

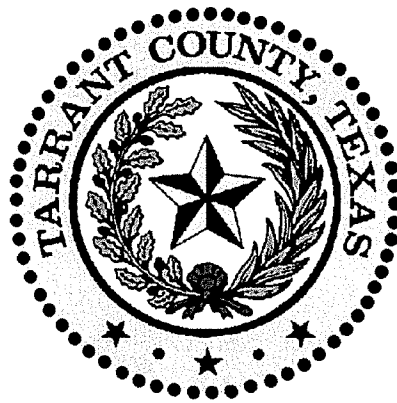


**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

TARRANT COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2015



Prepared By
County Auditor's Office

S. Renee Tidwell, CPA

County Auditor

**TARRANT COUNTY, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2015
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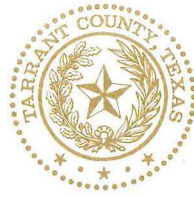
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INTRODUCTORY SECTION



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, 2016

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, 2015 is submitted herewith. This report is submitted in compliance with Section 114.025 of the Texas Local Government Code and has been prepared by the County Auditor's staff.

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

The County's financial statements have been audited by Deloitte & Touche LLP, independent auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2015 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, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the County

Tarrant County is a political subdivision of the State of Texas and was organized in 1849. The County is an urban county located in the north central part of Texas. Fort Worth serves as the county seat to a county population of approximately 1,959,449 citizens. It is one of the fastest growing urban counties in the United States today.

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

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

The annual budget serves as the foundation for the County’s financial planning and control. Departmental annual budget requests are submitted to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin October 1. The County Auditor prepares an estimate of available resources for the upcoming fiscal year. The County Budget Officer prepares the proposed annual operating budget to be presented to the Commissioners Court for their consideration.

Public hearings are held on the proposed budget. The Commissioners Court must adopt an annual operating budget by a majority vote before September 30. The legal level of budgetary control is at ten categorical levels within each department. Commissioners Court may legally amend the budget. Management must seek approval of Commissioners Court to transfer appropriation between categories, even within the same department. Budget-to-actual comparisons are provided in this report for all budgeted governmental funds. The General Fund and the Road and Bridge Fund comparisons at the department level are presented on pages 85-87 as part of the required supplementary information. The other budget comparisons at the department level are presented on pages 105-112 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.

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 an 18,000-acre master-planned, mixed use community located in north Fort Worth. AllianceTexas offers a variety of commercial real estate options, including new industrial, office and retail. Anchored by the inland port known as the Alliance Global Logistics Hub, AllianceTexas is home to 425 companies, 44,000 employees. Located within AllianceTexas is: BNSF Railway, FedEx, UPS Ground Hub, Deloitte, Fidelity Investments, TD Ameritrade, Mercedes-Benz, AT&T, DynCorp International, Facebook, Amazon, Hillwood Properties, Carolina Beverage, Wal-Mart.com, and others.

Mercantile Center Business Park: Mercantile is currently home to the Federal Aviation Administration's \$20 million Southwest Regional Headquarters, Dillard's Department Store distribution center, Sprint PCS, MillerCoors, American Paint Horse, The Buxton Company, Virbac, and Campfire, U.S.A.'s state-of-the-art Childcare Center and National Training Center for childcare providers.

Facebook plans to invest up to \$1 billion in a data center campus at AllianceTexas. There will be three 250,000 square foot buildings located on 110 acres.

Amazon: Amazon built a 1.1 million square-foot distribution center. This center is one of three new e-commerce fulfillment sites in Texas employing 1,000 in Tarrant County.

NGC Renewables, a North American subsidiary of a Chinese wind turbine equipment manufacturer, will construct a new \$96 million headquarters and factory in the Alliance development.

Walmart is building a new fulfillment center in Alliance Crossing providing \$32 billion in added new and real personal property value to the County. The project could receive a total 10 year tax abatement of up to \$506,880, with new tax revenues from the unabated portion of improvements expected to be over \$338,000.

Baylor Hospital in Grapevine completed a major facility expansion adding a \$100 million patient tower. With the expansion, the hospital provides a wide array of services, including cardiovascular and women's services, intensive and emergency care.

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

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

GM Arlington proposed a 1.2 million square feet expansion contiguous to the existing plant. These improvements include approximately \$300 million in costs as well as the addition of new equipment estimated at \$900 million

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

GE Transportation: constructed a one million square foot locomotive manufacturing facility which employs over 400 people. The factor produces 1.2 locomotives per day.

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

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

Lockheed Martin: In October 2001, the U.S. Department of Defense awarded a contract valued at \$200 billion to Lockheed Martin for the production of aircraft that will be used by the U.S. Air Force, Navy, and Marines, as well as the United Kingdom's Royal Air Force and Navy. The contract, which is the largest defense contract in U.S. history, provides 13,700 jobs for Tarrant County.

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

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

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

Relevant financial policies and long-term planning

The County issues debt to finance acquisition of personal property, capital renovations and improvements to County facilities. The ad valorem tax rate for the fiscal year 2015 totaled \$0.264 with \$0.025328 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 \$418,120,000 of bonds for these purposes.

Awards and Acknowledgements


The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting for the County’s comprehensive annual financial report for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

Sincerely,



S. Renee Tidwell, CPA
County Auditor



Government Finance Officers Association

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

Presented to

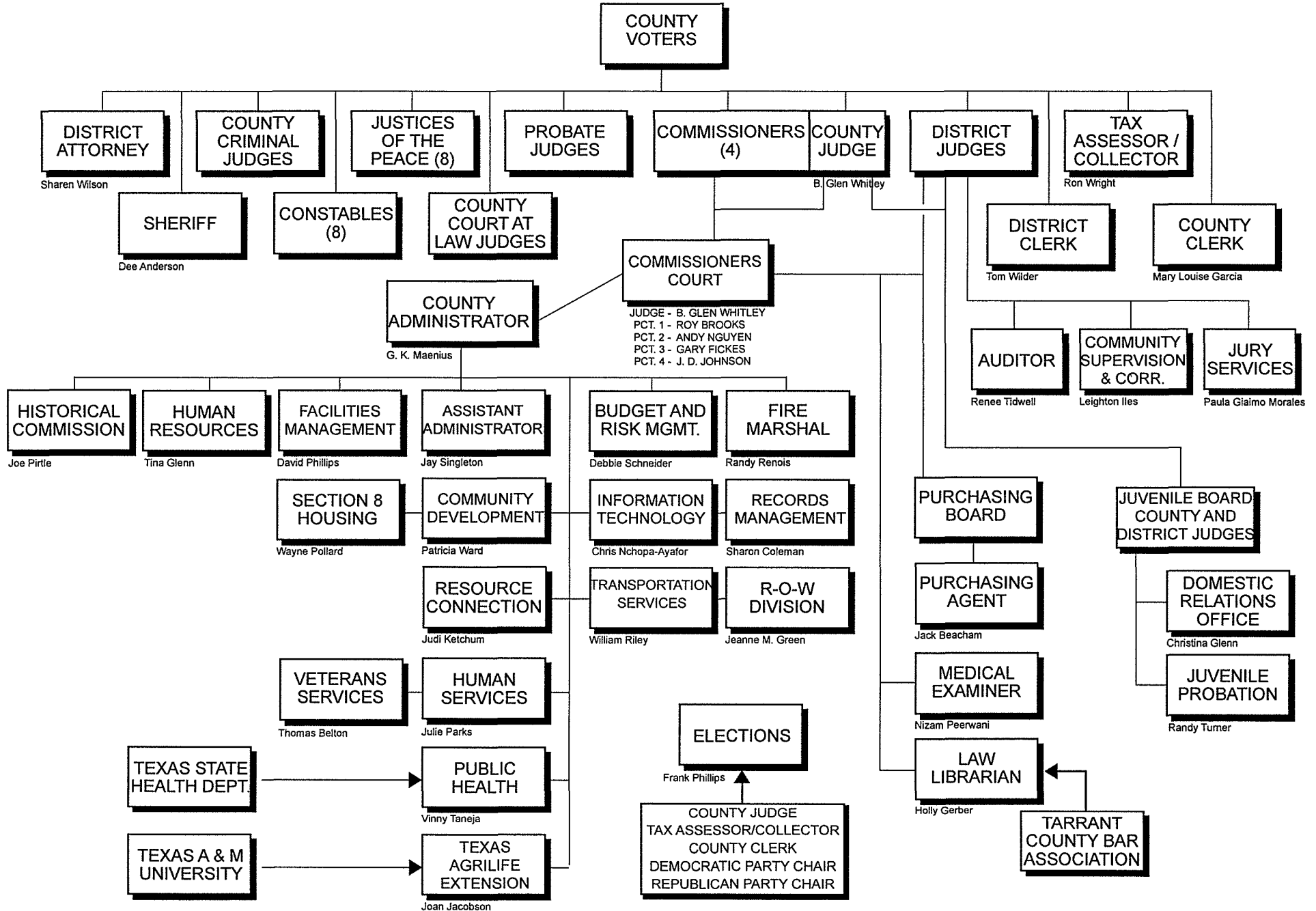
**Tarrant County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

TARRANT COUNTY ORGANIZATION



11A

**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
David Hagerman
Nancy Berger
Timothy Menikos
Jerome S. Hennigan
Judith Wells
James Birdwell
Dana Womack
Mark Pittman
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:

David Cook
Carey Walker
Bob McCoy
Deborah Nekhom
Jamie Cummings
Molly Jones
Cheril Hardy
Charles Vanover
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
Sharen Wilson	Criminal District Attorney
Randy Turner*	Chief Juvenile Probation Officer
Leighton Iles*	Community Supervision & Corrections Director
Harry D. Clark III	Constable, Precinct 1
David Woodruff	Constable, Precinct 2
Darrell Huffman	Constable, Precinct 3
Dub Bransom	Constable, Precinct 4
Ruben Garcia, Jr.	Constable, Precinct 5
Jon Siegel	Constable, Precinct 6
Clint Burgess	Constable, Precinct 7
Michael R. Campbell	Constable, Precinct 8
Christina Glenn*	Domestic Relations Director

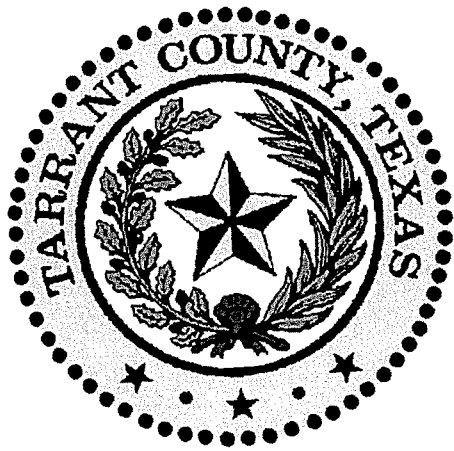
Administrative Officials:

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

Recording Officials:

Mary Louise Garcia	County Clerk
Tom Wilder	District Clerk

*Appointed officials. All others listed are elected officials.



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Commissioners Court
Tarrant County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas (the County), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the County restated its net position as of September 30, 2014, to reflect the impact of implementation of Governmental Accounting Standards Board (“GASB”) Statements No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—An Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this change.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, the Budgetary Comparison Schedules—General Fund and Road and Bridge Fund, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of County Pension Contributions, the Schedule of Funding Progress—Other Postemployment Benefits Plans, the Schedule of Change in Net Pension Liability and Related Ratios—TCHD, and the Schedule of Pension Contributions—TCHD be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining financial statements, budgetary compliance schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and budgetary compliance schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records

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

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

Deloitte & Touche LLP

March 21, 2016

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, 2015. 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 \$34,166,000 (*net position*). This is an increase of \$8,321,000, after the restatement of Net Position due to the implementation of the new pension standard discussed in Note 18.
- Total net position of the County is comprised of the following:
 1. Net investment in capital assets of \$209,519,000 include land, buildings, infrastructure, construction in progress and other capital assets, net of accumulated depreciation, and is reduced by outstanding debt, net of unspent bond proceeds, related to the purchase or construction of capital assets.
 2. Net position of \$35,733,000 is restricted by constraints imposed from outside the County such as debt obligations, laws, regulations, contractual or donor imposed constraints.
 3. Unrestricted net position of a negative \$211,086,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$329,589,000, an increase of \$52,692,000 in comparison with the prior year. Approximately 16 percent of this total amount, \$51,118,000, 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 \$52,580,000, or approximately 14 percent of total general fund expenditures.
- The County's bonded debt increased by \$43,600,000 (approximately 14 percent) during the current fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Tarrant County's finances, in a manner similar to private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of Tarrant County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, transportation support, judicial, and community services. The business-type activities of Tarrant County include the Resource Connection.

The government-wide financial statements include not only Tarrant County, but also a legally separate hospital district, mental health mental retardation authority, housing finance, and industrial development corporations. Financial information for the hospital district and mental health mental retardation authority are reported separately from the financial information presented for the primary government itself. The Housing Finance (“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 statements can be found on pages 20-26 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial

statements. The County uses an enterprise fund to account for its Resource Connection. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

The basic fiduciary fund financial statement can be found on page 30 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes budget to actual schedules for general fund and road and bridge fund. Also included are schedules regarding the funding, contributions and unfunded liabilities of pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 85-95 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. Combining and individual fund statements and schedules can be found on pages 100-103 and 114-116 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Tarrant County, assets and deferred outflows exceeded liabilities and deferred inflows by \$34,166,000 at the close of the most recent fiscal year.

The largest portion of the County's net position \$209,519,000 reflects its investment in capital assets, less any related debt used to acquire those assets still outstanding, excluding unspent proceeds. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another balance of net position

represents resources that are subject to external restriction on how they may be used. Restrictions include \$13,638,000 for records management, \$3,514,000 contractual or donor imposed restrictions, \$11,662,000 for bond proceeds to be spent on transportation projects and \$6,919,000 for other purposes. The remaining portion of the net position is unrestricted net position, which is a negative \$211,086,000.

Tarrant County's Net Position

(Amounts in thousands)

	September 30, 2015			September 30, 2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 429,324	\$ 1,912	\$ 431,236	\$ 370,829	\$ 2,248	\$ 373,077
Capital assets	473,634	4,302	477,936	459,161	4,567	463,728
Total assets	<u>902,958</u>	<u>6,214</u>	<u>909,172</u>	<u>829,990</u>	<u>6,815</u>	<u>836,805</u>
Deferred outflows	46,043	122	46,165	3,797	-	3,797
Other liabilities	65,393	284	65,677	40,503	476	40,979
Long-term liabilities	853,840	905	854,745	543,277	134	543,411
Total liabilities	<u>919,233</u>	<u>1,189</u>	<u>920,422</u>	<u>583,780</u>	<u>610</u>	<u>584,390</u>
Deferred inflows	747	2	749	-	-	-
Net position:						
Net investment in capital assets	205,217	4,302	209,519	214,058	4,567	218,625
Restricted	35,733	-	35,733	23,439	-	23,439
Unrestricted	<u>(211,929)</u>	<u>843</u>	<u>(211,086)</u>	<u>12,510</u>	<u>1,638</u>	<u>14,148</u>
Total net position	<u>\$ 29,021</u>	<u>\$ 5,145</u>	<u>\$ 34,166</u>	<u>\$ 250,007</u>	<u>\$ 6,205</u>	<u>\$ 256,212</u>

While the County is able to report a positive balance of net position for the government as a whole, as well as for its governmental activities, the unrestricted net position is negative. The negative unrestricted net position is a result of implementing the new accounting standard, which changes the focus of accounting for pension benefits from whether the County is responsibly funding the benefits over time to a point-in-time liability. The net pension liability of the governmental activities of \$264,905,000 is now recorded on the financial statements. More information regarding contributions and net pension liability can be found in the required supplemental information on pages 90-92.

After the restatement of beginning net position, the County's net position increased by \$8,321,000, or approximately 32 percent during the current fiscal year. This increase represents the degree to which increases in ongoing revenues have surpassed ongoing expenses. Revenues increased approximately 6 percent, related to increases in grant revenues and property taxes resulting from increased property values. Expenses increased 7 percent. This increase was a result of increased spending on transportation projects and non-capitalized furniture and fixtures for the new civil courts building.

Governmental activities. After the prior year restatement of beginning net position, governmental activities increased the County's net position by \$8,764,000, thereby accounting for the increase in the net

position of the County. Revenue increased \$33,365,000 or approximately 6 percent from prior year and expenditures increased \$37,757,000 or approximately 7 percent from prior year, resulting in an increase in net position.

Business-type activities. After the restatement of beginning net position, business-type activities net position decreased \$443,000. Expenses increased \$36,000 or approximately 1 percent due to the increase in the pension liability, current year revenues decreased \$171,000 or approximately 5 percent, due to the prior year reimbursement of one-time renovations for new tenants.

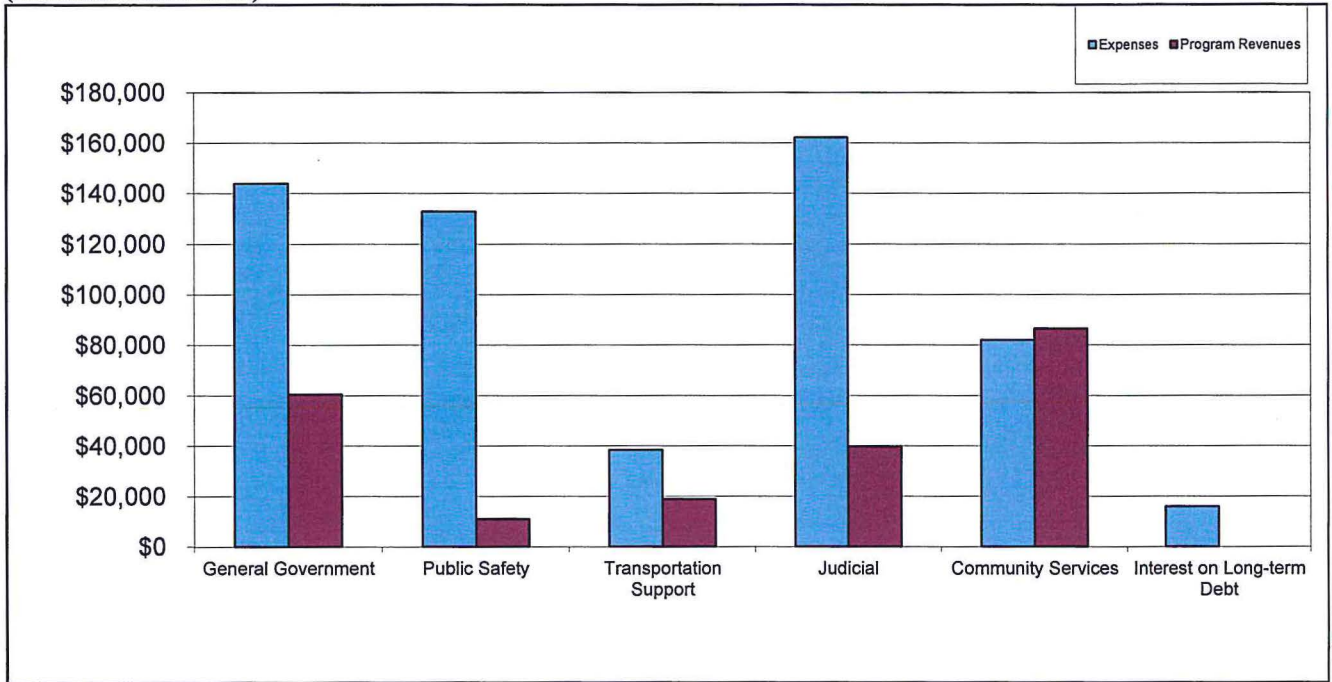
Tarrant County's Changes in Net Position

(Amounts in thousands)

	For the year ended September 30, 2015			For the year ended September 30, 2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Fees, fines and charges for for services	\$ 126,633	\$ 3,092	\$ 129,725	\$ 119,321	\$ 3,138	\$ 122,459
Operating grants and contributions	88,776	-	88,776	80,696	-	80,696
Capital grants and contributions	1,728	-	1,728	347	-	347
General revenues:						
Property taxes	350,708	-	350,708	335,242	-	335,242
Alcoholic and bingo taxes	11,136	-	11,136	9,110	-	9,110
Investment earnings	1,134	5	1,139	1,151	5	1,156
Other general revenue	4,322	195	4,517	5,205	320	5,525
Total revenues	584,437	3,292	587,729	551,072	3,463	554,535
Expenses:						
General government	143,920	-	143,920	127,883	-	127,883
Public safety	132,926	-	132,926	127,787	-	127,787
Transportation	38,500	-	38,500	32,234	-	32,234
Judicial	162,219	-	162,219	157,483	-	157,483
Community services	82,042	-	82,042	78,405	-	78,405
Interest and fiscal charges	16,066	-	16,066	14,124	-	14,124
Resource Connection	-	3,735	3,735	-	3,699	3,699
Total expenses	575,673	3,735	579,408	537,916	3,699	541,615
Increase (decrease) in net position	8,764	(443)	8,321	13,156	(236)	12,920
Net position-beginning, as previously stated	250,007	6,205	256,212	-	-	-
Restatement (see Note 18)	(229,750)	(617)	(230,367)	-	-	-
Net position-beginning, restated	20,257	5,588	25,845	236,851	6,441	243,292
Net position-ending	\$ 29,021	\$ 5,145	\$ 34,166	\$ 250,007	\$ 6,205	\$ 256,212

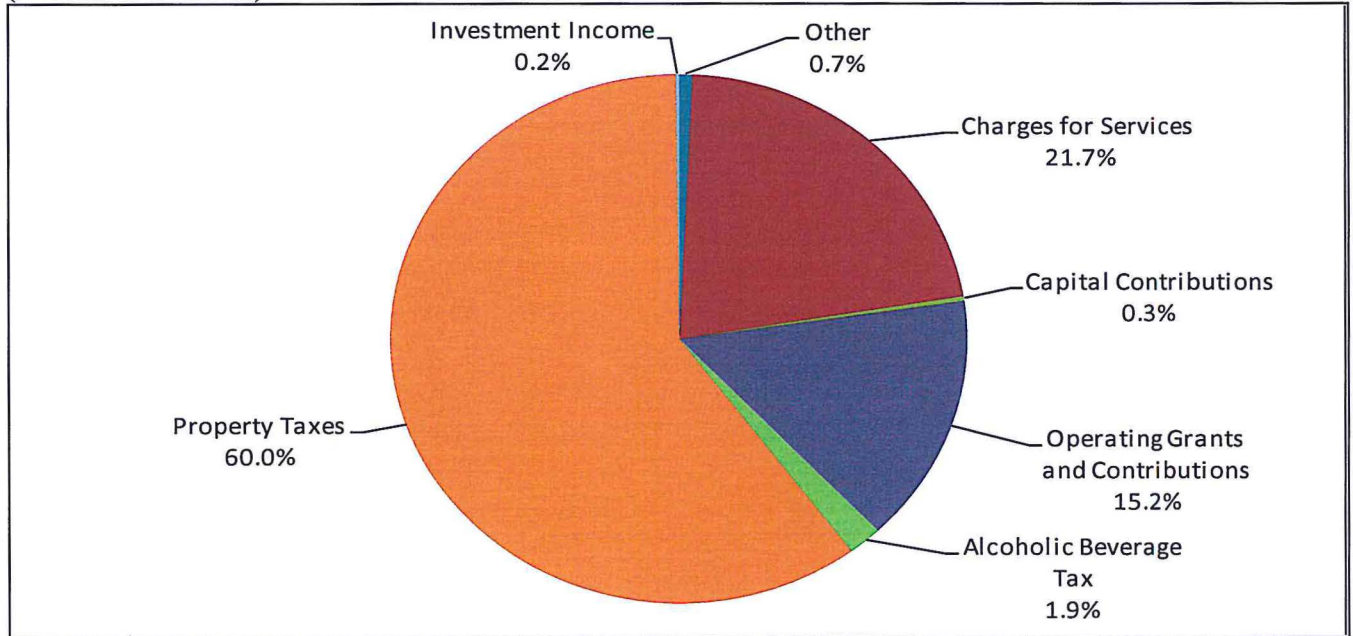
Expenses and Program Revenues – Governmental Activities

(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 \$329,589,000, an increase of \$52,692,000. Approximately 16 percent of this total amount, \$51,118,000, 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) \$4,024,000 is not in spendable form, 2) \$153,572,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$90,361,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$30,514,000 has been assigned for a specific purpose, generally used to liquidate outstanding purchase orders, to fund next year's budget, and economic development.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$52,580,000, while total fund balance was \$81,444,000. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 14 percent of total general fund expenditures, while total fund balance represents approximately 22 percent of that same amount.

The fund balance of the County's general fund increased \$2,501,000 during the current fiscal year. Expenditures and revenues were closely matched for the year. Revenues increased about 5 percent from prior year mostly due to increased tax collections from increased property values as well as increased tax office fees due to the legislative allocation of sales tax collection commissions between the general fund and road and bridge fund. Another increase was related to intergovernmental grant revenue. Expenses increased about 3 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 \$14,613,000 of which \$611,000 is in nonspendable form, the remainder is committed by the Commissioners Court. The fund balance decreased \$1,663,000, while expenses increased 8 percent and revenues decreased 7 percent due to the legislative allocation of sales tax collection commissions between the general fund and road and bridge fund.

The debt service fund has a total fund balance of \$1,151,000, all of which is committed for the payment of debt service. The net increase in fund balance during the current year in the debt service was \$39,000. The County approved a property tax for debt service at the beginning of the current fiscal year. This tax produced revenues of \$34,264,000 in the current fiscal year. The county maintains a reserve of at least \$1,000,000 in this fund.

The capital projects fund has a total fund balance of \$197,957,000, 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 \$47,431,000. The fund balance increased due to the sale of bonds for future construction

and transportation 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 \$4,384,000. Records preservation and automation fund decreased \$706,000 with the execution of projects to enhance public access and to make records searchable and available online. Public health contract increased \$3,344,000 due to increased revenues from Medicaid 1115 waiver. Sheriff Contracts increased \$576,000 due to increased forfeitures and Miscellaneous Contracts increased \$681,000 due to contracts with pharmacies for 340B prescription rebates.

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

Total net position of the Resource Connection fund at the end of the year amounted to \$5,145,000. The total decrease in net position for the fund was \$443,000. The expenses increased as the current year expenses included additional pension expenses related to the implementation of the new accounting standard. Also, revenue decreased as the prior year included one-time expense reimbursements of renovation costs to 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 within and between departments. There were no large transfers. Many of the transfers were to transfer court costs amongst the numerous courts and the allocation of employee raises and pension costs to each department.

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 \$35,600,000, contingency of \$4,994,388 and undesignated balance of \$8,765,961.
- Several departments' expenses were less than budgeted for building operations, elections, district attorney's office, information technology, sheriff, and jail operations.
- Actual revenue was greater than budgeted revenue. Most of the increase was intergovernmental grant revenue, tax office fees due to increased sales tax collection commissions, and increased collection of property taxes. Other revenue was less than budgeted because the budget includes a contingency of \$4,994,388

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, 2015 amounted to \$477,936,000 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 \$14,208,000.

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

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

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

Tarrant County's Capital Assets

(Net of depreciation)
(Amounts in thousands)

	September 30, 2015			September 30, 2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 55,038	\$ 2,071	\$ 57,109	\$ 53,977	\$ 2,071	\$ 56,048
Buildings and improvements	326,090	1,114	327,204	249,487	1,412	250,899
Furnishings and equipment	21,765	83	21,848	15,499	72	15,571
Software	10,420	-	10,420	9,151	-	9,151
Infrastructure	46,572	1,013	47,585	45,726	1,012	46,738
Construction in progress	622	21	643	75,517	-	75,517
Software in development	13,127	-	13,127	9,804	-	9,804
Total	<u>\$ 473,634</u>	<u>\$ 4,302</u>	<u>\$477,936</u>	<u>\$ 459,161</u>	<u>\$ 4,567</u>	<u>\$463,728</u>

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$361,420,000. All of this debt represents bonds payable solely on future ad valorem tax revenue. The remainder of the County’s long-term debt obligation is comprised of a capital lease with a balance of \$4,441,000.

Tarrant County's Outstanding Debt

(Amounts in thousands)

	Governmental Activities 2015	Governmental Activities 2014
	General Obligation	\$ 87,935
Limited Tax Refunding Bonds	273,485	137,420
Capital Lease	4,441	1,304
Total	<u>\$ 365,861</u>	<u>\$ 319,124</u>

The County’s bonded debt increased by \$43,600,000 or 14 percent during the current fiscal year. This increase is a reflection of issuance of \$61,095,000 of new debt for transportation projects and the expansion of the juvenile facilities. The bond sales also included \$88,960,000 for the refunding of portions of the 2005, 2006, and 2007 bond issues for an economic gain of over \$11 million. This increase was offset by existing debt retirements and defeasance of debt. The County entered into a new capital lease to fund the replacement of the County’s radio equipment.

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 \$418,120,000 Limited Tax Bonds for this purpose. \$200 million of these bonds, along with matching funds from local municipalities or Texas Department of Transportation, will be used for transportation projects to improve mobility in the county. On March 7, 2006, the Tarrant County Commissioners Court approved a resolution expressing its intent to be fiscally responsible for the issuance of these bonds. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax increase.

The County maintains an “AAA” rating from Standard and Poor’s and an Aaa rating from Moody’s.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for the County is \$6,323,683,000, 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 45-49 of this report.

Pension and Other Post Employment Benefit Plans

The County is committed to fund pensions and retiree healthcare that is fair to both employees and taxpayers and can be sustained over the long term.

Effective for the fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* created specific reporting requirements for pensions that are different than those used for funding purposes. Both valuations are important as the reporting valuation provides a standard measure that can be used to compare pension liabilities to other governments and the funding valuation includes strategies for repaying any unfunded actuarial accrued liabilities.

The County provides retirement benefits through the statewide Texas County and District Retirement System (TCDRS). TCDRS is governed by a Texas state statute which requires the County to contribute the annually determined contribution rate or modify plan benefits.

The Required Supplemental Information (RSI) section contains a schedule regarding the changes in net pension liability and related ratios, which is based on reporting valuation and a schedule of contributions which is based on the funding valuation. Also included in the RSI is a schedule regarding the funding progress related to other postemployment benefits. These schedules can be found on pages 90-93.

Economic Factors and Next Year’s Budgets and Rates

Tarrant County’s economic condition remains positive.

- The unemployment rate decreased for Tarrant County to 4.0 percent, compared to the prior year of 4.8 percent. The state’s average unemployment rate of 4.4 compared to the prior year of 4.9 percent. The national unemployment rate is 4.9 percent.

- Continued increase in the tax rolls in Tarrant County, due to both new construction and increase in values.
- Inflationary trends in the region compare favorably to national indices.

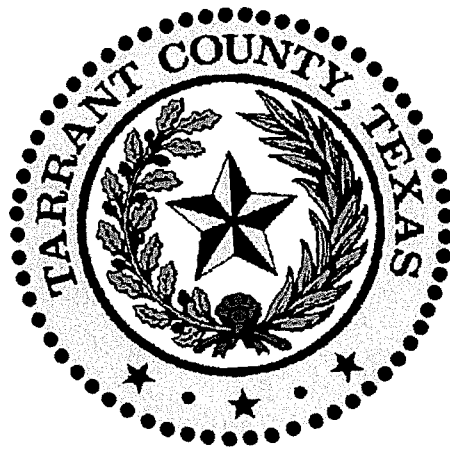
All of these factors were considered in preparing the County's budget for the 2016 fiscal year.

At September 30, 2015, the unassigned fund balance in the general fund was \$52,580,000. Total assigned fund balance, \$26,917,000, includes \$24,732,000 assigned for the purpose of spending in the 2016 fiscal year budget. This available fund balance enabled the County's tax rate to remain the same for the 2016 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



TARRANT COUNTY, TEXAS

STATEMENT OF NET POSITION
 SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<u>ASSETS</u>			
Cash, cash equivalents, and investments	\$ 384,613	\$ 1,838	\$ 386,451
Taxes receivable, net of allowance for uncollectibles	8,852	-	8,852
Other receivables, net of allowance for uncollectibles	31,678	69	31,747
Prepaid expenses and inventory	3,148	5	3,153
Long-term receivable	1,033	-	1,033
Investment in joint venture	-	-	-
Capital assets, net:			
Not subject to depreciation	68,787	2,092	70,879
Subject to depreciation	404,847	2,210	407,057
Total assets	<u>902,958</u>	<u>6,214</u>	<u>909,172</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension contributions after measurement date	30,236	90	30,326
Difference in projected and actual earnings on pension asset	11,565	32	11,597
Changes of assumptions	-	-	-
Deferred charge on refunding	4,242	-	4,242
Total deferred outflows of resources	<u>46,043</u>	<u>122</u>	<u>46,165</u>
<u>LIABILITIES</u>			
Accounts payable	22,702	163	22,865
Accrued interest payable	2,816	-	2,816
Other liabilities	27,553	51	27,604
Unearned revenue	12,322	70	12,392
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	27,990	97	28,087
Capital lease	1,377	-	1,377
Bonds & notes payable	22,990	-	22,990
Other noncurrent liabilities	3,635	-	3,635
Portion due or payable after one year:			
Compensated absences payable	14,829	65	14,894
Capital lease payable	3,064	-	3,064
Bonds and notes payable	364,181	-	364,181
Net pension liability	264,905	743	265,648
Other post employment benefit liability	145,642	-	145,642
Other noncurrent liabilities	5,227	-	5,227
Total liabilities	<u>919,233</u>	<u>1,189</u>	<u>920,422</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Difference in expected and actual pension experience	747	2	749
Difference in projected and actual earnings on pension asset	-	-	-
Total deferred inflows of resources	<u>747</u>	<u>2</u>	<u>749</u>
<u>NET POSITION</u>			
Net investment in capital assets	205,217	4,302	209,519
Restricted:			
Records management	13,638	-	13,638
Contractual or donor imposed	3,514	-	3,514
Other purposes	6,919	-	6,919
Transportation projects	11,662	-	11,662
Unrestricted	(211,929)	843	(211,086)
Total net position	<u>\$ 29,021</u>	<u>\$ 5,145</u>	<u>\$ 34,166</u>

See accompanying notes to the financial statements.

Component Units	
Tarrant County Hospital District	MHMR of Tarrant County
\$ 507,844	\$ 30,935
4,535	-
181,920	14,158
22,389	828
-	-
-	608
56,535	3,894
<u>232,511</u>	<u>15,711</u>
<u>1,005,734</u>	<u>66,134</u>
12,313	-
-	-
5,333	-
-	-
<u>17,646</u>	<u>-</u>
80,186	3,008
-	-
61,516	4,329
-	1,394
-	128
-	580
2,470	-
5,481	1,588
-	2,611
-	-
43,307	-
9,545	-
-	-
2,842	-
<u>205,347</u>	<u>13,638</u>
575	-
<u>6,428</u>	<u>-</u>
<u>7,003</u>	<u>-</u>
239,983	19,025
-	-
1,646	-
315	-
-	-
<u>569,086</u>	<u>33,471</u>
<u>\$ 811,030</u>	<u>\$ 52,496</u>

TARRANT COUNTY, TEXAS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (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	\$ 143,920	\$ 51,688	\$ 8,873	\$ -
Public safety	132,926	6,915	3,902	229
Transportation support	38,500	17,449	137	1,392
Judicial	162,219	28,103	11,626	107
Community services	82,042	22,478	64,238	-
Interest and fiscal charges	16,066	-	-	-
Total governmental activities	575,673	126,633	88,776	1,728
Business-type:				
Resource Connection	3,735	3,092	-	-
Total primary government	<u>\$ 579,408</u>	<u>\$ 129,725</u>	<u>\$ 88,776</u>	<u>\$ 1,728</u>
Component units				
Tarrant County Hospital District	\$ 832,942	\$ 337,394	\$ 191,360	\$ 85
MHMR of Tarrant County	130,778	28,438	107,546	99
	<u>\$ 963,720</u>	<u>\$ 365,832</u>	<u>\$ 298,906</u>	<u>\$ 184</u>

General revenues:
Property taxes
Alcoholic beverage and bingo taxes
Unrestricted investment earnings
Other general revenue
Total general revenues
Change in net position
Net position-beginning, as previously stated
Restatement (see Note 18)
Net position-beginning, restated
Net position-ending

See accompanying notes to the financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Tarrant County Hospital District	MHMR of Tarrant County
\$ (83,359)		\$ (83,359)		
(121,880)		(121,880)		
(19,522)		(19,522)		
(122,383)		(122,383)		
4,674		4,674		
(16,066)		(16,066)		
(358,536)		(358,536)		
-	(643)	(643)		
<u>\$ (358,536)</u>	<u>\$ (643)</u>	<u>\$ (359,179)</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ (304,103)	
			<u>\$ (304,103)</u>	<u>\$ 5,305</u>
				<u>\$ 5,305</u>
350,708	-	350,708	307,019	-
11,136	-	11,136	-	-
1,134	5	1,139	2,627	120
4,322	195	4,517	46,113	1,127
367,300	200	367,500	355,759	1,247
8,764	(443)	8,321	51,656	6,552
250,007	6,205	256,212	759,267	45,944
(229,750)	(617)	(230,367)	107	-
20,257	5,588	25,845	759,374	45,944
<u>\$ 29,021</u>	<u>\$ 5,145</u>	<u>\$ 34,166</u>	<u>\$ 811,030</u>	<u>\$ 52,496</u>

TARRANT COUNTY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

<u>ASSETS</u>	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash, cash equivalents, and investments	\$ 85,552	\$ 15,160	\$ 1,023	\$ 197,545
Receivables				
Taxes, net of allowance for uncollectibles	7,861	7	984	-
Other receivables, net of allowance for uncollectibles	8,172	946	28	204
Due from other funds	11,652	-	-	-
Supplies and prepaid items	878	611	-	-
Long-term receivable	825	-	-	208
TOTAL ASSETS	\$ 114,940	\$ 16,724	\$ 2,035	\$ 197,957
 <u>LIABILITIES</u>				
Accounts payable	\$ 5,821	\$ 1,385	\$ -	\$ 5,364
Other liabilities	16,709	719	7	-
Due to other funds	-	-	-	-
Unearned revenue	5	-	-	6
Total liabilities	22,535	2,104	7	5,370
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue-property taxes	6,885	7	877	-
Unavailable revenue-other receivables	4,076	-	-	-
Total deferred inflows of resources	10,961	7	877	-
 <u>FUND BALANCES</u>				
Nonspendable	1,703	611	-	208
Restricted	-	-	-	127,816
Committed	244	14,002	1,151	64,563
Assigned	26,917	-	-	-
Unassigned	52,580	-	-	-
Total fund balances	81,444	14,613	1,151	192,587
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 114,940	\$ 16,724	\$ 2,035	\$ 197,957

See accompanying notes to the financial statements.

<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 17,929	\$ 43,712	\$ 360,921
-	-	8,852
15,202	6,072	30,624
-	-	11,652
1,462	40	2,991
-	-	1,033
<u>\$ 34,593</u>	<u>\$ 49,824</u>	<u>\$ 416,073</u>
\$ 8,818	\$ 708	\$ 22,096
1,891	4,384	23,710
11,638	14	11,652
12,246	10	12,267
<u>34,593</u>	<u>5,116</u>	<u>69,725</u>
-	-	7,769
-	4,914	8,990
<u>-</u>	<u>4,914</u>	<u>16,759</u>
1,462	40	4,024
-	25,756	153,572
-	10,401	90,361
-	3,597	30,514
(1,462)	-	51,118
<u>-</u>	<u>39,794</u>	<u>329,589</u>
<u>\$ 34,593</u>	<u>\$ 49,824</u>	<u>\$ 416,073</u>

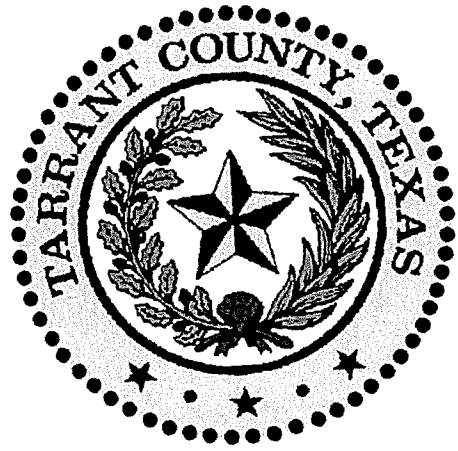
TARRANT COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

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

Total fund balance - total governmental funds	\$ 329,589
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	473,634
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	16,759
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.	11,537
Deferred outflows of resources are not an available resource and, therefore is not reported in the funds.	46,043
Deferred inflows of resources are not an available resource and, therefore is not reported in the funds.	(747)
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>(847,794)</u>
Net position - governmental activities	<u>\$ 29,021</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, 2015 (AMOUNTS IN THOUSANDS)

	General	Road and Bridge	Debt Service	Capital Projects
REVENUES:				
Taxes	\$ 316,927	\$ 1	\$ 34,264	\$ -
Licenses and permits	1,435	-	-	-
Fees of office	56,317	17,449	-	-
Intergovernmental	20,979	30	-	301
Investment income	572	39	34	365
Other revenues	12,514	1,867	-	791
Total revenues	408,744	19,386	34,298	1,457
EXPENDITURES:				
Current:				
General government	99,596	3,267	-	-
Public safety	117,905	-	-	-
Transportation support	-	21,736	-	-
Judicial	145,316	-	-	-
Community services	5,472	-	-	-
Capital outlay	-	-	-	57,136
Debt service:				
Principal payments	-	-	18,645	-
Interest and fiscal charges	-	-	16,128	-
Total expenditures	368,289	25,003	34,773	57,136
Excess (deficiency) of revenues over (under) expenditures	40,455	(5,617)	(475)	(55,679)
OTHER FINANCING SOURCES (USES):				
Transfers in	698	3,954	-	33,555
Transfers out	(38,652)	-	-	-
Proceeds from capital lease	-	-	-	3,783
Issuance of debt	-	-	-	61,095
Premium on new debt	-	-	-	4,677
Refunding bonds issued	-	-	88,960	-
Premium on refunding bonds	-	-	4,566	-
Payment to refunded bond escrow agent	-	-	(93,012)	-
Total other financing sources (uses)	(37,954)	3,954	514	103,110
Change in fund balance	2,501	(1,663)	39	47,431
FUND BALANCES, beginning of year	78,943	16,276	1,112	145,156
FUND BALANCES, end of year	\$ 81,444	\$ 14,613	\$ 1,151	\$ 192,587

See accompanying notes to the financial statements.

<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 41	\$ 351,233
-	-	1,435
1,103	10,560	85,429
76,445	23,870	121,625
21	103	1,134
<u>392</u>	<u>3,661</u>	<u>19,225</u>
77,961	38,235	580,081
7,734	7,281	117,878
3,711	1,743	123,359
1,400	-	23,136
9,929	3,377	158,622
51,197	20,868	77,537
3,990	980	62,106
-	-	18,645
<u>-</u>	<u>-</u>	<u>16,128</u>
77,961	34,249	597,411
-	3,986	(17,330)
-	1,096	39,303
-	(698)	(39,350)
-	-	3,783
-	-	61,095
-	-	4,677
-	-	88,960
-	-	4,566
<u>-</u>	<u>-</u>	<u>(93,012)</u>
-	398	70,022
-	4,384	52,692
<u>-</u>	<u>35,410</u>	<u>276,897</u>
<u>\$ -</u>	<u>\$ 39,794</u>	<u>\$ 329,589</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, 2015 (AMOUNTS IN THOUSANDS)

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

Net change in fund balances--total governmental funds	\$ 52,692
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)	14,498
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note 2)	(25)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,407
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2)	(50,778)
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)	(13,495)
The change in net position of certain activities of internal service funds is reported with governmental activities.	<u>2,465</u>
Change in net position - governmental activities	<u>\$ 8,764</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,838	\$ 23,692
Other receivables, net of allowance for uncollectibles	69	1,054
Prepaid expenses and inventory	5	157
Total current assets	<u>1,912</u>	<u>24,903</u>
Noncurrent assets:		
Capital assets		
Land	2,071	-
Building and improvements, net	1,114	-
Equipment, net	83	-
Infrastructure, net	1,013	-
Construction in progress	21	-
Total noncurrent assets	<u>4,302</u>	<u>-</u>
Total assets	<u>6,214</u>	<u>24,903</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension contributions after measurement date	90	-
Difference in projected and actual earnings on pension asset	32	-
Total deferred outflows of resources	<u>122</u>	<u>-</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	163	606
Other liabilities	51	7,478
Unearned revenue	70	55
Compensated absences payable	97	-
Total current liabilities	<u>381</u>	<u>8,139</u>
Noncurrent liabilities:		
Other noncurrent liabilities	-	5,227
Net pension liability	743	-
Compensated absences payable	65	-
Total noncurrent liabilities	<u>808</u>	<u>5,227</u>
Total liabilities	<u>1,189</u>	<u>13,366</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Difference in expected and actual pension experience	2	-
Total deferred inflows of resources	<u>2</u>	<u>-</u>
<u>NET POSITION</u>		
Investment in capital assets	4,302	-
Unrestricted	843	11,537
Total net position	<u>\$ 5,145</u>	<u>\$ 11,537</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, 2015 (AMOUNTS IN THOUSANDS)

	<u>Business-type Activities- Enterprise</u>	<u>Governmental Activities- Internal Service</u>
<u>OPERATING REVENUES</u>		
Building rental	\$ 3,092	\$ -
Charges for services - external	-	15,056
Charges for services - internal	-	48,601
Oil and gas royalties	189	-
Other revenues	6	4,524
	<u>3,287</u>	<u>68,181</u>
<u>OPERATING EXPENSES</u>		
Personnel	1,171	-
Building and equipment	2,004	61
Depreciation and amortization	370	-
Self insurance claims	-	58,468
Insurance premiums	29	2,612
Other expenses	161	4,682
	<u>3,735</u>	<u>65,823</u>
Total operating expenses	<u>3,735</u>	<u>65,823</u>
Operating income (loss)	<u>(448)</u>	<u>2,358</u>
<u>NONOPERATING REVENUES</u>		
Investment income	<u>5</u>	<u>60</u>
Total nonoperating revenues	<u>5</u>	<u>60</u>
Income (loss) before transfers	<u>(443)</u>	<u>2,418</u>
Transfers in	-	250
Transfers out	-	(203)
Change in net position	(443)	2,465
Net position - beginning of year, as previously stated	6,205	9,072
Impact of change in accounting principle (see Note 18)	(617)	-
Net position - beginning of year, as restated	<u>5,588</u>	<u>9,072</u>
Net position - ending	<u>\$ 5,145</u>	<u>\$ 11,537</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers	\$ 2,222	\$ 19,303
Receipts from interfund charges	1,109	48,601
Payments to suppliers	(2,357)	-
Payments on behalf of employees	-	(64,993)
Payments to employees	(1,128)	-
Net cash provided by (used in) operating activities	<u>(154)</u>	<u>2,911</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income	<u>5</u>	<u>60</u>
Net cash provided by investing activities	<u>5</u>	<u>60</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers in	-	250
Transfers out	-	(203)
Net cash provided by noncapital financing activities	<u>-</u>	<u>47</u>
<u>CASH FLOWS FROM CAPITAL</u>		
Purchase of capital assets	<u>(128)</u>	<u>-</u>
Net cash used by capital and related financial activities	<u>(128)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(277)	3,018
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,115</u>	<u>20,674</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,838</u>	<u>\$ 23,692</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Income (loss) from operations	\$ (448)	\$ 2,358
Net cash provided by operating activities:		
Depreciation & amortization	370	-
Loss on disposal of asset	23	-
Changes in assets and liabilities:		
Supplies & prepaid items	-	(10)
Other receivables	59	(280)
Pension related outflows	(54)	-
Accounts payable	(186)	42
Other liabilities	9	798
Unearned revenue	(15)	3
Pension liability	58	-
Pension related inflows	2	-
Compensated absences	28	-
Net cash provided by (used in) operating activities	<u>\$ (154)</u>	<u>\$ 2,911</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	<u>Agency Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash, cash equivalents, and investments	\$ 50,436
Other receivables	144
Restricted assets	<u>60,756</u>
TOTAL ASSETS	<u>\$ 111,336</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 1,251
Due to third parties	<u>110,085</u>
TOTAL LIABILITIES	<u>\$ 111,336</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. GASB periodically updates its codification of the existing standards. In fiscal year 2015, the County implemented GASB statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The following is a summary of the significant policies:

(a) Reporting Entity

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

BLENDED COMPONENT UNITS

The Tarrant County Housing Finance Corporation (“TCHFC”) provides financing for purchase of single family home mortgages and multifamily projects, both relating to low and moderate income residents. The County Commissioners Court created the TCHFC, but it is not a political subdivision of the County under state law. The criteria used to include the TCHFC as a blended component unit of the County include: the County is able to impose its will, as the TCHFC’s board of directors and the Commissioners Court are the same and County staff maintain the books and records of the corporation. The TCHFC is reported in the other governmental column in the fund financial statements. All debt issued through TCHFC was conduit debt (see Note 6).

The Tarrant County Industrial Development Corporation (“TCIDC”) provides financing through the issuance of industrial and manufacturing bonds, which promotes and encourages employment and the public welfare in the County. The criteria used to include the TCIDC as a blended component unit of the County include: the County is able to impose its will, as the TCIDC’s board of directors and the Commissioners Court are the same and County staff maintain the books and records of the corporation. TCIDC is reported in the other governmental column in the fund financial statements. All debt issued through TCIDC was conduit debt (see Note 6).

DISCRETELY PRESENTED COMPONENT UNITS

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

The Mental Health and Mental Retardation of Tarrant County (“MHMRTC”) serves the citizens of the County by providing services to people with mental illness, substance abuse disorders, and intellectual or developmental disabilities. The criteria used to determine inclusion as a discretely presented component unit are: MHMRTC is governed by a board of directors which the County Commissioners Court may appoint and remove at will, the County Commissioners Court approves the MHMRTC budget, but does not hold title to any of its assets, MHMRTC can issue bonded debt without the approval of the County Commissioners Court. The fiscal year end of MHMRTC is August 31 and the financial statements presented herein are as of August 31, 2015. MHMRTC has two component units, MHMR Visions which is included in their financial statements and Trinity Behavior Rehabilitation Corporation, which has had no financial activity and therefore not included. MHMRTC is reported in the government-wide financial statements.

The Tarrant County Health Facilities Development Corporation (“TCHFDC”) was created to provide, expand, and improve health facilities to improve the adequacy, cost and accessibility of health care, research, and education. TCHFDC is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCHFDC has no material balance sheet or results of operations as of and for the year ended September 30, 2015 and therefore are not included in the County’s financial statements. All debt issued through TCHFDC was conduit debt (see Note 6). TCHFDC had no other operations.

The Tarrant County Cultural Education Facilities Finance Corporation (“TCCEFFC”) was created to promote the health, education, and general welfare of citizens by providing financing for cultural, health and educational facilities. TCCEFFC is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCCEFFC has no material balance sheet or results of operations as of and for the year ended September 30, 2015, and therefore are not included in the County’s financial statements. All debt issued through TCCEFFC was conduit debt (see Note 6). TCCEFFC had no other operations.

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

TCHD
1500 S. Main
Fort Worth, Texas 76104

MHMRTC
3840 Hulen Street
Fort Worth, Texas 76107

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

(b) Basis of Presentation

GOVERNMENT-WIDE STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

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

The County reports the following major governmental funds:

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

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

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

Additionally, the County reports the following fiduciary funds:

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

(c) Basis of Accounting

GOVERNMENT-WIDE, PROPRIETARY, AND FIDUCIARY FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The County generally considers revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. The primary revenue sources susceptible to accrual are property taxes, which is recorded as unavailable revenue if not collected within sixty days. Fees of office revenue is recorded as unavailable revenue until cash is received. Grant and certain contract revenue is recognized when the legal and contractual requirements of the individual programs are met. Expenditures are recorded when incurred. However, expenditures for principal and interest on general long-term debt, compensated absences, and claims and judgments are recorded when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

(d) Cash and Cash Equivalents and Investments

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

All investments of the County are recorded at fair value (defined as the price at which two willing parties would complete an exchange) and made pursuant to the Texas Public Funds Investments Act and investment policy established and approved by the Commissioners Court. Authorized investments include the following:

- a. Obligations of the United States or its agencies and instrumentalities;
- b. Direct obligations of the State of Texas;
- c. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States;
- d. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; 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;
- e. Fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by item a. above, pledged with a third party selected or approved by the County, and placed through a primary government securities dealer or a bank domiciled in Texas;
- f. Commercial paper with a stated maturity of 270 days or less from the date of issuance that either:
 - (1) is rated not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies; or
 - (2) is rated at least A-1, P-1 or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.

(e) Supplies and Prepaid Items

Supplies are recorded by the County at cost using the average cost method. The cost of governmental fund type inventories is recorded as an expenditure when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

(f) Restricted Assets

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

(g) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements at cost. The County defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life greater than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs are charged to operations when incurred. Betterments and improvements that add to the value of the asset, change capacity, or materially extend assets lives are capitalized.

Capital assets of the County are depreciated or amortized (including assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives. There is no salvage value for infrastructure since these assets will not be sold, although, some benefit may still be provided by fully depreciated roads and bridges.

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

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

(h) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

(i) Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, County-specific information about its fiduciary net position in Texas County and District Retirement System (TCDRS) and additions to/deductions from the County's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

(j) Compensated Absences

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

(k) Deferred Outflows/Inflows of Resources

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

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Deferred charge on refunding - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt, using the straight line method, which approximates the effective interest method.

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

- Unavailable revenue - The Governmental Fund Balance Sheet reports unavailable revenues from two sources: property taxes and other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension experience - This difference is deferred and amortized over a closed six year period. This amount is reported on the Statement of Net Position.

(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 (\$0.238672 for the maintenance and operations and \$0.025328 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.

(m) Fund Balance Classifications

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

(n) Net Position

Net position: Net Investment in Capital Assets

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

Net position: Restricted

This component of net position is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets and liabilities that are restricted for specific use by legal or external restrictions. The County has three categories of restrictions: records management, which is restricted by state statute, contractual or donor imposed restrictions, and other restrictions imposed by state statute for a variety of purposes.

Net position: Unrestricted

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$847,794 difference are as follows (in thousands):

Bonds payable	\$	361,420
Plus: Premium on issuance (to be amortized as interest expense)		25,751
Accrued interest payable		2,816
Capital lease payable		4,441
Compensated absences		42,819
Pension liability		264,905
Other postemployment benefits liability		<u>145,642</u>
Net adjustment to fund balance	\$	<u>847,794</u>

Another element of that reconciliation explains that “Deferred inflows of resources are not reported in the funds.” The details of this \$46,043 difference are as follows (in thousands):

Deferred charges on debt refunding	\$	4,242
Pension contributions after measurement date		30,236
Difference in projected and actual earnings		<u>11,565</u>
Net adjustment to fund balance	\$	<u>46,043</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 \$14,498 difference are as follows (in thousands):

Capital outlay	\$ 40,290
Depreciation expense	<u>(25,792)</u>
Net adjustment to fund balance	<u>\$ 14,498</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 \$25 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.	\$ (160)
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>135</u>
Net adjustment to fund balance	<u>\$ (25)</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 \$50,778 difference are as follows (in thousands):

Debt issued or incurred:	
Issuance of general obligation/refunding notes	\$ (150,055)
Plus premium	(9,243)
Capital lease financing	(3,783)
Principal repayments:	
General obligation debt	\$ 10,120
Limited tax refunding and general obligation debt	8,525
Payment to escrow agent for refunding	93,012
Capital lease	646
	<hr/>
Net adjustment to fund balance	<u>\$ (50,778)</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 \$13,495 difference are as follows (in thousands):

Changes in:	
Compensated absences	\$ (979)
Other postemployment benefits	(9,986)
Net pension liability	(19,457)
Deferred inflows-experience	(747)
Deferred outflows-contributions	6,003
Deferred outflows-investments	11,565
Accrued interest payable	442
Interest expense on refunding	(735)
Amortization of deferred charge on refunding	(480)
Amortization of bond discounts	(1,394)
Amortization of bond premiums	2,273
	<hr/>
Net adjustment to fund balance	<u>\$ (13,495)</u>

3. CASH AND INVESTMENTS

Cash

At year-end, the County’s carrying amount of cash (including restricted cash in the fiduciary funds) was \$348,873,773 and the bank balance was \$354,814,694, all of which was covered by Federal Depository Insurance Corporation or by collateral held by the County’s agent in the County’s name.

Investments

As of September 30, 2015, the County had the following investments and maturities (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>		<u>% of total Portfolio</u>
		<u>less than 1</u>	<u>1 - 5</u>	
Governmental funds:				
Investment pools	\$ 84,844	\$ 84,844	\$ -	57.0%
Certificate of deposit	2,312	1,848	464	1.5%
U.S. Agency obligations	17,029	4,000	13,029	11.4%
Fiduciary funds:				
Certificates of deposit	44,436	20,794	23,642	30.0%
Interest bearing accounts	148	148	-	0.1%
Total Investments	<u>\$ 148,769</u>	<u>\$ 111,634</u>	<u>\$ 37,135</u>	<u>100%</u>

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

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

The County is exposed to the following investment risks:

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. The County structures the investment portfolio so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity. Operating funds are primarily invested in investment pools.

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

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy requires all investments to be acquired on a delivery vs. payment basis at the custodial agent from brokers independent of the custodial agent. As of September 30, 2015, 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 U.S. Treasury securities, no more than 50% of the County's total investment portfolio will be invested with a single financial institution.

Debt proceeds may be invested in a single security or investment if such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation. The County has more than 5% of its investments in several pools and securities, the amount, type of investment, and percentage in the portfolio is listed in the table above.

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

Cash	\$ 348,874
Investments	<u>148,769</u>
Total	<u>\$ 497,643</u>
Cash and investments per Statement of Net Position:	
Unrestricted	\$ 386,451
Cash and investments per Statement of Fiduciary Net Position:	
Unrestricted	50,436
Restricted	<u>60,756</u>
Total	<u>\$ 497,643</u>

4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Total</u>
Taxes Receivable	\$ 27,348	\$ 18	\$ 4,102	\$ 31,468
Allowance for uncollectibles	<u>(19,487)</u>	<u>(11)</u>	<u>(3,118)</u>	<u>(22,616)</u>
Net Taxes Receivable	<u>\$ 7,861</u>	<u>\$ 7</u>	<u>\$ 984</u>	<u>\$ 8,852</u>

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

	Governmental Funds				Other		Total
	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Governmental Funds</u>	
Accounts receivable	\$ 2,341	\$ 73	\$ 28	\$ 204	\$ 528	\$ 1,568	\$ 4,742
Fee office receivable	77,354	-	-	-	-	-	77,354
Intergovernmental receivable	1,899	873	-	-	14,952	4,504	22,228
Allowance for uncollectible	<u>(73,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(278)</u>	<u>-</u>	<u>(73,700)</u>
Net accounts receivable	<u>\$ 8,172</u>	<u>\$ 946</u>	<u>\$ 28</u>	<u>\$ 204</u>	<u>\$ 15,202</u>	<u>\$ 6,072</u>	<u>\$ 30,624</u>

Proprietary Funds:	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Accounts receivable	\$ 84	\$ 1,057	\$ 1,141
Allowance for uncollectible	<u>(15)</u>	<u>(3)</u>	<u>(18)</u>
Net accounts receivable	<u>\$ 69</u>	<u>\$ 1,054</u>	<u>\$ 1,123</u>

The long-term accounts receivable in the general fund of \$825,000 relates to the 1998 sale of the Tarrant County Convention Center to the City of Fort Worth. The agreement allows for the City to pay the County over a twenty-year period, which will be paid in full in 2017. The long-term accounts receivable in the capital projects fund of \$208,000 relates to the renovation of tenant space for MHMRTC. MHMRTC will reimburse the County over seven years, which will be paid in full in 2018.

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows (in thousands):

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance September 30, 2015</u>
Governmental activities:					
Capital assets; not depreciated:					
Land	\$ 53,977	\$ 1,078	\$ (17)	\$ -	\$ 55,038
Software in development	9,804	4,766	-	(1,443)	13,127
Construction in progress	75,517	212	-	(75,107)	622
Total capital assets not depreciated	<u>139,298</u>	<u>6,056</u>	<u>(17)</u>	<u>(76,550)</u>	<u>68,787</u>
Capital assets; being depreciated:					
Buildings and improvements	386,201	14,036	(287)	75,107	475,057
Furnishings and equipment	77,504	12,652	(3,114)	-	87,042
Software	38,404	2,246	-	1,443	42,093
Infrastructure	104,435	6,218	(2,109)	-	108,544
Total capital assets; being depreciated	<u>606,544</u>	<u>35,152</u>	<u>(5,510)</u>	<u>76,550</u>	<u>712,736</u>
Less accumulated depreciation for:					
Buildings and improvements	(136,714)	(12,540)	287	-	(148,967)
Furnishings and equipment	(62,027)	(6,287)	3,037	-	(65,277)
Software	(29,231)	(2,442)	-	-	(31,673)
Infrastructure	(58,709)	(4,523)	1,260	-	(61,972)
Total accumulated depreciation	<u>(286,681)</u>	<u>(25,792)</u>	<u>4,584</u>	<u>-</u>	<u>(307,889)</u>
Total capital assets; being depreciated, net	319,863	9,360	(926)	76,550	404,847
Governmental activities capital assets, net	<u>\$ 459,161</u>	<u>\$ 15,416</u>	<u>\$ (943)</u>	<u>\$ -</u>	<u>\$ 473,634</u>

	Balance October 1, 2014	Additions	Disposal	Adjustment	Balance September 30, 2015
Business-type activities:					
Capital assets; not depreciated:					
Land	\$ 2,071	\$ -	\$ -	\$ -	\$ 2,071
Construction in progress	-	21	-	-	21
Total capital assets not depreciated	<u>2,071</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>2,092</u>
Capital assets; being depreciated:					
Buildings and improvements	6,033	-	(38)	-	5,995
Furnishings and equipment	441	37	(27)	-	451
Infrastructure	1,320	72	-	-	1,392
Total capital assets; being depreciated	<u>7,794</u>	<u>109</u>	<u>(65)</u>	<u>-</u>	<u>7,838</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,621)	(273)	13	-	(4,881)
Furnishings and equipment	(369)	(26)	27	-	(368)
Infrastructure	(308)	(71)	-	-	(379)
Total accumulated depreciation	<u>(5,298)</u>	<u>(370)</u>	<u>40</u>	<u>-</u>	<u>(5,628)</u>
Total capital assets; being depreciated, net	2,496	(261)	(25)	-	2,210
Business-type activities capital assets, net	<u>\$ 4,567</u>	<u>\$ (240)</u>	<u>\$ (25)</u>	<u>\$ -</u>	<u>\$ 4,302</u>

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

Governmental activities:	
General government	\$ 13,485
Public safety	4,410
Transportation	7,277
Judicial	426
Community services	194
Total governmental activities depreciation expense	<u>\$ 25,792</u>

6. LONG-TERM DEBT AND LIABILITIES

General obligation debt and limited tax refunding bonds are generally payable from property tax revenues. Capital leases are payable from the capital projects fund. Pension liability, 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.

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 \$418,120,000 Limited Tax Bonds for this purpose.

During the fiscal year, the County sold two separate bond issues: Series 2015 - \$67,075,000 Limited Tax Refunding and Improvement Bonds. The 2015 Series sold at a premium of \$9,243,726 and included \$36,095,000 of new debt and \$30,980,000 for the refunding of a portion of the General Obligation Bonds, Series 2007. The funds were placed in an irrevocable trust to provide for all future debt service payments totaling \$35,285,641. 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 \$1,724,641. This amount is recorded as deferred outflows 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 \$4,007,047 and resulted in an economic gain of \$3,455,325.

Series 2015A - \$82,980,000 Limited Tax Refunding and Improvement Bonds. The 2015A Series was a private placement sale that included \$25,000,000 of new debt and \$57,980,000 for the refunding of Limited Tax Refunding Bonds, Series 2005 and a portion of the General Obligation Bonds, Series 2006. The funds were placed in an irrevocable trust to provide for all future debt service payments totaling \$57,726,051. 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 net carrying amount exceeded the reacquisition price of the old debt by \$376,948. This amount is recorded as deferred outflows and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$8,730,437 and resulted in an economic gain of \$7,823,327.

At fiscal year-end, \$75,399,843 of unspent bond proceeds are not related to County capital projects, as these expenditures are related to interlocal agreements with municipalities for road and bridge improvements, not future assets owned by the County. In addition, \$43,551,855 of bond proceeds related to County capital projects remains unspent and accordingly the debt related to the proceeds has not been used in the calculation of net investment in capital assets.

Long-term debt of the County consisted of the following at September 30, 2015 (in thousands):

General Obligation Bonds - Series 2006

Original amount of \$82,060 dated Aug. 15, 2006, with interest rate of 5.0%, payable in 2016; \$49,890 was refunded from the 2015A issuance

\$ 3,790

General Obligation Bonds - Series 2007 Original amount of \$52,510 dated Aug. 15, 2007, with interest rate of 5.0%, payable in annual installments in varying amounts plus interest through 2017; \$32,455 was refunded from the 2015 issuance	\$ 4,755
General Obligation Bonds - Series 2008 Original amount of \$107,480 dated Aug. 15, 2008, with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2028	79,390
Limited Tax Refunding and General Obligation - Series 2010 Original amount of \$70,045 dated Sept. 15, 2010, with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2030	55,790
Limited Tax Refunding and General Obligation - Series 2013 Original amount of \$72,260 dated Sept. 1, 2013, with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2033	67,640
Limited Tax Refunding and General Obligation - Series 2015 Original amount of \$67,075 dated August 1, 2015, with interest rates from 2.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2035	67,075
Limited Tax Refunding and General Obligation - Series 2015A Original amount of \$82,980 dated August 1, 2015, with interest rate of 1.97%, payable in annual installments in varying amounts plus interest through 2026	<u>82,980</u>
	361,420
Less - current maturities	<u>22,990</u>
Long-term debt, net of current maturities	338,430
Plus amortized amounts: For issuance premiums	<u>25,751</u>
Long-term debt, net of current maturities, and premium	<u><u>\$ 364,181</u></u>

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

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

Fiscal Year	General Obligation		Limited Tax Refunding Bonds		Total Principal & Interest
	Principal	Interest	Principal	Interest	
2016	\$ 10,625	\$ 4,347	\$ 12,365	\$ 9,963	\$ 37,300
2017	7,180	3,816	16,405	10,315	37,716
2018	4,980	3,457	19,440	9,767	37,644
2019	5,180	3,257	20,165	9,036	37,638
2020	5,440	2,999	19,250	8,274	35,963
2021-2025	31,550	10,631	99,245	30,191	171,617
2026-2030	22,980	2,335	58,570	14,196	98,081
2031-2035	-	-	28,045	3,848	31,893
Total	<u>\$ 87,935</u>	<u>\$ 30,842</u>	<u>\$ 273,485</u>	<u>\$ 95,590</u>	<u>\$ 487,852</u>

The County has entered into lease agreements for financing the acquisition of radio and computer equipment. These lease agreements qualify as a capital leases for accounting purposes and, therefore, have 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 \$5,151,793, which is \$6,337,014 plus trade-in amount of \$596,626 less accumulated depreciation of \$1,781,847.

The future minimum lease obligation and the net present value of the minimum lease payments as of September 30, 2015 is as follows (in thousands):

Fiscal Year	Governmental Activities
2016	\$ 1,392
2017	794
2018	757
2019	757
2020	756
Total minimum lease payments	\$ 4,456
Less: amount representing interest	(15)
Present value of minimum lease payments	<u>\$ 4,441</u>

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2015 (in thousands):

	<u>Balance October 1, 2014, as restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2015</u>	<u>Amounts Due within One year</u>
Governmental activities:					
Bonds payable	\$ 317,820	\$ 150,055	\$ (106,455)	\$ 361,420	\$ 22,990
Deferred amounts:					
Premium	22,323	9,243	(5,815)	25,751	-
Discount	(1,394)	-	1,394	-	-
Total bonds payable	<u>338,749</u>	<u>159,298</u>	<u>(110,876)</u>	<u>387,171</u>	<u>22,990</u>
Capital lease	1,304	3,783	(646)	4,441	1,377
Net pension liability	245,448	19,457	-	264,905	-
OPEB obligation	135,656	15,712	(5,726)	145,642	-
Claims and judgements	8,728	3,756	(3,622)	8,862	3,635
Compensated absences	<u>41,840</u>	<u>34,935</u>	<u>(33,956)</u>	<u>42,819</u>	<u>27,990</u>
Total	<u>\$ 771,725</u>	<u>\$ 236,941</u>	<u>\$ (154,826)</u>	<u>\$ 853,840</u>	<u>\$ 55,992</u>
Business-type activities:					
Net pension liability	\$ 685	\$ 58	\$ -	\$ 743	\$ -
Compensated absences	<u>134</u>	<u>107</u>	<u>(79)</u>	<u>162</u>	<u>97</u>
Total	<u>\$ 819</u>	<u>\$ 165</u>	<u>\$ (79)</u>	<u>\$ 905</u>	<u>\$ 97</u>

CONDUIT DEBT

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

The estimated amount of conduit debt outstanding at September 30, 2015 is as follows (in thousands):

Tarrant County Housing Finance Corporation	\$ 213,880
Tarrant County Industrial Development Corporation	2,730
Tarrant County Health Facilities Development Corporation	248,220
Tarrant County Cultural Education Facilities Finance Corporation	<u>4,440,940</u>
Total Conduit Debt	<u>\$ 4,905,770</u>

7. DEFICIT NET POSITION

The following County fund had a deficit net position as of September 30, 2015 (in thousands):

Worker’s Compensation \$ 6,073

The deficit net position is due to the accrual of future year liabilities of \$8,195,989. This liability is based on an actuarial study. The County plans to continue to fund the current year workers compensation claims and maintain a \$1,000,000 reserve for any unforeseen expenditures.

8. INTERFUND BALANCES AND ACTIVITY

The following is a summary of County interfund transfers, receivable and payables at September 30, 2015 and for the year then ended (in thousands):

<u>Transfer From</u>	<u>Amount</u>	<u>Transfer To</u>	<u>Explanation</u>
General Fund	\$ 33,555	Capital Projects Fund	Supplement Capital funds
General Fund	3,954	Road and Bridge	Supplement transportation services
General Fund	893	Other Governmental Funds	Supplement fund sources
General Fund	250	Internal Service Funds	Supplement Self Insurance fund
Internal Service Funds	203	Other Governmental Funds	Supplement fund sources
Other Governmental Funds	591	General Fund	Supplement courthouse security activity
Other Governmental Funds	107	General Fund	Residual transfer
	<u>\$ 39,553</u>		

<u>Funds Due From</u>	<u>Amount</u>	<u>Funds Due To</u>	<u>Explanation</u>
Grants Fund	\$ 11,638	General Fund	Short-term loan
Other Governmental Funds	14	General Fund	Short-term loan
	<u>\$ 11,652</u>		

9. DEFERRED COMPENSATION PLANS

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

10. PENSION AND OTHER POST EMPLOYMENT BENEFIT PLANS

a. General Information about the Pension Plan

Plan Description

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). 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. 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 or viewed at www.tcdrs.org.

Benefits Provided

Plan provisions are adopted by the Commissioners Court, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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

Annually, the County reviews the plan to determine benefit and contribution levels. In December 2014 the County granted a cost-of-living adjustment benefit increase for retirees at the rate of 50% of the Consumer Price Index (CPI).

Employees Covered by Benefit Terms

At December 31, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,060
Inactive employees entitled but not yet receiving benefits	1,487
Active employees	<u>4,138</u>
Total	<u><u>7,685</u></u>

Contributions

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed using the actuarially required contribution rate of

14.57% for the calendar year 2014, and 17.5% for the calendar year 2015, which was 2.9% greater than the actuarially required contribution rate of 14.6%. The contribution rate payable by the employee members for calendar years 2014 and 2015 is the rate of 7% as adopted by the governing body of the County.

b. Net Pension Liability

The County's net pension liability for the year-ended September 30, 2015, was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5%
Investment rate of return	8.1%

The County has a history of granting cost-of-living adjustments, therefore cost-of-living adjustments are considered to be substantively automatic under GASB 68. An annual 50% CPI cost-of-living adjustment is included in the calculations.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA. Service retirees, beneficiaries and non-depositing members were based on RP-2000 Combined Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA. Disabled retirees were based on RP-2000 Disabled Mortality Table for males and females as appropriate, with adjustments, with the projection scale AA.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The numbers shown are based on January 2015 information for a 7-10 year time horizon and are re-assessed at a

minimum every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The following target asset allocation was adopted by the TCDRS board in April 2015. The geometric real rate of return is net of inflation, assumed at 1.7%.

Asset Class	Target Allocation	Geometric Real Rate of Return
US equities	16.5%	5.35%
Private equity	12.0%	8.35%
Global equities	1.5%	5.65%
International equities - developed	11.0%	5.35%
International equities - emerging	9.0%	6.35%
Investment-grade bonds	3.0%	0.55%
High-yield bonds	3.0%	3.75%
Opportunistic Credit	5.0%	5.54%
Direct lending	2.0%	5.80%
Distressed debt	3.0%	6.75%
REIT equities	2.0%	4.00%
Commodities	2.0%	-0.20%
Master limited partnerships	2.0%	5.30%
Private real estate partnerships	3.0%	7.20%
Hedge funds	25.0%	5.15%
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 8.1%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County’s funding policy and the legal requirements under the TCDRS Act.

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

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

c. **Changes in Net Pension Liability** (amounts in thousands):

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances as of December 31, 2013	\$ 1,313,831	\$ 1,067,698	\$ 246,133
Changes for the year:			
Service cost	35,951		35,951
Interest on total pension liability	105,804		105,804
Difference between expected and actual activity	(898)		(898)
Refunds of contributions	(2,207)	(2,207)	-
Benefit payments	(49,258)	(49,258)	-
Employer contributions		33,317	(33,317)
Member contributions		16,120	(16,120)
Investment income net of investment expenses		72,724	(72,724)
Administrative expenses		(850)	850
Other		31	(31)
Net changes	<u>89,392</u>	<u>69,877</u>	<u>19,515</u>
Balances as of December 31, 2014	<u>\$ 1,403,223</u>	<u>\$ 1,137,575</u>	<u>\$ 265,648</u>

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

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-point higher (9.1%) than the current rate (amounts in thousands):

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$ 1,578,623	\$ 1,403,223	\$ 1,257,799
Fiduciary net position	<u>1,137,575</u>	<u>1,137,575</u>	<u>1,137,575</u>
Net pension liability	<u>\$ 441,048</u>	<u>\$ 265,648</u>	<u>\$ 120,224</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2015, the County recognized pension expense of \$41,983,274. As of September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts in thousands):

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 749	\$ -
Net difference between projected and actual earnings	-	11,597
Contributions subsequent to the measurement date	-	30,326
	<u>\$ 749</u>	<u>\$ 41,923</u>

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

Year ended September 30:

2016	\$ 2,749
2017	2,749
2018	2,749
2019	2,750
2020	(149)

e. Payable to the Pension Plan

At September 30, 2015, the County reported a payable of \$3,135,978 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2015.

f. Postemployment Healthcare Benefits

Plan Description

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

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

Funding Policy

Local Government Code Section 157.1010 assigns the authority to establish and amend benefit provisions to Commissioners Court. The County is under no legal obligation to pay these premiums, and the decision to provide these benefits is made by the Commissioners Court on a year-to-year basis.

For retirements effective on or prior to September 30, 2005, retirees and spouses pay contributions equal to 14% of gross pre-65 costs. Retirements effective on or after October 1, 2005, pre-65 retiree contributions will be based on years of service at retirement, according to the chart below. Post-65 contributions are assumed to be 52.1% of gross costs for all retirees and spouses.

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

The rates are set annually by the Commissioners Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The plan is funded on a pay-as-you-go basis. For the year ended, September 30, 2015, the County contributed \$5,726,455, while the retirees' contributions were \$3,671,959 for a total contribution of \$9,398,414. Total contributions included actual medical claims paid, as well as, premiums for certain other insurances.

Annual OPEB Cost

For 2015, the County's annual OPEB cost (expense) was \$15,711,659 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 2015 were as follows (in thousands):

Annual required contribution	\$ 16,883
Add interest on net OPEB obligation	4,070
Less adjustment to annual required contribution	<u>(5,241)</u>
Annual OPEB cost	15,712
Less contributions made	<u>(5,726)</u>
Change in Net OPEB obligation	9,986
Net OPEB Obligation beginning of the year	<u>135,656</u>
Net OPEB Obligation end of the year	<u><u>\$ 145,642</u></u>

Tarrant County Trend Information

(in thousands)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 36,694	\$ 4,505	12.28%	\$ 125,018
2014	15,803	5,165	32.68%	135,656
2015	15,712	5,726	36.44%	145,642

Funded Status and Funding Progress

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

Schedule of Funding

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

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

Actuarial Methods and Assumptions

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

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

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

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

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

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

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

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

Medical Reimbursements

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

Additional Disclosures

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

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

GAAP requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits.

The County implemented GASB 45 during fiscal year 2008. Accordingly, information and amounts presented in the County's Comprehensive Annual Financial Report relative to OPEB expense/expenditures, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles and does not constitute or imply that the County has made a commitment or is legally obligated to provide OPEB benefits.

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

11. COMMITMENTS

Construction and other significant commitments

The County has several active construction and software development projects as of September 30, 2015. The construction projects are in the early design stages and consist of the expansions of a subcourthouse and maintenance facility. The County has entered into agreements with cities and the Texas Department of Transportation to assist with the funding of transportation projects to mitigate congestion

and improve air quality within Tarrant County. At fiscal year end the County's commitments with contractors and municipalities are as follows (in thousands):

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
Maintenace facility expansion	\$ 614	\$ 342
Software development	13,074	164
Transportation projects	121,170	14,891
Total	<u>\$ 134,858</u>	<u>\$ 15,397</u>

These commitment amounts were encumbered at year end.

The County has no material future operating lease commitments. Total rental expense incurred for the County for fiscal year 2015 was \$2,673,853.

12. CONTINGENCIES

The County participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Such compliance audits of these programs for the periods ended September 30, 2015 have not yet been completed. Accordingly, the County's compliance with applicable grant or contract requirements will be established at some future date. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, and, accordingly, no accrual has been made for them, as management believes these to be immaterial.

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

The County is self-insured for workers' compensation, automobile bodily injury and property damage, comprehensive general liability and all self-insured retentions for existing policies. It is the opinion of County management that the amounts accrued at September 30, 2015 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

13. SELF-INSURANCE PROGRAMS

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

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

Employee Benefits Fund – accounts for County employee benefits including retirees.

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

Workers Compensation Fund – accounts for workers compensation claims.

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

	<u>Coverage</u>	<u>Deductible</u>
Buildings	\$ 500,000,000	\$ 250,000
Boilers and machinery	100,000,000	25,000
Scheduled heavy equipment	21,556,294	15,000
Scheduled equipment	42,495,385	2,500

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

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

During fiscal year 2015, 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, 2015, 3,515 and 3,218 employees participate in health care coverage and dental coverage, respectively.

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

	<u>2014</u>	<u>2015</u>
Beginning liability	\$ 2,902	\$ 3,179
New claims/adjustments	51,611	55,872
Claims paid/adjustments	<u>(51,334)</u>	<u>(55,229)</u>
Ending liability	<u>\$ 3,179</u>	<u>\$ 3,822</u>

For the year ended September 30, 2015, 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, 2015.

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>2014</u>	<u>2015</u>
Beginning liability	\$ 6,982	\$ 8,728
New claims/adjustments	5,275	3,624
Claims paid/adjustments	(5,275)	(3,624)
Other - change in estimate	<u>1,746</u>	<u>134</u>
Ending liability	<u>\$ 8,728</u>	<u>\$ 8,862</u>
Amount due within 1 year	\$ 3,638	\$ 3,635

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

14. OPERATING LEASES - LESSOR

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

	<u>Carrying Value</u>
Buildings	\$ 4,916
Less: accumulated depreciation	<u>4,002</u>
Net carrying value	<u><u>\$ 914</u></u>

15. TAX INCREMENT FINANCING AGREEMENTS

The County participates in several Tax Increment Financing (“TIF”) Districts with other governmental entities through Interlocal Agreements. TIF is an economic development tool used by local governments to finance public improvements within a defined geographic area. For the year a TIF District is created, the taxable assessed value of real property located in the District is generally frozen for the duration of the 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. The TIF contribution is recorded as a reduction of property tax revenue.

On May 17, 2011, the County entered into an Interlocal Agreement with the City of Grapevine to refund, on an annual basis, of the County’s contribution to the TIF District No. 1. The refund for tax year 2014 totaled \$690,607.

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

During the fiscal year, the County entered into one new agreement and one amendment. On June 16, 2015, the County entered into a Participation Agreement with the City of Fort Worth TIF #14, beginning with tax year 2014, for a term of twenty years and at a rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$10,806,802.

Finally on August 25, 2015, the County approved Amendment No. 1 to the City of Euless TIF #3 Participation Agreement, which increased the County’s maximum participation from \$5,378,125 to \$5,664,984.

Subsequent to year end, the County entered into two new agreements and one amendment. On October 27, 2015, the County approved Amendment No. 2 to the City of Fort Worth TIF #8 Participation Agreement, beginning with tax year 2015 the participation rate was reduced from 80% to 40%.

Also on October 27, 2015, the County entered into a Participation Agreement with the City of Fort Worth TIF #15, beginning with tax year 2014, for a term of twenty years and at a rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$8,305,115.

Finally on January 19, 2016, the County entered into a Participation Agreement with the City of Euless TIF #4, beginning with tax year 2016, for a term of twenty five years and at a rate of 75% of its collected incremental tax revenue for the first fifteen years, lowering to 50% for the remaining ten years up to a maximum cumulative contribution of \$5,163,357.

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

<u>Name</u>	<u>Percentage Committed</u>	<u>Taxes Forgone During 2015</u>
City of Arlington #1 (maintenance and operation rate only)	100%	\$ 176
City of Arlington #4	75%	331
City of Arlington #5	70%	172
City of Arlington #6	75%	261
City of Benbrook #1	100%	250
City of Euless #3	75%	117
City of Everman #1	50%	-
City of Fort Worth #3	40%	666
City of Fort Worth #4	50%	392
City of Fort Worth #6	100%	104
City of Fort Worth #7	80%	735
City of Fort Worth #8	80%	523
City of Fort Worth #9	80%	553
City of Fort Worth #10	70%	72
City of Fort Worth #12	100%	159
City of Fort Worth #13	80%	2
City of Grand Prairie #2	75%	56
City of Grapevine #1	100%	-
City of Keller #1	66.20%	289
City of Kennedale #1	75%	-
City of Mansfield #1	30%	74
City of Mansfield #2	75%	3
City of North Richland Hills #1	100%	-
City of North Richland Hills #2	100%	708
City of Richland Hills #1	75%	-
 		<hr/>
Total taxes forgone		<u>\$ 5,643</u>

16. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2015 (in thousands):

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:							
Supplies/prepaid items	\$ 878	\$ 611	\$ -	\$ -	\$ 1,462	\$ 40	\$ 2,991
Long-term receivable	825	-	-	208	-	-	1,033
	<u>1,703</u>	<u>611</u>	<u>-</u>	<u>208</u>	<u>1,462</u>	<u>40</u>	<u>4,024</u>
Restricted:							
Law library	-	-	-	-	-	423	423
Records management	-	-	-	-	-	13,833	13,833
Education	-	-	-	-	-	179	179
Public health	-	-	-	-	-	3,055	3,055
Law enforcement and prosecution	-	-	-	-	-	3,813	3,813
Contractual agreement	-	-	-	-	-	1,619	1,619
Court designated	-	-	-	-	-	2,487	2,487
VIT administration	-	-	-	-	-	347	347
Construction and equipment	-	-	-	40,754	-	-	40,754
Transportation project	-	-	-	87,062	-	-	87,062
	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,816</u>	<u>-</u>	<u>25,756</u>	<u>153,572</u>
Committed:							
Law library	-	-	-	-	-	106	106
Records management	-	-	-	-	-	195	195
Public health	-	-	-	-	-	9,225	9,225
Law enforcement and prosecution	44	-	-	-	-	156	200
Contractual agreement	200	-	-	-	-	516	716
Court designated	-	-	-	-	-	203	203
Construction and equipment	-	-	-	63,599	-	-	63,599
Transportation project	-	14,002	-	964	-	-	14,966
Debt service	-	-	1,151	-	-	-	1,151
	<u>244</u>	<u>14,002</u>	<u>1,151</u>	<u>64,563</u>	<u>-</u>	<u>10,401</u>	<u>90,361</u>
Assigned:							
Economic development	-	-	-	-	-	3,597	3,597
Purchases on order	2,185	-	-	-	-	-	2,185
Subsequent year's budget: appropriation of fund balance	<u>24,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,732</u>
	<u>26,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,597</u>	<u>30,514</u>
Unassigned	52,580	-	-	-	(1,462)	-	51,118
Total Fund Balance	<u>\$ 81,444</u>	<u>\$ 14,613</u>	<u>\$ 1,151</u>	<u>\$ 192,587</u>	<u>\$ -</u>	<u>\$ 39,794</u>	<u>\$ 329,589</u>

17. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, is effective for the County beginning fiscal year 2018. This statement changes the focus of accounting of postemployment benefits other than pensions from whether they are responsibly funding the benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, is effective for the County beginning fiscal year 2016. The statement identifies the sources of accounting principles used to prepare financial statements into categories of authoritative or nonauthoritative literature. It specifically raises the GASB Implementation Guides as to authoritative literature.

GASB Statement No. 77, *Tax Abatement Disclosures*, is effective for the County beginning fiscal year 2017. This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, is effective for the County beginning fiscal year 2016. This statement address accounting and financial reporting for certain external investment pools and pool participants, specifically regarding the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 80, *Blending Requirement for Certain Component Units – an Amendment of GASB Statement No. 14*, is effective for the County beginning fiscal year 2017. The statement requires the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

18. ADJUSTMENT TO BEGINNING NET POSITION

The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which was amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, resulted in a restatement of beginning net position for the elimination of the previously reported net pension asset, the recording of the beginning net pension liability, and the beginning deferred outflow for contributions made after the measurement date.

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

	Governmental Activities	Business-type Activities
Net position at September 30, 2014, as previously reported	\$ 250,007	\$ 6,205
Elimination of net pension asset as of September 30, 2014	(8,535)	-
Recording of net pension liability as of September 30, 2014	(245,448)	(685)
Deferral for pension contributions made after the measurement date	24,233	68
Net position September 30, 2014, as restated	<u>\$ 20,257</u>	<u>\$ 5,588</u>

19. TARRANT COUNTY HOSPITAL DISTRICT NOTES

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

Cash and Cash Equivalents and Investments

TCHD considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2015, cash equivalents consisted primarily of money market accounts with brokers and state investment pools.

Investments and Investment Income

Investments in U.S. Treasury, agency and instrumentality obligations with a remaining maturity of one-year or less at time of acquisition and in nonnegotiable certificates of deposit are carried at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market prices.

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

Patient Accounts Receivable

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

Supplies

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

Capital Assets

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

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

TCHD capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing. Total interest incurred was \$1,684,000.

Compensated Absences

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

Defined Benefit Pension Plan

TCHD sponsors a defined benefit pension plan (Plan) as more fully described in Note (k). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to and deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

Transactions not meeting the definition of an asset or liability that result in the consumption or acquisition of net position in one period that are applicable to future periods are reported as deferred outflows of resources and deferred inflows of resources. As of September 30, 2015, TCHD's deferred outflows and deferred inflows of resources were related to TCHD's defined benefit pension plan as described more fully in Note (k).

Net Patient Service Revenue

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

Tobacco Settlement Revenue

Tobacco settlement revenue is the result of a settlement between various counties and hospital districts in Texas and the tobacco industry for tobacco-related health care costs. During the year ended September 30, 2015 the TCHD received approximately \$5,773,000 related to the settlement. This revenue is recognized as other revenue.

Charity Care

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

Income Taxes

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

Risk Management

TCHD is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than medical malpractice, employee health and

workers' compensation claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

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

Electronic Health Records Incentive Program

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

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

In 2015, TCHD recorded revenue from the Medicare program of approximately \$1,046,000. In 2015, TCHD recorded revenue from the Medicaid program of approximately \$400,000. The revenue earned from these programs is included as other revenue.

(b) Net Patient Service Revenue

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

Medicare – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain inpatient nonacute services and defined medical education costs are paid based on a cost reimbursement methodology. TCHD is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicare administrative contractor. TCHD's Medicare cost reports have been audited by the Medicare administrative contractor through September 30, 2011.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospective payment system. Inpatient reimbursement is inclusive of an add-on for trauma care that is based on the Medicaid Standards Dollar Amount. Outpatient and physician services are reimbursed under a mixture of fee schedules and cost reimbursement. TCHD is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicaid administrative contractor. TCHD's Medicaid cost reports have been audited through September 30, 2009.

Approximately 77 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended September 30, 2015. 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 recorded estimates will change materially in the near term. Net patient service revenue decreased in 2015 by approximately \$460,000 due to changes in previous estimates.

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

(c) Supplemental Medicaid Funding Revenue

Supplemental Medicaid funding revenue includes revenue received from the Medicaid Disproportionate Share Program of approximately \$30,721,000 for the year ended September 30, 2015. 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 and Human Services approved a new Medicaid section 1115(a) demonstration entitled "Texas Health Transformation and Quality Improvement Program"(Waiver). This demonstration expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promote health system transformation (DSRIP Pool). 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 2015, TCHD recognized approximately \$105,369,000 and \$55,270,000 from the UC Pool and the DSRIP Pool, respectively. The funding TCHD has received is subject to audit and is not representative of funding to be received in future years.

The programs described above are subject to review and scrutiny by both the Texas Legislature and the Center for Medicare and Medicaid Services, and the programs could be modified or terminated based upon new legislation or regulation in future periods. The Waiver is scheduled to expire in September 2016. Management expects the Waiver to be extended or renewed in some form, but it is possible the Waiver will expire with no replacement funding source. This outcome would have a material adverse impact TCHD's operating results.

(d) Property Tax Revenue

TCHD received approximately 35 percent of its support from property taxes. Property taxes are levied on October 1, based on assessed property values on the preceding January 1. To secure payment, an enforceable lien attaches to the property on January 1, when the value is assessed. Property taxes become due and payable when levied on October 1. This is the date on which an enforceable legal claim arises and TCHD records a receivable for the property tax assessment, less an allowance for uncollectible taxes. Property taxes are considered delinquent after January 31 of the following year. TCHD recorded an allowance for uncollectible property taxes of approximately \$9,341,000 at September 30, 2015.

TCHD's property tax rate was \$0.226300 per \$100 valuation for the maintenance and operation fund and property tax revenue for this fund was \$304,867,000. TCHD's property tax rate was \$0.001597 per \$100 valuation for the interest and sinking fund and property tax revenue for this fund was \$2,152,000.

(e) **Deposits, Investments and Investment Income**

Deposits

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

State law requires collateralization of all deposits with federal depository insurance or other qualified investments. At September 30, 2015, TCHD's deposits were either insured or collateralized in accordance with state law.

At September 30, 2015, a blended component unit of TCHD's cash accounts exceeded federally insured limits by \$2,009,000.

Investments

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

At September 30, 2015, TCHD's investment balances were as follows (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>	
		<u>less than 1</u>	<u>1-5</u>
Money market mutual funds	\$ 37	\$ 37	\$ -
Investment pools	110,841	110,841	-
U.S. treasury obligations	716	-	716
U.S. agencies obligations	45,540	7,982	37,558
Municipal bonds	5,674	102	5,572
Commercial paper	29,944	29,944	-
		<u>\$ 148,906</u>	<u>\$ 43,846</u>
Mutual funds	<u>528</u>		
Total Investments	<u>\$ 193,280</u>		

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, TCHD investment policy requires that total investments have a weighted average maturity of five years or less. TCHD's investments in U.S. Treasury and agency obligations include fixed rate notes and bonds with a weighted average maturity of three years. The longer the maturity of a fixed rate obligation, the greater the impact a change in interest rates will have on its fair value. As interest rates increase, the fair value of the obligations decrease. Likewise, when interest rates decrease, the fair value of the obligations increase. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation. TCHD's policy is to limit its investments to U.S. Treasury and agency obligations or otherwise follow the restriction of the Texas Public Funds Investment Act. TCHD's investments in U.S. Treasury obligations carry the explicit guarantee of the U.S. government. The debt securities of the U.S. agencies are rated AA+ by Standard & Poor's rating agency. TCHD's investments in municipal bonds were rated AA2 to AA3 by Moody's rating agency. TCHD also invests in the State Investment Pools (Pools), which are considered investments for financial reporting. TCHD has an undivided beneficial

interest in the pool of assets held by the Pools. Authorized investments include obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit, and repurchase agreements. The fair value of the position in these pools is the same as the value of the shares in each pool. The Pools, as well as the money market mutual funds invested in by TCHD, are rated as AAAM by Standard & Poor's. TCHD's investments in commercial paper was rated A- to AA- by Standard & Poor's rating agency.

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

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, TCHD will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of 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	3.7%
Federal Farm Credit Bank	5.3%
Federal Agricultural Mortgage Corporation	2.8%
Federal Home Loan Mortgage Association	10.4%
Toyota Motor Credit Commercial Paper	7.8%
JP Morgan Securities Commercial Paper	7.7%

Investment Income

Investment income for the fiscal year ended September 30, 2015 consisted of interest and dividend income of \$2,994,000 and a net decrease in fair value of investments of \$616,000 for a total of \$2,378,000.

(f) Patient Accounts Receivable

TCHD grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at September 30, 2015 consisted of (in thousands):

Medicare	\$ 12,833
Medicaid	16,119
Other third-party payers	31,345
Patients	93,750
	<hr/>
	154,047
Less allowance for uncollectible accounts	109,209
	<hr/>
Total	<u>\$ 44,838</u>

(g) Capital Assets

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

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance September 30, 2015</u>
Land and improvements	\$ 52,618	\$ 1,892	\$ -	\$ -	\$ 54,510
Buildings and improvements	241,353	325	(4,775)	10,635	247,538
Equipment	395,687	16,396	(2,608)	21,165	430,640
Construction in progress	8,496	25,329	-	(31,800)	2,025
	<u>698,154</u>	<u>43,942</u>	<u>(7,383)</u>	<u>-</u>	<u>734,713</u>
Less accumulated depreciation	<u>(414,067)</u>	<u>(38,817)</u>	<u>7,217</u>	<u>-</u>	<u>(445,667)</u>
Capital assets, net	<u>\$ 284,087</u>	<u>\$ 5,125</u>	<u>\$ (166)</u>	<u>\$ -</u>	<u>\$ 289,046</u>

(h) Self-Insurance Programs

Medical Malpractice and General Liability Risks

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

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

	<u>2014</u>	<u>2015</u>
Balance, beginning of year	\$ 665	\$ 485
Current year claims incurred and changes in estimates for claims incurred in prior years	(61)	254
Claims and expenses paid	<u>(119)</u>	<u>(149)</u>
Balance, end of year	<u>\$ 485</u>	<u>\$ 590</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>2014</u>	<u>2015</u>
Balance, beginning of year	\$ 2,970	\$ 4,260
Current year claims incurred and changes in estimates for claims incurred in prior years	32,533	38,434
Claims and expenses paid	<u>(31,243)</u>	<u>(38,644)</u>
Balance, end of year	<u>\$ 4,260</u>	<u>\$ 4,050</u>

Worker's Compensation Claims

The TCHD is self-insured for workers' compensation claims. A provision is accrued for self-insured worker's compensation claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that 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>2014</u>	<u>2015</u>
Balance, beginning of year	\$ 1,883	\$ 1,982
Current year claims incurred and changes in estimates for claims incurred in prior years	1,446	2,027
Claims and expenses paid	<u>(1,347)</u>	<u>(1,746)</u>
Balance, end of year	<u>\$ 1,982</u>	<u>\$ 2,263</u>

(i) Long-Term Debt

Long-term debt of TCHD consisted of the following at September 30, 2015 (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 3.0% to 5.0%, payable annually with installments ranging from \$1,445 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.

\$ 21,595

Certificates of Obligation, 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 \$1,025 to \$2,025 through 2031. The Certificates are secured by the net revenues of TCHD, including property tax revenue. All of the Certificates still outstanding may be redeemed at TCHD's option on or after February 15, 2016, at par value plus accrued interest.

	<u>23,440</u>
	45,035
Less - current maturities	<u>2,470</u>
Long-term debt, net of current maturities	42,565
Plus premium	<u>742</u>
Long-term debt, net of current maturities and premium	<u><u>\$ 43,307</u></u>

Subsequent to September 30, 2015, the Certificates were refunded with the issuance of the General Obligation Refunding Bonds, Series 2016 (Series 2016 Bonds) issued in the amount of \$22,415,000. The present value of cash flow savings from this refunding is approximately \$3,960,000.

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

TCHD has a current Aa3 rating from Moody's and a current AA- rating from Standard & Poor's.

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

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total Principal & Interest</u>
2016	\$ 2,470	\$ 1,877	\$ 4,347
2017	2,555	1,792	4,347
2018	2,650	1,702	4,352
2019	2,735	1,608	4,343
2020	2,865	1,480	4,345
2021-2025	16,565	5,161	21,726
2026-2030	13,170	1,745	14,915
2031	<u>2,025</u>	<u>47</u>	<u>2,072</u>
Total	<u><u>\$ 45,035</u></u>	<u><u>\$ 15,412</u></u>	<u><u>\$ 60,447</u></u>

The following is a summary of the changes in long-term obligations for TCHD for the year ended September 30, 2015 (in thousands):

	Balance October 1, 2014	Additions	Retirements	Balance September 30, 2015	Amounts Due within One year
Bonds payable	\$ 47,440	\$ -	\$ (2,405)	\$ 45,035	\$ 2,470
Bond premium	1,010	-	(268)	742	-
Self insurance liability	6,727	40,715	(40,539)	6,903	5,481
Other long-term liability	1,159	261	-	1,420	-
Pension liability	12,029	-	(2,484)	9,545	-
Total	\$ 68,365	\$ 40,976	\$ (45,696)	\$ 63,645	\$ 7,951

(j) Uncompensated Care

In support of its mission, TCHD voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. The cost of charity care provided under the policy was \$126,033,000. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

(k) Retirement Plans

Plan Description

TCHD sponsors a defined benefit pension plan for eligible employees within a multiple-employer retirement program sponsored for member hospitals by the Texas Hospital Association (THA). HealthShare/THA, a wholly owned subsidiary of THA, is the plan administrator of the pension plan. The plan's assets are invested as a portion of the THA's master pension trust fund. The plan provides retirement, death, and disability benefits. Amendments to the plan are made only with the authority of TCHD's Board of Managers.

The plan does not issue a stand-alone financial report. However, an annual actuarial valuation report is available from TCHD or HealthShare/THA. The report may be obtained by writing HealthShare/THA at 1108 Lavaca, Suite 700, Austin, Texas 78701.

Benefits Provided

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

Participants with five years of participation service are eligible to retire at age 65. Participants may retire at any age after 55 if they have ten years or vesting service. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately with an actuarial reduction. Death benefits are determined in the same manner as retirement benefits but are payable immediately with an actuarial reduction. An employee who leaves the employer's service may withdraw his or her contributions, plus any accumulated interest.

Effective October 1, 2006, participation in the pension plan became mandatory for full-time employees competing 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.

The employees covered by the Plan at October 1, 2014 (measurement date), are:

	<u>2014</u>
Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to but not yet receiving benefits	930
Active employees	<u>2,950</u>
	<u>4,126</u>

Contributions

The TCHD Board of Managers has the sole authority to establish and amend the contribution requirements of the active employees. The TCHD contributions are based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the established amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. TCHD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For TCHD's fiscal year ended September 30, 2015, the average active employee contribution rate (for the period between the two most recent measurement dates) was 1.0% of annual pay, and TCHD's average contribution rate was 6.5% of annual payroll.

TCHD's contribution is set to be 6.75% of participant payroll effective October 1, 2014, and will remain at that level as long as the amount thus determined is sufficient to pay the Employer Normal Cost and amortize the Unfunded Actuarial Liability (Net Pension Liability) over a period of not more than 25 years.

The employer contributions were 6.75% of estimated participant compensation for the year ended September 30, 2015. The costs of administering the plan are paid by the plan and are considered in the determination of the employer contribution rate.

Net Pension Liability

TCHD's net pension liability was measured as of October 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the October 1, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3%
Salary increases	5.0%, average, including inflation
Ad hoc cost of living adjustments	Not included
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Society of Actuaries RP-2014 Mortality Table with Projection Scale MP-2014.

The actuarial assumptions used in the October 1, 2014, valuation were based on the results of an actuarial experience study for the period 2005-2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.00%). In addition, the final 7.75% assumption reflected a reduction of 0.10% for adverse deviation.

The target allocation and best estimates of rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	65.0%	5.80%
International equity	10.0%	6.20%
Fixed income	25.0%	1.70%
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75% at October 1, 2014. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the total pension liability, plan fiduciary net position and the net pension liability for the year ended September 30, 2015 (in thousands):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2014	\$ 170,583	\$ 158,554	\$ 12,029
Changes for the year:			
Service cost	11,556	-	11,556
Interest on total pension liability	12,953	-	12,953
Difference between expected and actual experience	(717)	-	(717)
Contributions - employee	-	1,574	(1,574)
Contributions - employer	-	11,625	(11,625)
Net investment income	-	20,134	(20,134)
Benefit payments, including refunds of employee contributions	(7,021)	(7,021)	-
Administrative expenses	-	(407)	407
Assumption changes	6,650	-	6,650
Net changes	23,421	25,905	(2,484)
Balances as of September 30, 2015	\$ 194,004	\$ 184,459	\$ 9,545

The net pension liability of TCHD has been calculated using a discount rate of 7.75%. The following presents the net pension (asset) liability using a discount rate 1% higher and 1% lower than the current rate (in thousands).

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Net pension (asset) liability	<u>\$ 35,635</u>	<u>\$ 9,545</u>	<u>\$ (11,931)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, TCHD recognized pension expense of \$10,810,000. At September 30, 2015, TCHD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 575
Employer contributions subsequent to the measurement date	12,313	-
Changes of assumptions	5,333	-
Net difference between projected and actual earnings on plan investments	-	6,428
	<u>\$ 17,646</u>	<u>\$ 7,003</u>

At September 30, 2015, TCHD reported \$12,313,000 as deferred outflows of resources related to pensions resulting from TCHD's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2015, related to pensions will be recognized in pension expense as follows (in thousands):

Year ended September 30:	
2016	\$ (432)
2017	(432)
2018	(432)
2019	(432)
2020	58
	<u>\$ (1,670)</u>

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued financial report of THA for the year ended December 31, 2014.

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 \$3,925,000 for the fiscal year ended September 30, 2015.

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 \$10,162,000 for the fiscal year ended September 30, 2015.

TCHD has a Governmental Excess Benefit Arrangement Plan for executives approved by the Board of Managers. This plan is to provide participants in the defined benefit plan that portion of a participant's benefits that would otherwise be payable under the terms of the defined benefit plan except for the limitations on benefits imposed by Section 415(b) of the IRC. Contributions to this plan are included in cash and investments and the plan liability is recorded in other long-term liabilities in the balance sheet. As of September 30, 2015, approximately \$345,000 in contributions are included in cash and investments and \$477,000 was due under this plan. Approximately \$150,000 of benefit was recognized in fiscal year 2015.

(l) Change in Accounting Principle

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68), which was amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* issued in November 2013. In addition to making changes to how annual pension expense is to be calculated for defined benefit pension plans, the standard also requires that governmental entities record an asset or liability in their financial statements that is equal to the net pension asset or liability. Historically, governmental entities have only been required to record a liability, if any, for the difference between annual pension cost (APC) and the amount of APC contributed to the plan. Restatement of the 2014 financial statements is not practical because prior year information calculated under the provisions of GASB 68 is not available, accordingly, TCHD has reported the cumulative effect of applying GASB 68 as a restatement of net position as of October 1, 2014. This restatement increased previously reported net position by \$107,000 to recognize net pension liabilities of \$12,029,000 and deferred outflows of \$12,136,000.

20. MENTAL HEALTH MENTAL RETARDATION OF TARRANT COUNTY NOTES

(a) Summary of Significant Accounting Policies

Deposits

MHMRTC's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Interest revenue is recorded in the applicable fund.

The Public Funds Investment Act generally permits MHMRTC to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of state, agencies, countries, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended August 31, 2015, MHMRTC did not own any types of securities other than those permitted by statute.

Receivables

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

At the year ended August 31, 2015, accounts receivable for client services were \$6,239,199 less the allowance for doubtful accounts in the amount of \$4,425,728 for a net estimated realizable value of \$1,813,471.

Inventories and Prepaid Expenditures

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

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

Source Funds

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

Risk Management

MHMRTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctors' malpractice; and natural disasters. During fiscal 2015, MHMRTC was covered under a general liability insurance plan with a combined single limit of \$3,000,000 at a cost it considered to be economically justifiable.

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

(b) Cash and Investments

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, deposits may not be returned or MHMRTC will not be able to recover collateral securities in the possession of an outside party. MHMRTC's policy requires deposits to be fully secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of

fiscal health. Collateral agreements must be approved prior to the deposit of funds. The Board of Trustees approves authorized depository institutions based on the recommendations of MHMRTC management.

Deposits of MHMRTC were fully insured or collateralized with securities held by MHMRTC, its agent or by the pledging financial institution's trust department or agent in the name of MHMRTC at all times during the year ended August 31, 2015 were \$5,362,507.

Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, MHMRTC's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with state statutes.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. MHMRTC's investment policy requires maturities of investments to correspond with projected cash flow needs. Remaining maturities shall be no longer than two years, except as specifically authorized by the Board of Trustees. MHMRTC policy further provides that maturities on investments exceeding one year shall not exceed 15% of the total portfolio. During the fiscal year ended August 31, 2015, MHMRTC did not own investments other than those permitted by policy.

(c) Receivables and Allowance for Uncollectible Accounts

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

The following is a summary of these receivables for the fiscal year ended August 31, 2015 (in thousands):

<u>Source of funds</u>	
Local funds	\$ 1,197
State funds	751
Federal funds	<u>9,633</u>
Total	<u>\$ 11,581</u>

(d) Capital Assets

Capital assets include property, plant and equipment. Capital assets are defined as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

A summary of changes in capital asset balances, including assets recorded under capital leases for MHMRTC, for the fiscal year ended August 31, 2015, is as follows (in thousands):

	<u>Balance September 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance August 31, 2015</u>
Nondepreciable assets					
Land	\$ 2,897	\$ 806	\$ -	\$ -	\$ 3,703
Land - restricted	191	-	-	-	191
Total capital assets not depreciated	<u>3,088</u>	<u>806</u>	<u>-</u>	<u>-</u>	<u>3,894</u>
Depreciable assets					
Buildings and improvements	15,783	2,280	(40)	-	18,023
Buildings and improvements-restricted	905	-	-	-	905
Equipment and furniture	16,159	1,340	(2,366)	-	15,133
Total other capital assets at cost	<u>32,847</u>	<u>3,620</u>	<u>(2,406)</u>	<u>-</u>	<u>34,061</u>
Accumulated depreciation	<u>(17,490)</u>	<u>(2,453)</u>	<u>1,593</u>	<u>-</u>	<u>(18,350)</u>
Total capital assets, net	15,357	1,167	(813)	-	15,711
Capital assets, net	<u>\$ 18,445</u>	<u>\$ 1,973</u>	<u>\$ (813)</u>	<u>\$ -</u>	<u>\$ 19,605</u>

Total depreciation expense was \$2,452,952.

(e) Long-Term Obligations

The following is a summary of the changes in long-term obligations for MHMRTC for the fiscal year ended August 31, 2015 (in thousands):

	<u>Balance September 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2015</u>	<u>Due Within One Year</u>
Compensated absences	\$ 2,612	\$ 292	\$ (165)	\$ 2,739	\$ 128
Capital lease obligations	1,212	-	(632)	580	580
Self insurance liability	1,160	12,062	(11,634)	1,588	1,588
Total	<u>\$ 4,984</u>	<u>\$ 12,354</u>	<u>\$ (12,431)</u>	<u>\$ 4,907</u>	<u>\$ 2,296</u>

Interest expense for the year ended August 31, 2015, was \$241.

(f) Pension Plan

MHMRTC maintains a defined contribution money purchase pension plan under code section 401(a) of the Internal Revenue Code identified as the Tarrant County Mental Health Mental Retardation Money Purchase Plan. Participation in the plan is available to full-time employees who have completed one year of service and contribute 5% of compensation to the plan. MHMRTC contributes 8% of employee compensation on behalf of participating employees. The plan is administered by ICMA Retirement Corporation. Participants begin to vest in the employer's contribution at the completion of one year of service with 100% vesting occurring after five years (20% per year). Forfeited contributions of \$37,671 as of August 31, 2015, are held in a separate account and can be used to reduce future contributions.

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

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Percentage Contributed</u>
2013	\$ 2,098	\$ 1,285	100%
2014	2,082	1,465	100%
2015	2,465	1,555	100%

(g) Lease Obligations

MHMRTC is obligated under capital leases for certain equipment as of August 31, 2015. The gross amount of assets acquired by capital lease included in the statement of net position is \$1,896,435 and \$552,730 of depreciation expense in the statement of activities.

During 2015, operating lease payments by MHMRTC were \$2,199,702. 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, 2015 are as follows (in thousands):

<u>Year Ending August 31,</u>	<u>Operating Leases</u>	<u>Capital Leases</u>	
		<u>Principal</u>	<u>Interest</u>
2016	\$ 1,502	\$ 580	\$ -
2017	1,288	-	-
2018	1,096	-	-
2019	481	-	-
2020	218	-	-
and thereafter	124	-	-
Total minimum lease payment	<u>\$ 4,709</u>	<u>\$ 580</u>	<u>\$ -</u>

(h) Commitments and Contingencies

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

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

(i) Partially Self-Funded Health Benefit Plan

Effective September 1, 2007, MHMRTC established a self-insurance plan for employee health benefits. MHMRTC purchases commercial stop-loss coverage for medical claims in excess of \$175,000 per plan participant, per policy period. Settled claims have not exceeded insurance coverage for the fiscal year. Liabilities for health benefits are calculated considering known claims and estimates of future claims based on the lag time for medical claims. MHMRTC accounts for this activity in an internal service fund. This internal service fund reflects a claims liability in the amount of \$1,587,865 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>2014</u>	<u>2015</u>
Beginning liability	\$ 594	\$ 1,160
Expenses incurred	9,087	12,062
Expenses paid	<u>(8,521)</u>	<u>(11,634)</u>
Ending liability	<u>\$ 1,160</u>	<u>\$ 1,588</u>

Claims liability is expected to be paid within one year of August 31, 2015.

(j) Tarrant-Harris Software Authority

MHMRTC has entered into a joint venture with MHMR Authority of Harris County (MHMRA) to participate in a joint development project for computer software to improve and enhance the delivery of mental health, intellectual developmental disabilities, early childhood intervention and behavioral health – substance use disorder services to their respective communities. The organization formed as a result of this joint venture was Tarrant-Harris Software Authority (THSA).

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

MHMRTC has recorded \$608,428 as its equity interest in THSA which represents the cost of intangible software assets capitalized under GASB Statement 51, Accounting and Financial Reporting for Intangible Assts. Following is summarized information for THSA as of and for the fiscal year ended August 31, 2015 (in thousands):

Capital assets	\$	1,217
Other assets		45
Total assets	\$	<u>1,262</u>
Total liabilities	\$	45
Net position		1,217
Liabilities and net position	\$	<u>1,262</u>
Contributions from joint venture partners	\$	85
Total expense		85
Change in net position	\$	<u>-</u>

At year-end, approximately \$1,825,798 out of future budgets has been committed by joint venture partners to fund remaining THSA activities. Separate financial statements for THSA may be obtained from the finance department of MHMRTC.

(k) Permanently Restricted Capital Assets

The Department of Aging and Disability Services (DADS) transferred title to five separate real estate properties to MHMRTC in return for the payoff of DADS bonded indebtedness in the year ended August 31, 2010. These properties are used by MHMRTC to provide group home services to its clients and were previously leased from DADS. The deed received from DADS contains a restriction that states if the properties ever cease to be utilized by MHMRTC to provide community-based mental health or intellectual development disability services for a continuous period of more than 180 days, then title to the property reverts to DADS. In accordance with this deed restriction, MHMRTC reports these properties in the amount of \$951,568 as restricted capital assets within the building and improvements – restricted and land – restricted caption in fixed asset footnote.

REQUIRED SUPPLEMENTARY
INFORMATION

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 317,351	\$ 316,455	\$ 315,950	\$ (505)
Licenses and permits	978	978	1,435	457
Fees of office	52,747	52,747	56,317	3,570
Intergovernmental	17,638	18,534	20,979	2,445
Investment income	1,243	1,243	1,297	54
Other revenues	17,459	17,453	12,518	(4,935)
Transfers	600	606	698	92
Total Revenues	\$ 408,016	\$ 408,016	\$ 409,194	\$ 1,178
EXPENDITURES:				
County Judge	\$ 952	\$ 973	\$ 913	\$ 60
County Administrator	1,902	1,941	1,805	136
Non-Departmental	108,818	102,283	52,477	49,806
Auditor	6,320	6,456	6,210	246
Budget/Risk Management	644	614	576	38
Tax Assessor / Collector	13,806	14,106	13,813	293
Elections Administration	5,684	5,740	4,446	1,294
Information Technology	35,138	35,640	31,847	3,793
Human Resources	2,924	2,979	2,862	117
Purchasing	2,019	2,062	2,013	49
Facilities	3,981	4,067	3,964	103
Sheriff	40,446	41,063	39,620	1,443
Sheriff - Confinement	73,954	75,284	70,708	4,576
Constable Precinct 1	1,175	1,198	1,165	33
Constable Precinct 2	1,106	1,128	1,101	27
Constable Precinct 3	1,234	1,259	1,232	27
Constable Precinct 4	906	924	911	13
Constable Precinct 5	767	782	780	2
Constable Precinct 6	846	862	858	4
Constable Precinct 7	1,132	1,154	1,111	43
Constable Precinct 8	995	1,015	986	29
Medical Examiner	8,460	8,591	8,391	200
Fire Marshal	361	368	358	10
Community Supervision	107	107	100	7
Juvenile Services	20,642	20,886	20,139	747
Pretrial Services	1,273	1,299	1,250	49
Buildings	21,721	21,797	20,330	1,467
17TH District Court	276	282	277	5
48TH District Court	272	278	263	15
67TH District Court	258	263	261	2
96TH District Court	263	268	262	6
141ST District Court	259	264	259	5
153RD District Court	265	270	265	5
236TH District Court	280	303	299	4
342ND District Court	258	264	259	5
348TH District Court	258	263	258	5
352ND District Court	265	271	268	3
Criminal District Court 1	1,150	1,273	1,225	48
Criminal District Court 2	1,270	1,374	1,285	89
Criminal District Court 3	1,248	1,283	1,274	9
Criminal District Court 4	1,255	1,262	1,245	17
213TH District Court	1,454	1,518	1,500	18

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
297TH District Court	1,354	1,711	1,698	13
371ST District Court	1,402	1,655	1,636	19
372ND District Court	1,224	1,561	1,557	4
396TH District Court	1,457	1,807	1,797	10
432ND District Court	1,361	1,990	1,974	16
Magistrate Court	862	880	852	28
231ST District Court	583	617	603	14
233RD District Court	573	558	551	7
322ND District Court	610	593	578	15
323RD District Court	3,033	2,959	2,899	60
324TH District Court	718	729	708	21
325TH District Court	606	681	674	7
360TH District Court	570	606	598	8
Special Judges	273	273	237	36
Criminal Court Administration	1,131	1,158	1,155	3
Grand Jury	163	167	165	2
Criminal Attorney Appointment	607	612	577	35
Criminal Mental Health Court	153	157	155	2
County Court at Law #1	441	450	443	7
County Court at Law #2	440	464	464	-
County Court at Law #3	444	454	439	15
County Criminal Court #1	720	865	836	29
County Criminal Court #2	709	787	778	9
County Criminal Court #3	675	799	799	-
County Criminal Court #4	805	853	837	16
County Criminal Court #5	1,222	1,215	1,136	79
County Criminal Court #6	706	740	724	16
County Criminal Court #7	839	924	908	16
County Criminal Court #8	722	798	782	16
County Criminal Court #9	708	758	741	17
County Criminal Court #10	747	773	751	22
Probate Court 1	1,900	1,933	1,928	5
Probate Court 2	1,992	2,051	2,040	11
Justice of the Peace Pct. 1	668	682	641	41
Justice of the Peace Pct. 2	659	673	650	23
Justice of the Peace Pct. 3	638	674	663	11
Justice of the Peace Pct. 4	685	693	669	24
Justice of the Peace Pct. 5	448	460	456	4
Justice of the Peace Pct. 6	602	614	607	7
Justice of the Peace Pct. 7	687	700	670	30
Justice of the Peace Pct. 8	615	634	633	1
District Attorney	37,931	38,658	36,330	2,328
District Clerk	10,582	10,779	10,293	486
County Clerk	9,465	9,649	8,874	775
Domestic Relations	7,029	7,172	6,948	224
Jury Services	1,863	1,871	1,687	184
Courts / Judiciary	2,425	488	483	5
Human Services	4,751	4,787	4,052	735
Child Protective Services	2,255	2,255	2,057	198
Public Assistance	352	352	351	1
TX Cooperative Extension	742	749	667	82
Veterans Services	360	367	296	71
Historical Commission	119	121	116	5
Total Expenditures	\$ 478,970	\$ 478,970	\$ 408,329	\$ 70,641

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Fees of office	16,446	16,446	17,449	1,003
Intergovernmental	31	31	31	-
Investment income	35	35	39	4
Other revenues	62	62	1,866	1,804
Transfers	<u>3,954</u>	<u>3,954</u>	<u>3,954</u>	<u>-</u>
Total Revenues	<u>\$ 20,528</u>	<u>\$ 20,528</u>	<u>\$ 23,340</u>	<u>\$ 2,812</u>
EXPENDITURES:				
Buildings	\$ 31	\$ 32	\$ 30	\$ 2
Commissioner Precinct 1	7,056	7,146	6,022	1,124
Commissioner Precinct 2	4,151	4,217	3,766	451
Commissioner Precinct 3	5,440	5,511	4,637	874
Commissioner Precinct 4	6,721	6,811	6,466	345
Right of Way	2,757	2,766	1,398	1,368
Transportation	3,285	3,327	2,692	635
Road and Bridge Non-Departmental	<u>2,961</u>	<u>2,592</u>	<u>429</u>	<u>2,163</u>
Total Expenditures	<u>\$ 32,402</u>	<u>\$ 32,402</u>	<u>\$ 25,440</u>	<u>\$ 6,962</u>

TARRANT COUNTY, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

1. Budgets and Budgetary Accounting

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

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

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

2. Reconciliation to Fund Statements

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

	General Fund	Road and Bridge
Revenues		
Budgetary Basis	\$ 409,194	\$ 23,340
Transfers in	(698)	(3,954)
Market value adjustment for securities not budget relevant	24	-
Available in 2015, received in 2016	976	-
Accrued in prior years, received in 2015	(752)	-
	<hr/>	<hr/>
Revenues on modified accrual (GAAP) basis	408,744	19,386
Expenditures		
Budgetary Basis	408,329	25,440
Transfers out	(38,652)	-
Incurred in prior years, paid in 2015	774	343
Incurred during 2015, payable in future years	(2,182)	(836)
Prepaid, bad debt & inventory adjustments not budget relevant	20	56
	<hr/>	<hr/>
Expenditures on modified accrual (GAAP) basis	368,289	25,003
	<hr/>	<hr/>
Other Financing Sources (Uses)	(37,954)	3,954
	<hr/>	<hr/>
Changes in Fund Balance	<u>\$ 2,501</u>	<u>\$ (1,663)</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 COUNTY PENSION CONTRIBUTIONS

(Amounts in thousands)

(Unaudited)

	Year ended September 30					
	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 34,260	\$ 32,472	\$ 29,612	\$ 27,321	\$ 26,366	\$ 24,815
Contributions in relation to the actuarially determined contribution	39,342	38,235	32,372	27,321	26,366	24,815
Contribution (excess)	<u>(5,082)</u>	<u>(5,763)</u>	<u>(2,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 234,785	\$ 225,829	\$ 217,492	\$ 213,321	\$ 216,495	\$ 212,965
Contributions as a percentage of covered-employee payroll	16.76%	16.93%	15.18%	12.83%	12.18%	11.65%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Replacement life entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Benefit enhancements 15 years, all others 20 years
Asset valuation method	5 year smoothed
Inflation	3.0%
Salary increases	3.5%, including inflation
Investment rate of return	8%, net of investment expenses
Retirement age	In the 2014 actuarial valuation, expected retirement ages of employees was adjusted to more closely reflect actual experience
Mortality	Mortality rates for depositing members were based on the RP-2000 Active Employee Mortality Table as appropriate, with adjustments, with the projection scale AA. Service retirees, beneficiaries and non-depositing members were based on RP-2000 Combined Mortality Table as appropriate, with adjustments, with the projection scale AA. Disabled retirees were based on RP-2001 Disabled Mortality Table as appropriate, with adjustments, with the projection scale AA.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 23,223	\$ 21,488	\$ 20,234	\$ 17,975
<u>23,223</u>	<u>21,488</u>	<u>20,234</u>	<u>17,975</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 211,127	\$ 200,564	\$ 190,123	\$ 180,321
11.00%	10.71%	10.64%	9.97%

**TARRANT COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

(Amounts in thousands)

(Unaudited)

	<u>Year ended December 31 2014</u>
Total Pension Liability	
Service cost	\$ 35,951
Interest on total pension liability	105,804
Effect of plan changes	-
Effect of assumption changes or inputs	-
Difference between expected and actual activity	(898)
Refunds of contributions	(2,207)
Benefit payments	(49,258)
Net change in total pension liability	<u>89,392</u>
Total pension liability, beginning	<u>1,313,831</u>
Total pension liability, ending (a)	<u>\$ 1,403,223</u>
Fiduciary Net Position	
Employer contributions	\$ 33,317
Member contributions	16,120
Investment income net of investment expenses	72,724
Refunds of contributions	(2,207)
Benefit payments	(49,258)
Administrative expenses	(850)
Other	31
Net change in fiduciary net position	<u>69,877</u>
Fiduciary net position, beginning	<u>1,067,698</u>
Fiduciary net position, ending (b)	<u>\$ 1,137,575</u>
Net pension liability, ending = (a) - (b)	<u>\$ 265,648</u>
Fiduciary net position as a percentage of total pension liability	81.07%
Pensionable covered payroll	\$ 228,675
Net pension liability as a percentage of covered payroll	116.17%

The County implemented GASB 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available, therefore, ten years of data will accumulate over time.

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

OTHER POSTEMPLOYMENT BENEFITS PLAN

Primary Government

(Amounts in thousands)

(UNAUDITED)

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

Discretely Presented Component Unit - TCHD
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

(Amounts in thousands)
(Unaudited)

	<u>Year ended September 30, 2015</u>
Total Pension Liability	
Service cost	\$ 11,556
Interest on total pension liability	12,953
Effect of plan changes	-
Effect of assumption changes or inputs	6,650
Difference between expected and actual activity	(717)
Benefit payments, including refunds of employee contributions	<u>(7,021)</u>
Net change in total pension liability	23,421
Total pension liability, beginning	<u>170,583</u>
Total pension liability, ending (a)	<u>\$ 194,004</u>
Fiduciary Net Position	
Employer contributions	\$ 11,625
Member contributions	1,574
Investment income net of investment expenses	20,134
Benefit payments, including refunds of employee contributions	(7,021)
Administrative expenses	<u>(407)</u>
Net change in fiduciary net position	25,905
Fiduciary net position, beginning	<u>158,554</u>
Fiduciary net position, ending (b)	<u>\$ 184,459</u>
Net pension liability, ending = (a) - (b)	<u>\$ 9,545</u>
Fiduciary net position as a percentage of total pension liability	95.08%
Pensionable covered payroll	\$ 178,847
Net pension liability as a percentage of covered payroll	5.34%

Notes to schedule:

Changes of assumptions:

- 1) Mortality updated to new table published by Society of Actuaries (November 2014)
- 2) Future wage increases above age 40 adjusted to reflect recent experience

This schedule is presented as of October 1, 2014, which is the measurement date.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, TCHD will present information for those years for which information is available. All amounts are in thousands, unless otherwise indicated.

**DISCRETELY PRESENTED COMPONENT UNIT - TCHD
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF TCHD CONTRIBUTIONS

(Amounts in thousands)
(Unaudited)

<u>Year ended September 30,</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
2015	\$ 12,313	\$ 12,313	\$ -	\$ 182,418	6.75%

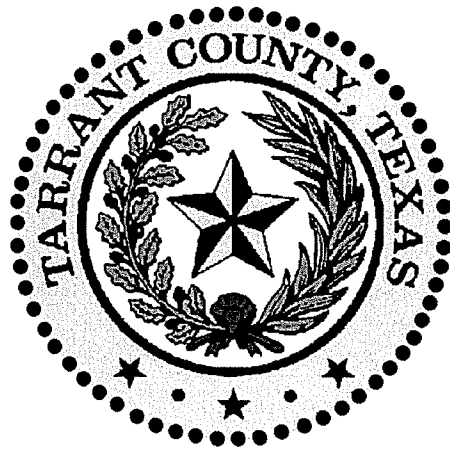
Notes to Schedule

Valuation date: October 1, 2014

Actuarially determined contribution rates are calculated as of October 1, 2014, which is the most recent valuation date prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years at October 1, 2014; recalculated annually; employer contribution rate constant unless amortization period > 25 years or ≤ 0 years
Asset valuation method	5 year smoothed market
Inflation	3.0%
Salary increases	5.0%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expenses, including inflation
Retirement age	60
Mortality	RP-2014 Total Employee Mortality Table, Projected with Scale MP-2014 mortality improvement scale



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

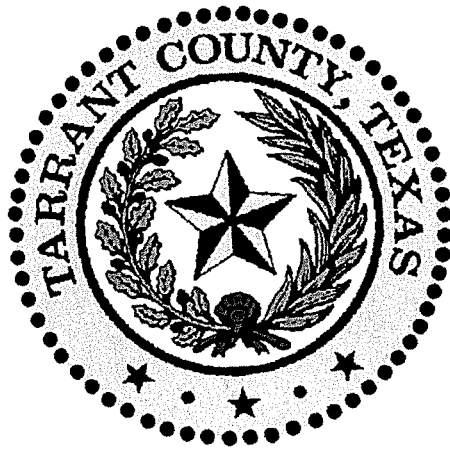
This fund was established, pursuant to State statutes, to account for the collection of food permit fees and expenditures incurred in connection with issuing permits and conducting inspections.

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, 2015 (AMOUNTS IN THOUSANDS)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
ASSETS					
Cash, cash equivalents, and investments	\$ 592	\$ 14,298	\$ 181	\$ 11,875	\$ 3,863
Other receivables, net of allowance for uncollectibles	8	49	-	4,440	3
Supplies and prepaid items	-	6	-	15	-
TOTAL ASSETS	\$ 600	\$ 14,353	\$ 181	\$ 16,330	\$ 3,866
LIABILITIES					
Accounts payable	\$ 56	\$ 210	\$ 2	\$ 264	\$ 37
Other liabilities	15	109	-	480	3,616
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	71	319	2	744	3,653
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-other receivables	-	-	-	4,440	-
Total deferred inflows of resources	-	-	-	4,440	-
FUND BALANCES					
Nonspendable	-	6	-	15	-
Restricted:					
Law library	423	-	-	-	-
Records management	-	13,833	-	-	-
Education	-	-	179	-	-
Public health	-	-	-	2,567	-
Law enforcement and prosecution	-	-	-	-	212
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
VIT administration	-	-	-	-	-
Committed:					
Law library	106	-	-	-	-
Records management	-	195	-	-	-
Public health	-	-	-	8,564	-
Law enforcement and prosecution	-	-	-	-	1
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
Assigned:					
Economic development	-	-	-	-	-
Total fund balances	529	14,034	179	11,146	213
TOTAL LIABILITIES AND FUND BALANCES	\$ 600	\$ 14,353	\$ 181	\$ 16,330	\$ 3,866

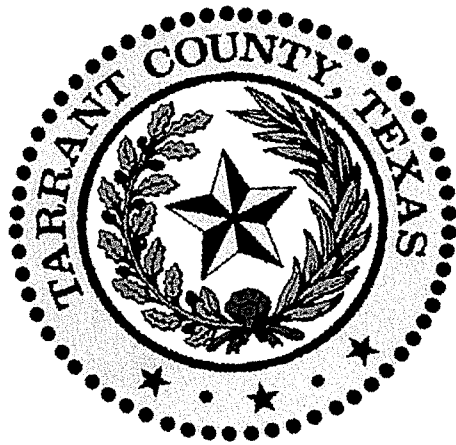
<u>Sheriff Contracts</u>	<u>Miscellaneous Contracts</u>	<u>Court Designated Funds</u>	<u>Vehicle Inventory Tax</u>	<u>Consumer Health</u>	<u>Housing Finance Corporation</u>	<u>Industrial Development Corporation</u>	<u>Total</u>
\$ 3,835	\$ 2,288	\$ 2,297	\$ 351	\$ 535	\$ 3,544	\$ 53	\$ 43,712
-	1,477	95	-	-	-	-	6,072
19	-	-	-	-	-	-	40
<u>\$ 3,854</u>	<u>\$ 3,765</u>	<u>\$ 2,392</u>	<u>\$ 351</u>	<u>\$ 535</u>	<u>\$ 3,544</u>	<u>\$ 53</u>	<u>\$ 49,824</u>
\$ 52	\$ 49	\$ 38	\$ -	\$ -	\$ -	\$ -	\$ 708
34	74	11	4	41	-	-	4,384
-	14	-	-	-	-	-	14
-	10	-	-	-	-	-	10
86	147	49	4	41	-	-	5,116
-	474	-	-	-	-	-	4,914
-	474	-	-	-	-	-	4,914
19	-	-	-	-	-	-	40
-	-	-	-	-	-	-	423
-	-	-	-	-	-	-	13,833
-	-	-	-	-	-	-	179
-	39	-	-	449	-	-	3,055
3,594	7	-	-	-	-	-	3,813
-	1,619	-	-	-	-	-	1,619
-	277	2,210	-	-	-	-	2,487
-	-	-	347	-	-	-	347
-	-	-	-	-	-	-	106
-	-	-	-	-	-	-	195
-	616	-	-	45	-	-	9,225
155	-	-	-	-	-	-	156
-	516	-	-	-	-	-	516
-	70	133	-	-	-	-	203
-	-	-	-	-	3,544	53	3,597
<u>3,768</u>	<u>3,144</u>	<u>2,343</u>	<u>347</u>	<u>494</u>	<u>3,544</u>	<u>53</u>	<u>39,794</u>
<u>\$ 3,854</u>	<u>\$ 3,765</u>	<u>\$ 2,392</u>	<u>\$ 351</u>	<u>\$ 535</u>	<u>\$ 3,544</u>	<u>\$ 53</u>	<u>\$ 49,824</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	1,181	4,673	22	1,228	34
Intergovernmental	-	-	95	20,788	-
Investment income	1	38	-	27	-
Other revenues	32	4	-	2	695
Total revenues	1,214	4,715	117	22,045	729
EXPENDITURES:					
Current:					
General government	-	4,138	-	158	-
Public safety	-	-	43	-	-
Judicial	174	543	17	-	1,442
Community services	948	-	-	18,460	-
Capital outlay	-	740	-	83	-
Total expenditures	1,122	5,421	60	18,701	1,442
Excess (deficiency) of revenues over (under) expenditures	92	(706)	57	3,344	(713)
OTHER FINANCING SOURCES (USES) -					
Transfers in	-	-	-	-	794
Transfers out	-	-	-	-	(34)
Total other financing sources (uses)	-	-	-	-	760
Change in fund balance	92	(706)	57	3,344	47
FUND BALANCES, beginning of year	437	14,740	122	7,802	166
FUND BALANCES, end of year	\$ 529	\$ 14,034	\$ 179	\$ 11,146	\$ 213

<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>
\$ -	\$ -	\$ -	\$ 41	\$ -	\$ -	\$ -	\$ 41
-	724	1,628	22	1,048	-	-	10,560
-	2,818	169	-	-	-	-	23,870
9	4	6	1	1	16	-	103
<u>1,754</u>	<u>980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194</u>	<u>-</u>	<u>3,661</u>
1,763	4,526	1,803	64	1,049	210	-	38,235
-	2,492	430	63	-	-	-	7,281
1,061	639	-	-	-	-	-	1,743
1	634	566	-	-	-	-	3,377
-	280	100	-	979	95	6	20,868
<u>125</u>	<u>29</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>980</u>
1,187	4,074	1,097	65	979	95	6	34,249
576	452	706	(1)	70	115	(6)	3,986
-	302	-	-	-	-	-	1,096
<u>-</u>	<u>(73)</u>	<u>(591)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(698)</u>
-	229	(591)	-	-	-	-	398
576	681	115	(1)	70	115	(6)	4,384
<u>3,192</u>	<u>2,463</u>	<u>2,228</u>	<u>348</u>	<u>424</u>	<u>3,429</u>	<u>59</u>	<u>35,410</u>
<u>\$ 3,768</u>	<u>\$ 3,144</u>	<u>\$ 2,343</u>	<u>\$ 347</u>	<u>\$ 494</u>	<u>\$ 3,544</u>	<u>\$ 53</u>	<u>\$ 39,794</u>



BUDGETARY COMPLIANCE

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS) -DEBT SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	<u>Debt Service Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ 34,252	\$ 34,252	\$ 34,157	\$ (95)
Investment income	29	29	33	4
Transfers	-	-	-	-
Total Revenues	<u>\$ 34,281</u>	<u>\$ 34,281</u>	<u>\$ 34,190</u>	<u>\$ (91)</u>
EXPENDITURES:				
Debt service	<u>\$ 35,289</u>	<u>\$ 35,289</u>	<u>\$ 34,288</u>	<u>\$ 1,001</u>
Total Expenditures	<u>\$ 35,289</u>	<u>\$ 35,289</u>	<u>\$ 34,288</u>	<u>\$ 1,001</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Intergovernment	\$ -	\$ -	\$ 301	\$ 301
Investment income	350	350	365	15
Other revenues	-	-	862	862
Transfers/bond proceeds	33,555	33,555	98,975	65,420
Total Revenues	\$ 33,905	\$ 33,905	\$ 100,503	\$ 66,598
EXPENDITURES:				
County Judge	\$ -	\$ 4	\$ 4	\$ -
County Administrator	36	36	13	23
Non-Departmental	5,236	4,706	27	4,679
Auditor	30	30	30	-
Budget/Risk Management	7	7	6	1
Tax Assessor / Collector	228	324	258	66
Information Technology	19,677	19,683	12,069	7,614
Human Resources	1	1	1	-
Purchasing	5	5	5	-
Facilities	239	384	308	76
Sheriff	166	160	151	9
Sheriff - Confinement	56	56	55	1
Constable Precinct 1	2	2	1	1
Constable Precinct 3	2	2	-	2
Constable Precinct 4	-	4	4	-
Constable Precinct 6	1	1	1	-
Constable Precinct 7	1	1	1	-
Constable Precinct 8	2	2	2	-
Medical Examiner	149	149	148	1
Community Supervision	7	7	5	2
Juvenile Services	42	42	40	2
Buildings	54,552	54,407	11,936	42,471
Resource Connection	1,000	1,000	38	962
Criminal District Court 3	-	1	1	-
Criminal District Court 4	3	3	2	1
297TH District Court	2	4	4	-
432nd District Court	3	3	1	2
233RD District Court	1	1	1	-
322ND District Court	-	4	4	-
323RD District Court	-	1	1	-
324TH District Court	3	4	4	-
Criminal Court Administration	16	21	16	5
County Criminal Court #1	2	2	1	1
County Criminal Court #2	2	-	-	-
County Criminal Court #8	2	1	1	-
Justice of the Peace Pct. 1	2	2	2	-
Justice of the Peace Pct. 4	4	4	4	-
Justice of the Peace Pct. 7	3	3	3	-
District Attorney	42	56	46	10
District Clerk	45	45	34	11
Domestic Relations	2	2	2	-
Courts / Judiciary	4	1	-	1
TX Cooperative Extension	5	4	4	-
Veterans Services	-	5	5	-
Commissioner Precinct 1	7,787	8,187	1,573	6,614
Commissioner Precinct 2	406	406	8	398
Commissioner Precinct 3	607	607	460	147
Commissioner Precinct 4	407	407	154	253
Transportation	46,990	47,015	9,430	37,585
Total Expenditures	\$ 137,777	\$ 137,802	\$ 36,864	\$ 100,938

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (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	\$ 1,105	\$ 1,105	\$ 1,182	\$ 77
Investment income	1	1	1	-
Other revenues	<u>26</u>	<u>26</u>	<u>31</u>	<u>5</u>
Total Revenues	<u>\$ 1,132</u>	<u>\$ 1,132</u>	<u>\$ 1,214</u>	<u>\$ 82</u>
EXPENDITURES:				
Law Library	\$ 1,267	\$ 1,267	\$ 953	\$ 314
Judicial Law Library	<u>175</u>	<u>175</u>	<u>174</u>	<u>1</u>
Total Expenditures	<u>\$ 1,442</u>	<u>\$ 1,442</u>	<u>\$ 1,127</u>	<u>\$ 315</u>

	<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	\$ 4,543	\$ 4,543	\$ 4,673	\$ 130
Investment income	31	31	37	6
Other revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Total Revenues	<u>\$ 4,574</u>	<u>\$ 4,574</u>	<u>\$ 4,715</u>	<u>\$ 141</u>
EXPENDITURES:				
Information Technology	\$ 1,306	\$ 1,306	\$ 558	\$ 748
Buildings	-	100	85	15
District Clerk	1,586	1,586	443	1,143
County Clerk	<u>13,802</u>	<u>13,702</u>	<u>4,185</u>	<u>9,517</u>
Total Expenditures	<u>\$ 16,694</u>	<u>\$ 16,694</u>	<u>\$ 5,271</u>	<u>\$ 11,423</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Education			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 19	\$ 19	\$ 22	\$ 3
Intergovernment	-	95	95	-
Total Revenues	<u>\$ 19</u>	<u>\$ 114</u>	<u>\$ 117</u>	<u>\$ 3</u>
EXPENDITURES:				
Sheriff	\$ 93	\$ 152	\$ 30	\$ 122
Sheriff-Confinement	1	21	13	8
Constable Precinct 1	1	3	2	1
Constable Precinct 2	-	1	-	1
Constable Precinct 3	1	2	-	2
Constable Precinct 4	7	10	-	10
Constable Precinct 5	-	1	-	1
Constable Precinct 6	2	3	-	3
Constable Precinct 7	2	3	-	3
Constable Precinct 8	-	1	1	-
Fire Marshal	-	1	1	-
Probate Court 1	17	17	3	14
Probate Court 2	21	21	9	12
District Attorney	-	4	2	2
Total Expenditures	<u>\$ 145</u>	<u>\$ 240</u>	<u>\$ 61</u>	<u>\$ 179</u>

	Public Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,313	\$ 1,313	\$ 1,228	\$ (85)
Intergovernmental	24,404	29,220	20,788	(8,432)
Investment income	6	6	27	21
Other revenues	-	-	2	2
Transfer	525	565	565	-
Total Revenues	<u>\$ 26,248</u>	<u>\$ 31,104</u>	<u>\$ 22,610</u>	<u>\$ (8,494)</u>
EXPENDITURES:				
Non-Departmental	\$ 8,956	\$ 11,876	\$ 565	\$ 11,311
Buildings	195	195	158	37
Public Health	23,668	25,604	19,019	6,585
Total Expenditures	<u>\$ 32,819</u>	<u>\$ 37,675</u>	<u>\$ 19,742</u>	<u>\$ 17,933</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	District Attorney			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 40	\$ 40	\$ 34	\$ (6)
Investment	1	1	1	-
Other revenues	1,167	1,207	695	(512)
Transfer	900	900	794	(106)
Total Revenues	<u>\$ 2,108</u>	<u>\$ 2,148</u>	<u>\$ 1,524</u>	<u>\$ (624)</u>
EXPENDITURES:				
District Attorney	<u>\$ 2,247</u>	<u>\$ 2,300</u>	<u>\$ 1,537</u>	<u>\$ 763</u>
Total Expenditures	<u>\$ 2,247</u>	<u>\$ 2,300</u>	<u>\$ 1,537</u>	<u>\$ 763</u>

	Sheriff Contracts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Investment income	\$ 7	\$ 7	\$ 9	\$ 2
Other revenues	1,000	1,000	1,754	754
Total Revenues	<u>\$ 1,007</u>	<u>\$ 1,007</u>	<u>\$ 1,763</u>	<u>\$ 756</u>
EXPENDITURES:				
Sheriff	\$ 821	\$ 821	\$ 82	\$ 739
Sheriff - Confinement	3,157	3,157	1,038	2,119
Total Expenditures	<u>\$ 3,978</u>	<u>\$ 3,978</u>	<u>\$ 1,120</u>	<u>\$ 2,858</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (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	\$ 55	\$ 70	\$ 723	\$ 653
Intergovernmental	820	3,833	2,946	(887)
Investment income	4	4	4	-
Other revenues	719	1,033	980	(53)
Transfer	100	100	302	202
	<u>\$ 1,698</u>	<u>\$ 5,040</u>	<u>\$ 4,955</u>	<u>\$ (85)</u>
EXPENDITURES:				
Non-Departmental	\$ 30	\$ 31	\$ 27	\$ 4
Elections Administration	520	3,452	2,150	1,302
Self Insurance	804	804	330	474
Sheriff	1	1	1	-
Constable Precinct 7	11	11	10	1
Medical Examiner	11	64	13	51
Fire Marshal	79	84	80	4
Community Supervision	604	604	549	55
Juvenile Services	315	315	30	285
Criminal Court Administration	44	44	5	39
District Attorney	505	491	468	23
Domestic Relations	8	8	7	1
8th Admin Judicial Region	-	77	75	2
Public Health	56	56	23	33
Human Services	100	360	248	112
Child Protective Services	255	288	123	165
Public Assistance	12	12	8	4
Historical Commission	37	37	-	37
Peace Officers Memorial Monument	20	20	-	20
	<u>\$ 3,412</u>	<u>\$ 6,759</u>	<u>\$ 4,147</u>	<u>\$ 2,612</u>
Total Expenditures	<u>\$ 3,412</u>	<u>\$ 6,759</u>	<u>\$ 4,147</u>	<u>\$ 2,612</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	Court Designated			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,498	\$ 1,588	\$ 1,629	\$ 41
Intergovernmental	140	140	168	28
Investment income	5	5	6	1
	<u>5</u>	<u>5</u>	<u>6</u>	<u>1</u>
Total Revenues	<u>\$ 1,643</u>	<u>\$ 1,733</u>	<u>\$ 1,803</u>	<u>\$ 70</u>
EXPENDITURES:				
Non Departmental	\$ 1,959	\$ 2,045	\$ 1,020	\$ 1,025
Information Technology	247	247	13	234
Facilities	2	2	-	2
323rd District Court	606	606	201	405
Appeals Court	153	157	157	-
Criminal Court Administration	461	461	77	384
Probate Court 1	198	198	68	130
Probate Court 2	73	73	63	10
Public Assistance	100	100	100	-
	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Total Expenditures	<u>\$ 3,799</u>	<u>\$ 3,889</u>	<u>\$ 1,699</u>	<u>\$ 2,190</u>

	Vehicle Inventory Tax			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 50	\$ 50	\$ 41	\$ (9)
Fees of office	8	8	23	15
Investment income	1	1	1	-
	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total Revenues	<u>\$ 59</u>	<u>\$ 59</u>	<u>\$ 65</u>	<u>\$ 6</u>
EXPENDITURES:				
Tax Assessor/Collector	\$ 411	\$ 411	\$ 78	\$ 333
	<u>411</u>	<u>411</u>	<u>78</u>	<u>333</u>
Total Expenditures	<u>\$ 411</u>	<u>\$ 411</u>	<u>\$ 78</u>	<u>\$ 333</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (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	\$ 934	\$ 934	\$ 1,049	\$ 115
Investment income	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total Revenues	<u>\$ 935</u>	<u>\$ 935</u>	<u>\$ 1,050</u>	<u>\$ 115</u>
EXPENDITURES:				
Public Health	<u>\$ 1,304</u>	<u>\$ 1,304</u>	<u>\$ 978</u>	<u>\$ 326</u>
Total Expenditures	<u>\$ 1,304</u>	<u>\$ 1,304</u>	<u>\$ 978</u>	<u>\$ 326</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 FUND

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

WORKERS' COMPENSATION FUND

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

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

<u>ASSETS</u>	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
Current assets:				
Cash and cash equivalents	\$ 18,993	\$ 2,485	\$ 2,214	\$ 23,692
Other receivables, net of allowance for uncollectibles	1,043	8	3	1,054
Supplies and prepaid items	157	-	-	157
Total current assets	<u>20,193</u>	<u>2,493</u>	<u>2,217</u>	<u>24,903</u>
 <u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	515	54	37	606
Other liabilities	3,843	363	3,272	7,478
Unearned revenue	55	-	-	55
Total current liabilities	<u>4,413</u>	<u>417</u>	<u>3,309</u>	<u>8,139</u>
Noncurrent liabilities:				
Other noncurrent liabilities	-	246	4,981	5,227
Total noncurrent liabilities	<u>-</u>	<u>246</u>	<u>4,981</u>	<u>5,227</u>
Total liabilities	<u>4,413</u>	<u>663</u>	<u>8,290</u>	<u>13,366</u>
 <u>NET POSITION</u>				
Unrestricted	<u>15,780</u>	<u>1,830</u>	<u>(6,073)</u>	<u>11,537</u>
Total net position (deficit)	<u>\$ 15,780</u>	<u>\$ 1,830</u>	<u>\$ (6,073)</u>	<u>\$ 11,537</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
<u>OPERATING REVENUES</u>				
Charges for services - external	\$ 15,056	\$ -	\$ -	\$ 15,056
Charges for services - internal	45,602	-	2,999	48,601
Other revenues	4,460	26	38	4,524
Total operating revenues	<u>65,118</u>	<u>26</u>	<u>3,037</u>	<u>68,181</u>
<u>OPERATING EXPENSES</u>				
Building and equipment	4	57	-	61
Self insurance claims	55,229	89	3,150	58,468
Insurance premiums	2,612	-	-	2,612
Other expenses	4,220	189	273	4,682
Total operating expenses	<u>62,065</u>	<u>335</u>	<u>3,423</u>	<u>65,823</u>
Operating income (loss)	<u>3,053</u>	<u>(309)</u>	<u>(386)</u>	<u>2,358</u>
<u>NONOPERATING REVENUES</u>				
Investment income	47	7	6	60
Income (loss) before transfers	<u>3,100</u>	<u>(302)</u>	<u>(380)</u>	<u>2,418</u>
Transfers in	-	250	-	250
Transfers out	<u>(203)</u>	<u>-</u>	<u>-</u>	<u>(203)</u>
Change in net position	2,897	(52)	(380)	2,465
Total net position (deficit)-beginning	<u>12,883</u>	<u>1,882</u>	<u>(5,693)</u>	<u>9,072</u>
Total net position (deficit)-ending	<u>\$ 15,780</u>	<u>\$ 1,830</u>	<u>\$ (6,073)</u>	<u>\$ 11,537</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers	\$ 19,242	\$ 26	\$ 35	\$ 19,303
Receipts from interfund charges	45,602	-	2,999	48,601
Payments on behalf of employees	<u>(61,370)</u>	<u>(242)</u>	<u>(3,381)</u>	<u>(64,993)</u>
Net cash provided (used) by operating activities	<u>3,474</u>	<u>(216)</u>	<u>(347)</u>	<u>2,911</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Investment income, net	<u>47</u>	<u>7</u>	<u>6</u>	<u>60</u>
Net cash provided by investing activities	<u>47</u>	<u>7</u>	<u>6</u>	<u>60</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers in	-	250	-	250
Transfers out	<u>(203)</u>	<u>-</u>	<u>-</u>	<u>(203)</u>
Net cash provided (used) by noncapital financing activities	<u>(203)</u>	<u>250</u>	<u>-</u>	<u>47</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,318	41	(341)	3,018
CASH AND CASH EQUIVALENTS, beginning of year	<u>15,675</u>	<u>2,444</u>	<u>2,555</u>	<u>20,674</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 18,993</u>	<u>\$ 2,485</u>	<u>\$ 2,214</u>	<u>\$ 23,692</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 3,053	\$ (309)	\$ (386)	\$ 2,358
Changes in assets and liabilities:				
Supplies and prepaid items	(10)	-	-	(10)
Other receivables	(277)	-	(3)	(280)
Accounts payable	41	16	(15)	42
Other liabilities	664	77	57	798
Unearned revenue	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
Net cash provided (used) by operating activities	<u>\$ 3,474</u>	<u>\$ (216)</u>	<u>\$ (347)</u>	<u>\$ 2,911</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 and restricted assets of cash and investments held in the registry of the court and securities posted by bondsmen to secure bail bonds.

COMMUNITY SUPERVISION & CORRECTIONS FUND

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

TARRANT COUNTY, TEXAS

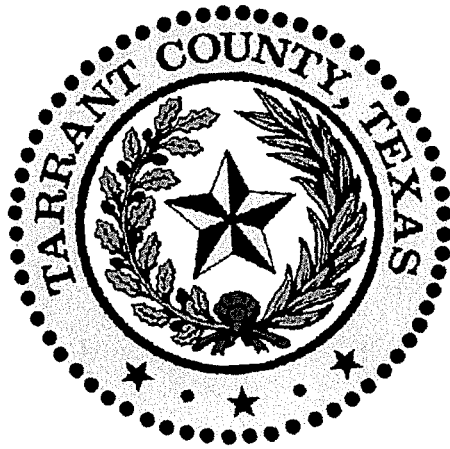
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

<u>ASSETS</u>	<u>Payroll Clearing</u>	<u>Fee Office</u>	<u>Community Supervision & Corrections</u>	<u>Total</u>
Current assets:				
Cash, cash equivalents, and investments	\$ 4,664	\$ 37,909	\$ 7,863	\$ 50,436
Other receivables	41	2	101	144
Restricted assets	-	60,756	-	60,756
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 4,705</u>	<u>\$ 98,667</u>	<u>\$ 7,964</u>	<u>\$ 111,336</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 5	\$ -	\$ 1,246	\$ 1,251
Due to third parties	4,700	98,667	6,718	110,085
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>\$ 4,705</u>	<u>\$ 98,667</u>	<u>\$ 7,964</u>	<u>\$ 111,336</u>

TARRANT COUNTY, TEXAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITES - AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 (AMOUNTS IN THOUSANDS)

	October 1, 2014	Additions	Deletions	Balance September 30, 2015
PAYROLL CLEARING:				
Cash, cash equivalents, and investments	\$ 3,979	\$ 131,130	\$ 130,445	\$ 4,664
Other receivables	58	55	72	41
	<u>\$ 4,037</u>	<u>\$ 131,185</u>	<u>\$ 130,517</u>	<u>\$ 4,705</u>
Accounts payable	\$ 5	\$ -	\$ -	\$ 5
Due to third parties	4,032	131,185	130,517	4,700
	<u>\$ 4,037</u>	<u>\$ 131,185</u>	<u>\$ 130,517</u>	<u>\$ 4,705</u>
FEE OFFICE:				
Cash, cash equivalents, and investments	\$ 35,258	\$ 3,874,480	\$ 3,871,829	\$ 37,909
Other receivables	2	-	-	2
Restricted assets	70,283	52,077	61,604	60,756
	<u>\$ 105,543</u>	<u>\$ 3,926,557</u>	<u>\$ 3,933,433</u>	<u>\$ 98,667</u>
Accounts payable	\$ -	\$ 43	\$ 43	\$ -
Due to third parties	105,543	3,926,514	3,933,390	98,667
	<u>\$ 105,543</u>	<u>\$ 3,926,557</u>	<u>\$ 3,933,433</u>	<u>\$ 98,667</u>
COMMUNITY SUPERVISION & CORRECTIONS:				
Cash, cash equivalents, and investments	\$ 8,291	\$ 22,731	\$ 23,159	\$ 7,863
Other receivables	77	2,026	2,002	101
	<u>\$ 8,368</u>	<u>\$ 24,757</u>	<u>\$ 25,161</u>	<u>\$ 7,964</u>
Accounts payable	\$ 1,066	\$11,995	\$ 11,815	\$ 1,246
Due to third parties	7,302	12,762	13,346	6,718
	<u>\$ 8,368</u>	<u>\$ 24,757</u>	<u>\$ 25,161</u>	<u>\$ 7,964</u>
TOTAL:				
Cash, cash equivalents, and investments	\$ 47,528	\$ 4,028,341	\$ 4,025,433	\$ 50,436
Other receivables	137	2,081	2,074	144
Restricted assets	70,283	52,077	61,604	60,756
	<u>\$ 117,948</u>	<u>\$ 4,082,499</u>	<u>\$ 4,089,111</u>	<u>\$ 111,336</u>
Accounts payable	\$ 1,071	\$ 12,038	\$ 11,858	\$ 1,251
Due to third parties	116,877	4,070,461	4,077,253	110,085
	<u>\$ 117,948</u>	<u>\$ 4,082,499</u>	<u>\$ 4,089,111</u>	<u>\$ 111,336</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
FINANCIAL TRENDS	122
<p>These schedules contain trend information to aid in understanding how the County's financial performance and well being have changed over time.</p> <p>The first three schedules relate to government wide; the remaining schedules relate to fund information.</p>	
REVENUE CAPACITY	132
<p>These schedules contain information to aid in assessing the factors affecting the County's ability to generate its property taxes, its most significant local revenue source.</p>	
DEBT CAPACITY	138
<p>These schedules present information to aid in assessing the County's current debt levels and its ability to issue additional debt in the future.</p>	
DEMOGRAPHIC AND ECONOMIC INFORMATION	146
<p>These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.</p>	
OPERATING INFORMATION	148
<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)

	FISCAL YEAR				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:					
Net investment in capital assets	\$ 180,820	\$ 195,824	\$ 185,168	\$ 200,501	\$ 236,273
Restricted	-	-	-	-	15,784
Unrestricted	90,495	114,985	147,789	144,382	84,830
Total governmental activities net position	<u>\$ 271,315</u>	<u>\$ 310,809</u>	<u>\$ 332,957</u>	<u>\$ 344,883</u>	<u>\$ 336,887</u>
Business-type activities:					
Net investment in capital assets	\$ 5,800	\$ 5,501	\$ 5,229	\$ 5,560	\$ 5,282
Unrestricted	(1,955)	(1,835)	340	(16)	481
Total business-type activities net position	<u>\$ 3,845</u>	<u>\$ 3,666</u>	<u>\$ 5,569</u>	<u>\$ 5,544</u>	<u>\$ 5,763</u>
Primary government:					
Net investment in capital assets	\$ 186,620	\$ 201,325	\$ 190,397	\$ 206,061	\$ 241,555
Restricted	-	-	-	-	15,784
Unrestricted	88,540	113,150	148,129	144,366	85,311
Total primary government net position	<u>\$ 275,160</u>	<u>\$ 314,475</u>	<u>\$ 338,526</u>	<u>\$ 350,427</u>	<u>\$ 342,650</u>

TABLE I

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 224,257	\$ 213,102	\$ 187,832	\$ 214,058	\$ 205,217
16,507	17,780	20,967	23,439	35,733
66,016	19,401	11,749	12,510	(211,929)
<u>\$ 306,780</u>	<u>\$ 250,283</u>	<u>\$ 220,548</u>	<u>\$ 250,007</u>	<u>\$ 29,021</u>
\$ 5,645	\$ 5,256	\$ 4,922	\$ 4,567	\$ 4,302
988	1,043	1,519	1,638	843
<u>\$ 6,633</u>	<u>\$ 6,299</u>	<u>\$ 6,441</u>	<u>\$ 6,205</u>	<u>\$ 5,145</u>
\$ 229,902	\$ 218,358	\$ 192,754	\$ 218,625	\$ 209,519
16,507	17,780	20,967	23,439	35,733
67,004	20,444	13,268	14,148	(211,086)
<u>\$ 313,413</u>	<u>\$ 256,582</u>	<u>\$ 226,989</u>	<u>\$ 256,212</u>	<u>\$ 34,166</u>

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

	FISCAL YEAR				
	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
General government	\$ 104,005	\$ 105,708	\$ 119,234	\$ 132,725	\$ 126,700
Public safety	91,152	99,860	109,282	111,314	118,807
Transportation support	28,734	33,753	42,741	44,690	42,121
Judicial	118,003	124,066	137,287	142,450	150,002
Community services	62,192	62,437	72,088	78,814	91,269
Interest and fiscal charges	6,853	9,529	11,751	14,966	14,612
Total governmental activities expenses	<u>410,939</u>	<u>435,353</u>	<u>492,383</u>	<u>524,959</u>	<u>543,511</u>
Business-type activities:					
Resource Connection	2,793	2,854	3,077	3,138	3,048
Total primary government expenses	<u>413,732</u>	<u>438,207</u>	<u>495,460</u>	<u>528,097</u>	<u>546,559</u>
Program Revenues (1)					
Governmental activities:					
Fees, Fines, and Charges for Services	93,164	98,334	104,965	103,120	103,510
Operating Grants and Contributions	59,803	62,090	76,291	89,858	90,914
Capital Grants and Contributions	16,909	7,512	6,740	3,597	1,566
Total governmental activities program revenues	<u>169,876</u>	<u>167,936</u>	<u>187,996</u>	<u>196,575</u>	<u>195,990</u>
Business-type activities:					
Resource Connection	4,375	2,662	4,940	2,923	2,880
Total primary government program revenues	<u>174,251</u>	<u>170,598</u>	<u>192,936</u>	<u>199,498</u>	<u>198,870</u>
Net (Expenses)/Revenue					
Governmental activities	(241,063)	(267,417)	(304,387)	(328,384)	(347,521)
Business-type activities	1,582	(192)	1,863	(215)	(168)
Total primary government net expenses	<u>\$ (239,481)</u>	<u>\$ (267,609)</u>	<u>\$ (302,524)</u>	<u>\$ (328,599)</u>	<u>\$ (347,689)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 260,572	\$ 282,491	\$ 303,474	\$ 321,868	\$ 327,566
Alcoholic beverage and bingo taxes	5,652	6,154	6,023	6,819	7,217
Unrestricted investment earnings	9,368	15,834	12,287	8,937	2,090
Other general revenue	2,062	2,432	4,751	2,686	2,652
Total governmental activities	<u>277,654</u>	<u>306,911</u>	<u>326,535</u>	<u>340,310</u>	<u>339,525</u>
Business-type activities:					
Unrestricted investment earnings	12	13	40	45	16
Other general revenue	-	-	-	145	371
Total business-type activities	<u>12</u>	<u>13</u>	<u>40</u>	<u>190</u>	<u>387</u>
Total primary government	<u>277,666</u>	<u>306,924</u>	<u>326,575</u>	<u>340,500</u>	<u>339,912</u>
Changes in Net Position					
Governmental activities	36,591	39,494	22,148	11,926	(7,996)
Business-type activities	1,594	(179)	1,903	(25)	219
Total primary government	<u>\$ 38,185</u>	<u>\$ 39,315</u>	<u>\$ 24,051</u>	<u>\$ 11,901</u>	<u>\$ (7,777)</u>

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

TABLE II

2011	2012	2013	2014	2015
\$ 124,555	\$ 127,322	\$ 130,932	\$ 127,883	\$ 143,920
120,881	129,313	133,199	127,787	132,926
54,329	48,559	40,820	32,234	38,500
150,841	157,358	160,619	157,483	162,219
84,066	79,934	82,852	78,405	82,042
15,108	15,112	14,140	14,124	16,066
<u>549,780</u>	<u>557,598</u>	<u>562,562</u>	<u>537,916</u>	<u>575,673</u>
3,024	3,351	3,158	3,699	3,735
<u>552,804</u>	<u>560,949</u>	<u>565,720</u>	<u>541,615</u>	<u>579,408</u>
110,503	96,785	118,963	119,321	126,633
77,519	72,934	76,631	80,696	88,776
3,339	3,505	1,144	347	1,728
<u>191,361</u>	<u>173,224</u>	<u>196,738</u>	<u>200,364</u>	<u>217,137</u>
2,745	2,626	2,962	3,138	3,092
<u>194,106</u>	<u>175,850</u>	<u>199,700</u>	<u>203,502</u>	<u>220,229</u>
(358,419)	(384,374)	(365,824)	(337,552)	(358,536)
(279)	(725)	(196)	(561)	(643)
<u>\$ (358,698)</u>	<u>\$ (385,099)</u>	<u>\$ (366,020)</u>	<u>\$ (338,113)</u>	<u>\$ (359,179)</u>
\$ 315,441	\$ 317,016	\$ 325,106	\$ 335,242	\$ 350,708
7,646	6,392	6,694	9,110	11,136
2,098	825	816	1,151	1,134
3,127	3,644	3,473	5,205	4,322
<u>328,312</u>	<u>327,877</u>	<u>336,089</u>	<u>350,708</u>	<u>367,300</u>
10	4	4	5	5
1,139	387	334	320	195
<u>1,149</u>	<u>391</u>	<u>338</u>	<u>325</u>	<u>200</u>
<u>329,461</u>	<u>328,268</u>	<u>336,427</u>	<u>351,033</u>	<u>367,500</u>
(30,107)	(56,497)	(29,735)	13,156	8,764
870	(334)	142	(236)	(443)
<u>\$ (29,237)</u>	<u>\$ (56,831)</u>	<u>\$ (29,593)</u>	<u>\$ 12,920</u>	<u>\$ 8,321</u>

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

Function/Program	FISCAL YEAR				
	2006	2007	2008	2009	2010
Fees, Fines, and Charges for Services					
Governmental:					
General government	\$ 47,244	\$ 50,630	\$ 53,905	\$ 51,847	\$ 49,983
Public safety	3,375	4,293	4,532	3,052	3,607
Transportation support	-	-	-	-	-
Judicial	30,030	31,446	33,104	33,352	35,005
Community services	12,515	11,965	13,424	14,869	14,915
Total Governmental	93,164	98,334	104,965	103,120	103,510
Business-type	2,404	2,662	4,940	2,923	2,880
Total Fees, Fines and Charges for Service	<u>\$ 95,568</u>	<u>\$ 100,996</u>	<u>\$ 109,905</u>	<u>\$ 106,043</u>	<u>\$ 106,390</u>
Operating Grants and Contributions					
Governmental:					
General government	\$ 1,322	\$ 2,076	\$ 7,443	\$ 15,709	\$ 7,961
Public safety	1,358	2,630	3,707	3,435	3,308
Transportation support	-	33	49	30	75
Judicial	10,647	12,126	12,579	12,061	11,968
Community services	46,476	45,225	52,513	58,623	67,602
Total Governmental	59,803	62,090	76,291	89,858	90,914
Total Operating Grants and Contributions	<u>\$ 59,803</u>	<u>\$ 62,090</u>	<u>\$ 76,291</u>	<u>\$ 89,858</u>	<u>\$ 90,914</u>
Capital Grants and Contributions					
Governmental:					
General government	\$ 5,971	\$ 2,074	\$ -	\$ 1,326	\$ 302
Public safety	534	237	136	61	195
Transportation support	10,384	4,744	6,597	2,001	173
Judicial	20	457	7	4	477
Community services	-	-	-	205	419
Total Governmental	16,909	7,512	6,740	3,597	1,566
Business-type	1,971	-	-	-	-
Total Capital Grants and Contributions	<u>\$ 18,880</u>	<u>\$ 7,512</u>	<u>\$ 6,740</u>	<u>\$ 3,597</u>	<u>\$ 1,566</u>
Total Program Revenues					
Governmental:					
General government	\$ 54,537	\$ 54,780	\$ 61,348	\$ 68,882	\$ 58,246
Public safety	5,267	7,160	8,375	6,548	7,110
Transportation support	10,384	4,777	6,646	2,031	248
Judicial	40,697	44,029	45,690	45,417	47,450
Community services	58,991	57,190	65,937	73,697	82,936
Total Governmental	169,876	167,936	187,996	196,575	195,990
Business-type	4,375	2,662	4,940	2,923	2,880
Total Program Revenues	<u>\$ 174,251</u>	<u>\$ 170,598</u>	<u>\$ 192,936</u>	<u>\$ 199,498</u>	<u>\$ 198,870</u>

TABLE III

2011	2012	2013	2014	2015
\$ 51,078	\$ 39,776	\$ 44,789	\$ 47,345	\$ 51,688
5,274	5,884	6,383	6,621	6,915
-	19,633	19,419	18,851	17,449
39,104	14,954	30,646	29,311	28,103
15,047	16,538	17,726	17,193	22,478
110,503	96,785	118,963	119,321	126,633
2,745	2,626	2,962	3,138	3,092
<u>\$ 113,248</u>	<u>\$ 99,411</u>	<u>\$ 121,925</u>	<u>\$ 122,459</u>	<u>\$ 129,725</u>
\$ 744	\$ 2,499	\$ 1,962	\$ 2,263	\$ 8,873
3,359	3,818	3,896	3,892	3,902
33	33	153	217	137
12,094	11,186	11,390	12,614	11,626
61,289	55,398	59,230	61,710	64,238
77,519	72,934	76,631	80,696	88,776
<u>\$ 77,519</u>	<u>\$ 72,934</u>	<u>\$ 76,631</u>	<u>\$ 80,696</u>	<u>\$ 88,776</u>
\$ 2,163	\$ 1,080	\$ 1,083	\$ -	\$ -
593	156	33	325	229
446	2,166	28	-	1,392
76	-	-	22	107
61	103	-	-	-
3,339	3,505	1,144	347	1,728
-	-	-	-	-
<u>\$ 3,339</u>	<u>\$ 3,505</u>	<u>\$ 1,144</u>	<u>\$ 347</u>	<u>\$ 1,728</u>
\$ 53,985	\$ 43,355	\$ 47,834	\$ 49,608	\$ 60,561
9,226	9,858	10,312	10,838	11,046
479	21,832	19,600	19,068	18,978
51,274	26,140	42,036	41,947	39,836
76,397	72,039	76,956	78,903	86,716
191,361	173,224	196,738	200,364	217,137
2,745	2,626	2,962	3,138	3,092
<u>\$ 194,106</u>	<u>\$ 175,850</u>	<u>\$ 199,700</u>	<u>\$ 203,502</u>	<u>\$ 220,229</u>

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

	FISCAL YEAR				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved:					
For encumbrances	\$ 3,667	\$ 1,549	\$ 2,995	\$ 2,743	\$ 3,401
For supplies and prepaid items	794	865	761	800	878
For long-term receivable	6,630	6,115	5,570	4,995	4,390
Unreserved	41,708	44,975	38,347	39,802	56,306
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>\$ 52,799</u>	<u>\$ 53,504</u>	<u>\$ 47,673</u>	<u>\$ 48,340</u>	<u>\$ 64,975</u>
All Other Governmental Funds					
Reserved:					
For debt service	\$ 1,739	\$ 1,020	\$ 492	\$ 895	\$ 1,611
For capital projects	120,068	159,179	243,413	238,905	178,068
For encumbrances	7,191	19,482	47,394	41,657	129,155
For supplies and prepaid items	819	1,289	825	1,073	961
For long-term receivable	2,099	2,099	2,099	2,099	2,099
Unreserved, reported in:					
Special revenue funds	25,584	31,261	27,761	23,774	28,072
Nonspendable	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>\$ 157,500</u>	<u>\$ 214,330</u>	<u>\$ 321,984</u>	<u>\$ 308,403</u>	<u>\$ 339,966</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

	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
\$	4,619	\$ 4,002	\$ 3,409	\$ 2,442	\$ 1,703
	292	63	603	307	244
	17,868	23,276	25,015	27,578	26,917
	36,642	38,499	49,101	48,616	52,580
\$	<u>59,421</u>	<u>\$ 65,840</u>	<u>\$ 78,128</u>	<u>\$ 78,943</u>	<u>\$ 81,444</u>
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
\$	721	\$ 596	\$ 1,107	\$ 2,604	\$ 2,321
	185,117	145,765	146,653	114,877	153,572
	68,129	73,574	80,443	78,467	90,117
	3,730	3,352	3,357	3,488	3,597
	-	-	-	(1,482)	(1,462)
\$	<u>257,697</u>	<u>\$ 223,287</u>	<u>\$ 231,560</u>	<u>\$ 197,954</u>	<u>\$ 248,145</u>

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

	FISCAL YEAR				
	2006	2007	2008	2009	2010
Revenues:					
Taxes	\$ 260,357	\$ 283,255	\$ 299,894	\$ 320,593	\$ 327,003
Licenses and permits	723	804	793	903	1,159
Fees of office	67,853	72,136	74,607	70,615	66,743
Intergovernmental	85,597	83,485	100,006	117,658	119,163
Investment income	9,368	15,834	12,287	8,937	2,090
Other revenues	13,101	16,677	17,567	17,407	17,288
Total revenues	436,999	472,191	505,154	536,113	533,446
Expenditures:					
Current:					
General government	81,601	85,970	98,866	111,307	105,412
Public safety	88,307	96,449	102,676	105,151	107,190
Transportation support	24,194	22,210	29,376	28,734	21,313
Judicial	116,480	122,612	132,500	138,962	140,845
Community services	58,398	58,740	66,138	73,164	83,369
Capital outlay	38,782	48,385	49,077	52,908	53,037
Debt service:					
Principal payments	20,825	23,795	25,905	24,285	21,185
Interest and fiscal charges	6,430	9,368	11,469	15,048	15,207
Bond issuance costs	-	-	-	-	254
Total expenditures	435,017	467,529	516,007	549,559	547,812
Excess (deficiency) of revenues over (under) expenditures	1,982	4,662	(10,853)	(13,446)	(14,366)
Other Financing Sources (Uses):					
Transfers in	24,339	34,078	42,951	35,194	23,305
Transfers out	(24,664)	(35,087)	(42,606)	(34,662)	(23,009)
Proceeds from capital lease	-	-	-	-	-
Issuance of debt	89,990	52,510	107,480	-	55,315
Premium on new debt	3,342	1,372	5,422	-	7,196
Discount on new debt	-	-	(571)	-	(300)
Refunding bonds issued	-	-	-	-	14,730
Premium on refunding bonds	-	-	-	-	2,363
Discount on refunding bonds	-	-	-	-	(78)
Payment to refunded bond escrow agent	-	-	-	-	(16,958)
Total other financing sources (uses)	93,007	52,873	112,676	532	62,564
Change in fund balance	\$ 94,989	\$ 57,535	\$ 101,823	\$ (12,914)	\$ 48,198
Debt Service as a percentage of noncapital expenditures	6.6%	7.6%	7.7%	7.6%	7.1%

TABLE V

2011	2012	2013	2014	2015
\$ 316,206	\$ 323,034	\$ 326,100	\$ 333,417	\$ 351,233
851	1,137	983	1,078	1,435
69,515	73,432	80,247	81,740	85,429
107,945	100,345	104,592	112,639	121,625
2,098	825	816	1,151	1,134
18,509	19,868	24,990	21,240	19,225
515,124	518,641	537,728	551,265	580,081
98,733	100,997	105,773	111,910	117,878
109,744	112,139	115,081	118,983	123,359
22,936	20,723	19,548	20,451	23,136
143,531	144,477	147,520	152,770	158,622
77,230	70,643	73,433	74,836	77,537
114,674	67,715	64,269	70,370	62,106
20,420	17,325	16,140	18,815	18,645
15,964	16,110	15,574	15,508	16,128
-	-	-	-	-
603,232	550,129	557,338	583,643	597,411
(88,108)	(31,488)	(19,610)	(32,378)	(17,330)
30,031	27,266	27,507	29,040	39,303
(29,746)	(26,139)	(27,782)	(29,453)	(39,350)
-	2,370	184	-	3,783
-	-	36,940	-	61,095
-	-	3,361	-	4,677
-	-	(163)	-	-
-	-	35,320	-	88,960
-	-	4,703	-	4,566
-	-	(148)	-	-
-	-	(39,751)	-	(93,012)
285	3,497	40,171	(413)	70,022
\$ (87,823)	\$ (27,991)	\$ 20,561	\$ (32,791)	\$ 52,692
6.9%	6.5%	6.1%	6.5%	6.2%

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

Tarrant County Direct Rates				
Fiscal Year	Operating Fund	Debt Service Fund	Tarrant County Hospital District	Total Direct Rate
2006	\$ 0.245376	\$ 0.027124	\$ 0.235397	\$ 0.507897
2007	0.241664	0.029836	0.235397	0.506897
2008	0.234866	0.031634	0.230397	0.496897
2009	0.232187	0.031813	0.227897	0.491897
2010	0.234823	0.029177	0.227897	0.491897
2011	0.234621	0.029379	0.227897	0.491897
2012	0.237071	0.026929	0.227897	0.491897
2013	0.239938	0.024062	0.227897	0.491897
2014	0.236828	0.027172	0.227897	0.491897
2015	0.237300	0.026700	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

Overlapping Rates (1)					
Tarrant County College District		Tarrant Regional Water District		Emergency Service District	
\$	0.139380	\$	0.020000	\$	0.069350
	0.139380		0.020000		0.069000
	0.139380		0.020000		0.064000
	0.137960		0.020000		0.064000
	0.137670		0.020000		0.064000
	0.137640		0.020000		0.064000
	0.148970		0.020000		0.064000
	0.148970		0.020000		0.064000
	0.149500		0.020000		0.080000
	0.149500		0.020000		0.080000

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

TABLE VII

Fiscal Year Ended September 30	Assessed Real Property	Assessed Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate (1)
2006	\$ 97,462,235	\$ 18,564,235	\$ 19,896,195	\$ 96,130,275	\$ 0.507897
2007	108,005,011	20,280,725	23,149,967	105,135,769	0.506897
2008	116,141,002	22,316,843	24,527,707	113,930,138	0.496897
2009	123,575,202	25,016,550	25,133,830	123,457,922	0.491897
2010	126,395,312	26,776,981	26,927,226	126,245,067	0.491897
2011	122,408,926	24,737,656	26,185,517	120,961,065	0.491897
2012	124,086,966	25,696,928	27,031,749	122,752,145	0.491897
2013	127,033,164	26,185,771	28,901,268	124,317,667	0.491897
2014	131,382,684	26,034,219	29,839,866	127,577,037	0.491897
2015	140,621,096	25,012,208	31,439,252	134,194,052	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					
	2015			2006		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 996,541	1	0.74%			
XTO Energy Inc.	691,816	2	0.52			
Walmart Real Estate Bus. Trust	474,104	3	0.35			
Chesapeake Operating	472,698	4	0.35			
American Airlines	415,467	5	0.31	\$ 457,700	3	0.48%
Barnett Gathering LP	400,982	6	0.30			
Bell Helicopter Textron	368,852	7	0.27	178,589	8	0.19
Devon Energy Food Co.	322,886	8	0.24			
General Motors	305,558	9	0.23			
Opryland Hotel	252,604	10	0.19	294,335	4	0.31
TXU/Oncor Electric				831,871	1	0.87
Southwestern Bell				543,295	2	0.57
Albertson, Inc.				254,107	5	0.26
Wal-Mart Stores Texas LP				216,494	6	0.23
CAE Simuflite				179,429	7	0.19
Alcon Laboratories				175,259	9	0.18
Grapevine Mills Ltd. Partnership				164,625	10	0.17
	<u>\$ 4,701,508</u>		<u>3.50%</u>	<u>\$ 3,295,704</u>		<u>3.43%</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	
2006	\$ 261,955	\$ (350)	\$ 261,605	\$ 257,648	98.36%	\$ 3,418
2007	285,433	(700)	284,733	280,951	98.43%	3,233
2008	303,624	(85)	303,539	299,681	98.70%	3,249
2009	325,929	(195)	325,734	321,181	98.54%	3,818
2010	333,272	(306)	332,966	328,774	98.65%	3,358
2011	319,354	(28)	319,326	315,758	98.87%	2,750
2012	324,066	(25)	324,041	320,705	98.96%	2,436
2013	328,199	(440)	327,759	324,960	99.01%	1,647
2014	336,803	(249)	336,554	333,806	99.11%	1,110
2015	354,272	-	354,272	350,698	98.99%	-

Source: Tarrant County Tax Office and Tarrant Appraisal District

Total Collections		
Amount	Percentage of Levy	
\$ 261,066	99.79%	
284,184	99.81%	
302,930	99.80%	
324,999	99.77%	
332,132	99.75%	
318,508	99.74%	
323,141	99.72%	
326,607	99.65%	
334,916	99.51%	
350,698	98.99%	

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Certificates Of Obligation</u>	<u>Limited Tax Refunding</u>	<u>Non-Taxable Tax Notes</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>
2006	\$ 110,863	\$ 7,880	\$ 85,217	\$ 37,166	-	\$ 241,126
2007	159,553	4,015	77,203	30,181	-	270,952
2008	265,051	-	70,315	21,521	-	356,887
2009	253,393	-	66,073	12,586	-	332,052
2010	226,980	-	139,287	5,947	-	372,214
2011	216,827	-	132,318	1,727	-	350,872
2012	206,334	-	126,344	-	\$ 2,325	335,003
2013 (3)	196,521	-	158,983	-	1,920	357,424
2014	186,343	-	152,406	-	1,304	340,053
2015	91,551	-	295,620	-	4,441	391,612

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 2014.
- (3) County implemented GASB 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Amounts prior to 2013 have not been restated for the implementation of Statement 63.

TABLE X

<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
0.39	\$ 141.65
0.40	155.27
0.52	200.48
0.49	183.68
0.52	205.75
0.47	193.02
0.43	182.94
0.43	192.27
0.38	176.07
0.44 (2)	199.86

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Certificates Of Obligation</u>	<u>Limited Tax Refunding</u>	<u>Non-Taxable Tax Notes</u>	<u>Total Primary Government</u>	<u>Less: Amount Available In Debt Service Fund</u>	<u>Total</u>
2006	\$ 110,863	\$ 7,880	\$ 85,217	\$ 37,166	\$ 241,126	\$ 1,739	\$ 239,387
2007	159,553	4,015	77,203	30,181	270,952	1,020	269,932
2008	265,051	-	70,315	21,521	356,887	492	356,395
2009	253,393	-	66,073	12,586	332,052	895	331,157
2010	226,980	-	139,287	5,947	372,214	1,611	370,603
2011	216,827	-	132,318	1,727	350,872	1,482	349,390
2012	206,334	-	126,344		332,678	1,626	331,052
2013 (3)	196,521	-	158,983	-	355,504	486	355,018
2014	186,343	-	152,406	-	338,749	1,112	337,637
2015	91,551	-	295,620	-	387,171	1,151	386,020

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

- (1) See Schedule of Assessed and Actual Value of Taxable Property Table VII for property value data.
- (2) See Schedule of Demographic and Economic Statistics Table XIV for personal income and population data.
- (3) County implemented GASB 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Amounts prior to 2013 have not been restated for the implementation of GASB Statement 63.

TABLE XI

<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
0.25%	\$ 140.63
0.26%	154.68
0.31%	200.21
0.27%	183.19
0.29%	204.86
0.29%	192.20
0.27%	180.78
0.29%	190.98
0.26%	174.82
0.29%	197.00

TARRANT COUNTY, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2015
(Unaudited)
(Amounts in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt 9/30/2015</u>
Debt repaid with property taxes:			
Special Districts:			
Live Oak Creek Municipal Utility District #1	\$ 5,675	100.00%	\$ 5,675
Viridian Municipal Management District	20,975	100.00%	20,975
County Line Special District:			
Trophy Club Municipal Utility District #1	10,845	23.73%	2,574
Cities:			
Arlington	323,590	100.00%	323,590
Bedford	48,805	100.00%	48,805
Benbrook	10,720	100.00%	10,720
Blue Mound	7,048	100.00%	7,048
Colleyville	10,025	100.00%	10,025
Dalworthington Gardens	2,035	100.00%	2,035
Euless	35,340	100.00%	35,340
Everman	3,385	100.00%	3,385
Forest Hill	7,225	100.00%	7,225
Fort Worth	743,130	97.27%	722,843
Haltom City	55,920	100.00%	55,920
Haslet	8,575	100.00%	8,575
Hurst	65,840	100.00%	65,840
Keller	78,649	100.00%	78,649
Kennedale	14,470	100.00%	14,470
Lake Worth	16,705	100.00%	16,705
North Richland Hills	143,480	100.00%	143,480
Pantego	120	100.00%	120
Pelican Bay	1,318	100.00%	1,318
Richland Hills	12,471	100.00%	12,471
Saginaw	30,420	100.00%	30,420
Sansom Park	1,737	100.00%	1,737
Watauga	22,995	100.00%	22,995
Westworth Village	9,450	100.00%	9,450
White Settlement	25,665	100.00%	25,665
County Line Cities:			
Azle	5,985	81.40%	4,872
Burleson	131,285	21.44%	28,148

Note: Overlapping rates are those of local and county governments that apply to property owners within the County. Not all overlapping rates apply to all County property owners (e.g., the rates for the special districts apply only to the portion of the County's property owners whose property is located within the geographic boundaries of the special district.)

TABLE XII

<u>Governmental Unit (cont'd)</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt 9/30/2015</u>
Crowley	\$ 23,775	99.67%	\$ 23,697
Flower Mound	132,220	1.87%	2,473
Grand Prairie	216,410	50.25%	108,746
Grapevine	144,159	97.35%	140,339
Mansfield	108,830	95.07%	103,465
Reno	445	3.75%	17
Southlake	130,900	97.74%	127,942
Trophy Club	13,679	5.65%	773
Westlake	28,232	98.84%	27,905
School Districts:			
Arlington Independent School District	759,612	100.00%	759,612
Birdville Independent School District	256,162	100.00%	256,162
Carroll Independent School District	216,608	100.00%	216,608
Castleberry Independent School District	45,935	100.00%	45,935
Eagle Mountain Saginaw Independent School District	577,888	100.00%	577,888
Everman Independent School District	89,695	100.00%	89,695
Fort Worth Independent School District	782,490	100.00%	782,490
Hurst Euless Bedford Independent School District	274,883	100.00%	274,883
Keller Independent School District	771,228	100.00%	771,228
Kennedale Independent School District	41,169	100.00%	41,169
Lake Worth Independent School District	72,324	100.00%	72,324
White Settlement Independent School District	163,571	100.00%	163,571
County Line School Districts:			
Aledo Independent School District	185,621	5.82%	10,803
Azle Independent School District	34,895	61.58%	21,488
Burleson Independent School District	297,496	34.67%	103,142
Crowley Independent School District	328,627	98.87%	324,914
Godley Independent School District	30,453	8.49%	2,585
Grapevine Colleyville Independent School District	326,820	86.94%	284,137
Lewisville Independent School District	1,177,472	0.42%	4,945
Mansfield Independent School District	788,320	94.92%	748,273
Northwest Independent School District	765,547	44.94%	344,038
Sub-total Overlapping Debt			<u>8,152,322</u>
Tarrant County (direct debt)	387,171	100.00%	387,171
Tarrant County Hospital District (direct debt)	23,440	100.00%	23,440
Total Direct and Overlapping Debt			<u>\$ 8,562,933</u>

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

	FISCAL YEAR				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 4,806,514	\$ 5,256,788	\$ 5,696,507	\$ 6,172,896	\$ 6,312,253
Total net debt applicable to limit	<u>239,387</u>	<u>269,932</u>	<u>356,395</u>	<u>331,157</u>	<u>370,603</u>
Legal debt margin	<u>\$ 4,567,127</u>	<u>\$ 4,986,856</u>	<u>\$ 5,340,112</u>	<u>\$ 5,841,739</u>	<u>\$ 5,941,650</u>
Total net debt applicable to the limit as a percentage of debt limit	4.98%	5.13%	6.26%	5.36%	5.87%

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

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

TABLE XIII

<u>2011</u>	<u>2012</u>	<u>2013 (2)</u>	<u>2014</u>	<u>2015</u>
\$ 6,048,053	\$ 6,137,607	\$ 6,215,883	\$ 6,378,852	\$ 6,709,703
<u>349,390</u>	<u>331,052</u>	<u>355,018</u>	<u>337,637</u>	<u>386,020</u>
<u>\$ 5,698,663</u>	<u>\$ 5,806,555</u>	<u>\$ 5,860,865</u>	<u>\$ 6,041,215</u>	<u>\$ 6,323,683</u>
5.78%	5.39%	5.71%	5.29%	5.75%

Legal Debt Margin Calculation (1) for Fiscal Year 2015

Assessed value	\$ 134,194,052
Debt Limit (5% of total assessed value)	6,709,703
Debt applicable to limit:	
Total General Bonded debt	387,171
Less: Amount available in Debt Service Fund	<u>(1,151)</u>
Total net debt applicable to limit	<u>386,020</u>
Legal debt margin	<u>\$ 6,323,683</u>

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

TABLE XIV

Fiscal Year	Population (1)	Personal Income (Amounts in thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)	Public School Enrollment (4)
2006	1,702,250	\$ 62,373,845	\$ 36,642	4.6%	312,524
2007	1,745,050	67,250,737	38,538	4.3	318,324
2008	1,780,150	69,279,878	38,918	5.1	323,703
2009	1,807,750	67,911,744	37,567	8.2	329,402
2010	1,809,034	71,216,241	39,367	7.9	336,266
2011	1,817,840	74,467,816	40,965	8.3	342,813
2012	1,831,230	78,823,464	43,044	6.2	347,573
2013	1,858,921	82,567,694	44,417	6.0	353,806
2014	1,931,335	89,167,806	46,169	5.0	357,126
2015	1,959,449	NA	NA	4.0	355,833

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>2015 (1)</u>			<u>2006 (2)</u>		
	Employees	Rank	% of Total Tarrant County Employment	Employees	Rank	% of Total Tarrant County Employment
AMR Corp./American Airlines	24,000	1	2.52%	24,277	1	2.96%
Lockheed Martin Aeronautics Company	13,690	2	1.44	15,085	2	1.84
Fort Worth Independent School District	12,000	3	1.26	10,172	3	1.24
Texas Health Resources	12,000	4	1.26	8,051	5	0.98
NAS Fort Worth JRB	11,000	5	1.15			
City of Fort Worth	6,161	6	0.65	5,809	9	0.71
JPS Health Network	6,000	7	0.63			
Alcon Laboratories Inc.	5,922	8	0.62			
Cook Children's Health Care System	5,876	9	0.62			
Tarrant County College	5,625	10	0.59			
Wal-Mart				9,042	4	1.10
Arlington Independent School District				7,981	6	0.97
Albertsons				7,700	7	0.94
Bell Helicopter-Textron				6,048	8	0.74
Tarrant County Government				4,320	10	0.53

Data Sources:

(1) Fort Worth Business Press and Texas Workforce Commission

(2) Star-Telegram and U.S. Department of Labor

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

Function	Full-Time Equivalent Employees as of September 30				
	2006	2007	2008	2009	2010
Governmental activities:					
General government	661	681	701	735	734
Public safety	1,372	1,439	1,441	1,440	1,409
Transportation	197	199	199	203	203
Judicial	1,255	1,289	1,314	1,330	1,343
Community services	444	442	477	483	509
Business-type activities					
Resource Connection	18	18	18	18	13
Total full-time equivalent employees	<u>3,947</u>	<u>4,068</u>	<u>4,150</u>	<u>4,209</u>	<u>4,211</u>

Source: Tarrant County Budget Office

TABLE XVI

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
731	718	726	727	738
1,403	1,428	1,441	1,445	1,467
200	200	201	201	202
1,333	1,336	1,344	1,348	1,369
510	507	512	516	523
<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>15</u>
<u>4,190</u>	<u>4,202</u>	<u>4,238</u>	<u>4,251</u>	<u>4,314</u>

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

FUNCTION	FISCAL YEAR			
	2006	2007	2008	2009
District Clerk				
Civil court cases filed	6,678	6,363	6,491	7,906
Criminal court cases filed	16,290	18,705	17,371	17,013
Family court cases filed (Attorney General cases)	11,526	12,525	15,024	12,551
Family court cases filed (Non-Attorney General cases)	14,332	14,530	15,468	15,219
Juvenile court cases filed	3,163	3,156	2,950	2,717
Tax foreclosure cases filed	3,435	4,179	4,174	4,001
Passport applications accepted	12,005	18,625	17,194	13,932
County Clerk				
County court at law cases filed	10,013	11,001	9,593	9,480
Mental health cases filed	1,922	2,226	2,192	2,599
Probate cases filed	3,721	3,788	3,887	3,672
Birth certificates issued	15,881	17,169	15,740	40,771
Marriage licenses issued	14,015	14,196	13,396	12,708
Justice of the Peace (all precincts)				
Traffic cases	10,762	11,791	11,809	8,883
Non-traffic cases	7,541	7,917	8,353	8,235
Small claims cases	3,229	3,159	3,539	3,693
Landlord/Tenant	23,886	25,109	25,999	26,656
Debt Claims	5,613	6,569	13,023	10,107
Sheriff				
Prisoner bed days in county jail	1,248,639	1,260,588	1,264,725	1,231,751
Public Health				
Chronic disease prevention, average monthly caseload	464	492	544	1,710
Notifiable diseases reported	3,841	5,405	5,990	5,091
Food establishment inspections	5,249	5,430	4,706	5,435
Sexually transmitted disease clinic visits	7,343	7,190	8,226	7,289
Milk and dairy tests	24,184	25,834	23,218	21,671
Tuberculosis DOT/DOPT doses administered	22,047	23,222	21,688	17,645
Women, infants & children visits and immunizations	612,968	624,493	673,445	685,010
Tax Assessor/Collector				
Tax accounts collected	659,911	659,911	676,757	706,300
Contracts with entities for tax collection	52	53	53	54
Transportation				
Miles of roads maintained in un-incorporated areas	394	405	423	422
Inter-local contracts executed/performed	53	61	67	70
Square yards of right of way	13,186,763	13,779,805	14,441,830	14,422,252
Human Services				
Rent vouchers issued	1,659	1,445	1,541	1,676
Utility vouchers issued	14,262	12,758	11,565	10,571
Food/hygiene vouchers issued	2,267	2,399	1,790	2,199

Source: Various County departments

TABLE XVII

2010	2011	2012	2013	2014	2015
7,437	7,556	6,995	6,692	8,752	9,143
15,674	15,507	16,880	17,367	17,167	17,305
12,776	12,958	11,505	15,551	13,285	11,386
15,478	15,045	15,372	14,836	14,821	15,368
2,431	1,687	2,516	2,487	2,175	1,974
3,906	4,820	5,601	2,196	3,541	4,786
13,510	13,249	16,583	25,868	35,659	33,520
9,468	9,981	8,947	8,212	7,480	7,754
2,653	2,841	3,002	2,954	3,096	3,606
3,988	3,875	3,858	4,288	4,353	4,431
44,266	42,591	41,415	45,460	46,979	51,389
13,533	13,397	14,223	14,439	14,754	15,424
8,616	8,286	6,352	5,725	6,660	9,068
6,691	6,788	4,839	5,479	4,842	5,423
3,242	2,988	2,843	2,379	5,558	5,556
28,445	29,230	27,324	27,176	27,511	24,245
9,831	9,637	10,907	11,195	6,609	8,548
1,179,111	1,252,502	1,213,861	1,179,322	1,256,067	1,113,814
1,590	1,091	1,009	947	1,105	1,139
4,319	5,619	5,543	5,057	4,337	4,371
5,661	5,228	6,234	5,752	6,127	7,035
6,638	6,142	6,137	5,939	6,516	7,049
20,649	21,637	18,870	18,468	17,836	17,485
18,342	22,749	16,609	18,192	24,343	20,860
741,208	702,749	686,603	652,496	616,333	605,912
763,957	807,229	834,962	940,493	1,142,980	1,329,246
54	57	56	58	56	58
417	409	412	407	403	402
66	68	91	84	70	70
14,392,994	14,071,312	13,889,638	13,751,279	13,651,932	13,578,587
1,398	1,209	1,133	856	813	588
10,763	7,214	8,158	9,724	10,312	10,408
1,836	872	4,694	1,512	2,331	3,602

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

	FISCAL YEAR			
	2006	2007	2008	2009
General Government				
Number of buildings				
Subcourthouses	8	8	9	9
Courts buildings	6	6	6	6
Other	18	17	17	16
Building square footage	2,915,381	2,903,068	2,976,068	2,937,619
Subcourthouses	245,111	245,111	318,111	318,111
Courts buildings	1,180,289	1,180,289	1,180,289	1,180,289
Other	1,489,981	1,477,668	1,477,668	1,439,219
Public Safety				
Number of jails	4	4	4	4
Building square footage	906,204	907,736	907,736	907,736
Number of patrol vehicles	93	98	97	98
Transportation				
Miles of roads in un-incorporated areas	394	405	423	422
Square yards of right of way	13,186,763	13,779,805	14,441,830	14,422,252
Number of heavy equipment	220	245	247	254
Number of vehicles	492	445	450	506
Judicial				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
Community Services				
Public Health vehicles	36	37	37	38
Resource Connection				
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

2010	2011	2012	2013	2014	2015
9	9	9	8	8	9
6	6	6	5	5	6
16	16	15	14	14	14
2,955,001	3,060,459	3,054,447	2,825,302	2,826,802	3,101,552
317,962	363,420	363,420	346,781	346,781	389,031
1,179,968	1,179,968	1,179,968	1,074,510	1,074,510	1,307,010
1,457,071	1,517,071	1,511,059	1,404,011	1,405,511	1,405,511
4	4	5	5	5	4
907,823	907,823	1,115,523	1,115,523	1,115,523	1,044,755
102	102	102	102	102	102
417	409	412	407	403	402
14,392,994	14,071,312	13,889,638	13,751,279	13,651,932	13,578,587
250	249	251	247	250	258
461	465	475	492	523	516
124,770	124,770	124,770	124,770	124,770	124,770
41	43	43	47	45	44
15	15	15	16	16	16
348,464	348,464	348,464	348,464	348,464	348,464

