

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Subscription Liability

Tarrant County is an end-user for noncancelable subscription-based information technology arrangements (SBITAs). At September 30, 2024, the remaining subscription liability was \$4,339,514. In addition, governmental funds spent \$48,005 in variable subscription payments based on data usage. The SBITAs have incremental borrowing rates ranging from 3.39% to 3.88%.

As of September 30, 2024, the subscription liability principal and interest requirements to maturity are as follows (in thousands):

Fiscal Year(s)	Principal	Interest	Total Principal & Interest
2025	\$ 3,545	\$ 110	\$ 3,655
2026	794	13	807
Total	\$ 4,339	\$ 123	\$ 4,462

See Note 5 for information on right to use subscription assets.

8. LONG-TERM DEBT AND LIABILITIES

General obligation debt, limited tax bonds, and limited tax refunding bonds are generally payable from property tax revenues. Lease and subscription liabilities are payable from the General, Grants, and Other Governmental funds. The net pension liability, total OPEB liability and compensated absences are generally liquidated from the following funds: General, Road and Bridge, Grants, Resource Connection and Other Governmental funds. The self insurance liability will be liquidated from the Self Insurance and Workers Compensation funds. Arbitrage liabilities are typically liquidated by the Capital Project funds.

All the long-term debt was issued to provide funds for the acquisition of land, buildings, materials and supplies, equipment, machinery and motor vehicles and for improvements, renovations, repairs and construction of County buildings, and for purchasing, constructing, reconstructing, renovating, rehabilitating, improving and maintaining streets, roads, highways and bridges within the County, including city, county and state roads, highways and bridges.

On November 2, 2021, the voters of Tarrant County approved a bond proposition for a total of \$400,000,000 to fund reconstructing, renovating, rehabilitating, and improving and maintaining streets, roads, highways and bridges within Tarrant County. The County has issued \$214,905,000 in Limited Tax Bonds with proceeds of \$225,000,000 deposited into the project fund for this purpose.

At fiscal year-end, \$279,331,898 of debt related proceeds have not been used in the calculation of net investment in capital assets. This amount includes proceeds that are not related to County capital projects, as these expenditures are related to interlocal agreements with municipalities for road and bridge improvements, not future assets owned by the County and other unspent bond proceeds.

Long-term debt of the County consisted of the following at September 30, 2024 (in thousands):

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 2025. This issuance included the refunding of \$32,455 of the 2007 Limited Tax Bonds; \$43,465 of Series 2015 was refunded with the 2022B issuance.	\$ 3,460
Limited Tax Refunding and General Obligation - Series 2015A Original amount of \$82,980 dated August 1, 2015, with interest rate of 1.97%, payable in annual installments in varying amounts plus interest through 2026. The issuance included the refunding of \$5,465 of the 2005 Limited Tax Refunding Bonds and the \$49,890 of the 2006 Limited Tax Bonds.	14,215
Limited Tax Refunding - Series 2016 Original amount of \$70,905 dated August 1, 2016, with interest rate of 1.48%, payable in annual installments in varying amounts plus interest through 2028. The issuance included the refunding of \$65,150 of the 2008 Limited Tax Bonds.	27,120
Limited Tax Refunding - Series 2017 Original amount of \$36,860 dated August 14, 2017, with interest rate of 2.13%, payable in annual installments in varying amounts plus interest through 2030. The issuance included the refunding of \$33,310 of the 2010 Limited Tax Refunding and Improvement Bonds.	22,000
Limited Tax Refunding - Series 2022A Original amount of \$29,220 dated May 17, 2022, with interest rates from 2.45% to 3.1%, payable in annual installments in varying amounts plus interest through 2033. The issuance included the refunding of \$27,650 of the 2013 Limited Tax Refunding and Improvement Bonds. On April 17, 2023, these bonds converted to tax-exempt status.	22,505

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

Limited Tax Refunding - Series 2022B

Original amount of \$46,490 dated May 17, 2022, with interest rate of 3.13%, payable in annual installments in varying amounts plus interest through 2035.

The issuance included the refunding of \$43,465 of the 2015 Limited Tax Refunding and Improvement Bonds.

45,495

Limited Tax Bonds - Series 2022

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

210,335

345,130

Less - current maturities

31,080

Long-term debt, net of current maturities

314,050

Plus premiums

10,813

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

\$ 324,863

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

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

Fiscal Year(s)	Bonds		Direct Placements		Total Principal & Interest
	Principal	Interest	Principal	Interest	
2025	\$ 8,645	\$ 9,603	\$ 22,435	\$ 3,052	\$ 43,735
2026	5,445	9,171	25,090	2,392	42,098
2027	5,720	8,898	19,940	1,880	36,438
2028	6,005	8,612	16,475	1,467	32,559
2029	6,305	8,312	9,770	1,142	25,529
2030-2034	36,580	36,505	33,420	2,694	109,199
2035-2039	46,685	26,399	4,205	104	77,393
2040-2044	57,845	15,236	-	-	73,081
2045-2047	40,565	3,288	-	-	43,853
Total	<u>\$ 213,795</u>	<u>\$ 126,024</u>	<u>\$ 131,335</u>	<u>\$ 12,731</u>	<u>\$ 483,885</u>