b>	<b>\$ 2,897</b>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	Court Designated			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Fees of office	\$ 1,624	\$ 1,624	\$ 1,581	\$ (43)
Intergovernmental	140	140	159	19
Investment income	3	3	6	3
<b>Total Revenues</b>	<b>\$ 1,767</b>	<b>\$ 1,767</b>	<b>\$ 1,746</b>	<b>\$ (21)</b>
<b>EXPENDITURES:</b>				
Non Departmental	\$ 2,116	\$ 2,121	\$ 999	\$ 1,122
Information Technology	277	262	65	197
323rd District Court	590	597	183	414
Appeals Court	158	164	135	29
Criminal Court Administration	436	444	102	342
Probate Court 1	164	204	67	137
Probate Court 2	75	68	65	3
Public Assistance	100	100	100	-
<b>Total Expenditures</b>	<b>\$ 3,916</b>	<b>\$ 3,960</b>	<b>\$ 1,716</b>	<b>\$ 2,244</b>

	Vehicle Inventory Tax			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 30	\$ 30	\$ 50	\$ 20
Fees of office	3	3	21	18
Investment income	-	-	1	1
<b>Total Revenues</b>	<b>\$ 33</b>	<b>\$ 33</b>	<b>\$ 72</b>	<b>\$ 39</b>
<b>EXPENDITURES:</b>				
Tax Assessor/Collector	\$ 411	\$ 416	\$ 106	\$ 310
<b>Total Expenditures</b>	<b>\$ 411</b>	<b>\$ 416</b>	<b>\$ 106</b>	<b>\$ 310</b>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>Consumer Health</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 901	\$ 901	\$ 926	\$ 25
Investment income	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total Revenues	<u>\$ 902</u>	<u>\$ 902</u>	<u>\$ 927</u>	<u>\$ 25</u>
EXPENDITURES:				
Public Health	<u>\$ 1,269</u>	<u>\$ 1,359</u>	<u>\$ 966</u>	<u>\$ 393</u>
Total Expenditures	<u>\$ 1,269</u>	<u>\$ 1,359</u>	<u>\$ 966</u>	<u>\$ 393</u>

**INTERNAL SERVICE FUNDS**



**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 FUNDS**

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.

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

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<u>ASSETS</u>	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
Current assets:				
Cash and cash equivalents	\$ 15,675	\$ 2,444	\$ 2,555	\$ 20,674
Other receivables, net of allowance for uncollectibles	766	8	-	774
Supplies and prepaid items	147	-	-	147
Total current assets	<u>16,588</u>	<u>2,452</u>	<u>2,555</u>	<u>21,595</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	474	38	52	564
Other liabilities	3,179	373	3,265	6,817
Unearned revenue	52	-	-	52
Total current liabilities	<u>3,705</u>	<u>411</u>	<u>3,317</u>	<u>7,433</u>
Noncurrent liabilities:				
Other noncurrent liabilities	-	159	4,931	5,090
Total noncurrent liabilities	<u>-</u>	<u>159</u>	<u>4,931</u>	<u>5,090</u>
Total liabilities	<u>3,705</u>	<u>570</u>	<u>8,248</u>	<u>12,523</u>
<u>NET POSITION</u>				
Unrestricted	<u>12,883</u>	<u>1,882</u>	<u>(5,693)</u>	<u>9,072</u>
Total net position (deficit)	<u>\$ 12,883</u>	<u>\$ 1,882</u>	<u>\$ (5,693)</u>	<u>\$ 9,072</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
<u>OPERATING REVENUES</u>				
Charges for services - external	\$ 14,383	\$ -	\$ -	\$ 14,383
Charges for services - internal	45,630	-	3,539	49,169
Other revenues	<u>1,162</u>	<u>16</u>	<u>169</u>	<u>1,347</u>
Total operating revenues	<u>61,175</u>	<u>16</u>	<u>3,708</u>	<u>64,899</u>
<u>OPERATING EXPENSES</u>				
Building and equipment	4	33	-	37
Self insurance claims	51,334	471	2,716	54,521
Insurance premiums	2,656	-	-	2,656
Other expenses	<u>3,528</u>	<u>209</u>	<u>1,846</u>	<u>5,583</u>
Total operating expenses	<u>57,522</u>	<u>713</u>	<u>4,562</u>	<u>62,797</u>
Operating income (loss)	<u>3,653</u>	<u>(697)</u>	<u>(854)</u>	<u>2,102</u>
<u>NONOPERATING REVENUES</u>				
Investment income	<u>35</u>	<u>7</u>	<u>5</u>	<u>47</u>
Income (loss) before transfers	<u>3,688</u>	<u>(690)</u>	<u>(849)</u>	<u>2,149</u>
Transfers in	-	600	-	600
Transfers out	<u>(87)</u>	<u>-</u>	<u>(100)</u>	<u>(187)</u>
Change in net position	3,601	(90)	(949)	2,562
Total net position (deficit)-beginning	<u>9,282</u>	<u>1,972</u>	<u>(4,744)</u>	<u>6,510</u>
Total net position (deficit)-ending	<u>\$ 12,883</u>	<u>\$ 1,882</u>	<u>\$ (5,693)</u>	<u>\$ 9,072</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers	\$ 15,273	\$ 29	\$ 169	\$ 15,471
Receipts from interfund charges	45,630	-	3,539	49,169
Payments on behalf of employees	<u>(57,250)</u>	<u>(585)</u>	<u>(2,932)</u>	<u>(60,767)</u>
Net cash provided (used) by operating activities	<u>3,653</u>	<u>(556)</u>	<u>776</u>	<u>3,873</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Investment income, net	<u>35</u>	<u>7</u>	<u>5</u>	<u>47</u>
Net cash provided by investing activities	<u>35</u>	<u>7</u>	<u>5</u>	<u>47</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers in	-	600	-	600
Transfers out	<u>(87)</u>	<u>-</u>	<u>(100)</u>	<u>(187)</u>
Net cash provided (used) by noncapital financing activities	<u>(87)</u>	<u>600</u>	<u>(100)</u>	<u>413</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,601	51	681	4,333
CASH AND CASH EQUIVALENTS, beginning of year	<u>12,074</u>	<u>2,393</u>	<u>1,874</u>	<u>16,341</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 15,675</u>	<u>\$ 2,444</u>	<u>\$ 2,555</u>	<u>\$ 20,674</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 3,653	\$ (697)	\$ (854)	\$ 2,102
Changes in assets and liabilities:				
Supplies and prepaid items	(8)	-	-	(8)
Other receivables	(286)	13	-	(273)
Accounts payable	(4)	9	3	8
Other liabilities	284	119	1,627	2,030
Unearned revenue	<u>14</u>	<u>-</u>	<u>-</u>	<u>14</u>
Net cash provided (used) by operating activities	<u>\$ 3,653</u>	<u>\$ (556)</u>	<u>\$ 776</u>	<u>\$ 3,873</u>

**FIDUCIARY FUNDS**

**TARRANT COUNTY, TEXAS  
FIDUCIARY FUNDS  
FUND DESCRIPTIONS**

PAYROLL CLEARING FUND

This fund was established to account for the routine receipts and disbursements associated with the payroll process.

FEE OFFICE FUND

This fund was established to account for the monies still in the custody of the several fee officers of the County that have not been remitted to the County Treasury, including "trust funds".

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2014 (AMOUNTS IN THOUSANDS)

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<u>ASSETS</u>	<u>Payroll Clearing</u>	<u>Fee Office</u>	<u>Total</u>
Current assets:			
Cash, cash equivalents, and investments	\$ 3,979	\$ 35,258	\$ 39,237
Other receivables	58	2	60
Restricted assets	-	70,283	70,283
TOTAL ASSETS	<u>\$ 4,037</u>	<u>\$ 105,543</u>	<u>\$ 109,580</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 5	\$ -	\$ 5
Due to third parties	4,032	105,543	109,575
TOTAL LIABILITIES	<u>\$ 4,037</u>	<u>\$ 105,543</u>	<u>\$ 109,580</u>

**STATISTICAL SECTION**



**TARRANT COUNTY, TEXAS  
STATISTICAL SECTION**

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

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	<b>106</b>
<p>These schedules contain trend information to aid in understanding how the County’s financial performance and well being have changed over time.</p> <p>The first three schedules relate to government wide; the remaining schedules relate to fund information.</p>	
<b>REVENUE CAPACITY</b>	<b>116</b>
<p>These schedules contain information to aid in assessing the factors affecting the County’s ability to generate its property taxes, its most significant local revenue source.</p>	
<b>DEBT CAPACITY</b>	<b>122</b>
<p>These schedules present information to aid in assessing the County’s current debt levels and its ability to issue additional debt in the future.</p>	
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	<b>130</b>
<p>These schedules offer demographic and economic indicators to aid in understanding the environment within which the County’s financial activities take place.</p>	
<b>OPERATING INFORMATION</b>	<b>132</b>
<p>These schedules contain information about the County’s operations and resources to aid in understanding how the County’s financial information relates to the services the County provides and the activities it performs.</p>	

**TARRANT COUNTY, TEXAS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	<b>FISCAL YEAR</b>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 151,544	\$ 180,820	\$ 195,824	\$ 185,168	\$ 200,501
Restricted	-	-	-	-	-
Unrestricted	83,180	90,495	114,985	147,789	144,382
Total governmental activities net position	<u>\$ 234,724</u>	<u>\$ 271,315</u>	<u>\$ 310,809</u>	<u>\$ 332,957</u>	<u>\$ 344,883</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 1,793	\$ 5,800	\$ 5,501	\$ 5,229	\$ 5,560
Unrestricted	458	(1,955)	(1,835)	340	(16)
Total business-type activities net position	<u>\$ 2,251</u>	<u>\$ 3,845</u>	<u>\$ 3,666</u>	<u>\$ 5,569</u>	<u>\$ 5,544</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 153,337	\$ 186,620	\$ 201,325	\$ 190,397	\$ 206,061
Restricted	-	-	-	-	-
Unrestricted	83,638	88,540	113,150	148,129	144,366
Total primary government net position	<u>\$ 236,975</u>	<u>\$ 275,160</u>	<u>\$ 314,475</u>	<u>\$ 338,526</u>	<u>\$ 350,427</u>

TABLE I

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 236,273	\$ 224,257	\$ 213,102	\$ 187,832	\$ 214,058
15,784	16,507	17,780	20,967	23,439
84,830	66,016	19,401	11,749	12,510
<u>\$ 336,887</u>	<u>\$ 306,780</u>	<u>\$ 250,283</u>	<u>\$ 220,548</u>	<u>\$ 250,007</u>
\$ 5,282	\$ 5,645	\$ 5,256	\$ 4,922	\$ 4,567
481	988	1,043	1,519	1,638
<u>\$ 5,763</u>	<u>\$ 6,633</u>	<u>\$ 6,299</u>	<u>\$ 6,441</u>	<u>\$ 6,205</u>
\$ 241,555	\$ 229,902	\$ 218,358	\$ 192,754	\$ 218,625
15,784	16,507	17,780	20,967	23,439
85,311	67,004	20,444	13,268	14,148
<u>\$ 342,650</u>	<u>\$ 313,413</u>	<u>\$ 256,582</u>	<u>\$ 226,989</u>	<u>\$ 256,212</u>

**TARRANT COUNTY, TEXAS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	<b>FISCAL YEAR</b>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 87,645	\$ 104,005	\$ 105,708	\$ 119,234	\$ 132,725
Public safety	84,147	91,152	99,860	109,282	111,314
Transportation support	25,107	28,734	33,753	42,741	44,690
Judicial	112,173	118,003	124,066	137,287	142,450
Community services	55,320	62,192	62,437	72,088	78,814
Interest and fiscal charges	7,677	6,853	9,529	11,751	14,966
Total governmental activities expenses	<u>372,069</u>	<u>410,939</u>	<u>435,353</u>	<u>492,383</u>	<u>524,959</u>
Business-type activities:					
Resource Connection	<u>2,929</u>	<u>2,793</u>	<u>2,854</u>	<u>3,077</u>	<u>3,138</u>
Total primary government expenses	<u>374,998</u>	<u>413,732</u>	<u>438,207</u>	<u>495,460</u>	<u>528,097</u>
<b>Program Revenues (1)</b>					
Governmental activities:					
Fees, Fines, and Charges for Services	86,263	93,164	98,334	104,965	103,120
Operating Grants and Contributions	54,155	59,803	62,090	76,291	89,858
Capital Grants and Contributions	2,959	16,909	7,512	6,740	3,597
Total governmental activities program revenues	<u>143,377</u>	<u>169,876</u>	<u>167,936</u>	<u>187,996</u>	<u>196,575</u>
Business-type activities:					
Resource Connection	<u>2,625</u>	<u>4,375</u>	<u>2,662</u>	<u>4,940</u>	<u>2,923</u>
Total primary government program revenues	<u>146,002</u>	<u>174,251</u>	<u>170,598</u>	<u>192,936</u>	<u>199,498</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	(228,692)	(241,063)	(267,417)	(304,387)	(328,384)
Business-type activities	(304)	1,582	(192)	1,863	(215)
Total primary government net expenses	<u>\$ (228,996)</u>	<u>\$ (239,481)</u>	<u>\$ (267,609)</u>	<u>\$ (302,524)</u>	<u>\$ (328,599)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$ 243,775	\$ 260,572	\$ 282,491	\$ 303,474	\$ 321,868
Alcoholic beverage and bingo taxes	5,197	5,652	6,154	6,023	6,819
Unrestricted investment earnings	5,265	9,368	15,834	12,287	8,937
Miscellaneous	2,060	2,062	2,432	4,751	2,686
Total governmental activities	<u>256,297</u>	<u>277,654</u>	<u>306,911</u>	<u>326,535</u>	<u>340,310</u>
Business-type activities:					
Unrestricted investment earnings	14	12	13	40	45
Miscellaneous	-	-	-	-	145
Total business-type activities	<u>14</u>	<u>12</u>	<u>13</u>	<u>40</u>	<u>190</u>
Total primary government	<u>256,311</u>	<u>277,666</u>	<u>306,924</u>	<u>326,575</u>	<u>340,500</u>
<b>Changes in Net Position</b>					
Governmental activities	27,605	36,591	39,494	22,148	11,926
Business-type activities	(290)	1,594	(179)	1,903	(25)
Total primary government	<u>\$ 27,315</u>	<u>\$ 38,185</u>	<u>\$ 39,315</u>	<u>\$ 24,051</u>	<u>\$ 11,901</u>

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

TABLE II

2010	2011	2012	2013	2014
\$ 126,700	\$ 124,555	\$ 127,322	\$ 130,932	\$ 127,883
118,807	120,881	129,313	133,199	127,787
42,121	54,329	48,559	40,820	32,234
150,002	150,841	157,358	160,619	157,483
91,269	84,066	79,934	82,852	78,405
14,612	15,108	15,112	14,140	14,124
<u>543,511</u>	<u>549,780</u>	<u>557,598</u>	<u>562,562</u>	<u>537,916</u>
3,048	3,024	3,351	3,158	3,699
<u>546,559</u>	<u>552,804</u>	<u>560,949</u>	<u>565,720</u>	<u>541,615</u>
103,510	110,503	96,785	118,963	119,321
90,914	77,519	72,934	76,631	80,696
1,566	3,339	3,505	1,144	347
<u>195,990</u>	<u>191,361</u>	<u>173,224</u>	<u>196,738</u>	<u>200,364</u>
2,880	2,745	2,626	2,962	3,138
<u>198,870</u>	<u>194,106</u>	<u>175,850</u>	<u>199,700</u>	<u>203,502</u>
(347,521)	(358,419)	(384,374)	(365,824)	(337,552)
(168)	(279)	(725)	(196)	(561)
<u>\$ (347,689)</u>	<u>\$ (358,698)</u>	<u>\$ (385,099)</u>	<u>\$ (366,020)</u>	<u>\$ (338,113)</u>
\$ 327,566	\$ 315,441	\$ 317,016	\$ 325,106	\$ 335,242
7,217	7,646	6,392	6,694	9,110
2,090	2,098	825	816	1,151
2,652	3,127	3,644	3,473	5,205
<u>339,525</u>	<u>328,312</u>	<u>327,877</u>	<u>336,089</u>	<u>350,708</u>
16	10	4	4	5
371	1,139	387	334	320
<u>387</u>	<u>1,149</u>	<u>391</u>	<u>338</u>	<u>325</u>
<u>339,912</u>	<u>329,461</u>	<u>328,268</u>	<u>336,427</u>	<u>351,033</u>
(7,996)	(30,107)	(56,497)	(29,735)	13,156
219	870	(334)	142	(236)
<u>\$ (7,777)</u>	<u>\$ (29,237)</u>	<u>\$ (56,831)</u>	<u>\$ (29,593)</u>	<u>\$ 12,920</u>

**TARRANT COUNTY, TEXAS**  
**PROGRAM REVENUE BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**  
(Accrual basis of accounting - Unaudited)  
(Amounts in thousands)

Function/Program	FISCAL YEAR				
	2005	2006	2007	2008	2009
<b>Fees, Fines, and Charges for Services</b>					
<b>Governmental:</b>					
General government	\$ 42,440	\$ 47,244	\$ 50,630	\$ 53,905	\$ 51,847
Public safety	7,825	3,375	4,293	4,532	3,052
Transportation support	-	-	-	-	-
Judicial	26,007	30,030	31,446	33,104	33,352
Community services	9,991	12,515	11,965	13,424	14,869
Total Governmental	86,263	93,164	98,334	104,965	103,120
<b>Business-type</b>	2,625	2,404	2,662	4,940	2,923
Total Fees, Fines and Charges for Service	<u>\$ 88,888</u>	<u>\$ 95,568</u>	<u>\$ 100,996</u>	<u>\$ 109,905</u>	<u>\$ 106,043</u>
<b>Operating Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 1,309	\$ 1,322	\$ 2,076	\$ 7,443	\$ 15,709
Public safety	1,177	1,358	2,630	3,707	3,435
Transportation support	-	-	33	49	30
Judicial	11,319	10,647	12,126	12,579	12,061
Community services	40,350	46,476	45,225	52,513	58,623
Total Governmental	54,155	59,803	62,090	76,291	89,858
Total Operating Grants and Contributions	<u>\$ 54,155</u>	<u>\$ 59,803</u>	<u>\$ 62,090</u>	<u>\$ 76,291</u>	<u>\$ 89,858</u>
<b>Capital Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 3	\$ 5,971	\$ 2,074	\$ -	\$ 1,326
Public safety	1,191	534	237	136	61
Transportation support	1,547	10,384	4,744	6,597	2,001
Judicial	218	20	457	7	4
Community services	-	-	-	-	205
Total Governmental	2,959	16,909	7,512	6,740	3,597
<b>Business-type</b>	-	1,971	-	-	-
Total Capital Grants and Contributions	<u>\$ 2,959</u>	<u>\$ 18,880</u>	<u>\$ 7,512</u>	<u>\$ 6,740</u>	<u>\$ 3,597</u>
<b>Total Program Revenues</b>					
<b>Governmental:</b>					
General government	\$ 43,752	\$ 54,537	\$ 54,780	\$ 61,348	\$ 68,882
Public safety	10,193	5,267	7,160	8,375	6,548
Transportation support	1,547	10,384	4,777	6,646	2,031
Judicial	37,544	40,697	44,029	45,690	45,417
Community services	50,341	58,991	57,190	65,937	73,697
Total Governmental	143,377	169,876	167,936	187,996	196,575
<b>Business-type</b>	2,625	4,375	2,662	4,940	2,923
Total Program Revenues	<u>\$ 146,002</u>	<u>\$ 174,251</u>	<u>\$ 170,598</u>	<u>\$ 192,936</u>	<u>\$ 199,498</u>

TABLE III

2010	2011	2012	2013	2014
\$ 49,983	\$ 51,078	\$ 39,776	\$ 44,789	\$ 47,345
3,607	5,274	5,884	6,383	6,621
-	-	19,633	19,419	18,851
35,005	39,104	14,954	30,646	29,311
14,915	15,047	16,538	17,726	17,193
103,510	110,503	96,785	118,963	119,321
2,880	2,745	2,626	2,962	3,138
<u>\$ 106,390</u>	<u>\$ 113,248</u>	<u>\$ 99,411</u>	<u>\$ 121,925</u>	<u>\$ 122,459</u>
\$ 7,961	\$ 744	\$ 2,499	\$ 1,962	\$ 2,263
3,308	3,359	3,818	3,896	3,892
75	33	33	153	217
11,968	12,094	11,186	11,390	12,614
67,602	61,289	55,398	59,230	61,710
90,914	77,519	72,934	76,631	80,696
<u>\$ 90,914</u>	<u>\$ 77,519</u>	<u>\$ 72,934</u>	<u>\$ 76,631</u>	<u>\$ 80,696</u>
\$ 302	\$ 2,163	\$ 1,080	\$ 1,083	\$ -
195	593	156	33	325
173	446	2,166	28	-
477	76	-	-	22
419	61	103	-	-
1,566	3,339	3,505	1,144	347
-	-	-	-	-
<u>\$ 1,566</u>	<u>\$ 3,339</u>	<u>\$ 3,505</u>	<u>\$ 1,144</u>	<u>\$ 347</u>
\$ 58,246	\$ 53,985	\$ 43,355	\$ 47,834	\$ 49,608
7,110	9,226	9,858	10,312	10,838
248	479	21,832	19,600	19,068
47,450	51,274	26,140	42,036	41,947
82,936	76,397	72,039	76,956	78,903
195,990	191,361	173,224	196,738	200,364
2,880	2,745	2,626	2,962	3,138
<u>\$ 198,870</u>	<u>\$ 194,106</u>	<u>\$ 175,850</u>	<u>\$ 199,700</u>	<u>\$ 203,502</u>

**TARRANT COUNTY, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
(Modified accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	<b>FISCAL YEAR</b>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Fund</b>					
Reserved:					
For encumbrances	\$ 1,604	\$ 3,667	\$ 1,549	\$ 2,995	\$ 2,743
For supplies and prepaid items	825	794	865	761	800
For long-term receivable	7,120	6,630	6,115	5,570	4,995
Unreserved	38,201	41,708	44,975	38,347	39,802
Nonspendable	N/A	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A	N/A
<b>Total General fund</b>	<u>\$ 47,750</u>	<u>\$ 52,799</u>	<u>\$ 53,504</u>	<u>\$ 47,673</u>	<u>\$ 48,340</u>
<b>All Other Governmental Funds</b>					
Reserved:					
For debt service	\$ 2,092	\$ 1,739	\$ 1,020	\$ 492	\$ 895
For capital projects	31,107	120,068	159,179	243,413	238,905
For encumbrances	10,903	7,191	19,482	47,394	41,657
For supplies and prepaid items	1,011	819	1,289	825	1,073
For long-term receivable	2,299	2,099	2,099	2,099	2,099
Unreserved, reported in:					
Special revenue funds	20,148	25,584	31,261	27,761	23,774
Nonspendable	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A	N/A
<b>Total all other governmental funds</b>	<u>\$ 67,560</u>	<u>\$ 157,500</u>	<u>\$ 214,330</u>	<u>\$ 321,984</u>	<u>\$ 308,403</u>

(1) The County implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Prior year amounts have not been restated for the implementation of Statement 54.

N/A-Not applicable



TABLE IV

	2010	2011 (1)	2012	2013	2014
\$	3,401	N/A	N/A	N/A	N/A
	878	N/A	N/A	N/A	N/A
	4,390	N/A	N/A	N/A	N/A
	56,306	N/A	N/A	N/A	N/A
	N/A	\$ 4,619	\$ 4,002	\$ 3,409	\$ 2,442
	N/A	292	63	603	307
	N/A	17,868	23,276	25,015	27,578
	N/A	36,642	38,499	49,101	48,616
\$	<u>64,975</u>	<u>\$ 59,421</u>	<u>\$ 65,840</u>	<u>\$ 78,128</u>	<u>\$ 78,943</u>

\$	1,611	N/A	N/A	N/A	N/A
	178,068	N/A	N/A	N/A	N/A
	129,155	N/A	N/A	N/A	N/A
	961	N/A	N/A	N/A	N/A
	2,099	N/A	N/A	N/A	N/A
	28,072	N/A	N/A	N/A	N/A
	N/A	\$ 721	\$ 596	\$ 1,107	\$ 2,604
	N/A	185,117	145,765	146,653	114,877
	N/A	68,129	73,574	80,443	78,467
	N/A	3,730	3,352	3,357	3,488
	N/A	-	-	-	(1,482)
\$	<u>339,966</u>	<u>\$ 257,697</u>	<u>\$ 223,287</u>	<u>\$ 231,560</u>	<u>\$ 197,954</u>

**TARRANT COUNTY, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
(Modified accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	FISCAL YEAR				
	2005	2006	2007	2008	2009
<b>Revenues:</b>					
Taxes	\$ 244,560	\$ 260,357	\$ 283,255	\$ 299,894	\$ 320,593
Licenses and permits	588	723	804	793	903
Fees of office	60,529	67,853	72,136	74,607	70,615
Intergovernmental	72,274	85,597	83,485	100,006	117,658
Investment income	5,265	9,368	15,834	12,287	8,937
Other revenues	15,081	13,101	16,677	17,567	17,407
<b>Total revenues</b>	<b>398,297</b>	<b>436,999</b>	<b>472,191</b>	<b>505,154</b>	<b>536,113</b>
<b>Expenditures:</b>					
Current:					
General government	73,783	81,601	85,970	98,866	111,307
Public safety	81,721	88,307	96,449	102,676	105,151
Transportation support	23,583	24,194	22,210	29,376	28,734
Judicial	111,827	116,480	122,612	132,500	138,962
Community services	51,787	58,398	58,740	66,138	73,164
Capital outlay	46,873	38,782	48,385	49,077	52,908
Debt service:					
Principal payments	19,970	20,825	23,795	25,905	24,285
Interest and fiscal charges	7,275	6,430	9,368	11,469	15,048
Bond issuance costs	163	-	-	-	-
<b>Total expenditures</b>	<b>416,982</b>	<b>435,017</b>	<b>467,529</b>	<b>516,007</b>	<b>549,559</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(18,685)</b>	<b>1,982</b>	<b>4,662</b>	<b>(10,853)</b>	<b>(13,446)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	19,066	24,339	34,078	42,951	35,194
Transfers out	(18,998)	(24,664)	(35,087)	(42,606)	(34,662)
Proceeds from capital lease	-	-	-	-	-
Issuance of debt	12,045	89,990	52,510	107,480	-
Premium on new debt	1,675	3,342	1,372	5,422	-
Discount on new debt	-	-	-	(571)	-
Refunding bonds issued	39,870	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Discount on refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	(41,405)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>12,253</b>	<b>93,007</b>	<b>52,873</b>	<b>112,676</b>	<b>532</b>
<b>Change in fund balance</b>	<b>\$ (6,432)</b>	<b>\$ 94,989</b>	<b>\$ 57,535</b>	<b>\$ 101,823</b>	<b>\$ (12,914)</b>
 Debt Service as a percentage of noncapital expenditures	 7.3%	 6.6%	 7.6%	 7.7%	 7.6%

TABLE V

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 327,003	\$ 316,206	\$ 323,034	\$ 326,100	\$ 333,417
1,159	851	1,137	983	1,078
66,743	69,515	73,432	80,247	81,740
119,163	107,945	100,345	104,592	112,639
2,090	2,098	825	816	1,151
17,288	18,509	19,868	24,990	21,240
533,446	515,124	518,641	537,728	551,265
105,412	98,733	100,997	105,773	111,910
107,190	109,744	112,139	115,081	118,983
21,313	22,936	20,723	19,548	20,451
140,845	143,531	144,477	147,520	152,770
83,369	77,230	70,643	73,433	74,836
53,037	114,674	67,715	64,269	70,370
21,185	20,420	17,325	16,140	18,815
15,207	15,964	16,110	15,574	15,508
254	-	-	-	-
547,812	603,232	550,129	557,338	583,643
(14,366)	(88,108)	(31,488)	(19,610)	(32,378)
23,305	30,031	27,266	27,507	29,040
(23,009)	(29,746)	(26,139)	(27,782)	(29,453)
-	-	2,370	184	-
55,315	-	-	36,940	-
7,196	-	-	3,361	-
(300)	-	-	(163)	-
14,730	-	-	35,320	-
2,363	-	-	4,703	-
(78)	-	-	(148)	-
(16,958)	-	-	(39,751)	-
62,564	285	3,497	40,171	(413)
<u>\$ 48,198</u>	<u>\$ (87,823)</u>	<u>\$ (27,991)</u>	<u>\$ 20,561</u>	<u>\$ (32,791)</u>
7.1%	6.9%	6.5%	6.1%	6.5%

**TARRANT COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
(Per \$100 valuation)  
(Unaudited)

Tarrant County Direct Rates				
Fiscal Year	Operating Fund	Debt Service Fund	Tarrant County Hospital District	Total Direct Rate
2005	\$ 0.244048	\$ 0.028452	\$ 0.235397	\$ 0.507897
2006	0.245376	0.027124	0.235397	0.507897
2007	0.241664	0.029836	0.235397	0.506897
2008	0.234866	0.031634	0.230397	0.496897
2009	0.232187	0.031813	0.227897	0.491897
2010	0.234823	0.029177	0.227897	0.491897
2011	0.234621	0.029379	0.227897	0.491897
2012	0.237071	0.026929	0.227897	0.491897
2013	0.239938	0.024062	0.227897	0.491897
2014	0.236828	0.027172	0.227897	0.491897

Note: Section 26.05 of the Property Tax Code provides that the governing body of a taxing unit is required to adopt the annual tax rate for the unit before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, and a failure to adopt a tax rate by such required date will result in the tax rate for the taxing unit for the tax year to be the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. Furthermore, Section 26.05 provides the Commissioners Court may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the County's website if the County owns, operates or controls an internet website and public notice be given by television if the County has free access to a television channel) and the Commissioners Court has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate, the qualified voters of the County by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

- (1) 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). These tax rates were not assessed by Tarrant County's Commissioners Court.

Source of rates: Tarrant Appraisal District

**TABLE VI**

<b>Overlapping Rates (1)</b>				
<b>Tarrant County College District</b>	<b>Tarrant Regional Water District</b>	<b>Tarrant County Fresh Water Supply</b>	<b>Emergency Service District</b>	
\$ 0.139380	\$ 0.020000	\$ 0.218000	\$ 0.070000	
0.139380	0.020000	-	0.069350	
0.139380	0.020000	-	0.069000	
0.139380	0.020000	-	0.064000	
0.137960	0.020000	-	0.064000	
0.137670	0.020000	-	0.064000	
0.137640	0.020000	-	0.064000	
0.148970	0.020000	-	0.064000	
0.148970	0.020000	-	0.064000	
0.149500	0.020000	-	0.080000	

**TARRANT COUNTY, TEXAS**  
**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
(Unaudited)  
(Amounts in thousands)

**TABLE VII**

<b>Fiscal Year Ended September 30</b>	<b>Assessed Real Property</b>	<b>Assessed Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Direct Tax Rate (1)</b>
2005	\$ 92,876,831	\$ 17,690,825	\$ 20,967,656	\$ 89,600,000	\$ 0.507897
2006	97,462,235	18,564,235	19,896,195	96,130,275	0.507897
2007	108,005,011	20,280,725	23,149,967	105,135,769	0.506897
2008	116,141,002	22,316,843	24,527,707	113,930,138	0.496897
2009	123,575,202	25,016,550	25,133,830	123,457,922	0.491897
2010	126,395,312	26,776,981	26,927,226	126,245,067	0.491897
2011	122,408,926	24,737,656	26,185,517	120,961,065	0.491897
2012	124,086,966	25,696,928	27,031,749	122,752,145	0.491897
2013	127,033,164	26,185,771	28,901,268	124,317,667	0.491897
2014	131,382,684	26,034,219	29,839,866	127,577,037	0.491897

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

**TARRANT COUNTY, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Unaudited)  
(Amounts in thousands)

TABLE VIII

Taxpayer	FISCAL YEAR					
	2014			2005		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 951,569	1	0.75%			
XTO Energy Inc.	597,305	2	0.47			
Chesapeake Operating	565,846	3	0.44			
Barnett Gathering LP	471,761	4	0.37			
Walmart Real Estate Bus. Trust	470,417	5	0.37			
Devon Energy Food Co.	381,143	6	0.30			
American Airlines	366,782	7	0.29	\$ 518,963	2	0.58%
Bell Helicopter Textron	353,814	8	0.28			
Opryland Hotel	278,139	9	0.22	262,066	4	0.29
Southwestern Bell	240,514	10	0.19	438,597	3	0.49
TXU/Oncor Electric				823,166	1	0.92
Albertson, Inc.				256,610	5	0.29
Textron, Inc.				221,674	6	0.25
Grapevine Mills Ltd. Partnership				165,639	7	0.18
CAE Simuflite				160,021	8	0.18
Alcon Laboratories				157,419	9	0.18
General Motors Corp.				146,282	10	0.16
	<u>\$ 4,677,290</u>		<u>3.67%</u>	<u>\$ 3,150,437</u>		<u>3.52%</u>

Source: Tarrant Appraisal District

**TARRANT COUNTY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
(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	
2005	\$ 244,160	\$ (401)	\$ 243,759	\$ 239,933	98.27%	\$ 3,229
2006	261,955	(356)	261,599	257,648	98.36%	3,404
2007	285,433	(707)	284,726	280,951	98.43%	3,211
2008	303,624	(91)	303,533	299,681	98.70%	3,219
2009	325,929	(171)	325,758	321,181	98.54%	3,749
2010	333,272	(317)	332,955	328,774	98.65%	3,154
2011	319,354	(89)	319,265	315,758	98.87%	2,533
2012	324,066	(87)	323,979	320,705	98.96%	2,156
2013	328,199	(498)	327,701	324,960	99.01%	1,238
2014	336,803	-	336,803	333,806	99.11%	-

Source: Tarrant County Tax Office and Tarrant Appraisal District



Total Collections		
Amount	Percentage of Levy	
\$ 243,162	99.76%	
261,052	99.79%	
284,162	99.80%	
302,900	99.79%	
324,930	99.75%	
331,928	99.69%	
318,291	99.69%	
322,861	99.65%	
326,198	99.54%	
333,806	99.11%	

**TARRANT COUNTY, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
**(Amounts in thousands, except per capita amount)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates Of Obligation</b>	<b>Limited Tax Refunding</b>	<b>Taxable Tax Notes</b>	<b>Non-Taxable Tax Notes</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>
2005	\$ 27,405	\$ 14,210	\$ 93,456	\$ -	\$ 33,743	-	\$ 168,814
2006	110,863	7,880	85,217	-	37,166	-	241,126
2007	159,553	4,015	77,203	-	30,181	-	270,952
2008	265,051	-	70,315	-	21,521	-	356,887
2009	253,393	-	66,073	-	12,586	-	332,052
2010	226,980	-	139,287	-	5,947	-	372,214
2011	216,827	-	132,318	-	1,727	-	350,872
2012	206,334	-	126,344	-	-	\$ 2,325	335,003
2013 (3)	196,521	-	158,983	-	-	1,920	357,424
2014	186,343	-	152,406	-	-	1,304	340,053

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 2013.
- (3) County implemented GASB 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Amounts prior to 2013 have not been restated for the implementation of Statement 63.

<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
0.30	\$ 102.75
0.39	141.65
0.40	155.27
0.52	200.48
0.49	183.68
0.52	205.75
0.47	193.02
0.43	182.94
0.43 (2)	192.27
0.41 (2)	176.07

**TARRANT COUNTY, TEXAS**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
(Amounts in thousands, except per capita amount)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates Of Obligation</b>	<b>Limited Tax Refunding</b>	<b>Taxable Tax Notes</b>	<b>Non-Taxable Tax Notes</b>	<b>Total Primary Government</b>	<b>Less: Amount Available In Debt Service Fund</b>	<b>Total</b>
2005	\$ 27,405	\$ 14,210	\$ 93,456	\$ -	\$ 33,743	\$ 168,814	\$ 2,092	\$ 166,722
2006	110,863	7,880	85,217	-	37,166	241,126	1,739	239,387
2007	159,553	4,015	77,203	-	30,181	270,952	1,020	269,932
2008	265,051	-	70,315	-	21,521	356,887	492	356,395
2009	253,393	-	66,073	-	12,586	332,052	895	331,157
2010	226,980	-	139,287	-	5,947	372,214	1,611	370,603
2011	216,827	-	132,318	-	1,727	350,872	1,482	349,390
2012	206,334	-	126,344	-	-	332,678	1,626	331,052
2013 (3)	196,521	-	158,983	-	-	355,504	486	355,018
2014	186,343	-	152,406	-	-	338,749	1,112	337,637

Note: All debt is related to government activities, net of issuance discounts, premiums, and refunding. Taxable and 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) County implemented GASB 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Amounts prior to 2013 have not been restated for the implementation of GASB Statement 63.

TABLE XI

<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
0.19%	\$ 101.48
0.25%	140.63
0.26%	154.68
0.31%	200.21
0.27%	183.19
0.29%	204.86
0.29%	192.20
0.27%	180.78
0.29%	190.98
0.26%	174.82

**TARRANT COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of September 30, 2014**  
**(Unaudited)**  
**(Amounts in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt 9/30/2014</u>
Debt repaid with property taxes:			
Special Districts:			
Tarrant County College District	\$ 7,935	100.00%	\$ 7,935
Live Oak Creek Municipal Utility District #1	4,750	100.00%	4,750
Viridian Municipal Management District	20,975	100.00%	20,975
County Line Special District:			
Trophy Club Municipal Utility District #1	5,520	25.26%	1,394
Cities:			
Arlington	325,315	100.00%	325,315
Bedford	55,450	100.00%	55,450
Benbrook	11,945	100.00%	11,945
Blue Mound	40	100.00%	40
Colleyville	11,330	100.00%	11,330
Dalworthington Gardens	2,895	100.00%	2,895
Eules	33,765	100.00%	33,765
Everman	3,745	100.00%	3,745
Forest Hill	8,085	100.00%	8,085
Fort Worth	786,030	97.10%	763,235
Haltom City	60,725	100.00%	60,725
Haslet	4,745	100.00%	4,745
Hurst	66,165	100.00%	66,165
Keller	84,427	100.00%	84,427
Kennedale	15,500	100.00%	15,500
Lake Worth	18,030	100.00%	18,030
North Richland Hills	132,950	100.00%	132,950
Pantego	200	100.00%	200
Pelican Bay	1,421	100.00%	1,421
Richland Hills	12,551	100.00%	12,551
Saginaw	24,360	100.00%	24,360
Sansom Park	1,808	100.00%	1,808
Watauga	26,035	100.00%	26,035
Westworth Village	9,880	100.00%	9,880
White Settlement	16,255	100.00%	16,255
County Line Cities:			
Azle	6,910	80.67%	5,574
Burleson	121,375	21.91%	26,593

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.)

TABLE XII

<u>Governmental Unit (cont'd)</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt 9/30/2014</u>
Crowley	\$ 25,915	99.66%	\$ 25,827
Flower Mound	129,675	1.86%	2,412
Grand Prairie	214,055	48.74%	104,330
Grapevine	151,067	97.22%	146,867
Mansfield	102,165	95.70%	97,772
Reno	520	4.60%	24
Southlake	146,095	97.78%	142,852
Trophy Club	14,727	6.36%	937
Westlake	29,304	98.77%	28,944
School Districts:			
Arlington Independent School District	579,645	100.00%	579,645
Birdville Independent School District	188,860	100.00%	188,860
Carroll Independent School District	226,025	100.00%	226,025
Castleberry Independent School District	46,910	100.00%	46,910
Eagle Mountain Saginaw Independent School District	563,050	100.00%	563,050
Everman Independent School District	86,525	100.00%	86,525
Fort Worth Independent School District	747,640	100.00%	747,640
Hurst Eules Bedford Independent School District	290,688	100.00%	290,688
Keller Independent School District	654,308	100.00%	654,308
Kennedale Independent School District	43,366	100.00%	43,366
Lake Worth Independent School District	74,660	100.00%	74,660
White Settlement Independent School District	166,988	100.00%	166,988
County Line School Districts:			
Aledo Independent School District	140,931	4.61%	6,497
Azle Independent School District	36,775	62.10%	22,837
Burleson Independent School District	304,396	34.39%	104,682
Crowley Independent School District	306,970	98.85%	303,440
Godley Independent School District	32,547	6.90%	2,246
Grapevine Colleyville Independent School District	338,573	88.73%	300,417
Lewisville Independent School District	1,128,501	0.41%	4,627
Mansfield Independent School District	719,518	95.13%	684,476
Northwest Independent School District	737,438	42.50%	313,411
Sub-total Overlapping Debt			<u>7,719,341</u>
Tarrant County (direct debt)	340,853	100.00%	340,053
Tarrant County Hospital District (direct debt)	48,450	100.00%	48,450
Total Direct and Overlapping Debt			<u><u>\$ 8,107,844</u></u>

**TARRANT COUNTY, TEXAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN YEARS**  
(Unaudited)  
(Amounts in thousands)

	<b>FISCAL YEAR</b>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 4,480,000	\$ 4,806,514	\$ 5,256,788	\$ 5,696,507	\$ 6,172,896
Total net debt applicable to limit	<u>166,722</u>	<u>239,387</u>	<u>269,932</u>	<u>356,395</u>	<u>331,157</u>
Legal debt margin	<u>\$ 4,313,278</u>	<u>\$ 4,567,127</u>	<u>\$ 4,986,856</u>	<u>\$ 5,340,112</u>	<u>\$ 5,841,739</u>
Total net debt applicable to the limit as a percentage of debt limit	3.72%	4.98%	5.13%	6.26%	5.36%

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

(2) County implemented GASB 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Amounts prior to 2013 have not been restated for the implementation of Statement 63.



TABLE XIII

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (2)</u>	<u>2014</u>
\$ 6,312,253	\$ 6,048,053	\$ 6,137,607	\$ 6,215,883	\$ 6,378,852
<u>370,603</u>	<u>349,390</u>	<u>331,052</u>	<u>355,018</u>	<u>337,637</u>
<u>\$ 5,941,650</u>	<u>\$ 5,698,663</u>	<u>\$ 5,806,555</u>	<u>\$ 5,860,865</u>	<u>\$ 6,041,215</u>
5.87%	5.78%	5.39%	5.71%	5.29%

**Legal Debt Margin Calculation (1) for Fiscal Year 2014**

Assessed value	\$ 127,577,037
Debt Limit (5% of total assessed value)	6,378,852
Debt applicable to limit:	
Total General Bonded debt	338,749
Less: Amount available in Debt Service Fund	<u>(1,112)</u>
Total net debt applicable to limit	<u>337,637</u>
Legal debt margin	<u>\$ 6,041,215</u>

**TARRANT COUNTY, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

TABLE XIV

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (Amounts in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>	<u>Public School Enrollment (4)</u>
2005	1,642,950	\$ 56,312,111	\$ 34,275	5.0%	300,688
2006	1,702,250	62,373,845	36,642	4.6	312,524
2007	1,745,050	67,250,737	38,538	4.3	318,324
2008	1,780,150	69,279,878	38,918	5.1	323,703
2009	1,807,750	67,911,744	37,567	8.2	329,402
2010	1,809,034	71,216,241	39,367	7.9	336,266
2011	1,817,840	74,467,816	40,965	8.3	342,813
2012	1,831,230	78,823,464	43,044	6.2	347,573
2013	1,858,921	82,567,694	44,417	6.0	353,806
2014	1,931,335	NA	NA	5.0	357,126

Data Sources:

- (1) North Central Texas Council of Governments, Fort Worth Chamber of Commerce, Texas Dept. of State & Health Srv.
- (2) Bureau of Economic Analysis U.S. Department of Commerce
- (3) Texas Workforce Commission
- (4) Texas Education Agency

NA-Not available

**TARRANT COUNTY, TEXAS  
TEN PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**TABLE XV**

<u>Employer</u>	<u>2014 (1)</u>			<u>2005 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Tarrant County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Tarrant County Employment</u>
AMR Corp./American Airlines	24,000	1	2.56%	14,608	2	1.81%
Lockheed Martin Aeronautics Company	12,600	2	1.34	16,800	1	2.08
Texas Health Resources	12,207	3	1.30	7,422	5	0.92
Fort Worth Independent School District	12,000	4	1.28	10,366	3	1.29
NAS Fort Worth JRB	11,000	5	1.17			
Arlington Independent School District	8,500	6	0.91	7,831	4	0.97
JPS Health Network	6,000	7	0.64			
Cook Children's Health Care System	5,611	8	0.60			
Alcon Laboratories Inc.	5,451	9	0.58			
Bell Helicopter	5,400	10	0.58	4,900	8	0.61
D.R. Horton Inc.				5,770	6	0.72
City of Fort Worth				5,606	7	0.70
SBC Southwestern Bell				4,443	9	0.55
Tarrant County				4,213	10	0.52

Data Sources:

(1) Fort Worth Business Press and Texas Workforce Commission

(2) Fort Worth Business Press and Texas Workforce Commission

**TARRANT COUNTY, TEXAS**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Function	Full-Time Equivalent Employees as of September 30				
	2005	2006	2007	2008	2009
<b>Governmental activities:</b>					
General government	660	661	681	701	735
Public safety	1,343	1,372	1,439	1,441	1,440
Transportation	195	197	199	199	203
Judicial	1,247	1,255	1,289	1,314	1,330
Community services	446	444	442	477	483
<b>Business-type activities</b>					
Resource Connection	20	18	18	18	18
Total full-time equivalent employees	<u>3,911</u>	<u>3,947</u>	<u>4,068</u>	<u>4,150</u>	<u>4,209</u>

Source: Tarrant County Budget Office

TABLE XVI

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
734	731	718	726	727
1,409	1,403	1,428	1,441	1,445
203	200	200	201	201
1,343	1,333	1,336	1,344	1,348
509	510	507	512	516
<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>
<u>4,211</u>	<u>4,190</u>	<u>4,202</u>	<u>4,238</u>	<u>4,251</u>

**TARRANT COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

FUNCTION	FISCAL YEAR			
	2005	2006	2007	2008
<b>District Clerk</b>				
Civil court cases filed	6,427	6,678	6,363	6,491
Criminal court cases filed	16,529	16,290	18,705	17,371
Family court cases filed (Attorney General cases)	10,822	11,526	12,525	15,024
Family court cases filed (Non-Attorney General cases)	14,137	14,332	14,530	15,468
Juvenile court cases filed	3,521	3,163	3,156	2,950
Tax foreclosure cases filed	2,521	3,435	4,179	4,174
Passport applications accepted	9,690	12,005	18,625	17,194
<b>County Clerk</b>				
County court at law cases filed	9,083	10,013	11,001	9,593
Mental health cases filed	1,585	1,922	2,226	2,192
Probate cases filed	3,772	3,721	3,788	3,887
Birth certificates issued	15,036	15,881	17,169	15,740
Marriage licenses issued	13,601	14,015	14,196	13,396
<b>Justice of the Peace (all precincts)</b>				
Traffic cases	17,123	10,762	11,791	11,809
Non-traffic cases	7,451	7,541	7,917	8,353
Small claims cases	3,354	3,229	3,159	3,539
Landlord/Tenant	21,492	23,886	25,109	25,999
Debt Claims	4,028	5,613	6,569	13,023
<b>Sheriff</b>				
Prisoner bed days in county jail	1,232,776	1,248,639	1,260,588	1,264,725
<b>Public Health</b>				
Chronic disease prevention, average monthly caseload	543	464	492	544
Notifiable diseases reported	3,477	3,841	5,405	5,990
Food establishment inspections	5,157	5,249	5,430	4,706
Sexually transmitted disease clinic visits	7,442	7,343	7,190	8,226
Milk and dairy tests	20,673	24,184	25,834	23,218
Tuberculosis DOT/DOPT doses administered	21,417	22,047	23,222	21,688
Women, infants & children visits and immunizations	606,976	612,968	624,493	673,445
<b>Tax Assessor/Collector</b>				
Tax accounts collected	641,074	659,911	659,911	676,757
Contracts with entities for tax collection	52	52	53	53
<b>Transportation</b>				
Miles of roads maintained in un-incorporated areas	451	394	405	423
Inter-local contracts executed/performed	80	53	61	67
Square yards of right of way	12,604,433	13,186,763	13,779,805	14,441,830
<b>Human Services</b>				
Rent vouchers issued	2,044	1,659	1,445	1,541
Utility vouchers issued	14,016	14,262	12,758	11,565
Food/hygiene vouchers issued	3,291	2,267	2,399	1,790

Source: Various County departments

TABLE XVII

2009	2010	2011	2012	2013	2014
7,906	7,437	7,556	6,995	6,692	8,752
17,013	15,674	15,507	16,880	17,367	17,167
12,551	12,776	12,958	11,505	15,551	13,285
15,219	15,478	15,045	15,372	14,836	14,821
2,717	2,431	1,687	2,516	2,487	2,175
4,001	3,906	4,820	5,601	2,196	3,541
13,932	13,510	13,249	16,583	25,868	35,659
9,480	9,468	9,981	8,947	8,212	7,480
2,599	2,653	2,841	3,002	2,954	3,096
3,672	3,988	3,875	3,858	4,288	4,353
40,771	44,266	42,591	41,415	45,460	46,979
12,708	13,533	13,397	14,223	14,439	14,754
8,883	8,616	8,286	6,352	5,725	6,660
8,235	6,691	6,788	4,839	5,479	4,842
3,693	3,242	2,988	2,843	2,379	5,558
26,656	28,445	29,230	27,324	27,176	27,511
10,107	9,831	9,637	10,907	11,195	6,609
1,231,751	1,179,111	1,252,502	1,213,861	1,179,322	1,256,067
1,710	1,590	1,091	1,009	947	1,105
5,091	4,319	5,619	5,543	5,057	4,337
5,435	5,661	5,228	6,234	5,752	6,127
7,289	6,638	6,142	6,137	5,939	6,516
21,671	20,649	21,637	18,870	18,468	17,836
17,645	18,342	22,749	16,609	18,192	24,343
685,010	741,208	702,749	686,603	652,496	616,333
706,300	763,957	807,229	834,962	940,493	1,142,980
54	54	57	56	58	56
422	417	409	412	407	403
70	66	68	91	84	70
14,422,252	14,392,994	14,071,312	13,889,638	13,751,279	13,651,932
1,676	1,398	1,209	1,133	856	813
10,571	10,763	7,214	8,158	9,724	10,312
2,199	1,836	872	4,694	1,512	2,331

**TARRANT COUNTY, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN YEARS**  
(Unaudited)

	<b>FISCAL YEAR</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>General Government</b>				
Number of buildings				
Subcourthouses	8	8	8	9
Courts buildings	6	6	6	6
Other	18	18	17	17
Building square footage	2,864,019	2,915,381	2,903,068	2,976,068
Subcourthouses	245,111	245,111	245,111	318,111
Courts buildings	1,180,289	1,180,289	1,180,289	1,180,289
Other	1,438,619	1,489,981	1,477,668	1,477,668
<b>Public Safety</b>				
Number of jails	4	4	4	4
Building square footage	906,204	906,204	907,736	907,736
Number of patrol vehicles	88	93	98	97
<b>Transportation</b>				
Miles of roads in un-incorporated areas	451	394	405	423
Square yards of right of way	12,604,433	13,186,763	13,779,805	14,441,830
Number of heavy equipment	210	220	245	247
Number of vehicles	463	492	445	450
<b>Judicial</b>				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
<b>Community Services</b>				
Public Health vehicles	35	36	37	37
<b>Resource Connection</b>				
Number of buildings	15	15	15	15
Building square footage	348,464	348,464	348,464	348,464

Source: Tarrant County Facilities Office



TABLE XVIII

2009	2010	2011	2012	2013	2014
9	9	9	9	8	8
6	6	6	6	5	5
16	16	16	15	14	14
2,937,619	2,955,001	3,060,459	3,054,447	2,825,302	2,826,802
318,111	317,962	363,420	363,420	346,781	346,781
1,180,289	1,179,968	1,179,968	1,179,968	1,074,510	1,074,510
1,439,219	1,457,071	1,517,071	1,511,059	1,404,011	1,405,511
4	4	4	5	5	5
907,736	907,823	907,823	1,115,523	1,115,523	1,115,523
98	102	102	102	102	102
422	417	409	412	407	403
14,422,252	14,392,994	14,071,312	13,889,638	13,751,279	13,651,932
254	250	249	251	247	250
506	461	465	475	492	523
124,770	124,770	124,770	124,770	124,770	124,770
38	41	43	43	47	45
15	15	15	15	16	16
348,464	348,464	348,464	348,464	348,464	348,464

