



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2013**

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

**Fiscal Year Ended September 30, 2013**



**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 21, 2014

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, 2013 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 KPMG, LLP, a firm of licensed certified public accountants. 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, 2013 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, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 require 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 1,858,921 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 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 Services 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 reported separately 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 75-77 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. Because of this, there has been an absence of the unrealistic market value increases for property in general that has been seen in other markets.

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. This has also helped offset the reduction in other property values and provided additional taxable value.

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 17,000-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 350 companies, 35,000 employees and more than 7,700 single-family homes. New and expanded developments within AllianceTexas include: LG Electronics, Exel Logistics, Health Care Service Corp., the parent company of Blue Cross Blue Shield of Texas, DynCorp International, Deloitte, Fidelity Investments, and Cabela's Retail Inc.

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

**University of North Texas Health Science Center:** The University of North Texas Health Science Center constructed a new \$10 million education building and laboratory on its Fort Worth campus. The four-story, 71,000 square foot facility will consolidate campus clinics into a single location.

**Baylor Hospital** in Grapevine recently completed a major facility expansion, adding a \$100 million patient tower with 48 additional beds, emergency department rooms, operating suites and room for an additional 60 beds in the future. With the expansion, the hospital has 324 licensed beds, and provides a wide array of services, including cardiovascular and women's services, intensive and emergency care.

**NBC-KXAS-TV** has begun development in order to replace its aging Fort Worth production studio with a new state-of-the-art facility in Centreport. NBC will consolidate several DFW area affiliate activities to the new 75,000 square foot, \$16 million facility that will house more than 200 employees.

**GM Arlington** is adding 10,000 square feet of space and investing more than \$254 million to retool it's facility in order to make the next generation truck and/or SUV's starting 2014. GM employs over 2,300 full-time positions 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 began construction 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. The facility will add 180 new full-time jobs.

**GE Transportation** in far north Fort Worth has begun construction on a 900,000 square foot locomotive manufacturing facility. This \$96 million facility will bring in over 500 new jobs.

**Burlington Northern Santa Fe Railroad:** Burlington Northern has completed construction of its \$100 million Network Operation Center (NOC) on the company's Western Center Boulevard property in north Fort Worth. The NOC, comprised of two buildings totaling more than 250,000 square feet, is a high-tech, state of the art facility which serves as the control and tracking center for all of Burlington's railroads throughout the United States.

**Omni Convention Center Hotel:** The hotel opened January 2009 with 614 rooms and 89 luxury resident units. The Omni Hotel hosted the AFC team rooms for the 2011 Super Bowl. ESPN also broadcast live from downtown Fort Worth during Super Bowl Week in February 2011.

**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 15,000 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 and the 2013 semifinals of the CONCACAF Gold Cup. The stadium will also host the 2014 NCAA Final Four Basketball Tournament.

**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.

**American Airlines:** On November 29, 2011, American Airlines filed Chapter 11 bankruptcy. On December 9 2013, the board of directors for AMR Corporation, American Airlines parent company, and US Airways Group announced the completion of their merger

## **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 2013 totaled \$0.264 with \$0.024062 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 year ended September 30, 2012. 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 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, KPMG, LLP.

Sincerely,



S. Renee Tidwell, CPA  
County Auditor



Government Finance Officers Association

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

Presented to

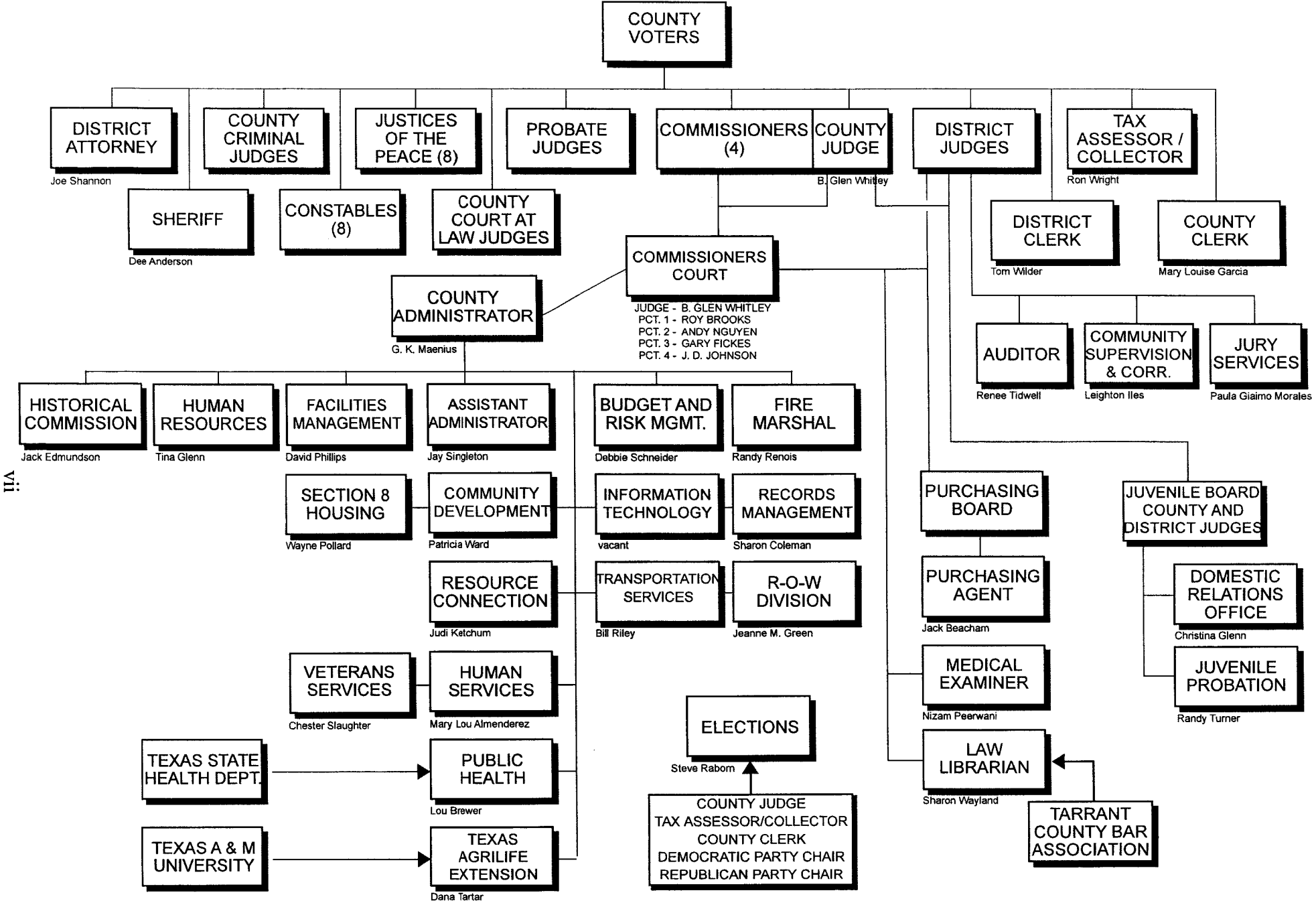
**Tarrant County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# TARRANT COUNTY ORGANIZATION



11/1

**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*	Acting Chief Information Officer

Recording Officials:

Mary Louise Garcia	County Clerk
Tom Wilder	District Clerk

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





**FINANCIAL SECTION**



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

## 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 the Tarrant County, Texas (the County), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. 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 financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the TCHD and MHMRTC, are based solely on the report of the other auditors.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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.



### ***Opinion***

In our opinion, 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 the Tarrant County, Texas, as of September 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### ***Emphasis of Matter***

As discussed in note 1 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statements No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34*, and No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as of October 1, 2012.

### ***Other Matters***

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

U.S. generally accepted accounting principles require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules of funding on pages 4 through 13, 75 through 79 and 80 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and 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 and the budget and actual schedules in the supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and the budget and actual 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, the combining financial statements and the budget and actual schedules in the supplementary information 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.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

**KPMG LLP**

March 21, 2014

## 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, 2013. 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 \$226,989,000 (*net position*). This is a decrease of \$29,593,000.
- Total net position of the County is comprised of the following:
  1. Net investment in capital assets of \$192,754,000 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 assets of \$20,967,000 are restricted by constraints imposed from outside the County such as debt obligations, laws, regulations, contractual or donor imposed constraints.
  3. Unrestricted net position of \$13,268,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$309,688,000, a increase of \$20,561,000 in comparison with the prior year. Approximately 16 percent of this total amount, \$49,101,000, 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 \$49,101,000, or approximately 14 percent of total general fund expenditures.
- The County's bonded debt increased by \$18,910,000 (approximately 6 percent) during the current fiscal year.

### *Overview of the Financial Statements*

This discussion and analysis are 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 themselves.

**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 (“TCHFC”) and Industrial Development Corporations (“TCIDC”), although legally separate, function for all practical purposes as a department of the County, and therefore have been blended as an integral part of the primary government.

The government-wide financial statements can be found on pages 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 schedule 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 31-73 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 post employment benefits to its employees. Required supplementary information can be found on pages 75-80 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 post employment benefits. Combining and individual fund statements and schedules can be found on pages 84-87 and 98-100 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 \$226,989,000 at the close of the most recent fiscal year.

The largest portion of the County's net position \$192,754,000 (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, \$13,268,000, 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 \$12,670,000 for records management, \$2,594,000 contractual or donor imposed restrictions and \$5,703,000 for other purposes.

### Tarrant County's Net Position

(Amounts in thousands)

	September 30, 2013			September 30, 2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 390,543	\$ 1,975	\$ 392,518	\$ 366,771	\$ 3,126	\$ 369,897
Internal balance	-	-	-	1,572	(1,572)	-
Capital assets	430,942	4,922	435,864	420,695	5,256	425,951
Total assets	821,485	6,897	828,382	789,038	6,810	795,848
Other Liabilities	107,032	435	107,467	101,478	461	101,939
Long-term liabilities outstanding	493,905	21	493,926	437,277	50	437,327
Total liabilities	600,937	456	601,393	538,755	511	539,266
Net position:						
Net investment in capital assets	187,832	4,922	192,754	213,102	5,256	218,358
Restricted	20,967		20,967	17,780		17,780
Unrestricted	11,749	1,519	13,268	19,401	1,043	20,444
Total net position	<u>\$ 220,548</u>	<u>\$ 6,441</u>	<u>\$ 226,989</u>	<u>\$ 250,283</u>	<u>\$ 6,299</u>	<u>\$ 256,582</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 decreased by \$29,593,000 during the current fiscal year. This decrease represents the degree to which decreases in ongoing revenues have surpassed similar increases in ongoing expenses. This decrease is 48 percent less than prior year. Expenses maintained an increase of less than 1 percent with the decrease in transportation and debt service costs offset with increases in all other areas. Revenues increased approximately 6 percent, related to increases in fees for services and property taxes resulting from increased property values.



**Governmental activities.** Governmental activities decreased the County's net position by \$29,735,000, thereby accounting for the decline in the net position of the County. Even though the increase in expenses was \$4,964,000 and revenues increased \$31,726,000, the result was still a decrease in net position. This decrease is approximately 48 percent less than prior year.

**Business-type activities.** Business-type activities net position increased \$142,000. Expenses decreased \$193,000 or approximately 6 percent while prior year included one-time renovations for new tenants, current year revenues increased \$283,000 or approximately 9 percent, as tenant space is occupied.

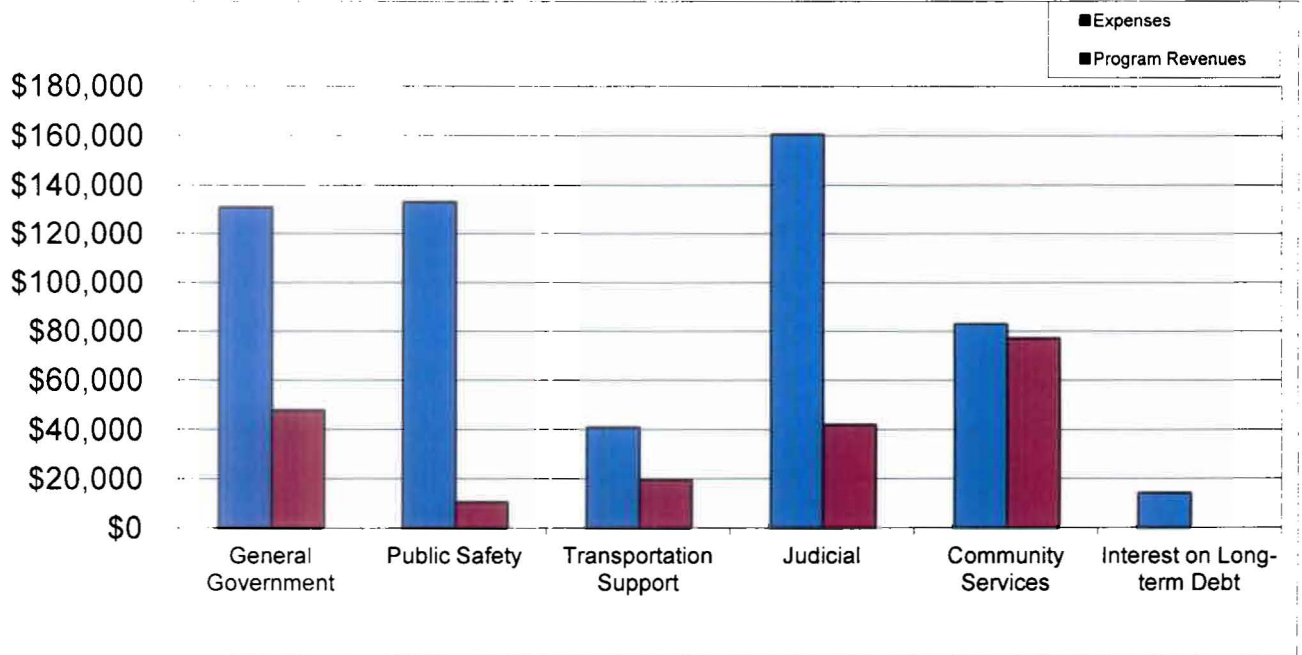
## Tarrant County's Changes in Net Position

(Amounts in thousands)

	For the year ended September 30, 2013			For the year ended September 30, 2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Fees, fines and charges for for services	\$ 118,963	\$ 2,962	\$ 121,925	\$ 96,785	\$ 2,626	\$ 99,411
Operating grants and contributions	76,631		76,631	72,934		72,934
Capital grants and contributions	1,144		1,144	3,505		3,505
General revenues:						
Property taxes	325,106		325,106	317,016		317,016
Alcoholic and bingo taxes	6,694		6,694	6,392		6,392
Investment earnings	816	4	820	825	4	829
Other general revenue	3,473	334	3,807	3,644	387	4,031
Total revenues	532,827	3,300	536,127	501,101	3,017	504,118
Expenses:						
General government	130,932		130,932	127,322		127,322
Public safety	133,199		133,199	129,313		129,313
Transportation	40,820		40,820	48,559		48,559
Judicial	160,619		160,619	157,358		157,358
Community services	82,852		82,852	79,934		79,934
Interest and fiscal charges	14,140		14,140	15,112		15,112
Resource Connection		3,158	3,158		3,351	3,351
Total expenses	562,562	3,158	565,720	557,598	3,351	560,949
Increase(decrease) in net position	(29,735)	142	(29,593)	(56,497)	(334)	(56,831)
Net position-beginning	250,283	6,299	256,582	306,780	6,633	313,413
Net position-ending	\$ 220,548	\$ 6,441	\$ 226,989	\$ 250,283	\$ 6,299	\$ 256,582

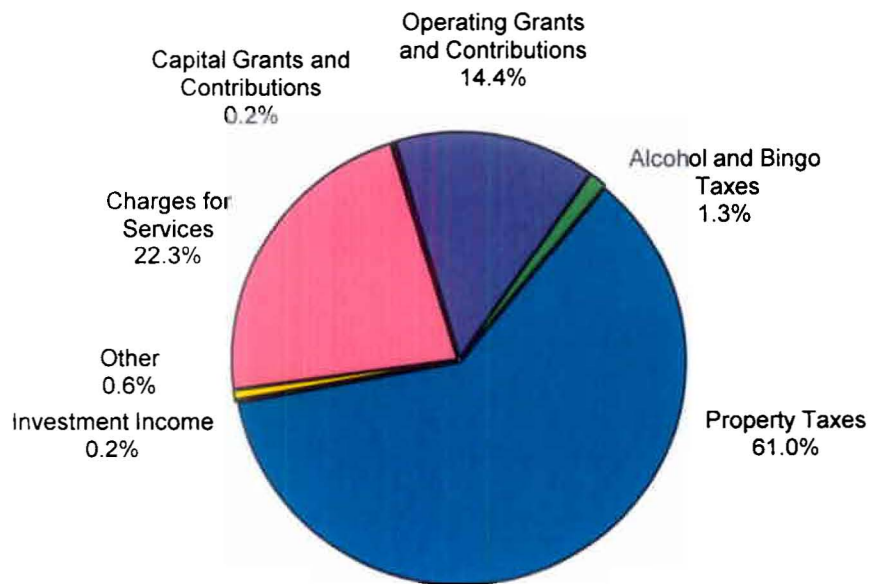
## Expenses and Program Revenues – Governmental Activities

(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 \$309,688,000, an increase of \$20,561,000. Approximately 16% of this total amount, \$49,101,000, 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) \$4,516,000 is not in spendable form, 2) \$146,653,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$81,046,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$28,372,000 has been assigned for a specific purpose, generally used to liquidate outstanding purchase orders.

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 \$49,101,000, while total fund balance was \$78,128,000. 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 23 percent of that same amount.

The fund balance of the County's general fund increased by \$12,288,000 during the current fiscal year. Revenues increased from prior year due to increased tax collections from increased property values as well as the allocation of tax revenue between general fund and debt service. Other increase was from 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 due to proceeds from the sale of a building. Expenses only 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 \$15,802,000 of which 691,000 is in nonspendable form, the remainder is committed by the Commissioners Court. The fund balance decreased \$1,637,000, as revenues decreased due to the legislative allocation of sales tax collection commissions between the general fund and road and bridge fund. Excess fund balance from fiscal 2012 was budgeted and spent in fiscal year 2013.

The debt service fund has a total fund balance of \$486,000, all of which is committed for the payment of debt service. The net decrease in fund balance during the current year in the debt service was \$1,140,000. The County approved a property tax for debt service at the beginning of the current fiscal year. This tax produced revenues of \$30,234,000 in the current fiscal year. The county maintains a policy of not retaining excess debt service funds and budgeted the excess fund balance from fiscal 2012.

The capital projects fund has a total fund balance of \$186,174,000, all of which is either nonspendable, restricted or committed for the payment of capital projects. The net increase in fund balance during the current year was \$6,377,000. The fund balance increased due to the difference between the bond proceeds received during the year, and 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 \$4,673,000. Records preservation and automation fund increased \$1,960,000 for upcoming projects to enhance public access and to make records searchable and available online. Public health contract increased \$1,830,000 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 \$6,441,000. The total increase in net position for the fund was \$142,000. The expenses decreased as prior 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 \$26,788,000, contingency of \$1,500,000 and undesignated balance of \$12,830,000.
- Several departments' expenses were less than budgeted for building operations, information technology, sheriff and jail operations.
- Actual revenue was greater than budgeted revenue in all categories.

## **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, 2013 amounted to \$435,864,000 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 \$9,913,000.

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
- Sale of a building no longer in use

Additional information on the County's capital assets can be found in Note 5 on pages 46-47 of this report.

### Tarrant County's Capital Assets

(Net of depreciation)  
(Amounts in thousands)

	September 30, 2013			September 30, 2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 54,003	\$ 2,071	\$ 56,074	\$ 55,032	\$ 2,071	\$ 57,103
Buildings and improvements	261,856	1,684	263,540	270,080	1,963	272,043
Furnishings and equipment	26,310	82	26,392	31,827	68	31,895
Infrastructure	46,157	1,085	47,242	45,717	1,154	46,871
Construction in progress	42,616		42,616	18,039		18,039
Total	<u>\$ 430,942</u>	<u>\$ 4,922</u>	<u>\$ 435,864</u>	<u>\$ 420,695</u>	<u>\$ 5,256</u>	<u>\$ 425,951</u>

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$336,635,000. 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 \$1,920,000.

### Tarrant County's Outstanding Debt

(Amounts in thousands)

	Governmental Activities 2013	Governmental Activities 2012
	General Obligation	\$ 190,125
Limited Tax Refunding Bonds	146,510	118,300
Capital Lease	1,920	2,325
Total	<u>\$ 338,555</u>	<u>\$ 320,050</u>

The County's bonded debt increased by \$18,910,000 or 6 percent during the current fiscal year. This increase is a reflection of two components: 1) the issuance of new debt of \$72,260,000 which included a refunding of \$37,210,000 of existing debt and 2) principal payments of \$16,140,000 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 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.

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 \$5,861,115,000, 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 48-51 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 6.0 percent, compared to the prior year of 6.2 percent. The state’s average unemployment rate of 6.3 percent remained the same as a year ago. The national unemployment rate is 7.2 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 2014 fiscal year.

At September 30, 2013, the unassigned fund balance in the general fund was \$49,101,000. Total assigned fund balance, \$25,015,000, includes \$23,148,000 assigned for the purpose of spending in the 2014 fiscal year budget. This available fund balance enabled the County’s tax rate to remain the same for the 2014 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, 2013 (AMOUNTS IN THOUSANDS)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 311,574	\$ 1,826	\$ 313,400
Taxes receivable, net of allowance for uncollectibles	6,467	-	6,467
Other receivables, net of allowance for uncollectibles	69,017	144	69,161
Prepaid expenses and inventory	3,485	5	3,490
Restricted assets	-	-	-
Noncurrent cash and investments	-	-	-
Investment in joint venture	-	-	-
Capital assets, net:			
Not subject to depreciation	96,619	2,071	98,690
Subject to depreciation	334,323	2,851	337,174
Total assets	<u>821,485</u>	<u>6,897</u>	<u>828,382</u>
<b>LIABILITIES</b>			
Accounts payable	23,444	225	23,669
Accrued interest payable	3,229	-	3,229
Other liabilities	22,265	36	22,301
Unearned revenue	9,950	72	10,022
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	25,066	102	25,168
Capital lease	616	-	616
Bonds & notes payable	18,815	-	18,815
Other noncurrent liabilities	3,647	-	3,647
Portion due or payable after one year:			
Compensated absences payable	14,266	21	14,287
Capital lease payable	1,304	-	1,304
Bonds and notes payable	336,439	-	336,439
Other noncurrent liabilities	141,896	-	141,896
Total liabilities	<u>600,937</u>	<u>456</u>	<u>601,393</u>
<b>NET POSITION</b>			
Net investment in capital assets	187,832	4,922	192,754
Restricted:			
Records management	12,670	-	12,670
Contractual or donor imposed	2,594	-	2,594
Other purposes	5,703	-	5,703
Unrestricted	11,749	1,519	13,268
Total net position	<u>\$ 220,548</u>	<u>\$ 6,441</u>	<u>\$ 226,989</u>

See accompanying notes to the financial statements.

Component Units	
Tarrant County Hospital District	MHMR of Tarrant County
\$ 202,938	\$ 21,246
4,342	-
189,130	13,999
23,707	692
300	-
185,427	-
-	608
59,193	1,615
224,216	12,596
<u>889,253</u>	<u>50,756</u>
57,924	2,792
-	-
42,964	2,867
-	127
-	220
-	632
2,340	89
4,152	594
-	2,335
-	1,212
48,742	459
2,235	-
<u>158,357</u>	<u>11,327</u>
232,625	10,397
-	-
1,434	-
315	-
496,522	29,032
<u>\$ 730,896</u>	<u>\$ 39,429</u>

TARRANT COUNTY, TEXAS

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (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	\$ 130,932	\$ 44,789	\$ 1,962	\$ 1,083
Public safety	133,199	6,383	3,896	33
Transportation support	40,820	19,419	153	28
Judicial	160,619	30,646	11,390	-
Community services	82,852	17,726	59,230	-
Interest and fiscal charges	14,140	-	-	-
Total governmental activities	562,562	118,963	76,631	1,144
Business-type:				
Resource Connection	3,158	2,962	-	-
Total primary government	\$ 565,720	\$ 121,925	\$ 76,631	\$ 1,144
Component units				
Tarrant County Hospital District	\$ 761,117	\$ 261,427	\$ 211,948	\$ 20
MHMR of Tarrant County	98,227	29,333	76,961	-
	\$ 859,344	\$ 290,760	\$ 288,909	\$ 20

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  
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
\$ (83,098)		\$ (83,098)		
(122,887)		(122,887)		
(21,220)		(21,220)		
(118,583)		(118,583)		
(5,896)		(5,896)		
(14,140)		(14,140)		
(365,824)		(365,824)		
-	\$ (196)	(196)		
\$ (365,824)	\$ (196)	\$ (366,020)	\$ -	\$ -
			\$ (287,722)	
				\$ 8,067
			\$ (287,722)	\$ 8,067
325,106	-	325,106	283,766	-
6,694	-	6,694	-	-
816	4	820	2,046	29
3,473	334	3,807	62,170	2,777
336,089	338	336,427	347,982	2,806
(29,735)	142	(29,593)	60,260	10,873
250,283	6,299	256,582	670,636	28,556
\$ 220,548	\$ 6,441	\$ 226,989	\$ 730,896	\$ 39,429

TARRANT COUNTY, TEXAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

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<u>ASSETS</u>	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash, cash equivalents, and investments	\$ 80,186	\$ 15,538	\$ 479	\$ 156,193
Receivables				
Taxes, net of allowance for uncollectibles	5,809	8	650	-
Other receivables, net of allowance for uncollectibles	11,364	811	552	40,496
Due from other funds	10,093	-	-	-
Supplies and prepaid items	1,039	691	-	19
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 108,491</u>	<u>\$ 17,048</u>	<u>\$ 1,681</u>	<u>\$ 196,708</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ 6,149	\$ 563	\$ 119	\$ 10,521
Other liabilities	13,164	675	426	7
Due to other funds	-	-	-	-
Unearned revenue	11,050	8	650	6
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	30,363	1,246	1,195	10,534
 FUND BALANCES:				
Nonspendable	3,409	691	-	370
Restricted	-	-	-	123,790
Committed	603	15,111	486	62,014
Assigned	25,015	-	-	-
Unassigned	49,101	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	78,128	15,802	486	186,174
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 108,491</u>	<u>\$ 17,048</u>	<u>\$ 1,681</u>	<u>\$ 196,708</u>

See accompanying notes to the financial statements.

<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 10,406	\$ 32,431	\$ 295,233
-	-	6,467
14,093	1,200	68,516
-	-	10,093
1,551	46	3,346
<u>\$ 26,050</u>	<u>\$ 33,677</u>	<u>\$ 383,655</u>
\$ 4,742	\$ 794	\$ 22,888
1,515	3,583	19,370
9,891	202	10,093
9,902	-	21,616
<u>26,050</u>	<u>4,579</u>	<u>73,967</u>
-	46	4,516
-	22,863	146,653
-	2,832	81,046
-	3,357	28,372
-	-	49,101
<u>-</u>	<u>29,098</u>	<u>309,688</u>
<u>\$ 26,050</u>	<u>\$ 33,677</u>	<u>\$ 383,655</u>

TARRANT COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

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Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Total fund balance - total governmental funds (pages 18-19)	\$ 309,688
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	430,942
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	11,704
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.	6,510
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>(538,296)</u>
Net position of governmental activities (page 14)	<u>\$ 220,548</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, 2013 (AMOUNTS IN THOUSANDS)

	General	Road and Bridge	Debt Service	Capital Projects
<b>REVENUES:</b>				
Taxes	\$ 295,756	\$ 1	\$ 30,234	\$ -
Licenses and permits	983	-	-	-
Fees of office	49,151	19,419	-	-
Intergovernmental	15,922	30	-	130
Investment income	437	25	16	258
Other revenues	16,935	1,054	-	667
<b>Total revenues</b>	<b>379,184</b>	<b>20,529</b>	<b>30,250</b>	<b>1,055</b>
<b>EXPENDITURES:</b>				
Current:				
General government	95,383	2,741	-	-
Public safety	110,002	-	-	-
Transportation support	-	19,425	-	-
Judicial	133,370	-	-	-
Community services	5,117	-	-	-
Capital outlay	-	-	-	57,008
Debt service:				
Principal payments	-	-	16,140	-
Interest and fiscal charges	-	-	15,574	-
<b>Total expenditures</b>	<b>343,872</b>	<b>22,166</b>	<b>31,714</b>	<b>57,008</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>35,312</b>	<b>(1,637)</b>	<b>(1,464)</b>	<b>(55,953)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	728	-	200	22,208
Transfers out	(23,752)	-	-	(200)
Proceeds from capital lease	-	-	-	184
Issuance of debt	-	-	-	36,940
Premium on new debt	-	-	-	3,361
Discount on new debt	-	-	-	(163)
Refunding bonds issued	-	-	35,320	-
Premium on refunding bonds	-	-	4,703	-
Discount on refunding bonds	-	-	(148)	-
Payment to refunded bond escrow agent	-	-	(39,751)	-
<b>Total other financing sources (uses)</b>	<b>(23,024)</b>	<b>-</b>	<b>324</b>	<b>62,330</b>
<b>Change in fund balance</b>	<b>12,288</b>	<b>(1,637)</b>	<b>(1,140)</b>	<b>6,377</b>
<b>FUND BALANCES, beginning of year</b>	<b>65,840</b>	<b>17,439</b>	<b>1,626</b>	<b>179,797</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 78,128</b>	<b>\$ 15,802</b>	<b>\$ 486</b>	<b>\$ 186,174</b>

See accompanying notes to the financial statements.

<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 109	\$ 326,100
-	-	983
1,169	10,508	80,247
72,457	16,053	104,592
12	68	816
1,055	5,279	24,990
<u>74,693</u>	<u>32,017</u>	<u>537,728</u>
1,454	6,195	105,773
3,464	1,615	115,081
123	-	19,548
10,144	4,006	147,520
53,390	14,926	73,433
6,118	1,143	64,269
-	-	16,140
-	-	15,574
<u>74,693</u>	<u>27,885</u>	<u>557,338</u>
-	4,132	(19,610)
3,102	1,269	27,507
(3,102)	(728)	(27,782)
-	-	184
-	-	36,940
-	-	3,361
-	-	(163)
-	-	35,320
-	-	4,703
-	-	(148)
-	-	(39,751)
<u>-</u>	<u>541</u>	<u>40,171</u>
-	4,673	20,561
-	24,425	289,127
<u>\$ -</u>	<u>\$ 29,098</u>	<u>\$ 309,688</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, 2013 (AMOUNTS IN THOUSANDS)

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Amounts reported for governmental activities in the statement of activities (pages 16-17) are different because:

Net change in fund balances--total governmental funds (pages 22-23)	\$ 20,561
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)	14,402
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note 2)	(4,155)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(746)
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)	(23,717)
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)	(38,821)
The change in net position of certain activities of internal service funds is reported with governmental activities.	<u>2,741</u>
Change in net position of governmental activities (pages 16-17)	<u>\$ (29,735)</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

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	<u>Business-type Activities- Enterprise</u>	<u>Governmental Activities- Internal Service</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 1,826	\$ 16,341
Other receivables, net of allowance for uncollectibles	144	501
Prepaid expenses and inventory	<u>5</u>	<u>139</u>
Total current assets	<u>1,975</u>	<u>16,981</u>
Noncurrent assets:		
Capital assets		
Land	2,071	-
Building and improvements, net	1,684	-
Equipment, net	82	-
Infrastructure, net	<u>1,085</u>	<u>-</u>
Total noncurrent assets	<u>4,922</u>	<u>-</u>
Total assets	<u>6,897</u>	<u>16,981</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	225	556
Other liabilities	36	6,542
Unearned revenue	72	38
Compensated absences payable	<u>102</u>	<u>-</u>
Total current liabilities	<u>435</u>	<u>7,136</u>
Noncurrent liabilities:		
Other noncurrent liabilities	-	3,335
Compensated absences payable	<u>21</u>	<u>-</u>
Total noncurrent liabilities	<u>21</u>	<u>3,335</u>
Total liabilities	<u>456</u>	<u>10,471</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets	4,922	-
Unrestricted	<u>1,519</u>	<u>6,510</u>
Total net position	<u>\$ 6,441</u>	<u>\$ 6,510</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, 2013 (AMOUNTS IN THOUSANDS)

	<u>Business-type Activities- Enterprise</u>	<u>Governmental Activities- Internal Service</u>
<b>OPERATING REVENUES:</b>		
Building rental	\$ 2,962	\$ -
User fees	-	16,570
County contributions	-	52,852
Oil and gas royalties	321	-
Other revenues	13	3,292
	<u>3,296</u>	<u>72,714</u>
Total operating revenues	3,296	72,714
<b>OPERATING EXPENSES</b>		
Personnel	978	-
Building and equipment maintenance and repairs	1,615	101
Depreciation and amortization	381	-
Self insurance claims	-	59,814
Insurance premiums	29	5,751
Other expenses	155	4,606
	<u>3,158</u>	<u>70,272</u>
Total operating expenses	3,158	70,272
Operating income	138	2,442
<b>NONOPERATING REVENUES:</b>		
Investment income	4	24
	<u>4</u>	<u>24</u>
Total nonoperating revenues	4	24
Income before transfers	142	2,466
Transfers in	-	592
Transfers out	-	(317)
	<u>142</u>	<u>2,741</u>
Change in net assets	142	2,741
Total net position - beginning	<u>6,299</u>	<u>3,769</u>
Total net position - ending	<u>\$ 6,441</u>	<u>\$ 6,510</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	<u>Business-type</u> <u>Activities-</u> <u>Enterprise</u>	<u>Governmental</u> <u>Activities-</u> <u>Internal</u> <u>Service</u>
<b>OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 3,386	\$ 73,634
Payments to suppliers	(1,852)	-
Payments on behalf of employees	-	(72,770)
Payments to employees	<u>(1,005)</u>	<u>-</u>
Net cash flows provided by operating activities	529	864
<b>INVESTING ACTIVITIES:</b>		
Investment income	<u>4</u>	<u>24</u>
Net cash flows provided by investing activities	4	24
<b>NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers in	-	592
Transfers out	<u>-</u>	<u>(317)</u>
Net cash flows provided by noncapital financing activities	-	275
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Advance to other funds	(1,572)	-
Adjustment to capital assets	<u>(47)</u>	<u>-</u>
Net cash flows used in capital and related financial activities	(1,619)	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,086)	1,163
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>2,912</u>	<u>15,178</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 1,826</u>	<u>\$ 16,341</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Income from operations	\$ 138	\$ 2,442
Net cash provided by operating activities:		
Depreciation & amortization	381	-
Changes in assets and liabilities:		
Supplies & prepaid items	(2)	-
Other receivables	67	889
Accounts payable	(51)	(481)
Other liabilities	1	(2,017)
Deferred revenue	23	31
Compensated absences	<u>(28)</u>	<u>-</u>
Net cash flows provided by operating activities	<u>\$ 529</u>	<u>\$ 864</u>

TARRANT COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

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	<u>Agency Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash, cash equivalents, and investments	\$ 38,916
Other receivables	134,298
Restricted assets	<u>67,836</u>
TOTAL ASSETS	<u>\$ 241,050</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 5
Due to third parties	<u>241,045</u>
TOTAL LIABILITIES	<u>\$ 241,050</u>

See accompanying notes to the financial statements.



# TARRANT COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2013

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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 financial report has been prepared in accordance with GASB statements No. 61, *The Financial Reporting Entity: Omnibus and Amendment of GASB Statement No. 14 and 34* and No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. 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") is governed by a board of directors, appointed by the County Commissioners Court, which currently are the Commissioners Court members. The County Commissioners Court created the TCHFC, but it is not a political subdivision of the County under state law. The TCHFC is authorized to issue bonded debt without County Commissioners Court approval. The TCHFC is reported in the other governmental column in the fund financial statements.

The Tarrant County Industrial Development Corporation ("TCIDC") is governed by a board of directors, appointed by the County Commissioners Court, which currently are the Commissioners Court members. The TCIDC has the authority to issue bonded debt; however, the County has no legal obligation to assume the bonded debt, which must be approved by the County Commissioners Court. TCIDC is reported in the other governmental column in the fund financial statements.

#### DISCRETELY PRESENTED COMPONENT UNITS

The Tarrant County Hospital District ("TCHD") d/b/a JPS Health Network serves the citizens of the County and 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 assets. TCHD cannot issue bonded debt without County Commissioners Court approval. TCHD's financial statements include the JPS Physicians Group and JPS Foundation as component units within the reporting entity.

The Mental Health and Mental Retardation of Tarrant County ("MHMRTC") serves the citizens of the County and 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, 2012. 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.

The Tarrant County Health Facilities Development Corporation (“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, 2012. 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”) 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, 2012. 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  
1500 S. Main  
Fort Worth, Texas 76104

MHMRTC  
3840 Hulen Street  
Fort Worth, Texas 76107

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

**(b) Basis of Presentation**

**GOVERNMENT-WIDE STATEMENTS**

The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. 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 present. 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 will be 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 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 in 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 considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. The primary revenue sources susceptible to accrual are property taxes, which are recognized as unearned revenue until cash is received, and grant income, which is accrued 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.

**(d) Encumbrances**

Encumbrance accounting is used for budgetary accounting for the appropriated budgets. Encumbrances are recorded when a purchase order is issued, and are not considered a liability until the goods or services are actually received. Encumbrances do not represent expenditures or liabilities because the commitments will be honored during the subsequent year.

**(e) Cash and Cash Equivalents and Investments**

Cash and cash equivalents of the County and its component units 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. Cash and cash equivalents in the cash flow statement do not include restricted assets.

All investments of the County and its component units 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.

In addition, MHMRTC is authorized to invest in prime domestic bankers acceptances and SEC registered no-load money market mutual funds.

TCHD may also invest, to a limited extent, in corporate bonds and equity securities. 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.

#### **(f) 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.

TCHD supply inventories are stated at the lower of cost, determined using the first-in, first-out method or market.

Inventories for MHMRTC consist of expendable supplies and drugs held for consumption and medications supplied at various area retail pharmacies for MHMRTC's clients. These inventories 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.

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.

**(g) 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 funds held in the fiduciary fund pursuant to court-ordered trust accounts and securities posted by bondsmen to secure bail bonds.

**(h) 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. MHMRTC defines capital assets as assets with an individual value of more than \$1,000 and an estimated useful life greater than 3 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 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, as well as the component units, are depreciated or amortized (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	20 - 35 years
Land improvements	5 - 25 years
Buildings and improvements	15 - 40 years
Furnishings and equipment	5 - 25 years
Major movable equipment	5 - 8 years

**(i) Unearned Revenue**

In the government-wide financial statements, revenues are recognized in the year of levy or exchange. Unearned revenues are funds received but not yet earned.

In the fund financial statements, revenues are unearned until they are available, such as uncollected taxes, grant revenues, fines, fees and other miscellaneous revenues.

**(j) 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 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, as well as bond issuance costs, 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.

**(k) 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 funds with employees.

**(l) 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 (\$0.239938 for the maintenance and operations and \$0.024062 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.

Ad valorem taxes are levied, become a legal enforceable claim to TCHD, and are due each year on October 1, based on assessed property values on the preceding January 1. Ad valorem tax revenue, net of provisions for estimated uncollectible taxes, is recognized under the accrual basis of accounting, which results in the recognition of this revenue when assessed, subject to a reserve for uncollectible taxes.

TCHD ad valorem tax rate was .227897 per \$100 valuation (\$0.226210 per \$100 valuation for the maintenance and operation fund and \$0.001687 per \$100 valuation for the interest and sinking fund).

**(m) Tobacco Settlement Revenue – TCHD**

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, 2013 the TCHD received approximately \$5,801,000 related to the settlement.

**(n) Fund Balance Classifications**

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

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

**Unassigned Fund Balance**

This classification includes amounts that are available for any purpose; 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.

**(o) Net position**

**Net position: Net Investment in Capital Assets**

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

**Net position: Restricted**

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

**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 \$538,296 difference are as follows (in thousands):

Bonds payable	\$ 336,635
Less: Deferred charge on refunding (to be amortized as interest expense)	(4,047)
Less: Issuance discount (to be amortized as interest expense)	(1,489)
Plus: Premium on issuance (to be amortized as interest expense)	24,155
Accrued interest payable	3,229
Capital lease payable	1,920
Compensated absences	39,332
Other postemployment benefits liability	<u>138,561</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position-governmental activities</i>	<u><u>\$ 538,296</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 \$14,402 difference are as follows (in thousands):

Capital outlay	\$ 39,149
Depreciation expense	<u>(24,747)</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 14,402</u></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 \$4,155 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.	\$ (4,183)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>28</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (4,155)</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 \$23,717 difference are as follows (in thousands):

Debt issued or incurred:	
Issuance of general obligation/refunding notes	\$ 72,260
Plus premium	8,064
Less discount	(311)
Capital lease financing	184
Principal repayments:	
General obligation debt	(9,300)
Limited tax refund debt	(6,840)
Payment to escrow agent for refunding	(39,751)
Capital lease	<u>(589)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 23,717</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 \$38,821 difference are as follows (in thousands):

Compensated absences	\$ (911)
Other postemployment benefits	(38,523)
Accrued interest payable	(11)
Amortization of deferred charge on refunding	(250)
Amortization of issuance costs	(922)
Amortization of bond discounts	(95)
Amortization of bond premiums	<u>1,891</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (38,821)</u>

### 3. CASH AND INVESTMENTS

#### Cash

At year-end, the County’s carrying amount of cash (including restricted cash in the fiduciary funds) was \$306,402,393 and the bank balance was \$309,815,523, all of which was covered by Federal Depository Insurance Corporation or by collateral held by the County’s agent in the County’s name.

At year-end, TCHD’s carrying amount of deposits (including restricted assets) was \$289,177,000. State law requires collateralization of all deposits with federal depository insurance or other qualified investments. All of TCHD’s deposits were either insured or collateralized in accordance with state law.

On August 31, 2013, MHMRTC’s carrying amount of cash was \$21,246,009. Total deposits of \$23,203,718 was covered by Federal Depository Insurance Corporation or by collateral held by MHMRTC, its agent or by pledging financial institution’s trust department or agent in MHMRTC’s name.

#### Investments

##### County

As of September 30, 2013, the County had the following investments and maturities (amounts 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>	<u>&gt; 5</u>	
Governmental funds:					
Investment pools	\$ 63,562	\$ 63,562	\$ -	\$ -	55.9%
Certificate of deposit	2,313	1,852	461	-	2.0%
U.S. Agency obligations	6	-	-	6	0.0%
Fiduciary funds:					
Certificates of deposit	47,127	16,675	30,452	-	41.4%
Money market fund	<u>742</u>	<u>742</u>	<u>-</u>	<u>-</u>	<u>0.7%</u>
Total Investments	<u>\$ 113,750</u>	<u>\$ 82,831</u>	<u>\$ 30,913</u>	<u>\$ 6</u>	<u>100%</u>

Investments are stated at fair value. The investment pools include LOGIC, Texpool, Texas CLASS, Texstar, and Lone Star. The fair value of the County's investments in these pools 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 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, 2013, 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.

## TCHD

At September 30, 2013, 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>	<u>6-10</u>
Money market mutual funds	\$ 32	\$ 32	\$ -	\$ -
Investment pools	55,194	55,194	-	-
U.S. Treasury obligations	1,236	-	1,236	-
U.S. Agencies obligations	36,749	6,001	29,848	900
Municipal bonds	5,752	153	5,599	-
		<u>\$ 61,380</u>	<u>\$ 36,683</u>	<u>\$ 900</u>
Mutual funds	<u>525</u>			
Total Fair Value of Investments	<u>\$ 99,488</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 obligation decreases. 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 (the 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 deposits, 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	9.6%
Federal National Mortgage Association	6.8%
Federal Farm Credit Bank	11.5%
Federal Agricultural Mortgage Corporation	5.7%

## **MHMRTC**

*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. During the year ended August 31, 2013, MHMRTC did not own any types of securities other than those permitted by statute or its investment policy.

*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 year ended August 31, 2013, MHMRTC did not own investments other than those permitted by policy.

*Custodial credit risk* is the risk that, in the event of the failure of the counterparty, MHMRTC will not be able to recover the value of its investments or collateral securities in the possession of an outside party. MHMRTC policy provides that investment securities be held by a third party custodian in an account in MHMRTC's name.

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

	<u>Primary Government</u>	<u>Component Units</u>
Cash:		
County	\$ 306,402	\$ -
TCHD	-	289,177
MHMRTC	-	21,246
Investments:		
County	113,750	-
TCHD	-	99,488
MHMRTC	-	-
Total	<u>\$ 420,152</u>	<u>\$ 409,911</u>
Cash and investments per Statement of Net Position:		
Unrestricted	\$ 313,400	\$ 224,184
Restricted	-	300
Noncurrent cash and investments	-	185,427
Cash and investments per Statement of Fiduciary Net Position:		
Unrestricted	38,916	-
Restricted	67,836	-
Total	<u>\$ 420,152</u>	<u>\$ 409,911</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>	<u>TCHD</u>
Taxes receivable	\$ 24,755	\$ 20	\$ 3,829	\$ 28,604	\$ 13,064
Allowance for uncollectibles	<u>(18,946)</u>	<u>(12)</u>	<u>(3,179)</u>	<u>(22,137)</u>	<u>(8,722)</u>
Net taxes receivable	<u>\$ 5,809</u>	<u>\$ 8</u>	<u>\$ 650</u>	<u>\$ 6,467</u>	<u>\$ 4,342</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):

<b>Governmental Funds</b>	<b>General</b>	<b>Road and Bridge</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Grants</b>	<b>Other</b>		
						<b>Governmental Funds</b>	<b>Total</b>	
Accounts receivable	\$ 2,005	\$ 43	\$ 547	\$ 40,145	\$ 1,266	\$ 1,091	\$ 45,097	
Fee office receivable	70,530	-	-	-	-	-	70,530	
Intergovernmental receivable	1,852	768	5	-	13,032	109	15,766	
Long-term receivable	2,370	-	-	351	-	-	2,721	
Allowance for uncollectible	(65,393)	-	-	-	(205)	-	(65,598)	
<b>Net accounts receivable</b>	<b>\$ 11,364</b>	<b>\$ 811</b>	<b>\$ 552</b>	<b>\$ 40,496</b>	<b>\$ 14,093</b>	<b>\$ 1,200</b>	<b>\$ 68,516</b>	
						<b>Internal</b>		
<b>Business-type Activities</b>						<b>Enterprise</b>	<b>Service</b>	<b>Total</b>
Accounts receivable					\$ 153	\$ 501	\$ 654	
Allowance for uncollectible					(9)	-	(9)	
<b>Net accounts receivable</b>					<b>\$ 144</b>	<b>\$ 501</b>	<b>\$ 645</b>	
<b>Component Units</b>						<b>TCHD</b>	<b>MHMRTC</b>	<b>Total</b>
Accounts receivable					\$324,378	\$ 20,284	\$344,662	
Allowance for uncollectible					(135,248)	(6,285)	(141,533)	
<b>Net accounts receivable</b>					<b>\$189,130</b>	<b>\$ 13,999</b>	<b>\$203,129</b>	

The long-term accounts receivable in the general fund 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 relates to the renovation of tenant space for MHMRTC. MHMRTC will reimburse the County over ten years.

The Tarrant County tax office contracts with other taxing entities for the collection of their ad valorem taxes. Of the \$134,298,502 reported as other receivables in the County's agency fund, \$134,216,008 is recorded for this purpose.

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.

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.

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 \$158,148,000. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

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.

## 5. CAPITAL ASSETS

### County

Capital asset activity for the year ended September 30, 2013 was as follows (in thousands):

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance September 30, 2013</b>
<b>Governmental activities:</b>					
Capital assets not depreciated:					
Land	\$ 55,032	\$ 111	\$ (1,140)	\$ -	\$ 54,003
Construction in progress	18,039	29,072	-	(4,495)	42,616
Total capital assets not depreciated	<u>73,071</u>	<u>29,183</u>	<u>(1,140)</u>	<u>(4,495)</u>	<u>96,619</u>
Other capital assets:					
Buildings and improvements	389,846	330	(5,893)	4,495	388,778
Furnishings and equipment	115,211	4,133	(6,135)	-	113,209
Infrastructure	96,767	5,531	(1,334)	-	100,964
Total other capital assets at cost	<u>601,824</u>	<u>9,994</u>	<u>(13,362)</u>	<u>4,495</u>	<u>602,951</u>
Less accumulated depreciation for:					
Buildings and improvements	(119,766)	(11,589)	4,433	-	(126,922)
Furnishings and equipment	(83,384)	(8,909)	5,394	-	(86,899)
Infrastructure	(51,050)	(4,249)	492	-	(54,807)
Total accumulated depreciation	<u>(254,200)</u>	<u>(24,747)</u>	<u>10,319</u>	<u>-</u>	<u>(268,628)</u>
Other capital assets, net	347,624	(14,753)	(3,043)	4,495	334,323
Governmental activities capital assets, net	<u>\$ 420,695</u>	<u>\$ 14,430</u>	<u>\$ (4,183)</u>	<u>\$ -</u>	<u>\$ 430,942</u>
<b>Business-type activities:</b>					
Capital assets not depreciated:					
Land	\$ 2,071	\$ -	\$ -	\$ -	\$ 2,071
Other capital assets:					
Buildings and improvements	6,033	-	-	-	6,033
Furnishings and equipment	441	46	-	-	487
Infrastructure	1,319	1	-	-	1,320
Total other capital assets at cost	<u>7,793</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>7,840</u>
Accumulated depreciation	<u>(4,608)</u>	<u>(381)</u>	<u>-</u>	<u>-</u>	<u>(4,989)</u>
Other capital assets, net	3,185	(334)	-	-	2,851
Business-type activities capital assets, net	<u>\$ 5,256</u>	<u>\$ (334)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,922</u>



Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 11,942
Public safety	4,551
Transportation	7,518
Judicial	440
Community services	<u>296</u>
Total governmental activities depreciation expense	<u><u>\$ 24,747</u></u>

Construction in progress primarily consists of criminal justice software development, construction contracts for the construction and expansion of the juvenile justice complex, sub-courthouse facility, civil courts, and jail. At September 30, 2013, the remaining commitments on contracts and agreements are \$32,664,855.

Also, in fiscal year 2002 the County entered into a lease agreement with the City of Fort Worth #3 (Tax Increment Financing District) to allow public parking in the Law Center parking garage on weekends and evenings. The City of Fort Worth #3 has agreed to pay a total of \$2,500,000 plus 6% interest thru January 2013. Subsequent to year-end, the County approved an amendment extending the lease until January 2018. The lease amount is \$1 annually, plus a use fee of \$25,000 annually.

#### TCHD

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

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance September 30, 2013</u>
Land and improvements	\$ 51,199	\$ 1,959	\$ (373)	\$ (950)	\$ 51,835
Buildings and improvements	232,187	116	(862)	5,574	237,015
Equipment	354,042	9,604	(868)	3,291	366,069
Construction in progress	<u>4,402</u>	<u>12,096</u>	<u>-</u>	<u>(9,140)</u>	<u>7,358</u>
	641,830	23,775	(2,103)	(1,225)	662,277
Less accumulated depreciation	<u>(338,018)</u>	<u>(42,550)</u>	<u>1,700</u>	<u>-</u>	<u>(378,868)</u>
Capital assets, net	<u><u>\$ 303,812</u></u>	<u><u>\$ (18,775)</u></u>	<u><u>\$ (403)</u></u>	<u><u>\$ (1,225)</u></u>	<u><u>\$ 283,409</u></u>

## MHMRTC

A summary of changes in capital asset balances, including assets recorded under capital leases for MHMRTC, for the year ended August 31, 2013, is as follows (in thousands):

	<b>Balance August 31, 2012</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance August 31, 2013</b>
Capital assets not depreciated:					
Land	\$ 1,294	\$ 128	\$ -	\$ -	\$ 1,422
Construction in progress	164	193	-	(164)	193
Total capital assets not depreciated	<u>1,458</u>	<u>321</u>	<u>-</u>	<u>(164)</u>	<u>1,615</u>
Other capital assets:					
Buildings and improvements	11,973	1,419	-	(1)	13,391
Equipment and furniture	<u>15,153</u>	<u>2,974</u>	<u>(2,636)</u>	<u>165</u>	<u>15,656</u>
Total other capital assets at cost	<u>27,126</u>	<u>4,393</u>	<u>(2,636)</u>	<u>164</u>	<u>29,047</u>
Accumulated depreciation	<u>(16,959)</u>	<u>(1,855)</u>	<u>2,363</u>	<u>-</u>	<u>(16,451)</u>
Other capital assets, net	10,167	2,538	(273)	164	12,596
Capital assets, net	<u>\$ 11,625</u>	<u>\$ 2,859</u>	<u>\$ (273)</u>	<u>\$ -</u>	<u>\$ 14,211</u>

## 6. LONG-TERM DEBT

### County

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 year end \$123,789,915 of these bond proceeds remained unspent and accordingly the debt related to the proceeds has not been used in the calculation of net position net investment in capital assets.

Long-term debt of the County consisted of the following at September 30, 2013 (in thousands):

#### General Obligation Bonds - Series 2006

Original amount of \$82,060,000, dated Aug. 15, 2006, with interest rates from 4.125% to 5.0%, payable in annual installments in varying amounts plus interest through 2026

\$ 60,755

General Obligation Bonds - Series 2007 Original amount of \$52,510,000, dated Aug. 15, 2007, with interest rates from 5.0% to 5.25%, payable in annual installments in varying amounts plus interest through 2027	41,525
General Obligation Bonds - Series 2008 Original amount of \$107,480,000, dated Aug. 15, 2008, with interest rates from 3.5% to 5.0%, payable in annual installments in varying amounts plus interest through 2028	87,845
Limited Tax Refunding - Series 2004 with an interest rate of Original amount of \$47,550,000, dated July 15, 2004, with interest rates from 4.0%, payable in an annual installment plus interest through 2014	1,495
Limited Tax Refunding - Series 2005 with interest rates from Original amount of \$39,870,000, dated Aug. 1, 2005, with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2025	10,545
Limited Tax Refunding and General Obligation - Series 2010 with Original amount of \$70,045,000, dated Sept. 15, 2010, with interest rates from interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2030	62,210
Limited Tax Refunding and General Obligation - Series 2013 with Original amount of \$72,260,000, dated Sept. 1, 2013, with interest rates from interest rates from 1.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2033	<u>72,260</u>
	336,635
Less - current maturities	<u>18,815</u>
Long-term debt, net of current maturities	317,820
Plus (less) deferred amounts:	
For issuance premiums	24,155
For issuance discounts	(1,489)
On refunding	<u>(4,047)</u>
Long-term debt, net of current maturities, premium, discount and refunding	<u>\$ 336,439</u>

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	
2014	\$ 9,725	\$ 9,385	\$ 9,090	\$ 6,546	\$ 34,746
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
2019-2023	67,720	27,825	47,480	20,240	163,265
2024-2028	69,060	9,369	32,800	9,723	120,952
2029-2033	-	-	20,715	2,574	23,289
Total	<u>\$ 190,125</u>	<u>\$ 79,405</u>	<u>\$ 146,510</u>	<u>\$ 63,504</u>	<u>\$ 479,544</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 \$2,450,885, which is \$2,553,950 plus trade-in amount of \$278,926 less accumulated depreciation of \$381,991.

The future minimum lease obligation and the net present value of the minimum lease payments as of September 30, 2013 is as follows (in thousands):

Fiscal Year	Governmental Activities
2014	\$ 690
2015	690
2016	635
2017	38
Total minimum lease payments	<u>\$ 2,053</u>
Less: amount representing interest	<u>(133)</u>
Present value of minimum lease payments	<u>\$ 1,920</u>

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2013 (in thousands):

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2013</b>	<b>Amounts Due within One year</b>
<b>Governmental activities:</b>					
Bonds payable	\$ 317,725	\$ 72,260	\$ (53,350)	\$ 336,635	\$ 18,815
Deferred amounts:					
Premium	17,982	8,064	(1,891)	24,155	-
Discount	(1,273)	(311)	95	(1,489)	-
Refunding	(1,756)	(2,541)	250	(4,047)	-
Total bonds payable	332,678	77,472	(54,896)	355,254	18,815
Capital lease	2,325	184	(589)	1,920	616
OPEB obligation	100,038	43,028	(4,505)	138,561	-
Claims and judgements	9,042	3,741	(5,801)	6,982	3,647
Compensated absences	38,421	23,514	(22,603)	39,332	25,066
Total	<u>\$ 482,504</u>	<u>\$ 147,939</u>	<u>\$ (88,394)</u>	<u>\$ 542,049</u>	<u>\$ 48,144</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 151	\$ 82	\$ (110)	\$ 123	\$ 102
Total	<u>\$ 151</u>	<u>\$ 82</u>	<u>\$ (110)</u>	<u>\$ 123</u>	<u>\$ 102</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.

During the fiscal year, the County issued \$72,260,000 Limited Tax Refunding and Improvement Bonds at a premium of \$8,064,396 and discount of \$311,570. Of this \$72,260,000 in bonds, \$36,940,000 was new debt and \$35,320,000 was for the refunding of Limited Tax Refunding and Improvement Bonds Series 2004 and Series 2005. The funds were placed in an irrevocable trust to provide for all future debt service payments totaling \$39,750,806. As a result all refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,540,806. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$3,298,588 and resulted in an economic gain of \$2,763,183.

## TCHD

Long-term debt of TCHD consisted of the following at September 30, 2013 (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 1.5% to 5.0%, payable annually with installments ranging from \$1,390 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

\$ 24,405

### 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 \$950 to \$2,025 through 2031; The bonds are secured by the net revenues of TCHD, including property tax revenue.

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.

25,375

49,780

Less - current maturities

2,340

Long-term debt, net of current maturities

47,440

Plus (less) deferred amounts:

Premium (discounts)

1,302

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

\$ 48,742

The indenture agreements require TCHD to comply with certain restrictive covenants including minimum insurance coverage and days cash on hand.

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

Fiscal Year	Principal	Interest	Total Principal & Interest
2014	\$ 2,340	\$ 2,012	\$ 4,352
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
2019-2023	15,075	6,647	21,722
2024-2028	16,480	2,981	19,461
2029-2032	5,805	413	6,218
Bond premium (discount), net	<u>1,302</u>	-	<u>1,302</u>
Total	<u>\$ 51,082</u>	<u>\$ 19,370</u>	<u>\$ 70,452</u>

The following is a summary of the changes in long-term obligations for TCHD for the year ended September 30, 2013 (in thousands):

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2013</b>	<b>Amounts Due within One year</b>
Bonds payable	\$ 56,385	\$ 25,890	\$ (32,495)	\$ 49,780	\$ 2,340
Deferred premium (discount)	(96)	1,398	-	1,302	-
Self insurance liability	6,963	28,144	(29,589)	5,518	4,152
Other long-term liability	996	-	(127)	869	-
Total	<u>\$ 64,248</u>	<u>\$ 55,432</u>	<u>\$ (62,211)</u>	<u>\$ 57,469</u>	<u>\$ 6,492</u>

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 during 2013 was \$1,791,000; interest costs capitalized were \$150,000.

### MHMRTC

Long-term debt of MHMRTC consisted of the following at August 31, 2013 (in thousands):

J P Morgan Chase Bank, Note Payable with an interest of 4.88%, payable in semiannual payments through 2018	\$ 548
Capital lease obligations: Payments are scheduled through 2016, carrying value of leased assets at August 31, 2013 is \$1,896,435.	<u>1,844</u>
	2,392
Less - current maturities	<u>721</u>
Long-term debt, net of current maturities	<u>\$ 1,671</u>

MHMRTC's aggregate debt service payments to maturity (excluding compensated absences) are as follows (in thousands):

Fiscal Year	Notes Payable		Capital Lease		Total Principal & Interest
	Principal	Interest	Principal	Interest	
2014	\$ 89	\$ 25	\$ 632	\$ 1	\$ 747
2015	94	21	632	-	747
2016	98	17	580	-	695
2017	103	12	-	-	115
2018	108	8	-	-	116
2019	56	1	-	-	57
Total	<u>\$ 548</u>	<u>\$ 84</u>	<u>\$ 1,844</u>	<u>\$ 1</u>	<u>\$ 2,477</u>

The following is a summary of the changes in long-term obligations for MHMRTC for the year ended August 31, 2013 (in thousands):

	<u>Balance September 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2013</u>	<u>Due Within One Year</u>
Compensated absences	\$ 2,335	\$ 3,555	\$ (3,335)	\$ 2,555	\$ 220
Capital lease obligations	55	1,896	(107)	1,844	632
Notes payable	633	-	(85)	548	89
Self insurance liability	712	6,598	(6,716)	594	-
Total	<u>\$ 3,735</u>	<u>\$ 12,049</u>	<u>\$ (10,243)</u>	<u>\$ 5,541</u>	<u>\$ 941</u>

Interest expense for the year ended August 31, 2013, was \$33,317.

### CONDUIT DEBT

TCHF, TCID, TCHFDC and TCCEFFC issue revenue bonds to promote housing development, commercial, industrial and manufacturing enterprises, health facilities, and cultural, education and community facilities, respectively. TCHF, TCID, TCHFDC and TCCEFFC contract their rights under the loan agreements to an approved trustee. The revenue bonds are payable solely from payments from the user (benefiting corporations and organizations) of the bonds as defined under the loan agreement and TCHF, TCID, TCHFDC and TCCEFFC are under no obligation to pay bonds from any other source. All payments are made directly from the benefiting corporations to trustees.

TCHF has issued its Housing Finance Revenue Bonds Series as follows (in thousands):

<u>User Corporation</u>	<u>Outstanding Principal Amount September 30, 2013</u>
Multifamily (S F Apartments) 93	\$ 7,050
Multifamily (Sierra Springs) 1999	7,760
Multifamily (Remington Hill) 1998	10,100
Multifamily (Crossroads) 2001C	1,480
Multifamily (Gateway Arl) 2003	13,145
Multifamily (Alameda Villas) 2003	10,280
Multifamily (Sycamore Villas) 2003	12,220
Multifamily (Providence at Marine Creek)	14,440
Multifamily (Blue Lake at Marine Creek Apt)	10,420
Multifamily (Hulen Bend)	11,942
Multifamily (Evergreen at Keller Senior Apts)	12,710
Multifamily (Shady Oaks)	3,213
Multifamily (Worthington Point)	11,476
Multifamily (Village Creek) 2006	15
Multifamily (Amelia Parc) 2007	11,235
Multifamily (The Park at Sycamore) 2008	12,205
Multifamily (Chatham Green Villages)2012	6,445
Single family 1985 A	83,763
Total Conduit Debt	<u>\$ 239,899</u>



TCHFDC has issued its Health Facilities Development Revenue Bonds Series as follows (in thousands):

<b>User Corporation</b>	<b>Outstanding Principal Amount September 30, 2013</b>
Harris Methodist Health Systems 87A	\$ 6,715
Harris Methodist Health Systems 87B	13,695
Harris Methodist Health Systems 94	58,210
Harris Methodist Health Systems 96	5,530
Texas Health Resources Series 97	32,035
Carter Blood Care Series 98	6,300
Cook Children's Medical Center 2007	51,045
Cook Children's Medical Center, 2010A	117,925
Cook Children's Medical Center, 2010B	29,840
Baylor Healthcare System 2002A	64,040
Eastview Nursing Center 2000 A-1	2,660
Eastview Nursing Center 2000B	348
Cumberland Rest Inc, Series 2012	45,225
<b>Total Conduit Debt</b>	<b>\$ 433,568</b>

TCCEFFC has issued its Cultural Education Facilities Finance Revenue Bonds as follows (in thousands):

<b>User Corporation</b>	<b>Outstanding Principal Amount September 30, 2013</b>
Northwest Senior Housing Corp- Edgemere- 2006	\$ 18,080
West 380 Family Care, Doctors Hospital, 2007	59,130
Texas Health Resources, 2007 A	557,120
Texas Health Resources, 2007 B	100,000
Buckingham Senior Living Community, Inc 2007	66,685
Air Force Village Obligated Group Project, 2007	63,075
Air Force Village Obligated Group Project, 2009	47,330
Adventist Long-term Care Obligated Group 2007	9,610
C C Young Memorial Home, 2007	14,250
Buckner Retirement Services, 2007	96,230
Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project, 2008	159,600
Scott and White Memorial Hospital, 2008-1	85,775
Scott and White Memorial Hospital, 2008-2	94,395
Methodist Hospital of Dallas, 2008	90,400
WGH Heritage, Inc 2008A-1	23,850
WGH Heritage, Inc 2008A-2	1,200
WGH Heritage, Inc 2008B	3,975
Texas Health Resources, 2008A	65,000

Texas Health Resources, 2008B	50,285
Texas Health Resources, 2008C	60,770
CHRISTUS Health, 2008A	182,555
CHRISTUS Health, 2008C	192,870
Baylor Healthcare, 2009	213,810
Tarrant County Senior Living Center (SQLC Stayton at Museum Way), 2009	127,935
CHRISTUS Health, 2009	64,385
SQLC Senior Living Center (The Mirador), 2010A, 2010B-1, 2010B-2	70,655
C C Young Memorial Home, 2009A, 2009B	28,605
MRC Crestview Project, 2010	27,250
Scott and White Healthcare, 2010	344,325
Texas Health Resource, 2010	157,550
Baylor Healthcare, 2011	359,220
Texas Health Resources, 2012A	100,000
Texas Health Resources, 2012B	50,000
Cook Children's Medical Center, 2013	68,950
Methodist Hospital of Dallas, 2013	189,065
	<hr/>
Total Conduit Debt	<u>\$ 3,843,935</u>

TCIDC has issued its Industrial Development Bonds Series as follows (in thousands):

<u>User Corporation</u>	<u>Outstanding Principal Amount September 30, 2013</u>
Mortex Products, Inc.	<u>\$ 3,330</u>
Total Conduit Debt	<u><u>\$ 3,330</u></u>

## 7. DEFICIT FUND BALANCES/NET POSITION

The following are County funds which had a deficit fund balance or deficit net position as of September 30, 2013 (in thousands):

Worker's Compensation      \$ 4,744

For the Workers Compensation fund, the County funds all current year claims, the deficit fund balance 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 future revenues.

**8. INTERFUND BALANCES AND ACTIVITY**

The following is a summary of County interfund transfers, receivable and payables at September 30, 2013 and for the year then ended (in thousands):

<u>Transfer From</u>	<u>Amount</u>	<u>Transfer To</u>	<u>Explanation</u>
General Fund	\$ 22,208	Capital Projects Fund	Supplement Capital funds
General Fund	592	Self Insurance	Supplement Self Insurance fund
General Fund	952	Other Governmental	Supplement fund sources
Capital Projects Fund	200	Debt Service	Residual transfer
Internal Service	317	Other Governmental	Supplement fund sources
Other Governmental	628	General Fund	Supplement courthouse security activity
Other Governmental	100	General Fund	Residual transfer
Grants Fund	3,102	Grants Fund	Required match and supplement fund sources
	<u>\$ 28,099</u>		

<u>Funds Due From</u>	<u>Amount</u>	<u>Funds Due To</u>	<u>Explanation</u>
Grant Fund	\$ 9,891	General Fund	Short-term loan
Other Governmental	202	General Fund	Short-term loan
	<u>\$ 10,093</u>		

**9. NET PATIENT SERVICE REVENUE – TCHD**

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, 2009.

*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, 2007.

Approximately 80 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended September 30, 2013. 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 decreased in 2013 by approximately \$2,494,000 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.

Supplemental Medicaid funding revenue includes revenue received from the Medicaid Disproportionate Share Program of approximately \$26,726,000 for the year ended September 30, 2013. 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 2013, TCHD recognized approximately \$128,757,000 and \$56,145,000 from the UC Pool and the DSRIP Pool, respectively. Approximately \$8,349,000 of revenue recognized in 2013 related to settlement of the 2012 UC pool. 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.

## **10. ELECTRONIC HEALTH RECORDS INCENTIVE PROGRAM - TCHD**

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 2013, TCHD completed the first year requirements under the Medicare program and recorded revenue of approximately \$1,006,000. In 2013, TCHD completed the first year requirements under the Medicaid program and has recorded revenue of approximately \$3,808,000. The revenue earned from these programs is included as other operating revenue.

## **11. DEFERRED COMPENSATION PLANS**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Various investment companies administer the plan. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County has established a 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.

## **12. RETIREMENT PLANS**

### **County**

#### **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 641 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 12.99% for the months of the calendar year in 2012, and 13.84% for the months of the calendar year in 2013. The contribution rate payable by the employee members for calendar years 2012 and 2013 is the rate of 7% as adopted by the governing body of the employer.

**c. Annual Pension Cost**

For the County's accounting year ending September 30, 2013, the annual pension cost for the TCDRS plan for its employees was \$29,737,824 and the actual contributions were \$29,737,824. (This excludes contributions of \$2,064,382 for Community Supervision, which is not considered a department or component unit of the County.) The County also advance funded the \$2,951,000 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 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 parameters based on the actuarial valuations as of December 31, 2012, the basis for determining the contribution rates for calendar year 2013. The December 31, 2012 actuarial valuation is the most recent valuation.

**Actuarial Valuation Information**

Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
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: 10 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%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

**Trend Information  
for the Retirement Plan for the Employees of the County  
(excludes Community Supervision)**

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2011	\$ 26,434,847	100%	\$ -
September 30, 2012	27,458,349	100%	-
September 30, 2013	29,737,824	100%	-

**Schedule of Funding (including Community Supervision)**  
(in thousands)

Actuarial Valuation Date	12/31/2012
Actuarial Value of Assets	\$ 716,212
Actuarial Accrued Liability (AAL)	898,740
Unfunded Actuarial Accrued Liability (UAAL)	182,528
Funded Ratio	79.69%
Annual Covered Payroll	228,613
UAAL as Percentage of Covered Payroll	79.84%

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 2011, data used for the latest actuarial valuation, consists of the following:

Retired participants and surviving spouses	722
Retiree dependents	273
Active members	4,000

**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 23% 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 42.3% 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, 2013, the County contributed \$4,505,410, while the retirees' contributions were \$3,181,277 for a total contribution of \$7,686,687. Total contributions included actual medical claims paid as well as, premiums for certain other insurances.

**Annual OPEB Cost**

For 2013, the County's annual OPEB cost (expense) was \$43,028,435 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 2013 were as follows:

Annual required contribution	\$ 43,892,480
Add interest on net OPEB obligation	3,001,126
Less adjustment to annual required contribution	<u>(3,865,171)</u>
Annual OPEB cost	43,028,435
Less contributions made	<u>(4,505,410)</u>
Change in Net OPEB obligation	38,523,025
Net OPEB Obligation beginning of the year	<u>100,037,541</u>
Net OPEB Obligation end of the year	<u><u>\$ 138,560,566</u></u>

**Tarrant County Trend Information**

<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>
2011	\$ 28,352,373	\$ 6,220,563	21.94%	\$ 65,525,465
2012	39,461,352	4,949,276	12.54%	100,037,541
2013	43,028,435	4,505,410	10.47%	138,560,566

**Funded Status and Funding Progress**

The funded status of the plan as of October 1, 2011 was as follows (in thousands):

**Schedule of Funding**

Actuarial accrued liability (AAL)	\$ 354,393
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	354,393
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	214,190
Unfunded actuarial accrued liability (UAAL) as a percentage of covered payroll	165.46%

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.

In the October 1, 2011 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 2011 health care cost trends were assumed to be 9.0%, reducing 0.5% each year, reaching 5.5% in the year 2018 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.

## TCHD

### a. 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.

### b. 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 year, 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, 2013. The costs of administering the plan are paid by the plan and are considered in the determination of the employer contribution rate.

### c. Annual Pension Cost

For the fiscal year ended September 30, 2013, TCHD's annual pension cost was \$12,380,000. This cost was equal to the annual required contributions determined in the October 1, 2012 actuarial valuation. There is no existing net pension obligation.

The required contributions for the plan year ended September 30, 2013 were based on the results of the actuarial valuation as of October 1, 2012 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) an 8% 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**

<b>Fiscal Year Ended</b>	<b>Annual Pension cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2011	\$ 12,652,413	100%	\$ -
2012	12,051,401	100%	-
2013	12,380,156	100%	-

**d. 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 \$3,645,000 for the year ended September 30, 2013.

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 \$8,470,000 for 2013.

TCHD has a Governmental Excess Benefit Arrangement Plan for executives approved by the Board. 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, 2013, there were no benefits due under this plan.

**MHMRTC**

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 year and each of the two preceding years are as follows:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Percentage Contributed</u>
2011	\$ 2,163,960	\$ 1,386,065	100%
2012	2,066,949	1,262,936	100%
2013	2,097,880	1,284,863	100%

### 13. COMMITMENTS

#### County

##### Construction and other significant commitments

The County has active construction projects as of September 30, 2013. 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 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	\$ 71,745	\$ 388
Subcourthouse construction	2,364	12,457
Civil courts building construction	34,093	32,277
Transportation projects	99,728	20,653
Total	<u>\$ 207,930</u>	<u>\$ 65,775</u>

These commitment amounts were encumbered at year end.

##### Encumbrances

As discussed in note 1(d) and the notes to RSI, encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year are as follows (in thousands):

General fund	\$ 2,470
Road and Bridge fund	1,603
Capital projects fund	70,405
Nonmajor governmental funds	572
Total	<u>\$ 75,050</u>

The County has no material future operating lease commitments. Total rental expense incurred for the County for fiscal 2013 was \$2,430,686.

## MHMRTC

MHMRTC is obligated under capital leases for certain equipment as of August 31, 2013. The gross amount of assets acquired by capital leases included in the balance sheet is \$1,896,435.

During 2013, operating lease payments by MHMRTC were \$1,681,908. 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, 2013 are as follows (in thousands):

Year Ending August 31,	Operating Leases
2014	\$ 1,203
2015	385
2016	159
2017	159
2018	116
and thereafter	322
Total minimum lease payment	\$ 2,344

## 14. CONTINGENCIES

### County

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, 2013 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 operation. The possible losses of these lawsuits would be less than \$1 million. County management has accrued for an estimate of losses for such claims in the accompanying basic financial statements. 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, 2013 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

### TCHD

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.

## **MHMRTC**

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.

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 2013, 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 years.

## **15. SELF-INSURANCE PROGRAMS**

### **County**

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	20,343,436	15,000
Scheduled equipment	43,580,080	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 2013, 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, 2013, 3,461 and 3,188 employees participate in health care coverage and dental coverage, respectively.

For the year ended September 30, 2013, 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, 2013.

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>2012</u>	<u>2013</u>
Beginning liability	\$ 7,906	\$ 9,042
New claims/adjustments	4,722	3,741
Claims paid/adjustments	(4,722)	(3,741)
Other - change in estimate	<u>1,136</u>	<u>(2,060)</u>
Ending liability	<u>\$ 9,042</u>	<u>\$ 6,982</u>
Amount due within 1 year	\$ 3,705	\$ 3,647

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

## **TCHD**

*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):

	<u>2012</u>	<u>2013</u>
Balance, beginning of year	\$ 1,106	\$ 785
Current year claims incurred and changes in estimates for claims incurred in prior years	(312)	28
Claims and expenses paid	<u>(9)</u>	<u>(148)</u>
Balance, end of year	<u>\$ 785</u>	<u>\$ 665</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>2012</u>	<u>2013</u>
Balance, beginning of year	\$ 4,300	\$ 4,450
Current year claims incurred and changes in estimates for claims incurred in prior years	30,392	26,714
Claims and expenses paid	<u>(30,242)</u>	<u>(28,194)</u>
Balance, end of year	<u>\$ 4,450</u>	<u>\$ 2,970</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>2012</u>	<u>2013</u>
Balance, beginning of year	\$ 1,769	\$ 1,728
Current year claims incurred and changes in estimates for claims incurred in prior years	1,037	1,402
Claims and expenses paid	<u>(1,078)</u>	<u>(1,247)</u>
Balance, end of year	<u>\$ 1,728</u>	<u>\$ 1,883</u>



## MHMRTC

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 \$593,806 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>2012</u>	<u>2013</u>
Beginning liability	\$ 942	\$ 712
Expenses incurred	7,791	6,598
Expenses paid	<u>(8,021)</u>	<u>(6,716)</u>
Ending liability	<u>\$ 712</u>	<u>\$ 594</u>

Claim liability is expected to be paid within one year of August 31, 2013

## 16. TAX INCREMENT FINANCING AGREEMENTS

The County participates in several TIF Districts with other governmental entities through Interlocal Agreements. Tax Increment Financing (TIF) is an economic development tool used by local governments to finance public improvements within a defined geographic area. For the year a TIF District is created, the taxable assessed value of real property located in the District is generally frozen for the duration of the 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 refund, on an annual basis, of the County's contribution to the TIF District No. 1. The refund in tax year 2012 totaled \$646,626.

On April 30, 2013 the County's combined total amount of Tax Increment deposits to the City of Fort Worth TIF #4 totaled \$4,000,000. This represents the maximum deposit limitation per the Participation Agreement, and no future deposits are applicable for this TIF. On May 28, 2013 the County approved an amendment to increase the maximum to \$8,509,917 and the participation rate was reduced to 50% for tax years 2013-2022.

On March 12, 2013, the County entered into a Participation Agreement with the City of Mansfield TIF #2 beginning with tax year 2013 for a term of twenty-five years and at a rate of 75% of its collected incremental tax revenue up to a maximum cumulative contribution of \$3,307,836.

On March 19, 2013, the County entered into a Participation Agreement with the City of Kennedale TIF #1 beginning with tax year 2013 for a term of twenty-five years and at a rate of 75% of its collected incremental tax revenue up to a maximum cumulative contribution of \$2,481,849.

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

<u>Name</u>	<u>Percentage Committed</u>	<u>Taxes Forgone During 2013</u>
City of Arlington #1 (maintenance and operation rate only)	100%	\$ 122
City of Arlington #4	75%	319
City of Arlington #5	70%	132
City of Arlington #6	75%	94
City of Benbrook #1	100%	226
City of Euless #3	75%	-
City of Fort Worth #3	100%	773
City of Fort Worth #4	100%	480
City of Fort Worth #6	100%	89
City of Fort Worth #7	80%	431
City of Fort Worth #8	80%	462
City of Fort Worth #9	80%	587
City of Fort Worth #10	70%	53
City of Fort Worth #12	100%	44
City of Fort Worth #13	80%	-
City of Grand Prairie #2	75%	341
City of Grapevine #1	100%	-
City of Keller #1	66.20%	252
City of Mansfield #1	30%	69
City of North Richland Hills #1	100%	2
City of North Richland Hills #2	100%	642
City of Richland Hills #1	75%	-
City of Southlake #1	100%	757
		<hr/>
Total taxes forgone		<u>\$ 5,875</u>

## 17. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2013 (in thousands):

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable:						
Supplies and prepaid items	\$ 1,039	\$ 691	\$ -	\$ 19	\$ 46	\$ 1,795
Long-term receivable	<u>2,370</u>	<u>-</u>	<u>-</u>	<u>351</u>	<u>-</u>	<u>2,721</u>
	3,409	691	-	370	46	4,516
Restricted:						
Law library	-	-	-	-	312	312
Records management	-	-	-	-	12,871	12,871
Education	-	-	-	-	77	77
Public health	-	-	-	-	1,979	1,979
Law enforcement & prosecution	-	-	-	-	3,035	3,035
Contractual agreements	-	-	-	-	1,882	1,882
Court designated programs	-	-	-	-	2,324	2,324
VIT administration	-	-	-	-	383	383
Construction & equipment	-	-	-	50,680	-	50,680
Transportation projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,110</u>	<u>-</u>	<u>73,110</u>
	-	-	-	123,790	22,863	146,653
Committed:						
Law library	-	-	-	-	104	104
Records management	-	-	-	-	159	159
Public health	-	-	-	-	1,766	1,766
Law enforcement & prosecution	98	-	-	-	139	237
Contractual agreements	456	-	-	-	468	924
Court designated programs	49	-	-	-	196	245
Construction & equipment	-	-	-	59,299	-	59,299
Transportation projects	-	15,111	-	2,715	-	17,826
Debt service	<u>-</u>	<u>-</u>	<u>486</u>	<u>-</u>	<u>-</u>	<u>486</u>
	603	15,111	486	62,014	2,832	81,046
Assigned:						
Economic development	-	-	-	-	3,357	3,357
Purchases on order	1,867	-	-	-	-	1,867
Subsequent year's budget: appropriation of fund balance						
	<u>23,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,148</u>
	25,015	-	-	-	3,357	28,372
Unassigned	49,101	-	-	-	-	49,101
<b>Total Fund Balance</b>	<u><u>\$ 78,128</u></u>	<u><u>\$ 15,802</u></u>	<u><u>\$ 486</u></u>	<u><u>\$ 186,174</u></u>	<u><u>\$ 29,098</u></u>	<u><u>\$ 309,688</u></u>

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**REQUIRED SUPPLEMENTARY**  
**INFORMATION**

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ 294,755	\$ 294,755	\$ 295,756	\$ 1,001
Licenses and permits	958	958	983	25
Fees of office	44,180	44,180	48,788	4,608
Intergovernmental	14,510	14,510	15,924	1,414
Investment income	1,070	1,070	1,113	43
Other revenues	13,488	13,488	16,935	3,447
Transfers	685	685	728	43
<b>Total Revenues</b>	<b>\$ 369,646</b>	<b>\$ 369,646</b>	<b>\$ 380,227</b>	<b>\$ 10,581</b>
EXPENDITURES:				
County Judge	\$ 857	\$ 857	\$ 843	\$ 14
County Administrator	1,712	1,712	1,555	157
Non-Departmental	83,333	83,231	40,106	43,125
Auditor	5,937	5,937	5,843	94
Budget/Risk Management	618	618	464	154
Tax Assessor / Collector	12,859	12,791	12,160	631
Elections Administration	5,352	5,352	5,084	268
Information Technology	31,612	31,680	28,756	2,924
Human Resources	2,579	2,622	2,565	57
Purchasing	1,908	1,908	1,877	31
Facilities	3,830	3,936	3,601	335
Sheriff	37,290	37,230	35,802	1,428
Sheriff - Confinement	70,091	70,091	66,941	3,150
Constable Precinct 1	1,101	1,078	1,058	20
Constable Precinct 2	1,025	1,025	1,002	23
Constable Precinct 3	1,083	1,108	1,079	29
Constable Precinct 4	817	827	819	8
Constable Precinct 5	676	696	693	3
Constable Precinct 6	816	818	810	8
Constable Precinct 7	945	948	939	9
Constable Precinct 8	957	974	974	-
Medical Examiner	7,664	7,664	7,526	138
Fire Marshal	331	331	328	3
Community Supervision	165	165	64	101
Juvenile Services	19,673	19,673	18,874	799
Pretrial Services	1,212	1,212	1,138	74
Buildings	21,412	21,306	19,817	1,489
17TH District Court	254	229	199	30
48TH District Court	254	255	253	2
67TH District Court	241	241	238	3
96TH District Court	245	246	241	5
141ST District Court	242	242	240	2
153RD District Court	248	248	242	6
236TH District Court	262	282	282	-
342ND District Court	235	241	238	3
348TH District Court	231	231	227	4
352ND District Court	248	248	247	1
Criminal District Court 1	1,108	1,010	959	51
Criminal District Court 2	1,227	1,187	1,093	94
Criminal District Court 3	1,148	1,275	1,251	24
Criminal District Court 4	1,141	1,547	1,528	19
213TH District Court	1,289	1,409	1,405	4

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
297TH District Court	\$ 1,289	\$ 1,412	\$ 1,373	\$ 39
371ST District Court	1,344	1,379	1,359	20
372ND District Court	1,131	1,340	1,329	11
396TH District Court	1,426	1,607	1,600	7
432ND District Court	1,163	1,404	1,362	42
Magistrate Court	797	800	790	10
231ST District Court	586	592	575	17
233RD District Court	542	542	530	12
322ND District Court	557	557	527	30
323RD District Court	2,906	2,906	2,832	74
324TH District Court	733	727	667	60
325TH District Court	575	575	563	12
360TH District Court	552	552	529	23
Special Judges	276	272	260	12
Criminal Court Administration	762	822	822	-
Grand Jury	137	137	136	1
Criminal Attorney Appointment	529	535	523	12
Criminal Mental Health Court	143	142	141	1
County Court at Law #1	406	407	403	4
County Court at Law #2	406	411	408	3
County Court at Law #3	417	415	401	14
County Criminal Court #1	721	802	779	23
County Criminal Court #2	524	565	551	14
County Criminal Court #3	645	701	690	11
County Criminal Court #4	718	765	744	21
County Criminal Court #5	1,268	1,291	1,240	51
County Criminal Court #6	594	630	613	17
County Criminal Court #7	760	787	773	14
County Criminal Court #8	646	687	681	6
County Criminal Court #9	639	682	673	9
County Criminal Court #10	489	594	580	14
Probate Court 1	1,766	1,746	1,703	43
Probate Court 2	1,736	1,850	1,833	17
Justice of the Peace Pct. 1	655	655	639	16
Justice of the Peace Pct. 2	620	621	601	20
Justice of the Peace Pct. 3	589	589	569	20
Justice of the Peace Pct. 4	626	629	625	4
Justice of the Peace Pct. 5	422	422	413	9
Justice of the Peace Pct. 6	496	496	486	10
Justice of the Peace Pct. 7	642	641	631	10
Justice of the Peace Pct. 8	513	515	506	9
District Attorney	34,916	34,916	34,319	597
District Clerk	9,532	9,532	9,297	235
County Clerk	8,992	8,992	8,305	687
Domestic Relations	6,541	6,541	6,283	258
Jury Services	1,900	1,900	1,751	149
Courts / Judiciary	2,736	827	491	336
Human Services	4,844	4,844	3,803	1,041
Child Protective Services	2,111	2,111	1,924	187
Public Assistance	238	238	238	-
TX Cooperative Extension	699	699	679	20
Veterans Services	367	367	343	24
Historical Commission	90	90	88	2
<b>Total Expenditures</b>	<b>\$ 428,940</b>	<b>\$ 428,940</b>	<b>\$ 369,342</b>	<b>\$ 59,598</b>

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

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	<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	18,118	18,118	19,419	1,301
Intergovernmental	33	33	30	(3)
Investment income	20	20	25	5
Other revenues	87	87	1,054	967
Total Revenues	\$ 18,258	\$ 18,258	\$ 20,529	\$ 2,271
EXPENDITURES:				
Buildings	\$ 32	\$ 32	\$ 25	\$ 7
Commissioner Precinct 1	6,493	6,493	5,670	823
Commissioner Precinct 2	3,887	3,887	3,229	658
Commissioner Precinct 3	4,725	4,725	3,946	779
Commissioner Precinct 4	6,394	6,394	6,214	180
Right of Way	3,901	3,902	610	3,292
Transportation	2,480	2,479	2,290	189
Road and Bridge Non-Departmental	2,555	2,555	630	1,925
Total Expenditures	\$ 30,467	\$ 30,467	\$ 22,614	\$ 7,853



## TARRANT COUNTY, TEXAS

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2013

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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.
- 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	\$ 380,227	\$ 20,529
Transfers in	(728)	-
Accrued in prior years, received in 2013	(315)	-
	<hr/>	<hr/>
Revenues on modified accrual (GAAP) basis	379,184	20,529
<b>Expenditures</b>		
Budgetary Basis	369,342	22,614
Transfers out	(23,752)	-
Incurred in prior years, paid in 2013	498	451
Incurred during 2013, payable in future years	(2,206)	(909)
Prepaid, bad debt & inventory adjustments not budget relevant	(10)	10
	<hr/>	<hr/>
Expenditures on modified accrual (GAAP) basis	343,872	22,166
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>	<b>(23,024)</b>	<hr/>
	<hr/>	<hr/>
Changes in Fund Balance	<u>\$ 12,288</u>	<u>\$ (1,637)</u>

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**

**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
2011	12/31/2010	\$ 653,885	\$ 804,632	\$ 150,747	81.27%	\$ 233,330	64.61%
2012	12/31/2011	686,447	852,536	166,089	80.52%	226,289	73.40%
2013	12/31/2012	716,212	898,740	182,528	79.69%	228,613	79.84%

**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
2008	10/1/2007	\$ -	\$ 141,223	\$ 141,223	0.00%	\$ 201,064	70.24%
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%

**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
12/31/2010	\$ 101,345	\$ 134,597	\$ (33,252)	75.30%	\$ 194,653	-17.10%
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%

**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, 2013 (AMOUNTS IN THOUSANDS)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 576	\$ 13,116	\$ 78	\$ 3,692	\$ 3,842
Other receivables, net of allowance for uncollectibles	11	75	-	-	6
Supplies and prepaid items	-	5	-	15	12
<b>TOTAL ASSETS</b>	<b>\$ 587</b>	<b>\$ 13,196</b>	<b>\$ 78</b>	<b>\$ 3,707</b>	<b>\$ 3,860</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 160	\$ 85	\$ 1	\$ 144	\$ 256
Other liabilities	11	76	-	316	3,073
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>171</b>	<b>161</b>	<b>1</b>	<b>460</b>	<b>3,329</b>
<b>FUND BALANCES</b>					
Nonspendable	-	5	-	15	12
Restricted:					
Law library	312	-	-	-	-
Records management	-	12,871	-	-	-
Education	-	-	77	-	-
Public health	-	-	-	1,515	-
Law enforcement and prosecution	-	-	-	-	519
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
VIT administration	-	-	-	-	-
Committed:					
Law library	104	-	-	-	-
Records management	-	159	-	-	-
Public health	-	-	-	1,717	-
Law enforcement and prosecution	-	-	-	-	-
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
Assigned:					
Economic development	-	-	-	-	-
<b>Total fund balances</b>	<b>416</b>	<b>13,035</b>	<b>77</b>	<b>3,247</b>	<b>531</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 587</b>	<b>\$ 13,196</b>	<b>\$ 78</b>	<b>\$ 3,707</b>	<b>\$ 3,860</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>
\$ 2,639	\$ 2,090	\$ 2,160	\$ 385	\$ 496	\$ 3,296	\$ 61	\$ 32,431
34	992	82	-	-	-	-	1,200
14	-	-	-	-	-	-	46
<u>\$ 2,687</u>	<u>\$ 3,082</u>	<u>\$ 2,242</u>	<u>\$ 385</u>	<u>\$ 496</u>	<u>\$ 3,296</u>	<u>\$ 61</u>	<u>\$ 33,677</u>
\$ 18	\$ 128	\$ 1	\$ -	\$ 1	\$ -	\$ -	\$ 794
28	34	10	2	33	-	-	3,583
-	202	-	-	-	-	-	202
<u>46</u>	<u>364</u>	<u>11</u>	<u>2</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>4,579</u>
14	-	-	-	-	-	-	46
-	-	-	-	-	-	-	312
-	-	-	-	-	-	-	12,871
-	-	-	-	-	-	-	77
-	45	-	-	419	-	-	1,979
2,488	28	-	-	-	-	-	3,035
-	1,882	-	-	-	-	-	1,882
-	221	2,103	-	-	-	-	2,324
-	-	-	383	-	-	-	383
-	-	-	-	-	-	-	104
-	-	-	-	-	-	-	159
-	6	-	-	43	-	-	1,766
139	-	-	-	-	-	-	139
-	468	-	-	-	-	-	468
-	68	128	-	-	-	-	196
-	-	-	-	-	3,296	61	3,357
<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>\$ 2,687</u>	<u>\$ 3,082</u>	<u>\$ 2,242</u>	<u>\$ 385</u>	<u>\$ 496</u>	<u>\$ 3,296</u>	<u>\$ 61</u>	<u>\$ 33,677</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	1,194	4,986	19	1,539	53
Intergovernmental	-	-	-	12,170	-
Investment income	1	18	-	4	-
Other revenues	27	-	-	-	1,745
Total revenues	1,222	5,004	19	13,713	1,798
EXPENDITURES:					
Current:					
General government	-	2,106	-	201	-
Public safety	-	-	24	-	-
Judicial	163	351	27	-	2,104
Community services	1,080	-	-	11,620	-
Capital outlay	1	587	-	62	-
Total expenditures	1,244	3,044	51	11,883	2,104
Excess (deficiency) of revenues over (under) expenditures	(22)	1,960	(32)	1,830	(306)
OTHER FINANCING SOURCES (USES) -					
Transfers in	-	-	-	-	897
Transfers out	-	-	-	-	(54)
Total other financing sources (uses)	-	-	-	-	843
Change in fund balance	(22)	1,960	(32)	1,830	537
FUND BALANCES, beginning of year	438	11,075	109	1,417	(6)
FUND BALANCES, end of year	\$ 416	\$ 13,035	\$ 77	\$ 3,247	\$ 531

<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>
\$ -	\$ -	\$ -	\$ 109	\$ -	\$ -	\$ -	\$ 109
-	46	1,692	17	962	-	-	10,508
-	3,730	153	-	-	-	-	16,053
4	5	4	1	1	30	-	68
<u>1,595</u>	<u>1,115</u>	<u>7</u>	<u>-</u>	<u>2</u>	<u>788</u>	<u>-</u>	<u>5,279</u>
1,599	4,896	1,856	127	965	818	-	32,017
-	3,339	495	54	-	-	-	6,195
940	651	-	-	-	-	-	1,615
-	847	514	-	-	-	-	4,006
-	362	100	-	951	813	-	14,926
<u>187</u>	<u>236</u>	<u>60</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,143</u>
1,127	5,435	1,169	64	951	813	-	27,885
472	(539)	687	63	14	5	-	4,132
-	372	-	-	-	-	-	1,269
<u>-</u>	<u>(46)</u>	<u>(628)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(728)</u>
-	326	(628)	-	-	-	-	541
472	(213)	59	63	14	5	-	4,673
<u>2,169</u>	<u>2,931</u>	<u>2,172</u>	<u>320</u>	<u>448</u>	<u>3,291</u>	<u>61</u>	<u>24,425</u>
<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>



**BUDGETARY COMPLIANCE**

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) -DEBT SERVICE  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

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	Debt Service Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ 30,247	\$ 30,247	\$ 30,234	\$ (13)
Investment income	17	17	15	(2)
Transfers	-	-	200	200
Total Revenues	<u>\$ 30,264</u>	<u>\$ 30,264</u>	<u>\$ 30,449</u>	<u>\$ 185</u>
EXPENDITURES:				
Debt service	<u>\$ 32,090</u>	<u>\$ 32,090</u>	<u>\$ 31,590</u>	<u>\$ 500</u>
Total Expenditures	<u>\$ 32,090</u>	<u>\$ 32,090</u>	<u>\$ 31,590</u>	<u>\$ 500</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Intergovernmental	\$ 131	\$ 131	\$ 130	\$ (1)
Investment income	162	162	258	96
Other revenues	-	163	738	575
Transfers	22,208	23,580	63,580	40,000
<b>Total Revenues</b>	<b>\$ 22,501</b>	<b>\$ 24,036</b>	<b>\$ 64,706</b>	<b>\$ 40,670</b>
EXPENDITURES:				
Non-Departmental	\$ 6,614	\$ 4,996	\$ 146	\$ 4,850
Budget	2	1	1	-
Tax Assessor/Collector	180	155	122	33
Information Technology	11,848	12,647	5,662	6,985
Human Resources	2	2	1	1
Facilities	169	192	189	3
Sheriff	43	43	42	1
Sheriff - Confinement	91	91	85	6
Constable Precinct 7	1	1	1	-
Medical Examiner	19	22	22	-
Community Supervision	7	7	7	-
Juvenile Services	39	44	44	-
Buildings	66,693	66,759	21,030	45,729
153rd District Court	1	1	1	-
Criminal District Court 3	-	1	1	-
396TH District Court	-	1	1	-
432ND District Court	2	1	1	-
324TH District Court	1	1	1	-
Criminal Attorney Appointment	3	3	3	-
County Court at Law #5	-	1	1	-
County Court at Law #6	-	2	1	1
Probate Court 2	3	3	-	3
Justice of the Peace Pct. 2	1	1	1	-
Justice of the Peace Pct. 4	-	1	1	-
Justice of the Peace Pct. 7	-	1	1	-
Justice of the Peace Pct. 8	2	2	1	1
District Attorney	53	53	48	5
District Clerk	6	6	4	2
Domestic Relations	9	9	9	-
Courts / Judiciary	6	1	1	-
Public Health	-	20	19	1
TX Cooperative Extension	3	3	2	1
Commissioner Precinct 1	556	642	547	95
Commissioner Precinct 2	207	212	62	150
Commissioner Precinct 3	802	814	692	122
Commissioner Precinct 4	242	243	20	223
Transportation	19,334	30,448	19,103	11,345
<b>Total Expenditures</b>	<b>\$ 106,939</b>	<b>\$ 117,430</b>	<b>\$ 47,873</b>	<b>\$ 69,557</b>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	<u>Law Library</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 1,160	\$ 1,160	\$ 1,194	\$ 34
Investment income	1	1	1	-
Other revenues	25	25	27	2
Total Revenues	\$ 1,186	\$ 1,186	\$ 1,222	\$ 36
EXPENDITURES:				
Law Library	\$ 1,436	\$ 1,436	\$ 1,096	\$ 340
Judicial Law Library	175	175	172	3
Total Expenditures	\$ 1,611	\$ 1,611	\$ 1,268	\$ 343

	<u>Records Preservation and Automation</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 4,773	\$ 4,773	\$ 4,986	\$ 213
Investment income	13	13	18	5
Other revenues	-	-	-	-
Total Revenues	\$ 4,786	\$ 4,786	\$ 5,004	\$ 218
EXPENDITURES:				
Information Technology	\$ 702	\$ 1,337	\$ 582	\$ 755
Buildings	-	6	6	-
District Clerk	1,170	1,170	394	776
County Clerk	13,592	12,951	2,194	10,757
Total Expenditures	\$ 15,464	\$ 15,464	\$ 3,176	\$ 12,288



TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	Education			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Fees of office	\$ 18	\$ 18	\$ 20	\$ 2
Total Revenues	\$ 18	\$ 18	\$ 20	\$ 2
<b>EXPENDITURES:</b>				
Sheriff	\$ 74	\$ 74	\$ 25	\$ 49
Sheriff-Confinement	3	3	-	3
Constable Precinct 1	2	2	1	1
Constable Precinct 2	1	1	1	-
Constable Precinct 3	2	2	2	-
Constable Precinct 4	10	10	-	10
Constable Precinct 6	1	1	1	-
Constable Precinct 7	2	2	1	1
Constable Precinct 8	1	1	1	-
Probate Court 1	11	11	9	2
Probate Court 2	17	17	10	7
District Attorney	6	6	-	6
Total Expenditures	\$ 130	\$ 130	\$ 51	\$ 79

	Public Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Fees of office	\$ 1,176	\$ 1,176	\$ 1,539	\$ 363
Intergovernmental	9,758	12,169	12,169	-
Investment income	3	3	4	1
Other revenues	-	-	1	1
Total Revenues	\$ 10,937	\$ 13,348	\$ 13,713	\$ 365
<b>EXPENDITURES:</b>				
Non-Departmental	\$ -	\$ 866	\$ -	\$ 866
Buildings	256	256	201	55
Public Health	11,726	13,584	11,739	1,845
Total Expenditures	\$ 11,982	\$ 14,706	\$ 11,940	\$ 2,766

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (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	\$ 75	\$ 75	\$ 54	\$ (21)
Other revenues	1,141	1,218	1,744	526
Transfer	900	900	897	(3)
Total Revenues	<u>\$ 2,116</u>	<u>\$ 2,193</u>	<u>\$ 2,695</u>	<u>\$ 502</u>
EXPENDITURES:				
District Attorney	<u>\$ 2,116</u>	<u>\$ 2,193</u>	<u>\$ 2,159</u>	<u>\$ 34</u>
Total Expenditures	<u>\$ 2,116</u>	<u>\$ 2,193</u>	<u>\$ 2,159</u>	<u>\$ 34</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	\$ 11	\$ 11	\$ 4	\$ (7)
Other revenues	1,091	1,091	1,595	504
Total Revenues	<u>\$ 1,102</u>	<u>\$ 1,102</u>	<u>\$ 1,599</u>	<u>\$ 497</u>
EXPENDITURES:				
Sheriff	\$ 969	\$ 969	\$ 259	\$ 710
Sheriff - Confinement	2,179	2,179	876	1,303
Total Expenditures	<u>\$ 3,148</u>	<u>\$ 3,148</u>	<u>\$ 1,135</u>	<u>\$ 2,013</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (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>
REVENUES:				
Fees of office	\$ 50	\$ 50	\$ 46	\$ (4)
Intergovernmental	3,051	3,446	3,731	285
Investment income	3	2	5	3
Other revenues	667	1,050	1,115	65
Transfer	155	155	372	217
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 3,926	\$ 4,703	\$ 5,269	\$ 566
EXPENDITURES:				
Non-Departmental	\$ 31	\$ 31	\$ 25	\$ 6
Elections Administration	2,841	3,488	3,228	260
Self Insurance	1,232	1,232	432	800
Sheriff	1	1	-	1
Sheriff - Confinement	25	25	-	25
Medical Examiner	24	24	1	23
Fire Marshal	74	80	77	3
Community Supervision	589	589	573	16
Juvenile Services	306	306	33	273
323rd District Court	178	178	178	-
Criminal Court Administration	19	19	11	8
District Attorney	501	501	479	22
Domestic Relations	9	9	9	-
Public Health	46	56	14	42
Human Services	127	543	326	217
Child Protective Services	223	341	196	145
Public Assistance	35	35	20	15
Historical Commission	38	38	1	37
Peace Officers Memorial Monument	20	20	-	20
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 6,319	\$ 7,516	\$ 5,603	\$ 1,913

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	Court Designated			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,613	\$ 1,631	\$ 1,693	\$ 62
Intergovernmental	140	140	153	13
Investment income	3	3	3	-
Other	-	-	7	7
<b>Total Revenues</b>	<b>\$ 1,756</b>	<b>\$ 1,774</b>	<b>\$ 1,856</b>	<b>\$ 82</b>
EXPENDITURES:				
Non Departmental	\$ 2,274	\$ 2,292	\$ 1,123	\$ 1,169
Information Technology	285	285	98	187
323rd District Court	346	346	5	341
Appeals Court	276	294	292	2
Criminal Court Administration	341	341	53	288
Probate Court 1	180	180	71	109
Probate Court 2	99	99	93	6
Public Assistance	100	100	100	-
<b>Total Expenditures</b>	<b>\$ 3,901</b>	<b>\$ 3,937</b>	<b>\$ 1,835</b>	<b>\$ 2,102</b>

	Vehicle Inventory Tax			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 30	\$ 30	\$ 110	\$ 80
Fees of office	3	3	17	14
<b>Total Revenues</b>	<b>\$ 33</b>	<b>\$ 33</b>	<b>\$ 127</b>	<b>\$ 94</b>
EXPENDITURES:				
Tax Assessor/Collector	\$ 354	\$ 354	\$ 61	\$ 293
<b>Total Expenditures</b>	<b>\$ 354</b>	<b>\$ 354</b>	<b>\$ 61</b>	<b>\$ 293</b>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (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	\$ 950	\$ 950	\$ 961	\$ 11
Investment income	-	-	1	1
Other	-	-	3	3
Total Revenues	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 965</u>	<u>\$ 15</u>
EXPENDITURES:				
Public Health	<u>\$ 1,339</u>	<u>\$ 1,339</u>	<u>\$ 951</u>	<u>\$ 388</u>
Total Expenditures	<u>\$ 1,339</u>	<u>\$ 1,339</u>	<u>\$ 951</u>	<u>\$ 388</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, 2013 (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	\$ 12,074	\$ 2,393	\$ 1,874	\$ 16,341
Other receivables, net of allowance for uncollectibles	480	21	-	501
Supplies and prepaid items	139	-	-	139
Total current assets	<u>12,693</u>	<u>2,414</u>	<u>1,874</u>	<u>16,981</u>
 <u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	478	29	49	556
Other liabilities	2,895	354	3,293	6,542
Unearned revenue	38	-	-	38
Total current liabilities	<u>3,411</u>	<u>383</u>	<u>3,342</u>	<u>7,136</u>
Noncurrent liabilities:				
Other noncurrent liabilities	-	59	3,276	3,335
Total noncurrent liabilities	<u>-</u>	<u>59</u>	<u>3,276</u>	<u>3,335</u>
Total liabilities	<u>3,411</u>	<u>442</u>	<u>6,618</u>	<u>10,471</u>
 <u>NET POSITION</u>				
Unrestricted	<u>9,282</u>	<u>1,972</u>	<u>(4,744)</u>	<u>6,510</u>
Total net position (deficit)	<u>\$ 9,282</u>	<u>\$ 1,972</u>	<u>\$ (4,744)</u>	<u>\$ 6,510</u>



TARRANT COUNTY, TEXASCOMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
OPERATING REVENUES:				
User fees	\$ 16,569	\$ 1	\$ -	\$ 16,570
County contributions	49,118	-	3,734	52,852
Other revenues	<u>1,178</u>	<u>315</u>	<u>1,799</u>	<u>3,292</u>
Total operating revenues	66,865	316	5,533	72,714
OPERATING EXPENSES:				
Building and equipment	3	98	-	101
Self insurance claims	56,512	325	2,977	59,814
Insurance premiums	5,751	-	-	5,751
Other expenses	<u>4,265</u>	<u>154</u>	<u>187</u>	<u>4,606</u>
Total operating expenses	<u>66,531</u>	<u>577</u>	<u>3,164</u>	<u>70,272</u>
Operating income (loss)	334	(261)	2,369	2,442
NONOPERATING REVENUES :				
Investment income	<u>18</u>	<u>4</u>	<u>2</u>	<u>24</u>
Income (loss) before transfers	352	(257)	2,371	2,466
OTHER FINANCING SOURCES (USES)				
Transfers in	-	592	-	592
Transfers out	<u>(317)</u>	<u>-</u>	<u>-</u>	<u>(317)</u>
Change in net assets	35	335	2,371	2,741
Total net position (deficit)-beginning	<u>9,247</u>	<u>1,637</u>	<u>(7,115)</u>	<u>3,769</u>
Total net position (deficit)-ending	<u>\$ 9,282</u>	<u>\$ 1,972</u>	<u>\$ (4,744)</u>	<u>\$ 6,510</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
OPERATING ACTIVITIES:				
Receipts from customers	\$ 67,784	\$ 307	\$ 5,543	\$ 73,634
Payments on behalf of employees	<u>(66,480)</u>	<u>(1,324)</u>	<u>(4,966)</u>	<u>(72,770)</u>
Net cash flows provided by (used in) operating activities	1,304	(1,017)	577	864
INVESTING ACTIVITIES:				
Investment income, net	18	4	2	24
NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	592	-	592
Transfers out	<u>(317)</u>	<u>-</u>	<u>-</u>	<u>(317)</u>
Net cash flows provided by (used in ) noncapital financing activities	<u>(317)</u>	<u>592</u>	<u>-</u>	<u>275</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,005	(421)	579	1,163
CASH AND CASH EQUIVALENTS, beginning of year	<u>11,069</u>	<u>2,814</u>	<u>1,295</u>	<u>15,178</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 12,074</u>	<u>\$ 2,393</u>	<u>\$ 1,874</u>	<u>\$ 16,341</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 334	\$ (261)	\$ 2,369	\$ 2,442
Changes in assets and liabilities:				
Other receivables	888	(9)	10	889
Accounts payable	8	(433)	(56)	(481)
Other liabilities	43	(314)	(1,746)	(2,017)
Deferred revenue	<u>31</u>	<u>-</u>	<u>-</u>	<u>31</u>
Net cash flows provided by (used in) operating activities	<u>\$ 1,304</u>	<u>\$ (1,017)</u>	<u>\$ 577</u>	<u>\$ 864</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, 2013 (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	\$ 3,676	\$ 35,240	\$ 38,916
Other receivables	55	134,243	134,298
Restricted assets	-	67,836	67,836
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,731</u>	<u>\$ 237,319</u>	<u>\$ 241,050</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 5	\$ -	\$ 5
Due to third parties	3,726	237,319	241,045
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>\$ 3,731</u>	<u>\$ 237,319</u>	<u>\$ 241,050</u>

TARRANT COUNTY, TEXAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITES - AGENCY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013 (AMOUNTS IN THOUSANDS)

	October 1, 2012	Additions	Deletions	Balance September 30, 2013
<b>PAYROLL CLEARING:</b>				
Cash, cash equivalents, and investments	\$ 3,475	\$ 113,435	\$ 113,234	\$ 3,676
Other receivables	36	166	147	55
	<u>\$ 3,511</u>	<u>\$ 113,601</u>	<u>\$ 113,381</u>	<u>\$ 3,731</u>
Accounts payable	\$ 5	\$ -	\$ -	\$ 5
Due to third parties	3,506	113,601	113,381	3,726
	<u>\$ 3,511</u>	<u>\$ 113,601</u>	<u>\$ 113,381</u>	<u>\$ 3,731</u>
<b>FEE OFFICE:</b>				
Cash, cash equivalents, and investments	\$ 36,349	\$ 3,559,713	\$ 3,560,822	\$ 35,240
Other receivables	133,718	2,656,710	2,656,185	134,243
Restricted assets	72,721	75,827	80,712	67,836
	<u>\$ 242,788</u>	<u>\$ 6,292,250</u>	<u>\$ 6,297,719</u>	<u>\$ 237,319</u>
Accounts payable		\$ 174	\$ 174	\$ -
Due to third parties	\$ 242,788	6,292,076	6,297,545	237,319
	<u>\$ 242,788</u>	<u>\$ 6,292,250</u>	<u>\$ 6,297,719</u>	<u>\$ 237,319</u>
<b>TOTAL:</b>				
Cash, cash equivalents, and investments	\$ 39,824	\$ 3,673,148	\$ 3,674,056	\$ 38,916
Other receivables	133,754	2,656,876	2,656,332	134,298
Restricted assets	72,721	75,827	80,712	67,836
	<u>\$ 246,299</u>	<u>\$ 6,405,851</u>	<u>\$ 6,411,100</u>	<u>\$ 241,050</u>
Accounts payable	\$ 5	\$ 174	\$ 174	\$ 5
Due to third parties	246,294	6,405,677	6,410,926	241,045
	<u>\$ 246,299</u>	<u>\$ 6,405,851</u>	<u>\$ 6,411,100</u>	<u>\$ 241,050</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>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 134,092	\$ 151,544	\$ 180,820	\$ 195,824	\$ 185,168
Restricted	-	-	-	-	-
Unrestricted	73,027	83,180	90,495	114,985	147,789
Total governmental activities net position	<u>\$ 207,119</u>	<u>\$ 234,724</u>	<u>\$ 271,315</u>	<u>\$ 310,809</u>	<u>\$ 332,957</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 1,861	\$ 1,793	\$ 5,800	\$ 5,501	\$ 5,229
Unrestricted	680	458	(1,955)	(1,835)	340
Total business-type activities net position	<u>\$ 2,541</u>	<u>\$ 2,251</u>	<u>\$ 3,845</u>	<u>\$ 3,666</u>	<u>\$ 5,569</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 135,953	\$ 153,337	\$ 186,620	\$ 201,325	\$ 190,397
Restricted	-	-	-	-	-
Unrestricted	73,707	83,638	88,540	113,150	148,129
Total primary government net position	<u>\$ 209,660</u>	<u>\$ 236,975</u>	<u>\$ 275,160</u>	<u>\$ 314,475</u>	<u>\$ 338,526</u>

TABLE I

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 200,501	\$ 236,273	\$ 224,257	\$ 213,102	\$ 187,832
-	15,784	16,507	17,780	20,967
144,382	84,830	66,016	19,401	11,749
<u>\$ 344,883</u>	<u>\$ 336,887</u>	<u>\$ 306,780</u>	<u>\$ 250,283</u>	<u>\$ 220,548</u>
\$ 5,560	\$ 5,282	\$ 5,645	\$ 5,256	\$ 4,922
(16)	481	988	1,043	1,519
<u>\$ 5,544</u>	<u>\$ 5,763</u>	<u>\$ 6,633</u>	<u>\$ 6,299</u>	<u>\$ 6,441</u>
\$ 206,061	\$ 241,555	\$ 229,902	\$ 218,358	\$ 192,754
-	15,784	16,507	17,780	20,967
144,366	85,311	67,004	20,444	13,268
<u>\$ 350,427</u>	<u>\$ 342,650</u>	<u>\$ 313,413</u>	<u>\$ 256,582</u>	<u>\$ 226,989</u>

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

	FISCAL YEAR				
	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
General government	\$ 86,469	\$ 87,645	\$ 104,005	\$ 105,708	\$ 119,234
Public safety	77,318	84,147	91,152	99,860	109,282
Transportation support	20,913	25,107	28,734	33,753	42,741
Judicial	115,010	112,173	118,003	124,066	137,287
Community services	58,123	55,320	62,192	62,437	72,088
Interest and fiscal charges	7,061	7,677	6,853	9,529	11,751
Total governmental activities expenses	<u>364,894</u>	<u>372,069</u>	<u>410,939</u>	<u>435,353</u>	<u>492,383</u>
Business-type activities:					
Resource Connection	2,854	2,929	2,793	2,854	3,077
Total primary government expenses	<u>367,748</u>	<u>374,998</u>	<u>413,732</u>	<u>438,207</u>	<u>495,460</u>
<b>Program Revenues (1)</b>					
Governmental activities:					
Fees, Fines, and Charges for Services	87,817	86,263	93,164	98,334	104,965
Operating Grants and Contributions	60,003	54,155	59,803	62,090	76,291
Capital Grants and Contributions	-	2,959	16,909	7,512	6,740
Total governmental activities program revenues	<u>147,820</u>	<u>143,377</u>	<u>169,876</u>	<u>167,936</u>	<u>187,996</u>
Business-type activities:					
Resource Connection	2,701	2,625	4,375	2,662	4,940
Total primary government program revenues	<u>150,521</u>	<u>146,002</u>	<u>174,251</u>	<u>170,598</u>	<u>192,936</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	(217,074)	(228,692)	(241,063)	(267,417)	(304,387)
Business-type activities	(153)	(304)	1,582	(192)	1,863
Total primary government net expenses	<u>\$ (217,227)</u>	<u>\$ (228,996)</u>	<u>\$ (239,481)</u>	<u>\$ (267,609)</u>	<u>\$ (302,524)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$ 231,288	\$ 243,775	\$ 260,572	\$ 282,491	\$ 303,474
Alcoholic beverage and bingo taxes	4,835	5,197	5,652	6,154	6,023
Unrestricted investment earnings	2,315	5,265	9,368	15,834	12,287
Miscellaneous	2,221	2,060	2,062	2,432	4,751
Total governmental activities	<u>240,659</u>	<u>256,297</u>	<u>277,654</u>	<u>306,911</u>	<u>326,535</u>
Business-type activities:					
Unrestricted investment earnings	10	14	12	13	40
Miscellaneous	-	-	-	-	-
Total business-type activities	<u>10</u>	<u>14</u>	<u>12</u>	<u>13</u>	<u>40</u>
Total primary government	<u>240,669</u>	<u>256,311</u>	<u>277,666</u>	<u>306,924</u>	<u>326,575</u>
<b>Changes in Net Position</b>					
Governmental activities	23,585	27,605	36,591	39,494	22,148
Business-type activities	(143)	(290)	1,594	(179)	1,903
Total primary government	<u>\$ 23,442</u>	<u>\$ 27,315</u>	<u>\$ 38,185</u>	<u>\$ 39,315</u>	<u>\$ 24,051</u>

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

TABLE II

2009	2010	2011	2012	2013
\$ 132,725	\$ 126,700	\$ 124,555	\$ 127,322	\$ 130,932
111,314	118,807	120,881	129,313	133,199
44,690	42,121	54,329	48,559	40,820
142,450	150,002	150,841	157,358	160,619
78,814	91,269	84,066	79,934	82,852
14,966	14,612	15,108	15,112	14,140
<u>524,959</u>	<u>543,511</u>	<u>549,780</u>	<u>557,598</u>	<u>562,562</u>
3,138	3,048	3,024	3,351	3,158
<u>528,097</u>	<u>546,559</u>	<u>552,804</u>	<u>560,949</u>	<u>565,720</u>
103,120	103,510	110,503	96,785	118,963
89,858	90,914	77,519	72,934	76,631
3,597	1,566	3,339	3,505	1,144
<u>196,575</u>	<u>195,990</u>	<u>191,361</u>	<u>173,224</u>	<u>196,738</u>
2,923	2,880	2,745	2,626	2,962
<u>199,498</u>	<u>198,870</u>	<u>194,106</u>	<u>175,850</u>	<u>199,700</u>
(328,384)	(347,521)	(358,419)	(384,374)	(365,824)
(215)	(168)	(279)	(725)	(196)
<u>\$ (328,599)</u>	<u>\$ (347,689)</u>	<u>\$ (358,698)</u>	<u>\$ (385,099)</u>	<u>\$ (366,020)</u>
\$ 321,868	\$ 327,566	\$ 315,441	\$ 317,016	\$ 325,106
6,819	7,217	7,646	6,392	6,694
8,937	2,090	2,098	825	816
2,686	2,652	3,127	3,644	3,473
<u>340,310</u>	<u>339,525</u>	<u>328,312</u>	<u>327,877</u>	<u>336,089</u>
45	16	10	4	4
145	371	1,139	387	334
<u>190</u>	<u>387</u>	<u>1,149</u>	<u>391</u>	<u>338</u>
<u>340,500</u>	<u>339,912</u>	<u>329,461</u>	<u>328,268</u>	<u>336,427</u>
11,926	(7,996)	(30,107)	(56,497)	(29,735)
(25)	219	870	(334)	142
<u>\$ 11,901</u>	<u>\$ (7,777)</u>	<u>\$ (29,237)</u>	<u>\$ (56,831)</u>	<u>\$ (29,593)</u>

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

Function/Program	FISCAL YEAR				
	2004	2005	2006	2007	2008
<b>Fees, Fines, and Charges for Services</b>					
<b>Governmental:</b>					
General government	\$ 54,960	\$ 42,440	\$ 47,244	\$ 50,630	\$ 53,905
Public safety	4,883	7,825	3,375	4,293	4,532
Transportation support	1,608	-	-	-	-
Judicial	17,404	26,007	30,030	31,446	33,104
Community services	8,962	9,991	12,515	11,965	13,424
Total Governmental	87,817	86,263	93,164	98,334	104,965
<b>Business-type</b>	<b>2,701</b>	<b>2,625</b>	<b>2,404</b>	<b>2,662</b>	<b>4,940</b>
Total Fees, Fines and Charges for Service	<u>\$ 90,518</u>	<u>\$ 88,888</u>	<u>\$ 95,568</u>	<u>\$ 100,996</u>	<u>\$ 109,905</u>
<b>Operating Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 4,748	\$ 1,309	\$ 1,322	\$ 2,076	\$ 7,443
Public safety	1,984	1,177	1,358	2,630	3,707
Transportation support	-	-	-	33	49
Judicial	9,698	11,319	10,647	12,126	12,579
Community services	43,573	40,350	46,476	45,225	52,513
Total Governmental	60,003	54,155	59,803	62,090	76,291
Total Operating Grants and Contributions	<u>\$ 60,003</u>	<u>\$ 54,155</u>	<u>\$ 59,803</u>	<u>\$ 62,090</u>	<u>\$ 76,291</u>
<b>Capital Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ -	\$ 3	\$ 5,971	\$ 2,074	\$ -
Public safety	-	1,191	534	237	136
Transportation support	-	1,547	10,384	4,744	6,597
Judicial	-	218	20	457	7
Community services	-	-	-	-	-
Total Governmental	-	2,959	16,909	7,512	6,740
<b>Business-type</b>	<b>-</b>	<b>-</b>	<b>1,971</b>	<b>-</b>	<b>-</b>
Total Capital Grants and Contributions	<u>\$ -</u>	<u>\$ 2,959</u>	<u>\$ 18,880</u>	<u>\$ 7,512</u>	<u>\$ 6,740</u>
<b>Total Program Revenues</b>					
<b>Governmental:</b>					
General government	\$ 59,708	\$ 43,752	\$ 54,537	\$ 54,780	\$ 61,348
Public safety	6,867	10,193	5,267	7,160	8,375
Transportation support	1,608	1,547	10,384	4,777	6,646
Judicial	27,102	37,326	40,677	43,572	45,683
Community services	52,535	50,341	58,991	57,190	65,937
Total Governmental	147,820	143,159	169,856	167,479	187,989
<b>Business-type</b>	<b>2,701</b>	<b>2,625</b>	<b>4,375</b>	<b>2,662</b>	<b>4,940</b>
Total Program Revenues	<u>\$ 150,521</u>	<u>\$ 145,784</u>	<u>\$ 174,231</u>	<u>\$ 170,141</u>	<u>\$ 192,929</u>

TABLE III

2009	2010	2011	2012	2013
\$ 51,847	\$ 49,983	\$ 51,078	\$ 39,776	\$ 44,789
3,052	3,607	5,274	5,884	6,383
-	-	-	19,633	19,419
33,352	35,005	39,104	14,954	30,646
14,869	14,915	15,047	16,538	17,726
103,120	103,510	110,503	96,785	118,963
2,923	2,880	2,745	2,626	2,962
<u>\$ 106,043</u>	<u>\$ 106,390</u>	<u>\$ 113,248</u>	<u>\$ 99,411</u>	<u>\$ 121,925</u>
\$ 15,709	\$ 7,961	\$ 744	\$ 2,499	\$ 1,962
3,435	3,308	3,359	3,818	3,896
30	75	33	33	153
12,061	11,968	12,094	11,186	11,390
58,623	67,602	61,289	55,398	59,230
89,858	90,914	77,519	72,934	76,631
<u>\$ 89,858</u>	<u>\$ 90,914</u>	<u>\$ 77,519</u>	<u>\$ 72,934</u>	<u>\$ 76,631</u>
\$ 1,326	\$ 302	\$ 2,163	\$ 1,080	\$ 1,083
61	195	593	156	33
2,001	173	446	2,166	28
4	477	76	-	-
205	419	61	103	-
3,597	1,566	3,339	3,505	1,144
-	-	-	-	-
<u>\$ 3,597</u>	<u>\$ 1,566</u>	<u>\$ 3,339</u>	<u>\$ 3,505</u>	<u>\$ 1,144</u>
\$ 68,882	\$ 58,246	\$ 53,985	\$ 43,355	\$ 47,834
6,548	7,110	9,226	9,858	10,312
2,031	248	479	21,832	19,600
45,417	47,450	51,274	26,140	42,036
73,697	82,936	76,397	72,039	76,956
196,575	195,990	191,361	173,224	196,738
2,923	2,880	2,745	2,626	2,962
<u>\$ 199,498</u>	<u>\$ 198,870</u>	<u>\$ 194,106</u>	<u>\$ 175,850</u>	<u>\$ 199,700</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund</b>					
Reserved:					
For encumbrances	\$ 2,012	\$ 1,604	\$ 3,667	\$ 1,549	\$ 2,995
For supplies and prepaid items	732	825	794	865	761
For long-term receivable	7,605	7,120	6,630	6,115	5,570
Unreserved	31,231	38,201	41,708	44,975	38,347
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
Total General fund	<u>\$ 41,580</u>	<u>\$ 47,750</u>	<u>\$ 52,799</u>	<u>\$ 53,504</u>	<u>\$ 47,673</u>
<b>All Other Governmental Funds</b>					
Reserved:					
For debt service	\$ 1,621	\$ 2,092	\$ 1,739	\$ 1,020	\$ 492
For capital projects	36,507	31,107	120,068	159,179	243,413
For encumbrances	15,474	10,903	7,191	19,482	47,394
For supplies and prepaid items	977	1,011	819	1,289	825
For long-term receivable	2,499	2,299	2,099	2,099	2,099
Unreserved, reported in:					
Special revenue funds	23,084	20,148	25,584	31,261	27,761
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
Total all other governmental funds	<u>\$ 80,162</u>	<u>\$ 67,560</u>	<u>\$ 157,500</u>	<u>\$ 214,330</u>	<u>\$ 321,984</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

2009	2010	2011 (1)	2012	2013
\$ 2,743	\$ 3,401	N/A	N/A	N/A
800	878	N/A	N/A	N/A
4,995	4,390	N/A	N/A	N/A
39,802	56,306	N/A	N/A	N/A
N/A	N/A	\$ 4,619	\$ 4,002	\$ 3,409
N/A	N/A	292	63	603
N/A	N/A	17,868	23,276	25,015
N/A	N/A	36,642	38,499	49,101
<u>\$ 48,340</u>	<u>\$ 64,975</u>	<u>\$ 59,421</u>	<u>\$ 65,840</u>	<u>\$ 78,128</u>

\$ 895	\$ 1,611	N/A	N/A	N/A
238,905	178,068	N/A	N/A	N/A
41,657	129,155	N/A	N/A	N/A
1,073	961	N/A	N/A	N/A
2,099	2,099	N/A	N/A	N/A
23,774	28,072	N/A	N/A	N/A
N/A	N/A	\$ 721	\$ 596	\$ 1,107
N/A	N/A	185,117	145,765	146,653
N/A	N/A	68,129	73,574	80,443
N/A	N/A	3,730	3,352	3,357
<u>\$ 308,403</u>	<u>\$ 339,966</u>	<u>\$ 257,697</u>	<u>\$ 223,287</u>	<u>\$ 231,560</u>

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

	<b>FISCAL YEAR</b>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Revenues:</b>					
Taxes	\$ 230,833	\$ 244,560	\$ 260,357	\$ 283,255	\$ 299,894
Licenses and permits	627	588	723	804	793
Fees of office	58,980	60,529	67,853	72,136	74,607
Intergovernmental	76,853	72,274	85,597	83,485	100,006
Investment income	2,315	5,265	9,368	15,834	12,287
Other revenues	14,871	15,081	13,101	16,677	17,567
<b>Total revenues</b>	<b>384,479</b>	<b>398,297</b>	<b>436,999</b>	<b>472,191</b>	<b>505,154</b>
<b>Expenditures:</b>					
Current:					
General government	73,018	73,783	81,601	85,970	98,866
Public safety	78,098	81,721	88,307	96,449	102,676
Transportation support	18,387	23,583	24,194	22,210	29,376
Judicial	109,903	111,827	116,480	122,612	132,500
Community services	53,481	51,787	58,398	58,740	66,138
Capital outlay	52,199	46,873	38,782	48,385	49,077
Debt service:					
Principal payments	22,090	19,970	20,825	23,795	25,905
Interest and fiscal charges	6,840	7,275	6,430	9,368	11,469
Bond issuance costs	-	163	-	-	-
<b>Total expenditures</b>	<b>414,016</b>	<b>416,982</b>	<b>435,017</b>	<b>467,529</b>	<b>516,007</b>
Excess (deficiency) of revenues over (under) expenditures	(29,537)	(18,685)	1,982	4,662	(10,853)
<b>Other Financing Sources (Uses):</b>					
Transfers in	8,231	19,066	24,339	34,078	42,951
Transfers out	(8,165)	(18,998)	(24,664)	(35,087)	(42,606)
Proceeds from capital lease	-	-	-	-	-
Issuance of debt	59,550	12,045	89,990	52,510	107,480
Premium on new debt	1,433	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	(15,125)	(41,405)	-	-	-
<b>Total other financing sources (uses)</b>	<b>45,924</b>	<b>12,253</b>	<b>93,007</b>	<b>52,873</b>	<b>112,676</b>
<b>Change in fund balance</b>	<b>\$ 16,387</b>	<b>\$ (6,432)</b>	<b>\$ 94,989</b>	<b>\$ 57,535</b>	<b>\$ 101,823</b>
Debt Service as a percentage of noncapital expenditures	7.9%	7.3%	6.6%	7.6%	7.7%

TABLE V

2009	2010	2011	2012	2013
\$ 320,593	\$ 327,003	\$ 316,206	\$ 323,034	\$ 326,100
903	1,159	851	1,137	983
70,615	66,743	69,515	73,432	80,247
117,658	119,163	107,945	100,345	104,592
8,937	2,090	2,098	825	816
17,407	17,288	18,509	19,868	24,990
536,113	533,446	515,124	518,641	537,728
111,307	105,412	98,733	100,997	105,773
105,151	107,190	109,744	112,139	115,081
28,734	21,313	22,936	20,723	19,548
138,962	140,845	143,531	144,477	147,520
73,164	83,369	77,230	70,643	73,433
52,908	53,037	114,674	67,715	64,269
24,285	21,185	20,420	17,325	16,140
15,048	15,207	15,964	16,110	15,574
-	254	-	-	-
549,559	547,812	603,232	550,129	557,338
(13,446)	(14,366)	(88,108)	(31,488)	(19,610)
35,194	23,305	30,031	27,266	27,507
(34,662)	(23,009)	(29,746)	(26,139)	(27,782)
-	-	-	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)
532	62,564	285	3,497	40,171
\$ (12,914)	\$ 48,198	\$ (87,823)	\$ (27,991)	\$ 20,561
7.6%	7.1%	6.9%	6.5%	6.1%

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

<b>Tarrant County Direct Rates</b>				
<b>Fiscal Year</b>	<b>Operating Fund</b>	<b>Debt Service Fund</b>	<b>Tarrant County Hospital District</b>	<b>Total Direct Rate</b>
2004	\$ 0.241757	\$ 0.030743	\$ 0.235397	\$ 0.507897
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

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 County Regional Water District</b>	<b>Tarrant County Fresh Water Supply</b>	<b>Emergency Service District</b>	
\$ 0.139380	\$ 0.020000	\$ 0.218000	\$ 0.080000	
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	

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

**TABLE VII**

Fiscal Year Ended September 30	Assessed Real Property	Assessed Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate (1)
2004	\$ 88,648,803	\$ 16,885,486	\$ 20,533,188	\$ 85,001,101	\$ 0.507897
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	0.507897
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

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					
	2013			2004		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 910,224	1	0.73%			
Xto Energy Inc.	874,944	2	0.70			
Chesapeake Operating	664,160	3	0.53			
Devon Energy Food Co.	471,203	4	0.38			
Walmart Real Estate Bus. Trust	437,961	5	0.35			
Bell Helicopter Textron	388,497	6	0.31			
American Airlines	332,996	7	0.27	\$ 588,517	2	0.69%
Barnett Gathering Lp	288,679	8	0.23			
Opryland Hotel	285,854	9	0.23			
Southwestern Bell	269,220	10	0.22	470,068	3	0.55
Texas Utilities Electric				846,564	1	1.00
Albertson, Inc.				269,909	4	0.32
Textron, Inc.				222,464	5	0.26
Grapevine Mills Ltd. Partnership				166,084	6	0.20
General Motors Corp.				155,303	7	0.18
City Center Development Co.				134,594	8	0.16
Miller Brewing Co.				125,823	9	0.15
Alcon Laboratories Inc.				123,850	10	0.15
	<u>\$ 4,923,738</u>		<u>3.96%</u>	<u>\$ 3,103,176</u>		<u>3.65%</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	
2004	\$ 231,628	\$ (56)	\$ 231,572	\$ 227,468	98.20%	\$ 3,474
2005	244,160	(386)	243,774	239,933	98.27%	3,216
2006	261,955	(340)	261,615	257,648	98.36%	3,389
2007	285,433	(692)	284,741	280,951	98.43%	3,185
2008	303,624	(67)	303,557	299,681	98.70%	3,162
2009	325,929	(221)	325,708	321,181	98.54%	3,564
2010	333,272	(477)	332,795	328,774	98.65%	2,881
2011	319,354	(239)	319,115	315,758	98.87%	2,183
2012	324,066	(125)	323,941	320,705	98.96%	1,637
2013	328,199	-	328,199	324,960	99.01%	-

Source: Tarrant County Tax Office and Tarrant Appraisal District



<b>Total Collections</b>		
<b>Amount</b>	<b>Percentage of Levy</b>	
\$ 230,942	99.73%	
243,149	99.74%	
261,037	99.78%	
284,136	99.79%	
302,843	99.76%	
324,745	99.70%	
331,655	99.66%	
317,941	99.63%	
322,342	99.51%	
324,960	99.01%	

**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>
2004	\$ 41,240	\$ 22,940	\$ 60,529	\$ 28,220	\$ 24,005	-	\$ 176,934
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	196,521	-	158,733	-	-	1,920	357,174

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 2012

<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
0.34	\$ 111.34
0.30	102.75
0.39	141.65
0.40	155.27
0.52	200.48
0.47	183.68
0.52	205.75
0.47	193.02
0.43	182.94
0.45 (2)	192.14

**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>
2004	\$ 41,240	\$ 22,940	\$ 60,529	\$ 28,220	\$ 24,005	\$ 176,934	\$ 1,621	\$ 175,313
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	196,521	-	158,733	-	-	355,254	486	354,768

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

<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
0.21%	\$ 110.32
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%	190.85

**TARRANT COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of September 30, 2013**  
**(Unaudited)**  
**(Amounts in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt 8/1/2013</u>
Debt repaid with property taxes:			
Special Districts:			
Tarrant County College District	\$ 22,705	100.00%	\$ 22,705
Live Oak Creek Municipal Utility District #1	3,750	100.00%	3,750
Viridian Municipal Management District	20,975	100.00%	20,975
County Line Special District:			
Trophy Club Municipal Utility District #1	7,166	28.64%	2,052
Cities:			
Arlington	365,810	100.00%	365,810
Bedford	60,265	100.00%	60,265
Benbrook	12,750	100.00%	12,750
Blue Mound	57	100.00%	57
Colleyville	14,740	100.00%	14,740
Dalworthington Gardens	1,315	100.00%	1,315
Euless	41,290	100.00%	41,290
Everman	4,315	100.00%	4,315
Forest Hill	9,855	100.00%	9,855
Fort Worth	816,885	97.44%	795,973
Haltom City	65,575	100.00%	65,575
Haslet	5,635	100.00%	5,635
Hurst	69,415	100.00%	69,415
Keller	102,714	100.00%	102,714
Kennedale	17,420	100.00%	17,420
Lake Worth	20,825	100.00%	20,825
North Richland Hills	126,070	100.00%	126,070
Pantego	575	100.00%	575
Pelican Bay	1,607	100.00%	1,607
Richland Hills	15,152	100.00%	15,152
River Oaks	910	100.00%	910
Saginaw	30,060	100.00%	30,060
Sansom Park	1,939	100.00%	1,939
Watauga	28,205	100.00%	28,205
Westworth Village	10,730	100.00%	10,730
White Settlement	15,030	100.00%	15,030
County Line Cities:			
Azle	9,310	82.13%	7,646
Burleson	113,890	22.96%	26,149

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 8/1/2013</u>
Crowley	\$ 29,775	99.54%	\$ 29,638
Flower Mound	135,195	2.17%	2,934
Grand Prairie	234,035	49.24%	115,239
Grapevine	180,436	98.11%	177,026
Mansfield	100,285	94.71%	94,980
Reno	2,940	3.95%	116
Southlake	167,565	97.81%	163,895
Trophy Club	14,899	7.81%	1,164
Westlake	31,032	98.66%	30,616
School Districts:			
Arlington Independent School District	481,765	100.00%	481,765
Birdville Independent School District	213,970	100.00%	213,970
Carroll Independent School District	242,660	100.00%	242,660
Castleberry Independent School District	48,955	100.00%	48,955
Eagle Mountain Saginaw Independent School District	584,580	100.00%	584,580
Everman Independent School District	89,115	100.00%	89,115
Fort Worth Independent School District	715,115	100.00%	715,115
Hurst Euless Bedford Independent School District	323,967	100.00%	323,967
Keller Independent School District	704,421	100.00%	704,421
Kennedale Independent School District	46,551	100.00%	46,551
Lake Worth Independent School District	74,841	100.00%	74,841
White Settlement Independent School District	177,583	100.00%	177,583
County Line School Districts:			
Aledo Independent School District	144,856	4.48%	6,490
Azle Independent School District	20,535	64.62%	13,270
Burleson Independent School District	310,441	35.65%	110,672
Crowley Independent School District	291,762	98.56%	287,561
Godley Independent School District	34,235	7.59%	2,598
Grapevine Colleyville Independent School District	365,054	88.57%	323,329
Lewisville Independent School District	1,205,393	2.50%	30,135
Mansfield Independent School District	716,190	94.16%	674,364
Northwest Independent School District	577,474	46.16%	266,562
Sub-total Overlapping Debt			<u>7,935,621</u>
Tarrant County (direct debt)	357,174	100.00%	357,174
Tarrant County Hospital District (direct debt)	26,285	100.00%	26,285
Total Direct and Overlapping Debt			<u>\$ 8,319,080</u>

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

	<b>FISCAL YEAR</b>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 4,250,055	\$ 4,480,000	\$ 4,806,514	\$ 5,256,788	\$ 5,696,507
Total net debt applicable to limit	<u>175,313</u>	<u>166,722</u>	<u>239,387</u>	<u>269,932</u>	<u>356,395</u>
Legal debt margin	<u>\$ 4,074,742</u>	<u>\$ 4,313,278</u>	<u>\$ 4,567,127</u>	<u>\$ 4,986,856</u>	<u>\$ 5,340,112</u>
Total net debt applicable to the limit as a percentage of debt limit	4.12%	3.72%	4.98%	5.13%	6.26%

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



**TABLE XIII**

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 6,172,896	\$ 6,312,253	\$ 6,048,053	\$ 6,137,607	\$ 6,215,883
<u>331,157</u>	<u>370,603</u>	<u>349,390</u>	<u>331,052</u>	<u>354,768</u>
<u>\$ 5,841,739</u>	<u>\$ 5,941,650</u>	<u>\$ 5,698,663</u>	<u>\$ 5,806,555</u>	<u>\$ 5,861,115</u>
5.36%	5.87%	5.78%	5.39%	5.71%

**Legal Debt Margin Calculation (1) for Fiscal Year 2013**

Assessed value	\$ 124,317,667
Debt Limit (5% of total assessed value)	6,215,883
Debt applicable to limit:	
Total General Bonded debt	355,254
Less: Amount available in Debt Service Fund	<u>(486)</u>
Total net debt applicable to limit	<u>354,768</u>
Legal debt margin	<u>\$ 5,861,115</u>

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

**TABLE XIV**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (Amounts in thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>Unemployment Rate (3)</b>	<b>Public School Enrollment (4)</b>
2004	1,589,200	\$ 52,022,462	\$ 32,735	5.7%	295,194
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	323,703
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	NA	NA	6.0	353,806

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>2013 (1)</u>			<u>2004 (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>
Lockheed Martin Aeronautics Company	12,700	1	1.38%	16,700	2	1.82%
Texas Health Resources	12,418	2	1.35	7,808	5	0.85
NAS Fort Worth JRB	11,350	3	1.23			
Fort Worth Independent School District	11,000	4	1.19	10,615	3	1.15
Arlington Independent School District	8,126	5	0.88	7,831	4	0.85
Bell Helicopter	7,000	6	0.76	4,900	8	0.53
City of Fort Worth	6,341	7	0.69	5,548	6	0.60
JPS Health Network	6,000	8	0.65			
Cook Children's Health Care System	5,401	9	0.59			
JPMorgan Chase	5,000	10	0.54			
AMRCorp./American Airlines				24,578	1	2.67
U.S. Postal Service				5,200	7	0.57
SBC Southwestern Bell				4,443	9	0.48
Tarrant County				4,213	10	0.46

**Data Sources:**

(1) Fort Worth Business Press and Texas Workforce Commission

(2) Fort Worth Business Press, individual firms, Fort Worth Chamber of Commerce, and Texas Workforce Commission

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

<b>Function</b>	<b>Full-Time Equivalent Employees as of September 30</b>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Governmental activities:</b>					
General government	646	660	661	681	701
Public safety	1,359	1,343	1,372	1,439	1,441
Transportation	195	195	197	199	199
Judical	1,239	1,247	1,255	1,289	1,314
Community services	446	446	444	442	477
<b>Business-type activities</b>					
Resource Connection	20	20	18	18	18
Total full-time equivalent employees	<u>3,905</u>	<u>3,911</u>	<u>3,947</u>	<u>4,068</u>	<u>4,150</u>

Source: Tarrant County Budget Office

**TABLE XVI**

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
735	734	731	718	726
1,440	1,409	1,403	1,428	1,441
203	203	200	200	201
1,330	1,343	1,333	1,336	1,344
483	509	510	507	512
<u>18</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>
<u>4,209</u>	<u>4,211</u>	<u>4,190</u>	<u>4,202</u>	<u>4,238</u>

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

FUNCTION	FISCAL YEAR			
	2004	2005	2006	2007
<b>District Clerk</b>				
Civil court cases filed	6,012	6,427	6,678	6,363
Criminal court cases filed	16,371	16,529	16,290	18,705
Family court cases filed (Attorney General cases)	8,407	10,822	11,526	12,525
Family court cases filed (Non-Attorney General cases)	14,933	14,137	14,332	14,530
Juvenile court cases filed	3,577	3,521	3,163	3,156
Tax foreclosure cases filed	3,460	2,521	3,435	4,179
Passport applications accepted	9,406	9,690	12,005	18,625
<b>County Clerk</b>				
County court at law cases filed	7,780	9,083	10,013	11,001
Mental health cases filed	1,436	1,585	1,922	2,226
Probate cases filed	3,896	3,772	3,721	3,788
Birth certificates issued	13,824	15,036	15,881	17,169
Marriage licenses issued	14,141	13,601	14,015	14,196
<b>Justice of the Peace (all precincts)</b>				
Traffic cases	14,808	17,123	10,762	11,791
Non-traffic cases	6,144	7,451	7,541	7,917
Small claims cases	3,591	3,354	3,229	3,159
Forcible entry & detainer cases	19,833	21,492	23,886	25,109
Other	3,499	4,028	5,613	6,569
<b>Sheriff</b>				
Prisoner bed days in county jail	1,271,394	1,232,776	1,248,639	1,260,588
<b>Public Health</b>				
Chronic disease prevention, average monthly caseload	554	543	464	492
Notifiable diseases reported	3,264	3,477	3,841	5,405
Food establishment inspections	4,763	5,157	5,249	5,430
Sexually transmitted disease clinic visits	7,169	7,442	7,343	7,190
Milk and dairy tests	19,603	20,673	24,184	25,834
Tuberculosis DOT/DOPT doses administered	20,573	21,417	22,047	23,222
Women, infants & children visits and immunizations	581,051	606,976	612,968	624,493
<b>Tax Assessor/Collector</b>				
Tax accounts collected	621,693	641,074	659,911	659,911
Contracts with entities for tax collection	52	52	52	53
<b>Transportation</b>				
Miles of roads maintained in un-incorporated areas	374	451	394	405
Inter-local contracts executed/performed	59	80	53	61
Square yards of right of way	12,180,657	12,604,433	13,186,763	13,779,805
<b>Human Services</b>				
Rent vouchers issued	2,580	2,044	1,659	1,445
Utility vouchers issued	8,670	14,016	14,262	12,758
Food/hygiene vouchers issued	3,729	3,291	2,267	2,399

Source: Various County departments

TABLE XVII

2008	2009	2010	2011	2012	2013
6,491	7,906	7,437	7,556	6,995	6,692
17,371	17,013	15,674	15,507	16,880	17,367
15,024	12,551	12,776	12,958	11,505	15,551
15,468	15,219	15,478	15,045	15,372	14,836
2,950	2,717	2,431	1,687	2,516	2,487
4,174	4,001	3,906	4,820	5,601	2,196
17,194	13,932	13,510	13,249	16,583	25,868
9,593	9,480	9,468	9,981	8,947	8,212
2,192	2,599	2,653	2,841	3,002	2,954
3,887	3,672	3,988	3,875	3,858	4,288
15,740	40,771	44,266	42,591	41,415	45,460
13,396	12,708	13,533	13,397	14,223	14,439
11,809	8,883	8,616	8,286	6,352	5,725
8,353	8,235	6,691	6,788	4,839	5,479
3,539	3,693	3,242	2,988	2,843	2,379
25,999	26,656	28,445	29,230	27,324	27,176
13,023	10,107	9,831	9,637	10,907	11,195
1,264,725	1,231,751	1,179,111	1,252,502	1,213,861	1,179,322
544	1,710	1,590	1,091	1,009	947
5,990	5,091	4,319	5,619	5,543	5,057
4,706	5,435	5,661	5,228	6,234	5,752
8,226	7,289	6,638	6,142	6,137	5,939
23,218	21,671	20,649	21,637	18,870	18,468
21,688	17,645	18,342	22,749	16,609	18,192
673,445	685,010	741,208	702,749	686,603	652,496
676,757	706,300	763,957	807,229	834,962	940,493
53	54	54	57	56	58
423	422	417	409	412	407
67	70	66	68	91	84
14,441,830	14,422,252	14,392,994	14,071,312	13,889,638	13,751,279
1,541	1,676	1,398	1,209	1,133	856
11,565	10,571	10,763	7,214	8,158	9,724
1,790	2,199	1,836	872	4,694	1,512

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

	<b>FISCAL YEAR</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>General Government</b>				
Number of buildings				
Subcourthouses	8	8	8	8
Courts buildings	5	6	6	6
Other	16	18	18	17
Building square footage	2,606,082	2,864,019	2,915,381	2,903,068
Subcourthouses	245,111	245,111	245,111	245,111
Courts buildings	922,352	1,180,289	1,180,289	1,180,289
Other	1,438,619	1,438,619	1,489,981	1,477,668
<b>Public Safety</b>				
Number of jails	4	4	4	4
Building square footage	906,204	906,204	906,204	907,736
Number of patrol vehicles	85	88	93	98
<b>Transportation</b>				
Miles of roads in un-incorporated areas	374	451	394	405
Square yards of right of way	12,180,657	12,604,433	13,186,763	13,779,805
Number of heavy equipment	201	210	220	245
Number of vehicles	466	463	492	445
<b>Judicial</b>				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
<b>Community Services</b>				
Public Health vehicles	33	35	36	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

2008	2009	2010	2011	2012	2013
9	9	9	9	9	8
6	6	6	6	6	5
17	16	16	16	15	14
2,976,068	2,937,619	2,955,001	3,060,459	3,054,447	2,825,302
318,111	318,111	317,962	363,420	363,420	346,781
1,180,289	1,180,289	1,179,968	1,179,968	1,179,968	1,074,510
1,477,668	1,439,219	1,457,071	1,517,071	1,511,059	1,404,011
4	4	4	4	5	5
907,736	907,736	907,823	907,823	1,115,523	1,115,523
97	98	102	102	102	102
423	422	417	409	412	407
14,441,830	14,422,252	14,392,994	14,071,312	13,889,638	13,751,279
247	254	250	249	251	247
450	506	461	465	475	492
124,770	124,770	124,770	124,770	124,770	124,770
37	38	41	43	43	47
15	15	15	15	15	16
348,464	348,464	348,464	348,464	348,464	348,464

