

ANNUAL COMPREHENSIVE FINANCIAL REPORT



TARRANT COUNTY, TEXAS
For the Fiscal Year Ended September 30, 2025

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TARRANT COUNTY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2025



Prepared By

County Auditor's Office

Kimberly M. Buchanan, CPA

County Auditor



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INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



Kimberly M. Buchanan, CPA
Tarrant County Auditor

Linda R. Castillo
First Assistant County Auditor



Office of the Tarrant County Auditor
100 E. Weatherford, Room 506
Fort Worth, Texas 76196-0103

Phone (817) 884-1205
Fax (817) 884-1104

March 12, 2026

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

The annual comprehensive financial report of Tarrant County, Texas (the "County") for the fiscal year ended September 30, 2025, is attached. This report is submitted in compliance with Section 114.025 of the Texas Local Government Code and has been prepared by the Office of the Tarrant County Auditor.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all 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 are 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 for the fiscal year ending September 30, 2025, were audited by the independent firm Weaver and Tidwell L.L.P., excluding the statements of the County's discretely presented component units, which were audited by other firms. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2025, 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 is a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

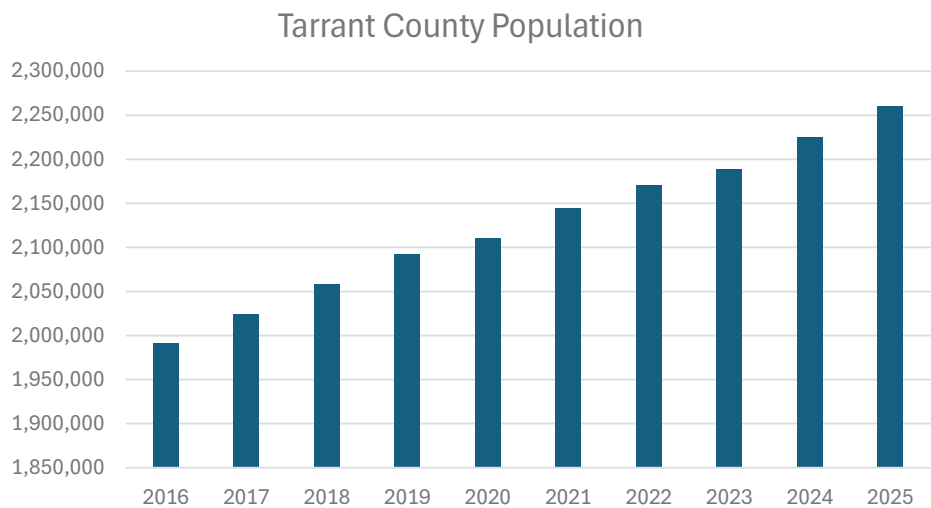
Weaver and Tidwell L.L.P. was also engaged to perform an audit of the County's federal and state awards to meet the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas *Grant Management Standards*. The audit report on federal and state awards was issued separately.

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

Profile of the County

Tarrant County, a political subdivision of the State of Texas, was established in 1849. Situated in the north-central part of Texas, it serves as a key urban hub. Fort Worth serves as the County seat.

Tarrant County's population continued to grow between 2024 and 2025. The population increased by approximately 1.61%, reaching an estimated 2,260,330 residents in 2025. This growth is consistent with statewide population trends, which continue to be supported by strong economic conditions and a quality of life that attracts new residents.



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

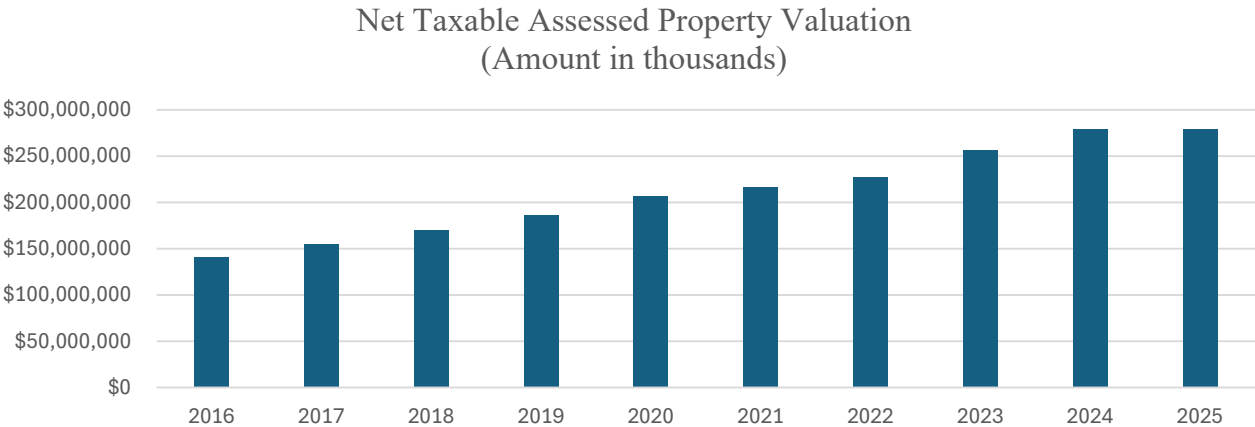
The County provides services allowed by the Constitution and Statutes of the State of Texas. Services include, but are not limited to, law enforcement, judicial proceedings, probation monitoring services, juvenile services, recording services related to judicial proceedings, public health and welfare,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

The annual budget serves as the foundation for the County’s financial planning and control. Departmental annual budget requests are submitted to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin October 1. The County Auditor prepares an estimate of revenue for the upcoming fiscal year. The County Budget Officer prepares the proposed annual operating budget and presents it to the Commissioners Court for their consideration. Public hearings are held on the proposed budget. The Commissioners Court must adopt an annual operating budget by a majority vote before September 30. The legal level of budgetary control is at ten categorical levels within each department.

Commissioners Court may legally amend the budget. Management must seek approval of Commissioners Court to transfer appropriations 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 100-103 as part of the required supplementary information. The other budget comparisons at the department level are presented on pages 121-129 as part of budgetary compliance. A separate budget report detailed at the legal level of budgetary control is available upon request.

Local Economy

The County has historically maintained a stable economic environment characterized by consistent, moderate 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. Real estate values continued to rise gradually; however, Tarrant County’s net taxable property valuation for fiscal year 2025 increased by only 0.05% compared to fiscal year 2024 due primarily to the additional 10% homestead exemption approved by Commissioners Court on June 18, 2024. This increased the total homestead exemption to 20%.



Tarrant County experienced steady employment growth until 2025, when a slight decrease occurred. As of November 2025, the County's employment reached approximately 1.179 million compared to 1.182 million in 2024. Unemployment remains relatively low at around 4.2 percent in late 2025, which is below the national average of 4.4 percent.

Major industry segments of the local economy include aircraft, automobile, and electronic manufacturing, education, tourism and entertainment, livestock and agri-business, transportation, including major railroad services, and financial services. Because of this diversity, the outlook for continued stable economic conditions appears favorable. Tarrant County’s business climate thrives across multiple sectors, including:

- AllianceTexas:** AllianceTexas is a 27,000-acre, master-planned, mixed-use development located in North Fort Worth. AllianceTexas is managed by Hillwood Properties and is home to more than 590 companies, generating 66,269 direct jobs. Notable employers include BNSF Railway, FedEx, UPS, Deloitte, Fidelity Investments, Charles Schwab, Meta, and Amazon. This development includes industrial, retail, office, residential, land, and data center sectors.
- Mercantile Center Business Park:** Mercantile Center offers over 1,300 acres of commercial property types, including office, back office, tech, and distribution center space, located north of downtown Fort Worth. This business park houses many businesses, including Lane Construction Corporation, The Hillshire Brands Company, and XPO Logistics Supply Chain.
- Americold Realty Trust:** American Realty Trust is investing \$123 million to expand its cold storage facility in North Fort Worth. This project will create at least 85 full-time jobs by the end of 2027, boosting the local economy and strengthening logistics infrastructure.
- General Motors:** Arlington boasts one of GM’s largest assembly plants over 6 million square feet on 250 acres of land. The plant employs over 5,400 people and produces over 1,350 high quality vehicles a day.

Lockheed Martin: Lockheed Martin had a record-breaking year in 2025. They delivered 191 F-35's. In September 2025, the F-35 Joint Program Office and Lockheed Martin agreed to produce and deliver up to 296 F-35s for \$24 billion. Lockheed Martin provides 17,500 jobs for Tarrant County.

MP Materials: MP Materials has selected a 120-acre site in Northlake, TX to develop "10X" the company's planned large-scale rare earth magnet manufacturing campus. MP expects to invest more than \$1.25 billion in the project and create more than 1,500 direct manufacturing and engineering jobs at the site.

Siemens: Siemens opened a \$190 million, 500,000 square foot electrical equipment plant in Fort Worth, and has created 480 jobs to date with plans to add 800 total by 2026.

Bell Textron: Bell Textron advanced several major Army-aviation projects in Fort Worth, including a \$429 million facility supporting production of the U.S. Army's Future Long-Range Assault Aircraft program and a \$70 million facility remodel to prepare for next-generation vertical-lift aircraft manufacturing.

H-E-B: H-E-B opened its first store in Tarrant County in 2024. A second store in Mansfield opened in 2025, and a third store in Mid-Cities will open in 2026. Spanning approximately 122,000 square feet, the Mid-Cities store will feature a True Texas BBQ, gas station, car wash, and pharmacy drive-thru, and is expected to bring 600 new jobs to the County.

Cooks Children's Health System: Cooks is making a substantial expansion in the Fort Worth Medical District with a new 700,000 square-foot patient tower, utility plant, and parking garage. This multi-year project, costing \$1.25 billion, is expected to be completed in 2030. This facility will add 127 beds for neonatal intensive care, pediatric intensive care, heart center, transitional care, and surgical care.

Dallas-Fort Worth Airport: DFW Airport is one of the world's busiest airports, spanning Dallas and Tarrant Counties with five terminals and more than 160 gates, serving roughly 86 million passengers in 2025. American Airlines signed a 10-year use and lease agreement that includes \$4.8 billion in capital improvements, covering construction of Terminal F, renovation of Terminal C, and gate expansions at Terminals A and C. The airline later expanded the plan with an additional \$4 billion to increase Terminal F to 31 gates, with the first 15 scheduled to open in 2027.

Meacham International Airport: Situated on 900 acres, located five miles north of downtown Fort Worth, Meacham Airport features two runways, 72 hangars, two full-service fixed base operators, aircraft maintenance facilities, flight schools, and two aviation museums.

Fort Worth Stockyards: The historic stockyards is ranked as one of the Top 5 leisure landmarks in the USA, hosting over 1,173 events and attracting over 10 million visitors annually. Stockyards has reached over \$285 million in district sales, including 46 bars and restaurants, 54 shops and over 20 attractions. This tax increment finance (TIF) district is estimated to generate about \$40 million over its 20-year life to pay for infrastructure connected to mixed-use, public transit-oriented, historic preservation, street, redevelopment, and other projects. An estimated \$385 million in development is projected to occur in the district from planned redevelopment, TIF revenue, and other private investments.

Fort Worth Convention Center: In December 2025, the City of Fort Worth completed the \$95 million Phase 1 renovation. The Phase 2 expansion, approved in February 2026, is a \$606 million investment and will include 257,000 square feet of exhibit hall space, 61,000 square feet of meeting room space, 74,000 square feet of ballroom space, and 16 loading docks. Phase 2 is scheduled for completion in early 2030.

Dickies Arena: Since opening in 2019, Dickies Arena has reshaped the Cultural District, boosted tourism, and generated over \$200 million per year. During 2025, over one million people attended events at Dickies Arena.

Arlington Entertainment District: This district brings together numerous venues, including AT&T Stadium, Globe Life Field, Choctaw Stadium, Texas Live!, Arlington Convention Center, Esports Stadium, Arlington Museum of Art, National Medal of Honor Museum, Arlington ISD Performing Arts Center, International Bowling Museum, Six Flags Over Texas, as well as several parks and additional attractions. This district is visited by 17 million people each year.

National Medal of Honor Museum: USA Today's Best New Museum for 2025, the National Medal of Honor Museum opened on March 25, 2025, in Arlington. This museum honors Americans who have received the nation's highest military award for valor.

Tarleton State University: The second building of the 80-acre campus in the southwest portion of Tarrant County was completed late 2024. The \$66 million Interprofessional Education facility includes 100,000 square feet of classroom and specialized lab space, as well as a room providing 250 seats for community outreach programs.

Texas Christian University: TCU announced a \$500 million expansion project in April 2025, which will include retail space, thousands of student housing units, and renovations to the Ed Landreth Hall and Auditorium. The expansion is part of a larger comprehensive plan, which was approved in 2024 and will include a new athletics district, student housing, and additional academic buildings.

Texas A&M University: TAMU is on track to open its new \$185 million Law and Education Building in downtown Fort Worth by summer 2026. This research campus will offer programs in law, engineering, health sciences and business.

University of Texas Arlington: UT Arlington is the second-largest institution in the UT System. It is a comprehensive teaching, research, and public service institution, serving 41,000 students. UTA Fort Worth Center was established in downtown Fort Worth in 2007, focusing on serving working professionals.

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 2025 totaled \$0.1875 per \$100 valuation, with \$0.015793 dedicated to funding the annual debt service requirements. On March 7, 2006, the Commissioners Court approved a resolution expressing its intent to be fiscally responsible in the issuance of bonds. On March 30, 2021, the Commissioners Court approved a bond program policy reaffirming their commitment to be fiscally responsible in the issuance of the bonds. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax increase.

Major Initiatives

On November 2, 2021, the voters of Tarrant County overwhelmingly approved a \$400,000,000 proposition to advance transportation improvements throughout Tarrant County. The County has issued \$214,905,000 in Limited Tax Bonds for this purpose. Any additional bonds will be issued over a period of time to ensure the property tax rate will not increase.

Awards and Acknowledgements

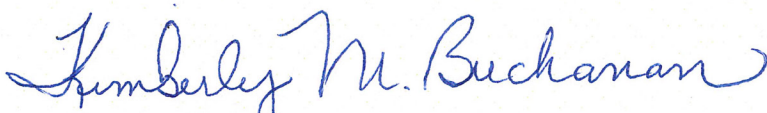
The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting for the County’s annual comprehensive financial report for the fiscal year ended September 30, 2024. The Certificate of Achievement is a national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

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

I wish to express my appreciation to the District Judges and the Commissioners Court for their continued interest and support to ensure that the County’s affairs are planned and managed in a responsible and professional manner.

The timely completion of this report could not have been achieved without the dedicated efforts of the County Auditor’s staff and the professional services provided by our independent auditor, Weaver and Tidwell L.L.P.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly M. Buchanan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Kimberly M. Buchanan, CPA
Tarrant County Auditor



Government Finance Officers Association

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

Presented to

**Tarrant County
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

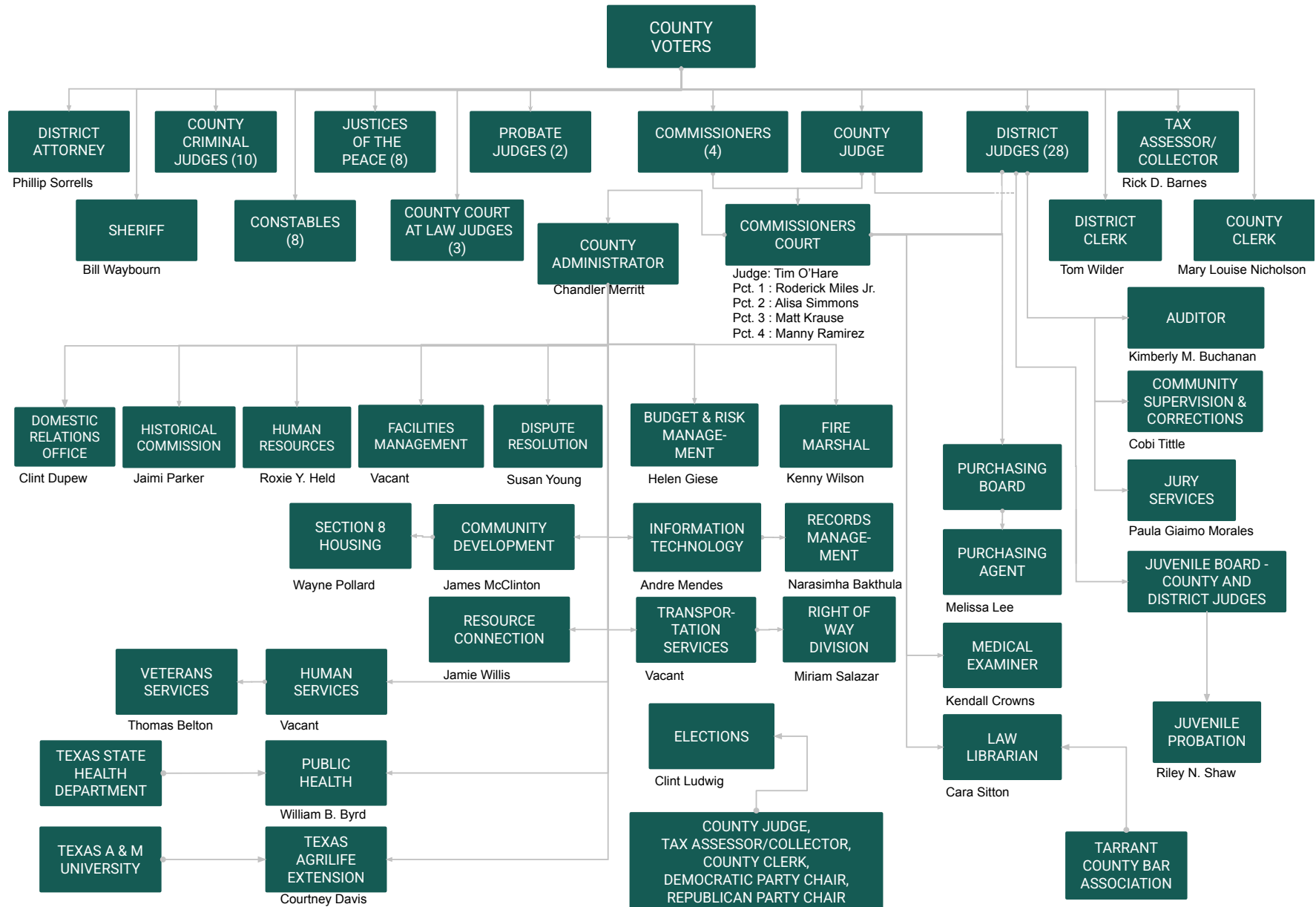
September 30, 2024

Christopher P. Morill

Executive Director/CEO

TARRANT COUNTY ORGANIZATION

(as of 9/30/2025)



PRINCIPAL OFFICIALS

September 30, 2025

Commissioners Court:

Tim O'Hare
Roderick Miles, Jr.
Alisa Simmons
Matt Krause
Manny Ramirez

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

Board of District Judges:

Elizabeth H. Beach
William A. Knight
Douglas Allen
Andy Porter
Melody Wilkinson
Chris Taylor
Don Cosby
J. Patrick Gallagher
John P. Chupp
Susan McCoy
Chris Wolfe
Jesus Nevarez, Jr.
Kenneth E. Newell
Tom Lowe
Amy Allin
James Munford
Alex Kim
Beth Poulos
Cynthia Terry
Kimberly Fitzpatrick
Megan Fahey
Josh Burgess
Patricia Baca Bennett
Ryan Hill
Julie Lugo
Vincent Giardino
Ruben Gonzalez
Steven Jumes

Judge, Criminal District Court No. 1
Judge, Criminal District Court No. 2
Judge, Criminal District Court No. 3
Judge, Criminal District Court No. 4
Judge, 17th Judicial District
Judge, 48th Judicial District
Judge, 67th Judicial District
Judge, 96th Judicial District
Judge, 141st Judicial District
Judge, 153rd Judicial District
Judge, 213th Judicial District
Judge, 231st Judicial District
Judge, 233rd Judicial District
Judge, 236th Judicial District
Judge, 297th Judicial District
Judge, 322nd Judicial District
Judge, 323rd Judicial District
Judge, 324th Judicial District
Judge, 325th Judicial District
Judge, 342nd Judicial District
Judge, 348th Judicial District
Judge, 352nd Judicial District
Judge, 360th Judicial District
Judge, 371st Judicial District
Judge, 372nd Judicial District
Judge, 396th Judicial District
Judge, 432nd Judicial District
Judge, 485th Judicial District

County Judges:

David Cook
Carey Walker
Bob McCoy
Deborah Nekhom
Bradley Clark
Randi Hartin
Eric Starnes
Charles Vanover
Brian Bolton
Trent Loftin
Don Pierson
Jennifer Rymell
Mike Hrabal

Judge, County Criminal Court No. 1
Judge, County Criminal Court No. 2
Judge, County Criminal Court No. 3
Judge, County Criminal Court No. 4
Judge, County Criminal Court No. 5
Judge, County Criminal Court No. 6
Judge, County Criminal Court No. 7
Judge, County Criminal Court No. 8
Judge, County Criminal Court No. 9
Judge, County Criminal Court No. 10
Judge, County Court at Law No. 1
Judge, County Court at Law No. 2
Judge, County Court at Law No. 3

PRINCIPAL OFFICIALS**September 30, 2025**

County Judges: (continued)

Patricia Burns
Brooke Allen
Ralph Swearingin, Jr.
Mary Tom Curnutt
Bill Brandt
Christopher Gregory
Sergio L. DeLeon
Jason Charbonnet
Kenneth Sanders
Lisa R. Woodard

Judge, Probate Court No. 1
Judge, Probate Court No. 2
Justice of the Peace, Precinct 1
Justice of the Peace, Precinct 2
Justice of the Peace, Precinct 3
Justice of the Peace, Precinct 4
Justice of the Peace, Precinct 5
Justice of the Peace, Precinct 6
Justice of the Peace, Precinct 7
Justice of the Peace, Precinct 8

Law Enforcement:

Bill Waybourn
Phillip Sorrells
Riley Shaw*
Colbi Tittle
Harry D. Clark, III
David Woodruff
Darrell Huffman
Jody Johnson
Pete Munoz
Jon Siegel
Sandra Lee
Michael R. Campbell
Clint Dupew

Sheriff
Criminal District Attorney
Chief Juvenile Probation Officer
Community Supervision & Corrections Director
Constable, Precinct 1
Constable, Precinct 2
Constable, Precinct 3
Constable, Precinct 4
Constable, Precinct 5
Constable, Precinct 6
Constable, Precinct 7
Constable, Precinct 8
Domestic Relations Director

Administrative Officials:

Chandler Merritt*
Kimberly M. Buchanan*
Rick D. Barnes
Melissa Lee*
Helen Giese*
Andre Mendes*

County Administrator
County Auditor
Tax Assessor-Collector
Purchasing Agent
Budget and Risk Management Director
Chief Information Officer

Recording Officials:

Mary Louise Nicholson
Tom Wilder

County Clerk
District Clerk

*Appointed officials. All others listed are elected officials.



FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



Independent Auditor's Report

The Honorable County Judge and Commissioners Court
Tarrant County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the 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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Tarrant County Hospital District (TCHD) or the My Health My Resources of Tarrant County (MHMRTC), which represent all of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TCHD and MHMRTC, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 19 to the basic financial statements, during the year ended September 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position of the governmental activities has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

As discussed in Note 19 to the basic financial statements, beginning net position of the governmental activities, and business-type activities, and beginning fund balance of the general fund and capital projects fund have been restated in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Our opinions are not modified with respect to this matter.

Weaver and Tidwell, L.L.P.

CPAs AND ADVISORS | WEAVER.COM

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

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

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
March 12, 2026



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, 2025 (current fiscal year). We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The assets and deferred outflows of the County exceed its liabilities and deferred inflows at the close of the current fiscal year by \$600,393,000 (net position). This is an increase of \$41,070,000.
- Total net position of the County is comprised of the following:
 1. Net investment in capital assets of \$505,429,000 includes land, buildings, computer software, infrastructure, right to use lease and subscription assets, construction in progress, and other capital assets, net of accumulated depreciation/amortization, and is reduced by capital-related lease and subscription liabilities, retainage, and outstanding debt net of unspent bond proceeds, related to the purchase or construction of capital assets.
 2. Net position of \$54,024,000 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 positive \$40,940,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$744,437,000, a decrease of \$44,842,000 in comparison with the prior year. Approximately 12 percent of this total amount, \$92,072,000, 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 \$95,853,000, or approximately 16 percent of total general fund expenditures.
- The County's bonded debt decreased by \$31,080,000 (approximately 9 percent) during the current fiscal year.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the current 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 Resource Connection had been reported as the County's sole business-type activity; however, effective October 1, 2024, it was reclassified. As a result, the County reports no business-type activities for the year ended September 30, 2025. See Note 19 for additional information.

The government-wide financial statements include not only Tarrant County, but also a legally separate hospital district, mental and behavioral health authority, housing finance, and industrial development corporations. Financial information for Tarrant County Hospital District (TCHD) and My Health My Resources of Tarrant County (MHMR) are reported separately from the financial information presented for the primary government itself. The Housing Finance (TCHFC) and Industrial Development Corporations (TCIDC), although legally separate, function for all practical purposes as a department of the County and therefore have been blended as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tarrant County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, debt service, capital projects fund, and grants fund, which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements*.

Tarrant County adopts an annual appropriated budget for all its funds except TCHFC, TCIDC, and grants fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-22 of this report. The combining nonmajor governmental fund financial statements begin on page 117.

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. Historically, the County used an enterprise fund to account for its Resource Connection Fund; however, the Resource Connection was reclassified effective October 1, 2024. As a result, the County has no enterprise funds for the year ended September 30, 2025. See Note 19 for additional information. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account

for its self-insurance funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 23-25 of this report. The combining internal service fund financial statements begin on page 131.

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

The basic fiduciary fund financial statements can be found on pages 26-27 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 28-99 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes budget to actual schedules for general fund and road and bridge fund. Also included are schedules regarding the funding, contributions and unfunded liabilities of pension and other postemployment benefits (OPEB) to employees. Required supplementary information can be found on pages 100-114 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 \$600,393,000 at the close of the current fiscal year.

A large portion of the County's net position, \$505,429,000, reflects its investment in capital assets, less any related debt used to acquire those assets still outstanding, excluding unspent proceeds. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another balance of net position represents resources that are subject to external restriction on how they may be used. Restricted net position includes \$21,302,000 for records management, \$12,362,000 for contractual or donor-imposed restrictions, and \$20,360,000 for legislative purposes. The remaining portion of the net position is unrestricted net position, which is a positive \$40,940,000.

Tarrant County's Net Position

(Amounts in thousands)

	September 30, 2025	September 30, 2024 ⁽¹⁾		
	Governmental Activities	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 951,012	\$ 1,086,384	\$ 7,259	\$ 1,093,643
Capital assets	592,190	534,581	3,443	538,024
Total assets	1,543,202	1,620,965	10,702	1,631,667
Deferred outflows	61,310	117,684	276	117,960
Other liabilities	159,011	236,774	435	237,209
Long-term liabilities	718,149	828,549	1,155	829,704
Total liabilities	877,160	1,065,323	1,590	1,066,913
Deferred inflows	126,959	92,777	2,326	95,103
Net position:				
Net investment in capital assets	505,429	448,893	3,443	452,336
Restricted	54,024	53,825	-	53,825
Unrestricted	40,940	77,831	3,619	81,450
Total net position	\$ 600,393	\$ 580,549	\$ 7,062	\$ 587,611

(1) Information for fiscal year 2024 is not restated in this table. See Note 19 for additional information

Governmental Activities. The County's net position increased by \$41,070,000 during the current fiscal year. This increase represents the degree to which ongoing revenues have surpassed ongoing expenses. Revenue decreased by \$70,189,000, or approximately 7 percent, largely due to reduced American Rescue Plan Act (ARPA) funded operational activity, which declined from \$124,125,000 to \$67,378,000 in fiscal year 2025. The County continues to spend down the remaining federal allocation required to be used by December 31, 2026. The decrease in revenue is also attributable to the additional 10 percent homestead exemption approved by Commissioners Court for fiscal year 2025, building on the 10 percent approved for the prior fiscal year. The total 20 percent homestead exemption represents the maximum exemption allowed under state law. Revenues were further reduced by the Commissioners Court's adoption of a property tax rate below the No-New-Revenue tax rate for the second consecutive year, resulting in a lower amount of tax levy on the same properties from the preceding year - notwithstanding revenue generated by new construction. Expenses decreased by \$41,529,000, or by approximately 4 percent from the prior year, due to decreases in pension expense and community service expenses related to ARPA-funded operational activity.

Business-type Activities. Historically, the County used business-type activities to account for its Resource Connection Fund; however, the Resource Connection was reclassified effective October 1, 2024. As a result, the County has no business-type activities for the year ended September 30, 2025. See Note 19 for additional information.

Tarrant County's Changes in Net Position

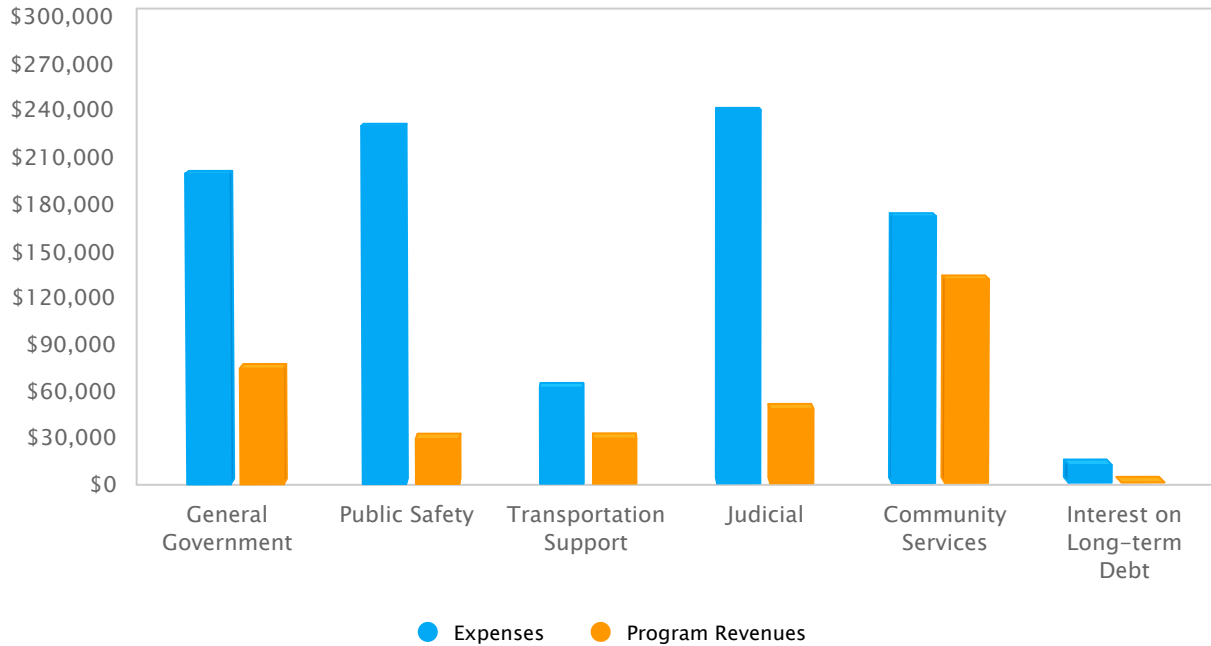
(Amounts in thousands)

	For the year ended September 30, 2025	For the year ended September 30, 2024 ⁽¹⁾		
	Governmental Activities	Governmental Activities	Business-type Activities	Total
Revenues:				
Program revenues:				
Fees, fines, and charges for for services	\$ 181,174	\$ 169,818	\$ 3,440	\$ 173,258
Operating grants and contributions	122,603	123,020	-	123,020
Capital grants and contributions	8,987	1,239	-	1,239
General revenues:				
Property taxes	511,376	526,489	-	526,489
Alcohol, bingo, and other taxes	17,016	17,772	-	17,772
Grants and contributions not restricted to specific programs	67,328	124,125	-	124,125
Investment earnings	44,861	60,528	345	60,873
Other general revenue	3,782	4,325	77	4,402
Total revenues	957,127	1,027,316	3,862	1,031,178
Expenses:				
General government	200,021	196,221	-	196,221
Public safety	230,007	245,949	-	245,949
Transportation	61,713	67,802	-	67,802
Judicial	240,503	228,631	-	228,631
Community services	171,937	206,965	-	206,965
Interest and fiscal charges	11,876	12,018	-	12,018
Resource Connection	-	-	3,324	3,324
Total expenses	916,057	957,586	3,324	960,910
Increase in net position	41,070	69,730	538	70,268
Net position-beginning previously stated	580,549	510,819	6,524	517,343
Restatement adjustment (Note 19)	-	-	-	-
Net position (deficit)-beginning, as restated	(21,226)	-	-	-
Net position-ending	559,323	-	-	-
	\$ 600,393	\$ 580,549	\$ 7,062	\$ 587,611

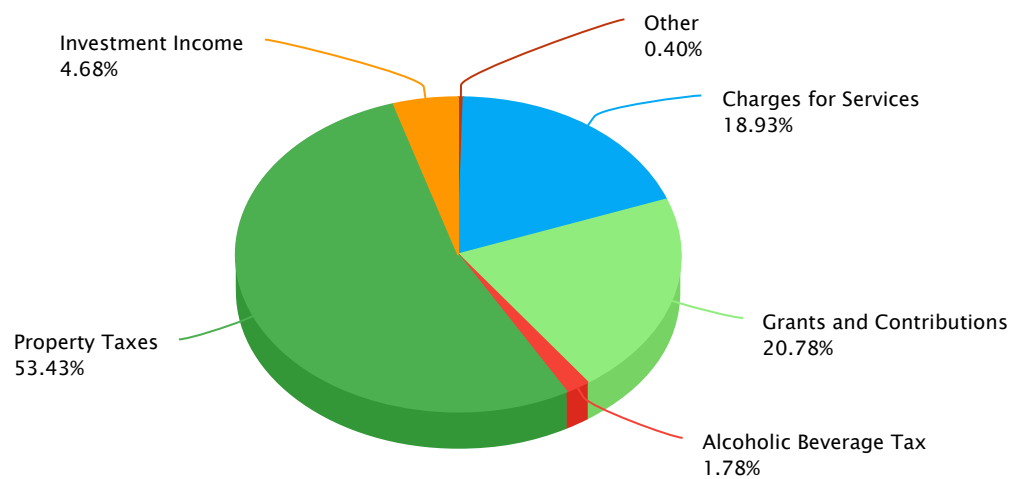
(1) Information for fiscal year 2024 is not restated in this table. See Note 19 for additional information.

Expenses and Program Revenues – Governmental Activities

(Amounts in thousands)



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$744,437,000, a decrease of \$44,842,000. Approximately 12 percent of this total amount, \$92,072,000, 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) \$10,022,000 is not in spendable form, 2) \$212,400,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$392,154,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$37,789,000 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 \$95,853,000, and the total fund balance was \$133,978,000. 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 16 percent of total general fund expenditures, while total fund balance represents approximately 23 percent of that same amount.

The fund balance of the County's general fund decreased by \$36,283,000 during the current fiscal year, primarily due to budgeted transfers out of the general fund to other funds of \$67,567,000. Additional information on transfers can be found in Note 10. Revenues decreased about 3 percent from prior year predominantly due to decreased tax revenue from the adoption of a homestead exemption as well as decreased investment income due to a decrease in interest rates and a lower investable balance. Expenditures in the general fund increased by about 5 percent due to increases in public safety costs, judicial counsel fees, and capital outlay for software subscriptions.

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 \$25,502,000 of which \$865,000 is in nonspendable form, the remainder is committed by the Commissioners Court. The fund balance decreased \$1,068,000 due to a decrease in operating subsidy from the general fund.

The debt service fund has a total fund balance of \$1,967,000, all of which is committed for the payment of debt service. The net increase in fund balance during the current year was \$592,000 due to property tax collections and investment income exceeding debt service payments. The County maintained a budgeted reserve of \$1,500,000 in this fund throughout the fiscal year.

The capital projects fund has a total fund balance of \$457,863,000, of which \$231,000 is in nonspendable form, and the remainder is restricted or committed for the payment of capital projects. This fund accounts for both non-debt-financed capital activities and capital projects funded through bond issuances. The net decrease in fund balance during the current year was \$10,675,000. This reduction is due to a decrease in the operating subsidy from the general fund, and decreased investment income as a result of lower interest rates. Details of the bond projects are further described in the long-term debt section beginning on page 45.

The grants fund has no fund balance as all expenditures should be reimbursed by state and federal funds. Any excess revenue received is deferred until earned.

Other governmental funds are for specific purposes. In total, revenues exceeded expenditures resulting in a \$2,592,000 increase despite decreases in the fund balance of records preservation and automation fund and the public health fund. The records preservation and automation fund decreased by \$3,393,000 due to ongoing efforts of preservation and archival digitization of records. The public health fund decreased \$7,331,000 driven by higher costs for human-services-related contracts that were previously funded by grants and the general fund, as well as increased software maintenance costs. Several other governmental funds experienced increases in fund balance, including the miscellaneous contracts fund, which increased \$8,944,000 due to lower medical supply costs for the Preventative Medicine Clinic and higher revenue from opioid settlement funds. The court designated fund increased \$1,056,000, the consumer health fund increased \$1,341,000, and the housing finance corporation increased \$1,081,000.

Proprietary Funds. The County's *proprietary funds* consist solely of internal service funds in the current year. These funds are used to account for operations that provide services to other County departments on a cost-reimbursement basis. Because they follow the full accrual basis of accounting, proprietary fund statements present a longer-term view of the County's finances, including all assets and liabilities associated with these activities.

The County uses internal service funds to support activities of the general fund, capital projects fund, the grant fund, and other governmental funds. For the year ended September 30, 2025, the internal service funds reported a total net position of \$21,146,000, a decrease of 12,600,000 from the prior year. Revenues totaled \$92,742,000, and were generated through external charges for services, including premiums, as well as internal charges for services, and other revenues. Operating expenses totaled \$109,920,000, with the largest portion attributable to claims paid through self-insurance, which amounted to \$99,725,000.

General Fund Budgetary Highlights

There are no differences between the original budget and the final amended budget in total, however, transfers were made within and between departments. Many of the transfers reflect additional funding to sheriff confinement for higher overtime costs driven by the continued increase in jail population, as well as transfers to courts/judiciary for counsel fees amongst numerous courts.

Actual revenues were more than budgetary estimates and expenditures were less than budgeted. These differences are highlighted as follows:

- General fund expenditures were less than budgeted because the budget includes a reserve of \$83,000,000, of which \$75,203,000 remained at fiscal year-end.
- Departmental expenses were less than budgeted for various departments including elections administration, information technology, juvenile services, and criminal district attorney.
- Total revenues exceeded budgeted amounts. Revenues from fees of office and intergovernmental revenue were greater than budgeted.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets as of September 30, 2025 for governmental activities amounted to \$592,190,000, net of accumulated depreciation. This investment in capital assets includes land, buildings, right to use lease and subscription assets, equipment, computer software, infrastructure and construction in progress. The total increase in the County's capital assets, for the current fiscal year, was 9 percent.

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

- Continued development of the Law Enforcement Training Center
- Renovation of the 350 Belknap Building
- Construction of Bentley Bridge Road in Precinct 1
- Procurement of right to use software for Justice Management, Jury Management and Applicant Tracking

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

Tarrant County's Capital Assets

(Net of depreciation)
(Amounts in thousands)

	September 30, 2025	September 30, 2024 ⁽¹⁾		
	Governmental Activities	Governmental Activities	Business-type Activities	Total
Land	\$ 80,045	\$ 72,664	\$ 2,071	\$ 74,735
Buildings and improvements	297,328	306,745	514	307,259
Right to use building	3,271	3,796	-	3,796
Furnishings and equipment	46,777	36,543	178	36,721
Software	30,723	35,575	-	35,575
Right to use subscription	6,095	6,323	-	6,323
Infrastructure	63,850	58,604	680	59,284
Construction in progress	64,037	13,163	-	13,163
Software in development	64	1,168	-	1,168
Total	<u>\$ 592,190</u>	<u>\$ 534,581</u>	<u>\$ 3,443</u>	<u>\$ 538,024</u>

(1) Information for fiscal year 2024 is not restated in this table. See Note 19 for additional information.

Long-term Debt.

At the end of the current fiscal year, the County had total bonded debt outstanding of \$314,050,000. This debt represents bonds payable solely on future ad valorem tax revenue.

Tarrant County's Outstanding Debt

(Amounts in thousands)

	Governmental Activities September 30	
	2025	2024
Bonds	<u>\$ 314,050</u>	<u>\$ 345,130</u>

The County's bonded debt decreased by \$31,080,000 or approximately 9 percent during the current fiscal year due to scheduled payments.

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 \$13,970,445,000, 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 8 on pages 45-48 of this report.

Economic Factors and Next Year's Budgets and Rates

Tarrant County's economic condition remains positive.

- The unemployment rate for Tarrant County increased from 3.9 percent to 4.2 percent. The state's average unemployment rate increased to 4.4 percent compared to the prior year of 4.1 percent. The national unemployment rate increased from 3.9 percent to 4.4 percent.
- Net taxable property valuation remained relatively stable, increasing 0.5% for fiscal year 2025.
- Inflationary trends in the region were lower than national indices.

All of these factors were considered in preparing the County's budget for the 2026 fiscal year.

At September 30, 2025, the unassigned fund balance in the general fund was \$95,853,000. Total assigned fund balance, \$31,846,000, includes \$24,654,000 assigned for the purpose of spending in the 2026 fiscal year budget. This available fund balance enabled the County to decrease the tax rate to \$0.1862 for the 2026 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



STATEMENT OF NET POSITION**September 30, 2025 (Amounts in thousands)**

	Primary Government Governmental Activities	Component Units Tarrant County Hospital District	MHMR of Tarrant County
ASSETS			
Cash, cash equivalents, and investments	\$ 901,914	\$ 2,426,188	\$ 31,271
Taxes receivable, net of allowance for uncollectibles	7,181	5,995	-
Other receivables, net of allowance for uncollectibles	31,211	174,215	29,790
Prepaid expenses and inventory	10,706	57,048	4,660
Net pension asset	-	16,292	-
Capital assets, net:			
Not subject to depreciation/amortization	144,146	324,802	4,982
Subject to depreciation/amortization	448,044	164,882	29,577
Total assets	1,543,202	3,169,422	100,280
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	38,409	39,590	-
Deferred OPEB outflows	22,421	-	-
Deferred charge on refunding	480	-	-
Total deferred outflows of resources	61,310	39,590	-
LIABILITIES			
Accounts payable	54,201	89,709	9,490
Accrued interest payable	2,409	-	-
Other liabilities	48,133	222,933	9,809
Unearned revenue	54,268	-	1,053
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	38,117	-	554
Leases and subscriptions	3,047	11,412	4,668
Bonds & notes payable	30,535	11,285	-
Other postemployment benefit liability	9,892	-	-
Other noncurrent liabilities	4,560	7,934	-
Portion due or payable after one year:			
Compensated absences payable	40,093	-	5,144
Leases and subscriptions	3,921	22,770	9,348
Bonds and notes payable	293,494	435,846	-
Net pension liability	115,939	-	-
Other postemployment benefit liability	162,571	-	-
Other noncurrent liabilities	15,980	6,531	-
Total liabilities	877,160	808,420	40,066
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	24,176	57,079	-
Deferred OPEB inflows	100,124	-	-
Deferred lease inflows	1,362	463	-
Deferred charge on refunding	1,297	-	-
Total deferred inflows of resources	126,959	57,542	-
NET POSITION			
Net investment in capital assets	505,429	274,543	20,543
Restricted:			
Records management	21,302	-	-
Contractual or donor imposed	12,362	23,595	1,933
Legislative	20,360	-	-
Unrestricted	40,940	2,044,912	37,738
Total net position (deficit)	\$ 600,393	\$ 2,343,050	\$ 60,214

STATEMENT OF ACTIVITIES

For the year ended September 30, 2025 (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	\$ 200,021	\$ 73,262	\$ 828	\$ 101
Public safety	230,007	22,243	6,707	265
Transportation support	61,713	19,857	389	8,609
Judicial	240,503	33,575	14,718	12
Community services	171,937	32,237	99,961	-
Interest and fiscal charges	11,876	-	-	-
Total primary government	<u>\$ 916,057</u>	<u>\$ 181,174</u>	<u>\$ 122,603</u>	<u>\$ 8,987</u>
Component units				
Tarrant County Hospital District	\$ 1,715,277	\$ 935,388	\$ 269,520	\$ 2,150
MHMR of Tarrant County	211,365	33,587	160,789	-
	<u>\$ 1,926,642</u>	<u>\$ 968,975</u>	<u>\$ 430,309</u>	<u>\$ 2,150</u>

General revenues and transfers

General revenues:

Property taxes

Alcoholic beverage, bingo, and other taxes

Grants and contributions not restricted to
specific programs

Unrestricted investment earnings

Other general revenue

Total general revenues and transfers

Change in net position

Net position-beginning, as previously stated

Restatement adjustment (Note 19)

Net position-beginning, as 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
\$ (125,830)	\$ -	\$ (125,830)	\$ -	\$ -
(200,792)	-	(200,792)	-	-
(32,858)	-	(32,858)	-	-
(192,198)	-	(192,198)	-	-
(39,739)	-	(39,739)	-	-
(11,876)	-	(11,876)	-	-
<u>\$ (603,293)</u>	<u>\$ -</u>	<u>\$ (603,293)</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ (508,219)	\$ -
			-	(16,989)
			<u>\$ (508,219)</u>	<u>\$ (16,989)</u>
511,376	-	511,376	509,493	-
17,016	-	17,016	-	-
67,328	-	67,328	-	-
44,861	-	44,861	106,552	1,039
3,782	-	3,782	161,385	23,218
<u>644,363</u>	<u>-</u>	<u>644,363</u>	<u>777,430</u>	<u>24,257</u>
41,070	-	41,070	269,211	7,268
580,549	7,062	587,611	2,073,839	52,946
(21,226)	(7,062)	(28,288)	-	-
<u>559,323</u>	<u>-</u>	<u>559,323</u>	<u>2,073,839</u>	<u>52,946</u>
<u>\$ 600,393</u>	<u>\$ -</u>	<u>\$ 600,393</u>	<u>\$ 2,343,050</u>	<u>\$ 60,214</u>

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2025 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
ASSETS				
Cash, cash equivalents, and investments	\$ 160,277	\$ 26,944	\$ 1,950	\$ 481,169
Receivables				
Taxes, net of allowance for uncollectibles	6,536	-	645	-
Other receivables, net of allowance for uncollectibles	10,630	294	-	98
Due from other funds	10,546	-	-	-
Supplies and prepaid items	4,514	865	-	231
TOTAL ASSETS	\$ 192,503	\$ 28,103	\$ 2,595	\$ 481,498
LIABILITIES				
Accounts payable	\$ 11,004	\$ 1,847	\$ -	\$ 23,635
Other liabilities	34,804	735	79	-
Due to other funds	-	-	-	-
Unearned revenue	68	-	-	-
Total liabilities	45,876	2,582	79	23,635
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	5,480	-	549	-
Unavailable revenue-other receivables	6,348	19	-	-
Deferred lease inflows	821	-	-	-
Total deferred inflows of resources	12,649	19	549	-
FUND BALANCES				
Nonspendable	4,514	865	-	231
Restricted	-	-	-	156,315
Committed	1,765	24,637	1,967	301,317
Assigned	31,846	-	-	-
Unassigned	95,853	-	-	-
Total fund balances	133,978	25,502	1,967	457,863
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 192,503	\$ 28,103	\$ 2,595	\$ 481,498

See accompanying notes to the financial statements

Grants	Other Governmental Funds	Total Governmental Funds
\$ 58,203	\$ 131,463	\$ 860,006
-	-	7,181
12,864	4,827	28,713
-	-	10,546
3,781	631	10,022
<u>\$ 74,848</u>	<u>\$ 136,921</u>	<u>\$ 916,468</u>
\$ 7,420	\$ 9,158	\$ 53,064
2,842	1,102	39,562
10,423	123	10,546
54,163	24	54,255
<u>74,848</u>	<u>10,407</u>	<u>157,427</u>
-	-	6,029
-	846	7,213
-	541	1,362
<u>-</u>	<u>1,387</u>	<u>14,604</u>
3,781	631	10,022
-	56,085	212,400
-	62,468	392,154
-	5,943	37,789
(3,781)	-	92,072
<u>-</u>	<u>125,127</u>	<u>744,437</u>
<u>\$ 74,848</u>	<u>\$ 136,921</u>	<u>\$ 916,468</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION****September 30, 2025 (Amounts in thousands)**

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

Total fund balance - total governmental funds	\$ 744,437
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	592,190
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	13,242
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.	21,146
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds. (Note 2)	61,310
Deferred inflows of resources are not an available resource and, therefore, are not reported in the funds. (Note 2)	(125,597)
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>(706,335)</u>
Net position - governmental activities	<u>\$ 600,393</u>

See accompanying notes to the financial statements



STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
REVENUES:				
Taxes	\$ 467,513	\$ -	\$ 43,475	\$ -
Licenses and permits	1,396	-	-	-
Fees of office	74,950	19,774	-	935
Intergovernmental	35,915	91	-	-
Investment income	15,025	1,155	855	21,465
Other revenues	15,608	1,022	-	1,504
Total revenues	610,407	22,042	44,330	23,904
EXPENDITURES:				
Current:				
General government	146,942	1	-	-
Public safety	198,081	-	-	-
Transportation support	652	29,803	-	-
Judicial	218,318	-	-	-
Community services	9,753	-	-	-
Capital outlay	7,364	57	-	87,973
Debt service:				
Principal payments	6,275	-	31,080	73
Interest and fiscal charges	212	-	12,658	2
Total expenditures	587,597	29,861	43,738	88,048
Excess (deficiency) of revenues over (under) expenditures	22,810	(7,819)	592	(64,144)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,282	6,751	-	53,246
Transfers out	(67,567)	-	-	-
Leases (as lessee)	1,928	-	-	-
Software subscriptions	5,264	-	-	223
Total other financing sources (uses)	(59,093)	6,751	-	53,469
Change in fund balance	(36,283)	(1,068)	592	(10,675)
FUND BALANCES, beginning of year, as previously stated	167,603	26,570	1,375	466,442
Restatement adjustment (Note 19)	2,658	-	-	2,096
FUND BALANCES, beginning of year, as restated	170,261	26,570	1,375	468,538
FUND BALANCES, end of year	\$ 133,978	\$ 25,502	\$ 1,967	\$ 457,863

See accompanying notes to the financial statements

Grants	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 258	\$ 511,246
-	5	1,401
1,248	27,779	124,686
182,025	21,924	239,955
863	5,495	44,858
390	7,459	25,983
184,526	62,920	948,129
3,070	16,561	166,574
10,356	10,041	218,478
-	-	30,455
15,886	4,374	238,578
126,367	31,181	167,301
27,881	1,878	125,153
1,182	360	38,970
80	32	12,984
184,822	64,427	998,493
(296)	(1,507)	(50,364)
31	5,127	66,437
-	(1,297)	(68,864)
265	269	2,462
-	-	5,487
296	4,099	5,522
-	2,592	(44,842)
-	122,535	784,525
-	-	4,754
-	122,535	789,279
\$ -	\$ 125,127	\$ 744,437

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, 2025 (Amounts in thousands)

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

Net change in fund balances-total governmental funds	\$ (44,842)
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)	48,018
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note 2)	7,384
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in these revenues for the year.	332
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)	31,021
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note 2)	11,757
The change in net position of certain activities of internal service funds is reported with governmental activities.	(12,600)
Change in net position - governmental activities	<u>\$ 41,070</u>

See accompanying notes to the financial statements

STATEMENT OF NET POSITION PROPRIETARY FUNDS

September 30, 2025 (Amounts in thousands)

	Governmental Activities- Internal Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 41,908
Other receivables, net of allowance for uncollectibles	2,498
Prepaid expenses and inventory	778
Total current assets	45,184
LIABILITIES	
Current liabilities:	
Accounts payable	1,137
Other liabilities	8,571
Unearned revenue	13
Other long term liabilities-current portion	4,560
Total current liabilities	14,281
Noncurrent liabilities:	
Other noncurrent liabilities	9,757
Total noncurrent liabilities	9,757
Total liabilities	24,038
NET POSITION	
Unrestricted	21,146
Total net position	\$ 21,146

See accompanying notes to the financial statements

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
OPERATING REVENUES		
Charges for services - external	-	\$ 18,901
Charges for services - internal	-	51,637
Other revenues	-	22,204
Total operating revenues	-	92,742
OPERATING EXPENSES		
Building and equipment	-	379
Self insurance claims	-	99,725
Insurance premiums	-	3,037
Other expenses	-	6,779
Total operating expenses	-	109,920
Operating income	-	(17,178)
NONOPERATING REVENUES		
Investment income	-	2,151
Total nonoperating revenues	-	2,151
Income before contributions and transfers	-	(15,027)
Transfers in	-	3,000
Transfers out	-	(573)
Change in net position	-	(12,600)
Net position - beginning of year, as previously stated	7,062	33,746
Restatement adjustment (Note 19)	(7,062)	-
Net position - beginning, as restated	-	33,746
Net position - ending	\$ -	\$ 21,146

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	Governmental Activities- Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and employees	\$ 44,264
Receipts from interfund charges	51,637
Payments for claims and judgments	(113,242)
Net cash provided by (used in) operating activities	(17,341)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Investment income	2,151
Net cash provided by investing activities	2,151
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers in	3,000
Transfers out	(573)
Net cash provided by noncapital financing activities	2,427
NET INCREASE IN CASH AND CASH EQUIVALENTS	(12,763)
CASH AND CASH EQUIVALENTS, beginning of year	54,671
CASH AND CASH EQUIVALENTS, end of year	\$ 41,908
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Income (loss) from operations	\$ (17,178)
Net cash provided by operating activities:	
Other receivables	3,156
Prepaid expenses and inventory	(439)
Accounts payable	(203)
Other liabilities	(2,680)
Unearned revenue	3
Net cash provided by (used in) operating activities	\$ (17,341)

See accompanying notes to the financial statements

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS****September 30, 2025 (Amounts in thousands)**

	Custodial Funds
<u>ASSETS</u>	
Cash, cash equivalents, and investments	\$ 169,487
Other receivables	<u>2</u>
Total assets	<u>169,489</u>
<u>LIABILITIES</u>	
Accounts payable	411
Held for others	3,077
Due to other government agencies	<u>96,760</u>
Total liabilities	<u>100,248</u>
<u>NET POSITION</u>	
Restricted for:	
Individuals, organizations, and other governments	<u>69,241</u>
Total net position	<u><u>\$ 69,241</u></u>

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	Custodial Funds
ADDITIONS	
Property tax collections for other governments	\$ 5,002,040
Vehicle registration fees collected for state	805,211
Judicial/statutory ordered collections due to others	51,600
Collateral/escrow deposits from bondsmen	583
Inmate commissary deposits	13,540
Seizures by law enforcement agencies	1,379
State grant/program revenue	32,050
Interest earnings	2,473
Total additions	<u>5,908,876</u>
DEDUCTIONS	
Property taxes due to other governments	5,002,040
Vehicle registration due to state	805,211
Payments due under judicial order/statute	45,781
Release of collateral/escrow held for bondsmen	777
Inmate commissary funds	13,540
State grant/program revenue	<u>32,602</u>
Total deductions	<u>5,899,951</u>
Net increase in fiduciary net position	8,925
Net position-beginning	<u>60,316</u>
Net position - ending	<u><u>\$ 69,241</u></u>

See accompanying notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the County conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. GASB periodically updates its codification of the existing standards. In fiscal year 2025, the County implemented requirements of **GASB Statement No. 101, *Compensated Absences***, which updates the recognition and measurement guidance for compensated absences to better meet the information needs of the financial statement users, and **GASB Statement No. 102, *Certain Risk Disclosures***, which provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

(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 8).

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 8).

DISCRETELY PRESENTED COMPONENT UNITS

The Tarrant County Hospital District ("TCHD") d/b/a JPS Health Network serves the citizens of the County by providing medical, dental and hospital care for the indigent and needy. The criteria used to determine inclusion as a discretely presented component unit are: TCHD is governed by a board of directors, which the County Commissioners Court appoints and removes at will, the County Commissioners Court approves

the TCHD tax rate and annual budget, but does not provide any funding or hold title to any of the TCHD's assets, and TCHD cannot issue bonded debt without County Commissioners Court approval. Services provided by TCHD are to the citizenry and not to the County. TCHD's financial statements include the JPS Physicians Group and JPS Foundation as component units within the reporting entity. TCHD is reported in the government-wide financial statements.

My Health My Resources of Tarrant County ("MHMRTC") serves the citizens of the County by providing services to people with mental illness, substance abuse disorders, and intellectual or developmental disabilities. The criteria used to determine inclusion as a discretely presented component unit are: MHMRTC is governed by a board of directors which the County Commissioners Court may appoint and remove at will, the County Commissioners Court approves the MHMRTC budget, but does not hold title to any of its assets, and MHMRTC can issue bonded debt without the approval of the County Commissioners Court. The fiscal year end of MHMRTC is August 31 and the financial statements presented herein are as of August 31, 2025. MHMRTC has two component units, MHMR Visions which is included in their financial statements and Trinity Behavior Rehabilitation Corporation, which has had no financial activity and therefore is not included. MHMRTC is reported in the government-wide financial statements.

The Tarrant County Health Facilities Development Corporation ("TCHFDC") was created to provide, expand, and improve health facilities to improve the adequacy, cost and accessibility of health care, research, and education. TCHFDC is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCHFDC had no significant balance sheet or results of operations as of and for the year ended September 30, 2025 and therefore are not included in the County's financial statements. All debt issued through TCHFDC was conduit debt (see Note 8). TCHFDC had no other operations.

The Tarrant County Cultural Education Facilities Finance Corporation ("TCCEFFC") was created to promote the health, education, and general welfare of citizens by providing financing for cultural, health and educational facilities. TCCEFFC is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCCEFFC had no significant balance sheet or results of operations as of and for the year ended September 30, 2025, and therefore are not included in the County's financial statements. All debt issued through TCCEFFC was conduit debt (see Note 8). 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. The effect of interfund transfers has been removed from the government-wide statements, but continues to be reflected on the fund statements. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. The County has no business-type activities.

The statement of activities reflects the degree to which the direct expenses of a given program or function are offset by program revenues. 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 investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include cost of service and administrative expenses. Any expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

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

Road and Bridge Fund – The road and bridge fund is a special revenue fund which accounts for the collection and expenditure of those monies designated to be spent for acquisition, construction, and maintenance of county roads and bridges. This constitutional fund is primarily financed with fees associated with vehicle registration.

Debt Service Fund – The debt service fund accounts for the property tax revenues restricted for payment of principal and interest on long-term debt associated with the acquisition and/or construction of facilities, equipment, and infrastructure for the County.

Capital Projects Fund – The capital projects fund accounts for bond proceeds and other committed resources to be used for the acquisition and/or construction of facilities, equipment, software, and infrastructure for the County.

Grants Fund – The grants fund, a special revenue fund, accounts for the activities conducted under the many grant agreements between the County and various state and federal organizations.

The County reports the following proprietary funds:

Resource Connection – The resource connection fund accounts for the activities of the Resource Connection, a campus of 16 buildings, which is a one-stop center providing employment, education, health and human services programs to clients through state and local governmental agencies and non-profit organizations.

The County is the owner/landowner of the property and leases space to the various entities. The Resource Connection has a permanent gas pipeline easement and oil and gas lease agreement. The royalties from the oil and gas leases are used to finance capital improvements and capital purchases for the Resource Connection. The Resource Connection fund was reclassified as of October 1, 2024. See Note 19 for additional information.

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

Additionally, the County reports the following fiduciary funds:

Custodial Funds – These funds account for assets held by the County in a fiduciary capacity and therefore cannot be used to support the County's own programs. They include the State Comptroller fund for fees collected due to the state, Community Supervision and Corrections fund for activities of a state agency with funds in the County depository and Other Custodial fund for funds collected and held for others.

(c) Basis of Accounting

GOVERNMENT-WIDE, PROPRIETARY, AND FIDUCIARY FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

(d) Cash and Cash Equivalents and Investments

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

Investments in governmental pools are recorded at amortized cost or net asset value to approximate fair value, which is designed to approximate the share value. All other investments of the County are recorded

at fair value within the fair value hierarchy established by generally accepted accounting principles and made pursuant to the Texas Public Funds Investments Act and investment policy established and approved by the Commissioners Court. Authorized investments include the following:

- a. Obligations of the United States or its agencies and instrumentalities;
- b. Direct obligations of the State of Texas;
- c. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States;
- d. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; certificates of deposit issued by state and national banks that has its main office or a branch office in Texas that are:
 - (1) Guaranteed or insured by the FDIC, or its successor; or
 - (2) Secured by obligation described by items a-d above and that have a market value of not less than the principal amount of the certificate;
- e. Fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by item a. above, pledged with a third party selected or approved by the County, and placed through a primary government securities dealer or a financial institution doing business in the State of Texas;
- f. Commercial paper with a stated maturity of 365 days or less from the date of issuance that either:
 - (1) is rated not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies; or
 - (2) is rated at least A-1, P-1 or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.
- g. Mutual funds and money market mutual funds:
 - (1) No-load money market mutual funds are authorized if registered with and regulated by the SEC; provide the investing entity with a prospectus and other information required by the Securities and Exchange Act of 1934 or the Investment Company Act of 1940; and comply with Federal Securities and Exchange Commission Rule 2a-7
 - (2) No-load mutual funds are authorized if registered by the SEC; have an average weighted maturity of less than two years; and either: (A) have a duration of one year or more and are invested exclusively in obligations approved by Chapter 2256.014 of the Government Code; or (B) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities and invested exclusively in obligations approved by this policy and rated no less than AAA or its equivalent; and invest dollar-for-dollar all County funds without sales commissions or loads
- h. Investment pool as defined in Section 2256.016 of the Texas Government Code and rated no lower than AAA or its equivalent.

(e) Prepaid Items and Inventory

Inventory is valued at cost using the average cost method. The cost of such inventory is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(f) Capital Assets

Capital assets, which include land, software in development, construction in progress, building and improvements, right to use buildings, furnishings and equipment, subscription-based information technology arrangements, software, and infrastructure assets (e.g., roads and bridges), are reported in the government-wide financial statements. The County defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life greater than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs are charged to operations when incurred. Betterments and improvements that add to the value of the asset, change capacity, or materially extend assets lives are capitalized. There is no salvage value for infrastructure since these assets will not be sold, although some benefit may still be provided by fully depreciated roads and bridges.

Land, software in development and construction in progress are not depreciated. Right to use buildings and right to use subscriptions are amortized over the shorter of the lease/subscription term or the life of the underlying asset, unless there is a purchase option that is reasonably certain of being exercised, which would result in the lease/subscription asset being amortized over the useful life of the underlying asset. Buildings and improvements, furnishings and equipment, software and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	7 - 75 years
Buildings and improvements	20 - 40 years
Furnishings and equipment	5 - 8 years
Software	5 - 8 years

(g) Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. 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. Issuance costs are expensed in the year of issue.

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

(h) Pensions

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

the benefit terms. Investments are reported at fair value to measure the net pension liability. Pensions are liquidated from the following funds: General, Road and Bridge, Grants, and Other Governmental funds.

(i) Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment to a maximum amount of twice the employee's current pay rate upon separation from employment.

The County's policy permits employees to accumulate earned but unused sick leave. The vested portion of sick leave is eligible for payment upon separation from employment.

(j) Deferred Outflows/Inflows of Resources

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

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes of actuarial assumptions used to determine OPEB liability – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans.
- Difference in expected and actual pension and OPEB experience – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans.
- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt, using the straight line method, which approximates the effective interest method.

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

- Unavailable revenue - The governmental fund balance sheet reports unavailable revenues from two sources: property taxes and other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension and OPEB experience – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans.
- Changes of actuarial assumptions used to determine pension and OPEB liability – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans.
- Net difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Deferred gain on refunding – A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt, using the straight line method, which approximates the effective interest method.
- Deferred inflows from leases - When the County is a lessor, the lease receivable is recorded at commencement and offset by a deferred inflow of resources. The deferred inflow of resources is measured at the value of the lease receivable, adjusted for lease payments received at or before the lease commencement date, and is amortized to revenues over the lease term using a straight line method.

(k) Property Taxes

Property subject to taxation is real property and certain personal property situated in the County. Certain properties of religious, educational and charitable organizations are exempt from taxation. In addition, the County offers other special exemptions, as approved by Commissioners Court, such as a 20% homestead exemption and an exemption for homeowners 65 years of age or older. Other individuals who may qualify for exemptions include homeowners with disabilities, disabled veterans, and the surviving spouses of disabled veterans or veterans who were killed while on active duty.

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 \$0.1875 (\$0.171707 for the maintenance and operations and \$0.015793 for interest and sinking fund) per \$100 valuation as of the preceding January 1. These taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty. Taxes paid after January 31 of each year are subject to interest and penalty charges.

Collections of the current year's levy are reported as current collections if received within 60 days after year end.

The County's taxes on real property are a lien (as of the date of levy) against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the property title.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes became delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

(l) Leases

The County, as a lessee, recognizes a lease liability and an intangible right to use lease asset (lease asset) at the commencement of a lease. The lease liability is initially measured at the present value of payments

expected to be made during the lease term, less any lease incentives. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured at the amount of the initial measurement of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

The County, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of a lease. The lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The County uses the interest rate stated in the lease, or if no interest rate is stated, the interest rate implicit in the lease. If an implicit rate cannot be derived, the County uses its incremental borrowing rate estimated on an annual basis. The lease term includes the noncancelable period of the lease, extensions the County is reasonably certain to exercise and periods beyond a termination option if the County is reasonably certain not to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset, lease receivable, lease liability or lease deferred inflow of resources if changes occur that significantly affect the amount of the lease liability or receivable.

(m) Subscription Based Information Technology Arrangements

The County recognizes a subscription liability and an intangible right to use subscription asset (subscription asset) at the commencement of a subscription based information technology arrangement (SBITA). The subscription liability is initially measured at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the amount of the initial measurement of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date, plus certain initial direct costs.

The County uses the interest rate stated in the subscription contract, or if no interest rate is stated, the interest rate implicit in the contract. If an implicit rate cannot be derived, the County uses its incremental borrowing rate estimated on an annual basis. The subscription term includes the noncancelable period of the subscription, extensions the County is reasonably certain to exercise and periods beyond a termination option if the County is reasonably certain not to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and subscription liability if changes occur that significantly affect the amount of the subscription liability.

(n) Fund Balance Classifications

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

This classification includes amounts that are available for any purpose. The County's general fund is the only fund that can report a positive unassigned fund balance amount. Governmental funds other than the general fund may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

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

(o) Net Position**Net position: Net Investment in Capital Assets**

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

Net position: Unrestricted

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$706,335 difference are as follows (in thousands):

Bonds payable	\$ 314,050
Plus: Premium on issuance (to be amortized as interest expense)	9,979
Accrued interest payable	2,409
Lease liability	3,273
Lease prepayment already recognized at the fund level	94
Subscription liability	3,695
Arbitrage liability	6,223
Compensated absences	78,210
Pension liability	115,939
Other postemployment benefits liability	<u>172,463</u>
Net adjustment to fund balance	<u>\$ 706,335</u>

Another element of that reconciliation explains that “Deferred outflows of resources are not reported in the funds.” The details of this \$61,310 difference are as follows (in thousands):

Deferred loss on debt refunding	\$ 480
Pension contributions after the measurement date	33,232
Difference in pension experience	5,177
OPEB contributions after the measurement date	9,892
Difference in OPEB assumptions	12,196
Difference in OPEB experience	<u>333</u>
Net adjustment to fund balance	<u>\$ 61,310</u>

Another element of that reconciliation explains that Deferred inflows of resources are not reported in the funds. The details of this \$125,597 difference are as follows (in thousands):

Deferred gain on debt refunding	\$ 1,297
Difference in projected and actual pension earnings	22,735
Changes in pension assumptions	944
Difference in pension experience	497
Changes in OPEB assumptions	70,219
Difference in OPEB experience	<u>29,905</u>
Net adjustment to fund balance	<u>\$ 125,597</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 \$48,018 difference are as follows (in thousands):

Capital outlay	\$ 92,185
Depreciation/amortization expense	<u>(44,167)</u>
Net adjustment to fund balance	<u>\$ 48,018</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 \$7,384 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.

\$ (1,352)

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.

8,736

Net adjustment to fund balance \$ 7,384

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 \$31,021 difference are as follows (in thousands):

Debt issued or incurred:	
Leases (as lessee)	\$ (2,462)
Software subscription	(5,487)
Principal repayments:	
Limited tax refunding and general obligation debt	31,080
Reduction of lease liability	1,759
Reduction of subscription liability	<u>6,131</u>
Net adjustment to fund balance	<u>\$ 31,021</u>

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$11,757 difference are as follows (in thousands):

Changes in:	
Compensated absences	\$ 919
Other postemployment benefits	24,441
Arbitrage liability	(1,662)
Net pension liability	77,721
Deferred pension outflows	(51,294)
Deferred pension inflows	(21,293)
Deferred OPEB outflows	(5,197)
Deferred OPEB inflows	(12,986)
Accrued interest payable	243
Amortization of deferred outflow on refunding	(159)
Amortization of deferred inflow on refunding	190
Amortization of bond premiums	834
Net adjustment to fund balance	<u>\$ 11,757</u>

3. CASH AND INVESTMENTS

Cash

At year-end, the County's carrying amount of cash including cash in the fiduciary funds was \$678,739,000 and the bank balance was \$715,036,000, all of which was covered by Federal Depository Insurance Corporation or by collateral held by the County's agent in the County's name.

Investments

As of September 30, 2025 the County had the following investments and maturities (in thousands):

Investment Type	Carrying Amount	Maturity in Years		% of total Portfolio
		less than 1	1 - 5	
Governmental funds:				
Certificates of deposit	\$ 1,699	\$ 1,235	\$ 464	0.4%
Investment pools:				
TexPool	95,186	95,186	-	24.2%
TexPool Prime	127,098	127,098	-	32.4%
Texas CLASS	118,854	118,854	-	30.3%
Fiduciary funds:				
Certificates of deposit	49,825	26,411	24,414	12.7%
Total Investments	<u>\$ 392,662</u>	<u>\$ 368,784</u>	<u>\$ 24,878</u>	<u>100%</u>

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2025, certificates of deposit and investment pools are not classified in the fair value hierarchy. Certificates of deposit are recorded using the net asset value. The recorded position of the pools for TexPool

and TexPool Prime are measured at amortized cost as these pools meet the requirements of GASB Statement No. 79. The recorded position of the pool for Texas CLASS is measured at net asset value to approximate fair value, which is designed to approximate the share value; however, the net asset value is not guaranteed or insured. All pools offer same day access to investments. The County has no unfunded commitments to these pools and may redeem investments at any time.

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

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits the County's investment holdings to maturities of less than 60 months. All investments will be in high quality securities with no perceived default risk.

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

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy requires all investments to be acquired on a delivery vs. payment basis at the custodial agent from brokers independent of the custodial agent. As of September 30, 2025, all of the County's investments are held in the County's name.

Concentration of credit risk: The County will diversify its investments by institution. With the exception of US Treasury securities, no more than 50% of the County's total investment portfolio will be invested with a single financial institution. The County has more than 5% of its investments in several pools, the amount, type of investment, and percentage in the portfolio is listed in the table above.

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

Cash	\$ 678,739
Investments	<u>392,662</u>
Total	<u>\$ 1,071,401</u>
Cash and investments per Statement of Net Position	\$ 901,914
Cash and investments per Statement of Fiduciary Net Position	<u>169,487</u>
Total	<u>\$ 1,071,401</u>

4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

	General	Debt Service	Total
Property taxes receivable	\$ 22,052	\$ 2,312	\$ 24,364
Allowance for uncollectibles	(15,516)	(1,667)	(17,183)
Net taxes receivable	<u>\$ 6,536</u>	<u>\$ 645</u>	<u>\$ 7,181</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

	General	Road and Bridge	Capital Projects	Grants	Other Governmental Funds	Total
Accounts receivable	\$ 3,454	\$ 2	\$ 98	\$ 1,666	\$ 3,355	\$ 8,575
Fee office receivable	102,058	-	-	-	-	102,058
Intergovernmental receivable	2,866	292	-	12,035	1,545	16,738
Lease receivable	834	-	-	-	-	834
Allowance for uncollectible	(98,582)	-	-	(837)	(73)	(99,492)
Net accounts receivable	<u>\$ 10,630</u>	<u>\$ 294</u>	<u>\$ 98</u>	<u>\$ 12,864</u>	<u>\$ 4,827</u>	<u>\$ 28,713</u>

Proprietary Funds

	Internal Service	Total
Accounts receivable	\$ 2,513	\$ 2,513
Lease receivable	-	-
Allowance for uncollectible	(15)	(15)
Net accounts receivable	<u>\$ 2,498</u>	<u>\$ 2,498</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows (in thousands):

	Balance October 1, 2024 ⁽¹⁾	Additions	Disposals	Transfers	Balance September 30, 2025
Governmental activities:					
Capital assets; not depreciated:					
Land	\$ 74,735	\$ 5,310	\$ -	\$ -	\$ 80,045
Software in development	1,168	64	(527)	(641)	64
Construction in progress	13,163	55,914	-	(5,040)	64,037
Total capital assets not depreciated	<u>89,066</u>	<u>61,288</u>	<u>(527)</u>	<u>(5,681)</u>	<u>144,146</u>
Capital assets; being depreciated:					
Buildings and improvements	585,852	411	-	4,080	590,343
Right to use building	7,894	2,462	(2,206)	-	8,150
Furnishings and equipment	116,058	19,097	(6,800)	1,043	129,398
Software	56,320	518	-	558	57,396
Right to use subscription	11,113	5,487	-	-	16,600
Infrastructure	152,822	11,658	(1,564)	-	162,916
Total capital assets; being depreciated	<u>930,059</u>	<u>39,633</u>	<u>(10,570)</u>	<u>5,681</u>	<u>964,803</u>
Less accumulated depreciation/ amortization for:					
Buildings and improvements	(278,593)	(14,422)	-	-	(293,015)
Right to use building	(4,098)	(1,792)	1,011	-	(4,879)
Furnishings and equipment	(79,337)	(9,957)	6,673	-	(82,621)
Software	(20,745)	(5,928)	-	-	(26,673)
Right to use subscription	(4,790)	(5,715)	-	-	(10,505)
Infrastructure	(93,538)	(6,353)	825	-	(99,066)
Total accumulated depreciation	<u>(481,101)</u>	<u>(44,167)</u>	<u>8,509</u>	<u>-</u>	<u>(516,759)</u>
Total capital assets; being depreciated, net	448,958	(4,534)	(2,061)	5,681	448,044
Governmental activities capital assets, net	<u>\$ 538,024</u>	<u>\$ 56,754</u>	<u>\$ (2,588)</u>	<u>\$ -</u>	<u>\$ 592,190</u>

(1) See Note 19.

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

Governmental activities:	
General government	\$ 23,594
Public safety	5,698
Transportation	11,035
Judicial	1,671
Community services	2,169
Total governmental activities depreciation expense	<u>\$ 44,167</u>

Impairments of Capital Assets

During the fiscal year ended September 30, 2025, the government recognized an impairment loss of \$526,772.50 related to a software module development project. These costs had previously been capitalized as intangible assets. In October 2025, management terminated the project due to changes in strategic priorities, resulting in a complete loss of expected service utility. The impairment loss is reported as an operating expense in the Statement of Activities.

6. LEASES

Lease Receivable

Tarrant County is a lessor for noncancelable leases of building rental space. The County recognized \$1,454,447 in lease revenue and \$57,461 in lease interest revenue during the current fiscal year. In addition, governmental funds received \$37,891 for the increase in rent based on the Consumer Price Index in accordance with the lease agreement. As of September 30, 2025, the County's deferred inflow of resources from these leases is \$1,361,724.

Lease Liability

Tarrant County is a lessee for noncancelable leases of building rental space. At September 30, 2025, the remaining lease liability was \$3,273,291. The leases have incremental borrowing rates ranging from 0.75% to 3.81%.

As of September 30, 2025, the lease liability principal and interest requirements to maturity are as follows (in thousands):

Fiscal Year(s)	Principal	Interest	Total Principal & Interest
2026	\$ 1,055	\$ 76	\$ 1,131
2027	913	50	963
2028	757	25	782
2029	509	7	516
2030	39	-	39
Total	<u>\$ 3,273</u>	<u>\$ 158</u>	<u>\$ 3,431</u>

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

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, 2025, the remaining subscription liability was \$3,694,781. The SBITAs have incremental borrowing rates ranging from 2.62% to 3.88%.

As of September 30, 2025, the subscription liability principal and interest requirements to maturity are as follows (in thousands):

Fiscal Year(s)	Principal	Interest	Total Principal & Interest
2026	\$ 1,992	\$ 59	\$ 2,051
2027	1,165	16	1,181
2028	253	8	261
2029	285	1	286
Total	<u>\$ 3,695</u>	<u>\$ 84</u>	<u>\$ 3,779</u>

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 and total OPEB liability are generally liquidated from the following funds: general, road and bridge, grants, 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, \$245,053,180 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.

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

Long-term debt of the County consisted of the following at September 30, 2025 (in thousands):

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.	5,550
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.	20,490
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.	18,525
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.	19,060
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.	45,275
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.	<u>205,150</u>
	314,050
Less - current maturities	<u>30,535</u>
Long-term debt, net of current maturities	283,515
Plus premiums	<u>9,979</u>
Long-term debt, net of current maturities, and premium	<u>\$ 293,494</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(s)	Bonds		Direct Placements		Total Principal & Interest
	Principal	Interest	Principal	Interest	
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	6,620	7,997	9,995	914	25,526
2031-2035	38,410	34,676	27,630	1,884	102,600
2036-2040	48,915	24,167	-	-	73,082
2041-2045	60,160	12,922	-	-	73,082
2046-2047	27,570	1,665	-	-	29,235
Total	<u>\$ 205,150</u>	<u>\$ 116,420</u>	<u>\$ 108,900</u>	<u>\$ 9,679</u>	<u>\$ 440,149</u>

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2025 (in thousands):

	Balance October 1, 2024 ⁽²⁾	Additions	Retirements	Balance September 30, 2025	Amounts Due within One year
Governmental activities:					
Bonds payable	\$ 345,130	\$ -	\$ (31,080)	\$ 314,050	\$ 30,535
Deferred amounts:					
Premium	10,813	-	(834)	9,979	-
Total bonds payable	355,943	-	(31,914)	324,029	30,535
Lease liability	3,889	2,462	(3,078)	3,273	1,055
Subscription liability	4,339	5,487	(6,131)	3,695	1,992
Compensated absences ⁽¹⁾	79,129	-	(919)	78,210	38,117
Self-insurance liability	19,567	1,453	(6,703)	14,317	4,560
Other postemployment benefit liability	196,904	-	(24,441)	172,463	9,892
Net pension liability	193,660	-	(77,721)	115,939	-
Arbitrage	4,561	1,662	-	6,223	-
Total governmental activities	<u>\$ 857,992</u>	<u>\$ 11,064</u>	<u>\$ (150,907)</u>	<u>\$ 718,149</u>	<u>\$ 86,151</u>

1) The change in compensated absences liability is presented as a net change

2) See Note 19

Arbitrage

The County adheres to the arbitrage requirements established under the Internal Revenue Code, which regulate the investment of tax-exempt bond proceeds. Arbitrage arises when bond proceeds are invested in higher-yielding taxable securities, and the resulting earnings exceed the allowable limits. The County monitors arbitrage on an ongoing basis to ensure compliance and performs rebate calculations as required by federal regulations.

As of September 30, 2025, the County has an estimated \$6,222,633 arbitrage rebate liability reported on the government-wide financial statements as an expense and in other noncurrent liabilities. For governmental funds, no amount is recognized until the payment becomes due and payable.

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, 2025 is as follows (in thousands):

Tarrant County Housing Finance Corporation	\$ 263,860
Tarrant County Health Facilities Development Corporation	27,040
Tarrant County Cultural Education Facilities Finance Corporation	<u>7,140,784</u>
Total Conduit Debt	<u>\$ 7,431,684</u>

Subsequent to year-end, the Commissioners Court has approved for the Tarrant County Cultural Education Facilities Finance Corporation to issue debt for several entities, not to exceed \$2,875,000,000.

9. DEFICIT FUND BALANCE / NET POSITION

The following County funds had a deficit fund balance/net position as of September 30, 2025 (in thousands):

Worker's Compensation	\$ 4,433
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The deficit net position in the workers compensation fund is due to a small number of high-severity claims related to COVID-19, partially offset by a decrease in estimated ultimate limited losses and the accrual of future year liabilities of \$10,747,800. This liability is based on an actuarial study. The County plans to continue to fund the current year workers compensation claims and maintain a \$3,000,000 reserve for any unforeseen expenditures.

10. INTERFUND BALANCES AND ACTIVITY

The following is a summary of County interfund transfers, receivable and payables at September 30, 2025 and for the year then ended (in thousands):

Transfer From	Amount	Transfer To	Explanation
General Fund	\$ 53,158	Capital Projects Fund	Supplement capital funds
General Fund	6,751	Road and Bridge	Supplement transportation services
General Fund	4,242	Other Governmental Funds	Supplement bond supervision unit
General Fund	400	Other Governmental Funds	Supplement law enforcement task force
General Fund	3,000	Self Insurance Fund	Supplement self insurance
General Fund	16	Grants Fund	Supplement fund sources
Other Governmental Funds	1,049	General Fund	Supplement courthouse security activity
Other Governmental Funds	15	Grants Fund	Supplement Public Health
Other Governmental Funds	233	General Fund	Supplement court language access
Self Insurance Fund	88	Capital Projects Fund	Insurance reimbursement for vehicle loss
Employee Benefits Fund	485	Other Governmental Funds	Supplement fund sources
	<u>\$ 69,437</u>		
Funds Due From	Amount	Funds Due To	Explanation
Grants Fund	\$ 10,423	General Fund	Short-term loan
Other Governmental Funds	123	General Fund	Short-term loan
	<u>\$ 10,546</u>		

11. DEFERRED COMPENSATION PLANS

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

In accordance with GASB Statement No. 84, *Fiduciary Activities*, the deferred compensation plans are not considered part of the County's financial reporting entity.

12. PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

PENSION PLAN

(a) General Information about the Pension Plan

Plan Description

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is an agent multiple-employer defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS, in the aggregate, issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at Barton Oaks Plaza IV, Ste. 500, 901 S. MoPac Expy, Austin, Texas 78746 or can be 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 July 2024, the County approved a 1% cost-of-living adjustment benefit increase effective January 1, 2025.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,290
Inactive employees entitled but not yet receiving benefits	2,660
Active employees	<u>4,618</u>
Total	<u><u>10,568</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 19.5% for the calendar year 2024, which was 7.15% greater than the actuarially required contribution rate of 12.35% and contributed 11.88% for the calendar year 2025, which was equal to the actuarially required contribution rate of 11.88%. The contribution rate

payable by the employee members for calendar years 2024 and 2025 is 7% as adopted by the governing body of the County.

(b) Net Pension Liability

The County's net pension liability was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %	
Payroll growth	3.00 %	
Investment rate of return	7.60 %	(Includes 0.1 % to be gross of administrative expenses)

The County has a history of granting cost-of-living adjustments, therefore cost-of-living adjustments are considered to be substantively automatic under GASB 68. An annual 1% cost-of-living adjustment is included in the calculations.

The actuarial assumptions used in the December 31, 2024 actuarial valuation were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.

Mortality rates for depositing members were based on 135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Service retirees, beneficiaries and non-depositing members were based on 135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Disabled retirees were based on 160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The numbers shown on the following table are based on January 2025 information for a 10 year time horizon and are re-assessed in detail at a minimum every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2021 and is reviewed annually for continued compliance with the relevant actuarial standards of practice.

The following target asset allocation was adopted by the TCDRS Board in March 2025. The geometric real rate of return is net of inflation, assumed at 2.35%.

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

Asset Class	Target Allocation	Geometric Real Rate of Return
US equities	13.0%	5.35%
Global equities	4.0%	5.15%
International equities - developed	6.0%	4.75%
International equities - emerging	0.0%	4.75%
Investment-grade bonds	3.0%	2.55%
Strategic credit	9.0%	3.70%
Direct lending	16.0%	6.85%
Distressed debt	4.0%	6.80%
REIT equities	2.0%	3.95%
Master limited partnerships	2.0%	4.95%
Commodities	2.0%	1.00%
Private real estate partnerships	6.0%	5.75%
Private equity	25.0%	8.15%
Hedge funds	6.0%	3.60%
Cash equivalents	2.0%	1.10%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.6%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act.

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

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

(c) Changes in Net Pension Liability (in thousands):

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2023	\$ 2,360,814	\$ 2,167,154	\$ 193,660
Changes for the year:			
Service cost	57,728	-	57,728
Interest on total pension liability ¹	179,230	-	179,230
Difference between expected and actual activity	2,893	-	2,893
Effect of assumption changes or inputs	-	-	-
Refunds of contributions	(4,050)	(4,050)	-
Benefit payments	(118,706)	(118,706)	-
Employer contributions	-	72,870	(72,870)
Member contributions	-	26,247	(26,247)
Net investment income	-	220,403	(220,403)
Administrative expenses	-	(1,286)	1,286
Other ²	-	(662)	662
Net changes	117,095	194,816	(77,721)
Balances as of December 31, 2024	\$ 2,477,909	\$ 2,361,970	\$ 115,939

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

² Relates to allocation of TCDRS System-wide items.

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

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 2,797,898	\$ 2,477,909	\$ 2,209,196
Fiduciary net position	2,361,970	2,361,970	2,361,970
Net pension liability	\$ 435,928	\$ 115,939	\$ (152,774)

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, 2025, the County recognized pension expense of \$47,828,585. As of September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts in thousands):

	Governmental Activities
Deferred Outflows of Resources	
Changes of assumptions	\$ -
Differences between expected and actual experience	5,177
Net difference between projected and actual earnings	-
Contributions subsequent to the measurement date	33,232
Total deferred outflows of resources	<u>\$ 38,409</u>
Deferred Inflows of Resources	
Net difference between projected and actual earnings	\$ 22,735
Differences between expected and actual experience	\$ 497
Changes of assumptions	944
Total deferred inflows of resources	<u>\$ 24,176</u>

At September 30, 2025, the County reported \$33,232,000 as deferred outflows of resources related to pensions resulting from the County's contribution subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year ended September 30:	Amount
2026	\$ (17,691)
2027	33,486
2028	(24,042)
2029	(10,752)

(e) Payable to the Pension Plan

At September 30, 2025, the County reported a payable of \$5,561,960 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2025.

OTHER POSTEMPLOYMENT BENEFIT PLAN**(a) General Information about the Other Postemployment Benefit Plan****Plan Description**

The County's group medical plans ("Plan") are administered through the Public Employee Benefits Cooperative. The Plan is a single employer defined benefit healthcare plan funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. OPEB includes health insurance and Medicare supplements.

Benefits Provided

Tarrant County provides medical, dental, and vision insurance benefits to its retired employees and their dependents. An employee must be eligible for retirement and currently enrolled in the Plan to be eligible for retiree insurance. The County's subsidy towards retiree insurance varies by retirement date and years of service at retirement. A separate audited report is not available.

Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. The County is under no legal obligation to pay these premiums, and the decision to provide these benefits is made by the Commissioners Court on a year-to-year basis.

The rates are set annually by the Commissioners Court based on the combination of premiums and prior year costs of the self-funded portion of the Plan. The Plan is funded on a pay-as-you-go basis.

Employees Covered by Benefit Terms

At September 30, 2024, the measurement date, the following participants were covered by the Plan:

Retired participants and surviving spouses	1,086
Active participating employees	<u>4,240</u>
Total	<u><u>5,326</u></u>

(b) Total OPEB Liability

The County's total OPEB liability of \$172,463,468 was measured as of September 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability was measured as of September 30, 2024, and was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Discount rate	3.81%, based on the Bond Buyer 20-Bond GO Index
Actuarial cost method	Entry age normal based on level percentage of projected salary
Plan participation percentage	57% of all employees and their dependents who are eligible
Pre 65 Medical and Rx cost rate	8% for 2024, decreasing 0.5% each year until reaching the ultimate trend rate of 4.50% for FY32 and later years
Post 65 County Subsidy rate	3.00% for all years
Salary increases	Varies by entry age and years of service between .41% and 5.41%, in addition to wage inflation of 3.00%
Mortality table	PUB 2010, projected forward using SOA scale MP-2021

Retirees share of benefit-related costs

Pre-65 Retirees:

Participants who retired prior to October 1, 2005, and their covered spouses are assumed to pay contributions equal to 17% of gross pre-65 costs. For all future retirees and all current retirees who retired on or after October 1, 2005, pre-65 retiree contributions are based on years of service at retirement, according to the chart below. These contribution percentages are applied against pre-65 premium rates, which are based on pre-65 retirees only.

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

Post-65 Retirees:

There is no County subsidy for participants with less than 10 years of service at retirement. For participants with 10+ years of service, the County provides a subsidy that varies between the Medicare Advantage plans. Additionally, beginning with plan year 2014, the County adopted a 3% soft cap for its post-65 retirees. The County will have increases of no more than 3% year-over-year from 2014 forward, with the remainder of any annual increase passed on to the retirees.

Termination for active employees or rate of withdrawal is based on Texas County & District Retirement System (TCDRS) Actuarial Valuation as of December 31, 2024. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service.

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, *except where required to be different by GASB 68, Accounting and Financial Reporting for Pensions.*

(c) Changes in Total OPEB Liability (in thousands):

	Total OPEB Liability
Balances as of September 30, 2023	\$ 196,904
Changes for the year:	
Service cost	10,373
Interest	8,301
Difference between expected and actual experience	(1,719)
Changes in assumptions or other inputs	(32,756)
Benefit payments	(8,640)
Net changes	(24,441)
Balances as of September 30, 2024	\$ 172,463

Changes of assumptions since the prior valuation:

The discount rate decreased from 4.09% to 3.81%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 3.81%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81%) or 1-percentage-point higher (4.81%) than the current rate (amounts in thousands):

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
Total OPEB liability	\$ 190,633	\$ 172,463	\$ 156,632

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, calculated using the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced by .5% each year until reaching the ultimate trend rate of 4.50%. Post 65 County subsidies were calculated using a 3.00% trend each year (amounts in thousands):

	Pre 65 Medical & Rx 6.50% Post 65 Subsidy 3%		
	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 160,145	\$ 172,463	\$ 186,951

(d) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the County recognized OPEB expense of \$6,258,555. As of September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Governmental Activities
Deferred Outflows of Resources:	
Contributions subsequent to the measurement date	\$ 9,892
Differences between expected and actual experience	333
Changes in assumptions	12,196
Total deferred outflows of resources	<u>\$ 22,421</u>
Deferred Inflows of Resources:	
Differences between expected and actual experience	\$ 29,905
Changes in assumptions	70,219
Total deferred inflows of resources	<u>\$ 100,124</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

Year ended September 30:	Amount
2026	\$ (17,349)
2027	(16,278)
2028	(14,339)
2029	(14,580)
2030	(12,405)
after 2030	(12,644)

(e) Additional Disclosures

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

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

GAAP requires governmental organizations to recognize a net OPEB liability measured by an actuary, even though it may not have a legally enforceable obligation to pay OPEB benefits.

The County implemented GASB 75 during fiscal year 2018. Accordingly, information and amounts presented in the County's Annual Comprehensive Financial Report relative to OPEB expenses/expenditures, related deferred outflows, deferred inflows, liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles and does not constitute or imply that the County has made a commitment or is legally obligated to provide OPEB benefits.

13. COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). At year end, the County's governmental funds had the following outstanding encumbrances (amounts in thousands):

General	\$	8,957
Road and Bridge		4,607
Capital Projects		89,288
Grants		53,658
Other Governmental Funds		<u>7,281</u>
Total	\$	<u>163,791</u>

Construction and other significant commitments

The County has several active construction and software development projects as of September 30, 2025. The County has also entered into agreements with cities and the Texas Department of Transportation to assist with the funding of transportation projects to mitigate congestion and improve air quality within Tarrant County.

At fiscal year end the County's commitments with contractors and municipalities are as follows (in thousands):

Project:	Spent to date	Remaining Commitment
350 Belknap Renovation	\$ 20,110	\$ 2,667
Plaza Garage Expansion	4,130	9,279
Law Enforcement Training Center	13,283	7,216
Tim Curry Criminal Justice Center Elevator	9,406	4,933
Transportation Projects	<u>43,483</u>	<u>64,344</u>
Total	\$ <u>90,412</u>	\$ <u>88,439</u>

14. 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, 2025 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, 2025 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

15. SELF-INSURANCE PROGRAMS

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

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

Employee Benefits Fund – accounts for County employee benefits.

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

Workers Compensation Fund – accounts for workers compensation claims.

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

	Coverage	Deductible
Buildings	\$1,632,957,848	\$1,000,000
Boilers and machinery	100,000,000	25,000
Scheduled heavy equipment	25,881,404	15,000
Scheduled equipment	38,105,825	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. No settlements exceeded purchased insurance coverage for the past three years.

During the current fiscal year, the County's scheduled heavy equipment insurance coverage was reduced from \$32,056,709 in the prior fiscal year to \$25,881,404. The change reflects updates to the County's insured asset schedule based on current equipment fleet and valuations. All other terms of the policy, including deductibles and coverage conditions, remained materially consistent with the prior year. Management has determined that the reduction in coverage does not expose the County to significant uninsured risk, as the updated schedule accurately reflects the assets requiring coverage for the current period.

The District Clerk Errors and Omissions Fund and the County Clerk Errors and Omissions Fund were established pursuant to state law.

Beginning in fiscal year 1994, the County elected to self-insure a portion of the employee/retiree group health care program. Specifically, employees and retirees are offered options for group health coverage, some of which provide an insured coverage based on fixed premiums while others are self-insured programs. The self-insured health options and prescription costs are re-insured to prevent extraordinary or catastrophic losses. Dental coverage is offered with one option being a self-insured indemnity plan, and all other options being fixed premium Dental Maintenance Organization plans. At September 30, 2025, 3,745 and 3,486 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):

	2024	2025
Beginning liability	\$ 4,407	\$ 5,985
New claims/adjustments	86,743	96,238
Claims paid/adjustments	(85,165)	(93,668)
Ending liability	<u>\$ 5,985</u>	<u>\$ 8,555</u>

For the year ended September 30, 2025, 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, 2025.

Change in the accrued liability in the workers' compensation fund and self-insurance fund for the last two years is as follows (in thousands):

	2024	2025
Beginning liability	\$ 18,201	\$ 19,567
New claims/adjustments	6,201	6,703
Claims paid/adjustments	(6,201)	(6,703)
Other - change in estimate	1,366	(5,251)
Ending liability	<u>\$ 19,567</u>	<u>\$ 14,316</u>
Amount due within 1 year	\$ 4,252	\$ 4,560

16. ECONOMIC DEVELOPMENT AGREEMENTS

Tax Incremental Financing Agreements

The County participates in several Tax Increment Financing ("TIF") Districts with other governmental entities through Interlocal Agreements. TIF is an economic development tool used by local governments to finance public improvements within a defined geographic area. For the year a TIF District is created, the assessed taxable value of real property located in the District is generally frozen for the duration of the agreement. The subsequent development and redevelopment of properties within the District increases taxable appraised values. The incremental taxes collected are returned to the entity that initially financed the improvements, e.g., city contributions, city bond fund or developer advances. The Texas Property Tax Code, Chapter 311 represents legislation governing Tax Increment Financing. The TIF contribution is recorded as a reduction of tax revenue.

On December 17, 2024, the county approved Amendment No. 4 to the City of Fort Worth Tax Increment Financing Zone #3, which lowered the county's participation rate from 40% to 35% beginning with tax year 2025 and specifically excluding the 2024 tax year, extended the term for a twenty year period expiring December 31, 2044,

defined the county's maximum cumulative contribution of \$33,514,901 which is in addition to previous county contributions to the fund, and amended the Project and Financing Plan.

On December 17, 2024, the county approved Amendment No. 3 to the City of Fort Worth Tax Increment Financing Zone #8, which lowered the county's participation rate from 40% to 35% beginning with tax year 2025 and specifically excluding the 2024 tax year, extended the term for a twenty year period expiring December 31, 2044, defined the county's maximum cumulative contribution of \$21,424,656 which is in addition to previous county contributions to the fund, and amended the Project and Financing Plan.

On May 20, 2025, the county received notice of termination of the City of Fort Worth Tax Increment Reinvestment Zone Number 6.

On May 20, 2025, the county received notice of termination of the City of Fort Worth Tax Increment Reinvestment Zone Number 10. No funds remained for distribution to the participants.

Subsequent to year end, the county received disbursement of remaining funds for the City of Fort Worth Tax Increment Reinvestment Zone Number 6 totaling \$87,829.36.

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

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

Name	Participation Rate	Taxes Forgone During 2025
City of Arlington #1 (maintenance and operation rate only)	70%	\$ 408
City of Arlington #5	70%	920
City of Arlington #6	75%	2,204
City of Arlington #7 (maintenance and operation rate only)	70%	251
City of Azle #1	50%	125
City of Bedford #1	50%	17
City of Crowley #1	75%	149
City of Euless #3	75%	448
City of Euless #4	75%	203
City of Everman #1	50%	32
City of Fort Worth #9	80%	1,119
City of Fort Worth #12	100%	312
City of Fort Worth #14	50%	320
City of Fort Worth #15	50%	358
City of Fort Worth #16	50%	10
City of Grand Prairie #1	50%	<1
City of Haltom City #1	75%	112
City of Haltom City #2	50%	41
City of Haslet #1	50%	150
City of Keller #2	50%	118
City of Kennedale #1	75%	39
City of Mansfield #1	30%	409
City of Mansfield #2	75%	220
City of Mansfield #4	50%	2
City of North Richland Hills #3	25%	41
City of Richland Hills #1	75%	53
City of River Oaks #1	75%	34
City of Saginaw #1	50%	42
City of Sansom Park #1	80%	132
Town of Trophy Club #1	60%	17
City of White Settlement #1	50%	54
		<u>\$ 8,340</u>

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

Name	Participation Rate
City of Mansfield #3	50%

Tax Abatements

Chapter 312 of the Texas Property Tax Code, Property Redevelopment and Tax Abatement Act, grants the Commissioners Court the authority to execute tax abatement agreements for the County and on behalf of the Tarrant County Hospital District (TCHD). The County enters into economic development agreements with businesses that locate or expand within the County with the expectation of stimulating the economy and tax base.

County policy grants tax abatements on ad valorem real and personal property that is expected to produce a minimum added assessed value of 1) \$5,000,000 for new business, with creation of 25 jobs, 2) \$3,000,000 for expansion or modernization of existing business, sustaining existing employment levels, or 3) agreed upon additional evaluation criteria. The agreements provide for a reduction of incremental assessed value over a period not to exceed ten years. Some agreements provide for repayment of forgone taxes if the business fails to meet certain criteria.

No commitments have been made as part of the agreements other than to reduce incremental assessed values. The County is not subject to tax abatement agreements entered into by other governmental entities.

For the fiscal year ended September 30, 2025, the County's and TCHD's abated property taxes were (in thousands):

Tax Abatement	# of Entities	Assessed Value Abated	Total Amount of Taxes Forgone	
			County	TCHD
Multi-Family Residential Development	2	50% - 70%	\$ 182	\$ 127
Mixed Use Development	1	50%	20	19
Maintenance/Operations Facility	1	50%	-	-
Corporate Offices/Data Center	2	40 - 70%	3,097	2,145
Manufacturing Facility	3	50 - 70%	665	606
Total Abated Taxes			<u>\$ 3,964</u>	<u>\$ 2,897</u>

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

Tax Abatement	# of Entities	Participation %
Multi-Family Residential Development	1	50%
Corporate Offices/Data Center	1	75%
Manufacturing Facility	4	40 - 60%
Warehouse/Distribution Facility	1	50%

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

17. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2025 (in thousands):

	General	Road and Bridge	Debt Service	Capital Projects	Grants	Other Governmental Funds	Total
Nonspendable:							
Supplies/prepaid items	\$ 4,514	\$ 865	\$ -	\$ 231	\$ 3,781	\$ 631	\$ 10,022
	<u>4,514</u>	<u>865</u>	<u>-</u>	<u>231</u>	<u>3,781</u>	<u>631</u>	<u>10,022</u>
Restricted:							
Law library	-	-	-	-	-	2,091	2,091
Records management	-	-	-	-	-	21,602	21,602
Education	-	-	-	-	-	281	281
Public health	-	-	-	-	-	6,114	6,114
Law enforcement and prosecution	-	-	-	-	-	6,584	6,584
Contractual agreement	-	-	-	-	-	8,823	8,823
Court designated	-	-	-	-	-	5,719	5,719
VIT administration	-	-	-	-	-	4,871	4,871
Construction and equipment	-	-	-	2,444	-	-	2,444
Transportation project	-	-	-	153,871	-	-	153,871
	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,315</u>	<u>-</u>	<u>56,085</u>	<u>212,400</u>
Committed:							
Law library	-	-	-	-	-	455	455
Records management	-	-	-	-	-	3,176	3,176
Public health	-	-	-	-	-	49,070	49,070
Law enforcement and prosecution	1,047	-	-	-	-	1,716	2,763
Contractual agreement	718	-	-	-	-	6,953	7,671
Court designated	-	-	-	-	-	1,098	1,098
Construction and equipment	-	-	-	264,841	-	-	264,841
Transportation project	-	24,637	-	-	-	-	24,637
Debt service	-	-	1,967	36,476	-	-	38,443
	<u>1,765</u>	<u>24,637</u>	<u>1,967</u>	<u>301,317</u>	<u>-</u>	<u>62,468</u>	<u>392,154</u>
Assigned:							
Economic development	-	-	-	-	-	5,943	5,943
County operations	7,192	-	-	-	-	-	7,192
Subsequent year's budget: appropriation of fund balance	24,654	-	-	-	-	-	24,654
	<u>31,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,943</u>	<u>37,789</u>
Unassigned	95,853	-	-	-	(3,781)	-	92,072
Total Fund Balance	<u>\$ 133,978</u>	<u>\$ 25,502</u>	<u>\$ 1,967</u>	<u>\$ 457,863</u>	<u>\$ -</u>	<u>\$ 125,127</u>	<u>\$ 744,437</u>

18. JOINT VENTURE

The County has formed a Local Government Corporation, along with certain other government organizations, to coordinate the joint development of court software, known as Techshare. The arrangement is organized as a hybrid of a joint venture and joint operations. To date all investment into Techshare has been made as undivided interests in separately-owned assets and is accounted for as such.

19. ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES**Change to or Within the Financial Reporting Entity - Adjustment**

Resource Connection was previously reported as an enterprise fund. However, this fund did not operate in a for-profit manner and historically received subsidies from the general fund to support its operations. As a result, Resource Connection has been reclassified to the general fund to more accurately reflect its role as part of the county's general operations. As part of this reclassification, oil and gas royalties, which were previously included within Resource Connection, will now be reported as revenue in the capital projects fund. This adjustment reflects the commissioners court's long-standing intention to use these royalties for improvements at the Resource Connection Center or budgeted placement of oil and gas royalties as revenue in the capital projects fund. The effect of the change within the financial reporting entity is summarized below in the "Change in reporting entity, enterprise fund to governmental fund" row in the table below.

Change in Accounting Principle - Restatement

During fiscal year 2025, Tarrant County implemented GASB Statement No. 101, Compensated Absences. Rather than recognizing unused sick and vacation time owed to employees upon separation of employment, the County now recognizes the total benefit time (sick and vacation) earned as of year-end that is more likely than not to be used as time off in future years as the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Change in accounting principle, GASB 101" row in the table below.

	Reporting Units Affected by Adjustments and Restatements of Beginning Balances (amounts in thousands)				
	Funds			Government-Wide	
	General Fund	Capital Projects Fund	Enterprise Fund	Governmental Activities	Business-Type Activities
Fund balance/net position 9/30/2024, as previously stated	\$ 167,603	\$ 466,442	\$ 7,062	\$ 580,549	\$ 7,062
Change in reporting entity, enterprise fund to governmental fund	2,658	2,096	(7,062)	7,062	(7,062)
Change in accounting principle, GASB 101				(28,288)	
Fund balance/net position 9/30/2024, as restated	<u>\$ 170,261</u>	<u>\$ 468,538</u>	<u>\$ -</u>	<u>\$ 559,323</u>	<u>\$ -</u>

20. 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. 103, *Financial Reporting Model Improvements*, is effective for the County beginning fiscal year 2026. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for the County beginning fiscal year 2026. This Statement provides users of government financial statements with essential information about certain types of capital assets.

GASB Statement No. 105, *Subsequent Events*, is effective for the County beginning fiscal year 2027. This Statement improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

21. 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, 2025, cash equivalents consisted primarily of money market accounts with brokers and state investment pools.

Investments and Investment Income

Investments in U.S. Treasury, agency and instrumentality obligations with a remaining maturity of one-year or less at time of acquisition and in non-negotiable certificates of deposit are carried at amortized cost. Investments in external investment pools qualify for amortized cost under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, are carried at amortized cost per share. All other investments are carried at fair value.

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

Patient Accounts Receivable

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

Supplies

Supply inventories are stated at the lower of cost or market, determined using the average costing method.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation and amortization is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by TCHD:

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

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at

or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease, and Subscription Asset Impairment

TCHD evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease, or subscription asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation or amortization is increased by the amount of the impairment loss. No asset impairment was recognized during the year ended September 30, 2025.

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. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Defined Benefit Pension Plan

TCHD sponsors an agent defined benefit pension plan (Plan) as more fully described in Note (I). For purposes of measuring the net pension (asset) 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

TCHD reports an acquisition of net assets that is applicable to a future reporting period as deferred inflows of resources, and the consumption of net assets that is applicable to a future reporting period as deferred outflows of resources.

Net Patient Service Revenue

TCHD has agreements with third-party payors that provide for payments to TCHD at amounts different from its established charges. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors 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, 2025 the TCHD received approximately \$12,287,000 related to the settlement. This revenue is recognized as a component of other operating revenue in the accompanying statements of revenues, expenses, and changes in net position.

Charity Care

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

Income Taxes

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

Risk Management

TCHD is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than medical malpractice, employee health and workers' compensation claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

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

(b) Net Patient Service Revenue

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

Medicare – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain inpatient nonacute services and defined medical education costs are paid on a cost- reimbursement methodology. TCHD is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicare administrative contractor. TCHD's Medicare cost reports have been audited through September 30, 2021.

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.

Approximately 64 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended September 30, 2025. Settlements under

reimbursement agreements with Medicare and Medicaid programs are estimated and recorded in the period the related services are rendered and are adjusted in future periods as adjustments become known or as the service years are no longer subject to audit, review or investigation. Annual cost reports required under the Medicare and Medicaid programs are subject to routine audits, which may result in adjustments to the amounts ultimately determined to be due under the reimbursement programs. These audits often require several years to reach their financial determination of amounts earned under the programs. As a result, it is reasonably possible that the recorded estimates will change materially in the near term.

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

(c) Supplemental Medicaid Funding Revenue

In response to the growing number of uninsured patients and the rising cost of health care, the Texas Legislature established a Texas Medicaid Disproportionate Share Program (DSH Program) that was designated to assist those facilities serving the majority of the indigent patients by providing funds supporting increased access to health care within the community. This program allows the Texas Department of Human Services to levy assessments from certain hospitals, use the assessed funds to obtain federal matching funds, and then redistribute the total funds to those facilities serving a disproportionate share of indigent patients in the state of Texas.

On December 12, 2011, the United States Department of Health & Human Services (HHSC) approved a new Medicaid section 1115(a) demonstration entitled "Texas Health Transformation and Quality Improvement Program"(Waiver). The Waiver expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promote health system transformation (DSRIP).

The Waiver was originally effective from December 12, 2011 to September 30, 2016 and extended through December 2017 as HHSC and the Centers for Medicare and Medicaid Services (CMS) negotiated a longer-term extension. On December 21, 2017, HHSC received an approved extension from CMS for the period of January 1, 2018 through September 30, 2022. Among other changes, the approved plan required a change in the methodology used to allocate UC funds and a phase out of the DSRIP program over the five-year period.

On April 22, 2022, CMS approved an extension of the Waiver through September 30, 2030. The extension provides for the continuation of the UC Pool and an expansion of directed payment programs, which transitioned participating hospitals away from the DSRIP program which ended on September 30, 2021.

Comprehensive Hospital Increased Reimbursement Program (CHIRP) is a directed payment program, which adds a quality component to the existing Uniform Hospital Rate Increase Program (UHRIP). Under UHRIP and CHIRP, HHSC directed managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. CHIRP also provides for rate increases similar to UHRIP but also provides for a rate enhancement above the UHRIP rate, based upon a percentage of estimated average commercial reimbursement. Participating hospitals may opt into this second component. The UHRIP program ended on August 31, 2021 and the CHIRP program began on September 1, 2021 and has been approved through August 31, 2026. Revenue from CHIRP and UHRIP is recognized as a component of net patient service revenue.

Beginning on September 1, 2024, HHSC provided for a third component to CHIRP, Alternative Participating Hospital Reimbursement for Improving Quality Award (APHRIQA) that provides an additional pay-for-performance component open to urban and children’s hospitals.

TCHD also receives supplemental payments through the Medicaid Graduate Medical Education (GME) program. The GME program provides reimbursement to support teaching hospitals that operate approved medical residency training programs in recognition of the higher costs incurred by teaching hospitals.

TCHD participates in the Hospital Augmented Reimbursement Program (HARP). HARP is a statewide supplemental program that provides Medicaid payments to hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service patients. The program serves as a financial transition for providers historically participating in the DSRIP program and provides additional funding to hospitals to assist in offsetting the cost hospitals incur while providing Medicaid services.

The District also receives supplemental payments through the Aligning Technology by Linking Interoperable Systems (ATLIS) program. The ATLIS program provides reimbursement to support managed care organizations in improving receipt of electronic data submissions from hospitals in their networks and advance alternative payment models.

Supplemental Medicaid funding revenue from each program, excluding CHIRP and UHRIP, which are recognized as a portion of net patient service revenue, for the year ended September 30, 2025, were as follows (in thousands):

DSH Program	\$ 50,979
UC Pool	127,979
GME Program	7,190
APHIRQA Program	22,698
HARP Program	58,359
ATLIS Revenue	149
	<u>\$ 267,354</u>

The programs described above are subject to review and scrutiny by both the Texas Legislature and CMS, and the programs could be modified or terminated based upon new legislation or regulation in future periods. The funding the District receives is subject to audit and is not representative of funding to be received in future years.

TCHD administers a Local Provider Participation Fund (LPPF) in Tarrant County. TCHD acts as the administrator of the LPPF by assessment and collection of mandatory payments from hospitals in Tarrant County. These payments are to be used to fund intergovernmental transfers for others representing the state’s share of supplemental Medicaid funding programs. As TCHD acts as a conduit for these funds, the receipts and intergovernmental transfers are not recognized as revenue and expense in the statements of revenues, expenses and changes in net position. At September 30, 2025, TCHD held \$76,540,000 in LPPF assessments that will be transferred in 2026. The liability is reflected in the accompanying balance sheets as intergovernmental transfer obligation.

(d) Property Tax Revenue

TCHD received approximately 27 percent of its support from property taxes. Property taxes are levied on October 1, based on assessed property values on the preceding January 1. To secure payment, an enforceable lien attaches to the property on January 1, when the value is assessed. Property taxes

become due and payable when levied on October 1. This is the date on which an enforceable legal claim arises and TCHD records a receivable for the property tax assessment, less an allowance for uncollectible taxes. Property taxes are considered delinquent after January 31 of the following year. TCHD recorded an allowance for uncollectible property taxes of approximately \$10,870,000 at September 30, 2025.

TCHD's total property tax rate was \$0.182500 per \$100 valuation for 2025. TCHD's maintenance and operation tax rate was \$0.17209 per \$100 valuation for 2025. TCHD's interest and debt service tax rate was \$0.010410 per \$100 valuation for 2025. TCHD's property tax revenue was \$509,493,000 for the year ended September 30, 2025.

(e) Deposits, Investments and Investment Income

Deposits

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

State law requires collateralization of all deposit with federal depository insurance or other qualified investments. At September 30, 2025, TCHD's deposits were either insured or collateralized in accordance with state law.

Investments

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

At September 30, 2025, TCHD had the following investments and maturities (in thousands):

Investment Type	Fair Value	Maturity in Years	
		less than 1	1-5
Investment pools	\$ 420,137	\$ 420,137	\$ -
U.S. Treasury obligations	1,190,564	691,749	498,815
U.S. agency obligations	360,908	215,102	145,806
Municipal bonds	2,620	-	2,620
Money market mutual funds	76,540	76,540	-
Commercial paper	113,344	113,344	-
Mutual funds	9,677	9,677	-
Total Investments	<u>\$ 2,173,790</u>	<u>\$ 1,526,549</u>	<u>\$ 647,241</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.

Credit risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. TCHD's policy is to limit its investments to U.S. Treasury and agency obligations or otherwise follow the restriction of the Texas Public Funds Investment Act. TCHD's investments in U.S. Treasury

obligations carry the explicit guarantee of the U.S. government. The debt securities of the U.S. agencies are rated Aaa by Moody's rating agency.

TCHD also invests in TexPool and TexStar, state investment pools (Pools), which are considered investments for financial reporting. The Texas State Comptroller of Public Accounts oversees TexPool. Federated Investors provides asset management and participant services for TexPool's operations under a contract with the Comptroller. TexStar is a local government investment pool offering professionally managed portfolios to government entities in the state of Texas. The governing board of directors selects co-administrators for TexStar that provide fund management. TCHD has an undivided beneficial interest in the pool of assets held by the Pools. Investments must be in compliance with the Texas Public Funds Investment Act and include obligations of the United States or its agencies, direct obligation of the state of Texas or its agencies, certificates of deposit and repurchase agreements. The fair value of the position in these pools is the same as the value of the shares in each pool.

The Pools, as well as the money market mutual funds invested in by TCHD, are rated as AAAM by Standard & Poor's. TCHD's investments in commercial paper was rated Aa3 by Moody's rating agency.

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

The money market mutual funds, mutual funds, investment pools, and commercial paper are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, TCHD would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of TCHD's investments are held in safekeeping or trust accounts.

Concentration of credit risk: TCHD places no limit on the amount that may be invested in any one issuer as long as the restrictions of the Texas Public Funds Investment Act are followed. However, the investment policy states that preservation and safety of principal is the foremost objective of the investment program, and TCHD diversifies its investment portfolio in terms of investment instruments, maturity scheduling and issuers to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, maturity or issuer.

The following table reflects TCHD's investments in single issuers that represent more than 5% of total investments:

Federal Home Bank	8.20%
U.S. Treasury	54.80%
Federal Farm Credit Bank	6.80%

Investment Income

Investment income for the fiscal year ended September 30, 2025, consisted of interest and dividend income of \$103,633,000 and a net increase in fair value of investments of \$2,666,000 for a total of \$106,299,000.

(f) Patient Accounts Receivable

TCHD grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable at September 30, 2025, consisted of (in thousands):

Medicare	\$ 45,742
Medicaid	32,752
Other third-party payors	52,463
Patients	<u>79,346</u>
	210,303
Less allowance for uncollectible accounts	<u>(94,676)</u>
Total	<u><u>\$ 115,627</u></u>

(g) Capital, Lease, and Subscription Assets

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

	Balance October 1, 2024	Additions	Disposals	Transfers	Balance September 30, 2025
Land and improvements	\$ 72,220	\$ -	\$ (1,953)	\$ 981	\$ 71,248
Buildings and improvements	271,542	37	(54)	5,077	276,602
Right to use buildings	18,445	1,765	(290)	-	19,920
Equipment	522,733	19,992	(17,578)	2,306	527,453
Right to use equipment	613	2,917	-	-	3,530
Construction in progress	149,917	114,636	-	(10,999)	253,554
Right to use subscription	57,050	10,969	(10,416)	-	57,603
	<u>1,092,520</u>	<u>150,316</u>	<u>(30,291)</u>	<u>(2,635)</u>	<u>1,209,910</u>
Less accumulated depreciation	<u>(693,067)</u>	<u>(55,443)</u>	<u>28,284</u>	<u>-</u>	<u>(720,226)</u>
Capital assets, net	<u><u>\$ 399,453</u></u>	<u><u>\$ 94,873</u></u>	<u><u>\$ (2,007)</u></u>	<u><u>\$ (2,635)</u></u>	<u><u>\$ 489,684</u></u>

As of September 30, 2025 TCHD has \$335,738,000 of outstanding construction commitments for the development of the central utility plant, the medical office building, the new inpatient tower and a parking garage funded through existing cash on hand and the Series 2023 bond proceeds.

(h) Self-Insurance Programs

Medical Malpractice and General Liability Risks

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

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

	2024	2025
Balance, beginning of year	\$ 734	\$ 365
Current year claims incurred and changes in estimates for claims incurred in prior years	4	69
Claims and expenses paid	(373)	(26)
Balance, end of year	\$ 365	\$ 408

Employee Health Claims

Substantially all of TCHD's employees and their dependents are eligible to participate in the TCHD's employee health insurance plan. Commercial stop-loss insurance coverage is purchased for claims in excess of \$500,000. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the TCHD's estimate will change by a material amount in the near term.

Activity in the TCHD's accrued employee health claims liability for the last two years is as follows (in thousands):

	2024	2025
Balance, beginning of year	\$ 6,413	\$ 7,000
Current year claims incurred and changes in estimates for claims incurred in prior years	68,577	81,232
Claims and expenses paid	(67,990)	(81,442)
Balance, end of year	\$ 7,000	\$ 6,790

Worker's Compensation Claims

TCHD is self-insured for workers' compensation claims. A provision is accrued for self-insured workers compensation claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the TCHD's estimate will change by a material amount in the near term.

Activity in the TCHD's accrued workers' compensation claims liability for the last two years is as follows (in thousands):

	2024	2025
Balance, beginning of year	\$ 2,498	\$ 2,430
Current year claims incurred and changes in estimates for claims incurred in prior years	1,882	3,246
Claims and expenses paid	<u>(1,950)</u>	<u>(2,258)</u>
Balance, end of year	<u>\$ 2,430</u>	<u>\$ 3,418</u>

(i) Long-Term Debt

Long-term debt of TCHD consisted of the following at September 30, 2025 (in thousands):

General Obligation Refunding Bonds - Series 2016:

Original amount of \$22,415 dated January 1, 2016, which bears interest at a rate of 2.24%, payable annually with installments of \$1,830 to \$1,955 through February 15, 2029. The bonds are secured by property tax revenue. The proceeds from the bonds were used to advance refund the Series 2006 bonds.

\$ 7,575

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 \$2,135 to \$2,205 through August 15, 2027. The bonds are secured by revenues of TCHD, exclusive of property tax revenue. All of the bonds still outstanding may be redeemed at TCHD's option at par value plus accrued interest. The proceeds from the bonds were used to advance refund the Series 2002 bonds.

4,340

Limited Tax Bonds, Series 2023:

Original amount of \$437,295 dated February 28, 2023, which bear interest at rates ranging from 4.0% to 5.25%, payable annually with installments ranging from \$7,320 to \$26,240 through 2053. The bonds are secured by property tax revenue. All of the bonds still outstanding may be redeemed at TCHD's option on or after August 15, 2032. The bonds were issued for the purpose of acquiring, constructing, improving, equipping or enlarging facilities of TCHD, including a new medical home, a new medical office building, a new parking garage, a new central utility plant, a new behavioral health emergency center, and expansion of the existing pavilion building.

423,680

435,595

Less - current maturities

(11,285)

Long-term debt, net of current maturities

424,310

Plus bond premium

11,536

Long-term debt, net of current maturities and discount

\$ 435,846

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

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

Fiscal Year	Principal	Interest	Total Principal & Interest
2026	\$ 11,285	\$ 20,346	\$ 31,631
2027	11,765	19,872	31,637
2028	9,990	19,373	29,363
2029	10,430	18,926	29,356
2030-2034	49,175	87,724	136,899
2035-2039	63,225	73,674	136,899
2040-2044	80,425	56,474	136,899
2045-2049	100,720	36,184	136,904
2050-2053	98,580	10,944	109,524
Total	<u>\$ 435,595</u>	<u>\$ 343,517</u>	<u>\$ 779,112</u>

The following is a summary of the changes in long-term debt for TCHD for the year ended September 30, 2025 (in thousands):

Beginning liability	\$ 446,435
Additions	-
Retirements	<u>(10,840)</u>
Ending liability	<u>\$ 435,595</u>
Amount due within one year	\$ 11,285

(j) Lease Liabilities

TCHD leases medical office, warehouse and office space and certain equipment, the terms of which expire in various years through 2035. During the year, TCHD recognized approximately \$4,385,000 of rental expense for variable payments, short-term and cancelable leases that are not included in the measurement of the lease liability.

The following is a summary of the changes in lease liability transactions for TCHD for the year ended September 30, 2025 (in thousands):

Beginning liability	\$ 11,819
Additions	4,682
Retirements	<u>(3,069)</u>
Ending liability	<u>\$ 13,432</u>
Amount due within one year	\$ 3,399

TCHD's lease liability payments to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total Principal & Interest
2026	\$ 3,399	\$ 437	\$ 3,836
2027	3,028	322	3,350
2028	2,605	220	2,825
2029	1,273	151	1,424
2030	1,160	106	1,266
2031-20235	<u>1,967</u>	<u>203</u>	<u>2,170</u>
Total	\$ <u>13,432</u>	\$ <u>1,439</u>	\$ <u>14,871</u>

(k) Subscription Liabilities

TCHD has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2030. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. TCHD did not recognize any subscription expense for variable payments not previously included in the measurement of the subscription liability during the year ended September 30, 2025.

The following is a summary of the changes in subscription liability transactions for TCHD for the year ended September 30, 2025 (in thousands):

Beginning liability	\$ 28,394
Additions	8,086
Retirements	<u>(15,730)</u>
Ending liability	<u>\$ 20,750</u>
Amount due within one year	\$ 8,013

TCHD's subscription liability payments to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total Principal & Interest
2026	\$ 8,013	\$ 632	\$ 8,645
2027	7,061	338	7,399
2028	4,368	103	4,471
2029	1,118	25	1,143
2030	<u>190</u>	<u>5</u>	<u>195</u>
Total	\$ <u>20,750</u>	\$ <u>1,103</u>	\$ <u>21,853</u>

(l) Uncompensated Care

In support of its mission, TCHD voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. The cost of charity care provided under the charity care policy was \$425,455,000. The increase in charity care costs is attributable to an increase in eligible charges during the year ended September 30, 2025. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

(m) Retirement Plans

Plan Description

TCHD sponsors an agent multiple-employer defined benefit pension plan for eligible employees within a multi-employer retirement program sponsored for member hospitals by the Texas Hospital Association Retirement Plan (THARP). THARP is the plan administrator of the pension plan. The Plan's assets are invested as a portion of the THARP's master pension trust fund. The Plan provides retirement, death, and disability benefits. Amendments to the Plan are made only with the authority of TCHD's Board of Managers. The Plan does not issue a stand-alone financial report. However, an annual actuarial valuation report is available from TCHD or THARP. The report may be obtained by writing THARP at 1108 Lavaca, Suite 700, Austin, Texas 78701.

Benefits Provided

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

Participants with five years of participation service are eligible to retire at age 65. Senior executives have a different formula and a cap on considered years of service. Participants may retire at any age after 55 if they have 10 years of vesting service. Unreduced Early Retirement is available at age 62 if they have 10 years of vesting service. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately with an actuarial reduction. Death benefits are determined in the same manner as retirement benefits but are payable immediately with an actuarial reduction. An employee who leaves the employer's service may withdraw his or her contributions, plus any accumulated interest.

Effective October 1, 2006, participation in the pension plan became mandatory for full-time employees completing one-year of service on or after October 1, 2006. An amendment effective October 1, 2011 made plan participation voluntary for employees hired after that date. An amendment effective October 1, 2020 excluded employees hired after that date from plan participation.

The employees covered by the Plan at October 1, 2024 (measurement date), are:

Inactive employees or beneficiaries currently receiving benefits	653
Inactive employees entitled to but not yet receiving benefits	1,992
Active employees	<u>2,774</u>
Total	<u><u>5,419</u></u>

Contributions

The TCHD Board has the sole authority to establish and amend the contribution requirements of the active employees. TCHD's contributions are based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the established amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. TCHD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For TCHD's fiscal year ended September 30, 2025, the active employee contribution rate was 2.0% of annual pay, and TCHD's contribution rate was 6.25% of annual payroll.

TCHD's contribution is set to be 6.25% of participate payroll effective October 1, 2024, 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. TCHD's contributions were 6.25% of estimated participant compensation for the plan year ending September 30, 2024. The average active employee contribution rate was 2.0% of annual pay for the plan year ending September 30, 2024. The costs of administering the Plan are paid by the Plan and are considered in the determination of the employer contribution rate.

Net Pension Liability (Asset)

TCHD's net pension liability (asset) was measured as of October 1, 2024, 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, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	5.93%, average, including inflation
Ad hoc cost of living adjustments	Not included
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Society of Actuaries Pri-2012 Mortality Table, projected from the 2012 base year with Projection Scale MP-2021.

The actuarial assumptions used in the October 1, 2024, valuation were based on the results of an actuarial experience study for the period 2016-2021 for retirement rates, 2014-2023 for earnings progression, 2017-2022 for withdrawal rates, and 2018-2022 for form of payment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.50%). In addition, the final 6.75% assumption reflected a reduction of 0.61% for adverse deviation and 0.20% for investment expenses.

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The target allocation and expected arithmetic real rates of return valuations for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	60.0%	6.1%
International equity	15.0%	6.0%
Fixed income	24.0%	2.0%
Cash	1.0%	0.5%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.75% at October 1, 2024. 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 (in thousands):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2024	\$ 493,617	\$ 434,449	\$ 59,168
Changes for the year:			
Service cost	17,308	-	17,308
Interest on total pension liability	33,843	-	33,843
Difference between expected and actual experience	(517)	-	(517)
Contributions - employee	-	18,975	(18,975)
Contributions - employer	-	5,548	(5,548)
Net investment income	-	109,329	(109,329)
Benefit payments, including refunds of employee contributions	(16,943)	(16,943)	-
Administrative expenses	(1,205)	(1,205)	-
Assumption changes	7,758	-	7,758
Net changes	<u>40,244</u>	<u>115,704</u>	<u>(75,460)</u>
Balances as of September 30, 2025	<u>\$ 533,861</u>	<u>\$ 550,153</u>	<u>\$ (16,292)</u>

The net pension liability (asset) of TCHD has been calculated using a discount rate of 6.75% at October 1, 2024. The following presents the net pension asset using a discount rate 1% higher and 1% lower than the current rate (in thousands).

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	\$ 54,832	\$ (16,292)	\$ (74,634)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended September 30, 2025, TCHD recognized pension expense of \$17,213,000. At September 30, 2025, TCHD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,672	\$ 360
Employer contributions subsequent to the measurement date	17,518	-
Changes of assumptions	5,400	1,841
Net difference between projected and actual earnings on plan investments	-	54,878
Total	<u>\$ 39,590</u>	<u>\$ 57,079</u>

Deferred outflows and inflows of resources associated with the Governmental Excess Benefit Arrangement Plan are included in amounts reported on the accompanying financial statements.

At September 30, 2025, TCHD reported \$17,518,000 as deferred outflows of resources related to pensions resulting from TCHD's contributions subsequent to the measurement date that will be recognized as an increase of the net pension asset at September 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2025, related to pensions will be recognized in pension expense as follows (in thousands):

Year Ended September 30:	Amount
2026	\$ (2,114)
2027	4,775
2028	(21,599)
2029	<u>(16,069)</u>
Total	<u>\$ (35,007)</u>

Pension Plan Fiduciary Net Position

As of October 1, the Plan's fiduciary net position was comprised of the following (in thousands):

Cash and cash equivalents	\$ 18,620
Receivables for investments sold	181
Investments, at fair value	
Mutual funds	202,550
Common/collective trust funds	692,529
103-12 investment fund	-
Total investments at fair value	895,079
Payables for investments purchased	(11,825)
Total plan fiduciary net position	\$ 902,055

TCHD's interest in the Plan net position as of the measurement date of October 1, 2024 was \$550,153,000.

Investment policy: Investment policy decisions are established and maintained by the Trustees of the THARP for Member Hospitals. The Trustees have several asset mix alternatives from which participating employers may choose in order to control risk. The Trustees employ and select investment managers with the advice of investment counsel which is completely independent of the investment managers.

The primary goal of a pension fund is to help pay the cost of the pension plan while providing adequate security to meet the benefits promised under the Plan. As a consequence, two important dimensions of a pension plan's investment program are expected return and expected risk.

The Plan's trustees diversify Plan investments among asset classes, recognizing that there is a relationship between the level of risk assumed in an investment program and the level of return that should be expected. Appropriate diversification better enables the trust to balance risk and return. The asset mix selected by TCHD is set forth below:

<u>Asset Class/Style</u>	<u>Target Asset Mix</u>
Large Cap U.S. equities	45%
Small Cap U.S. equities	15%
International equities	15%
Total equities	75%
Intermediate fixed income	24%
Cash	1%
Total Fixed Income	25%

The Trustees maintain a portfolio structure that may combine several active and passive management in order to balance the objectives of enhanced return and cost control.

Passive equity and fixed income portfolios invest in a substantially similar manner as that of the underlying benchmark.

Active equity managers have the following requirements:

- The equity portion of the portfolio should not be less than 90% of the portfolio, measured at market value.
- Equity holdings in any one economic sector should not exceed the greater of 30% of the portfolio or 10 percentage points above the sector weight in benchmark.
- Equity holdings in any single company (including common stock and convertible securities) should not exceed 10% of the portfolio.

Active Fixed Income managers have the following requirements:

- The primary investments should be government, corporate and mortgage securities.
- Holdings in obligations of any single entity (with the exception of the U.S. government and/or its agencies) should not exceed 5 percent of the portfolio.

The common collective trust fund investment objective is to approximate as closely as practicable, before expenses, to the performance of the S&P 500 Index over the long term.

The 103-12 investment fund objective is to approximate as closely as practicable to the performance of the MSCI EAFE Index.

Investment Rate of Return: The annual money-weighted rate of return on pension plan investments, net of expenses, which expresses net investment performance adjusted for changing amounts actually invested each month was 25.5% for the 12 months ended October 1, 2024.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Plan's policy to limit its holdings in obligations of any single entity, excluding the U.S. government and its agencies, to 5% of the portfolio.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the Plan's investments are held in trust accounts.

Concentration of Credit Risk: It is the Plan's policy to limit equity holdings in any one economic sector to the greater of 30% of the portfolio or 10% above the sector weight in the benchmark and limit equity holdings in any single company to 10% of the portfolio. Additionally, the Plan's policy limits holdings in fixed income obligations of any single entity, excluding the U.S. government and its agencies, to 5% of the portfolio.

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

The following reflects the Plan's investments in single issuers that represent more than 5% of total investment:

State Street S&P 500 Index NL Fund	37.7%
Vanguard Small Cap Index	14.4%
State Street Aggregate Bond Index NL Fund	24.4%
State Street Russell 1000 Index SL Fund	7.5%
Dodge & Cox International Stock	7.6%
GQG International Equity	7.2%

Following is a description of the valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis, as well as the general classification of pension plan assets pursuant to the valuation hierarchy. The fair value of the pension plan assets at October 1, 2024 were as follows (in thousands):

	Carrying Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Mutual funds	\$ 202,550	\$ 202,550	\$ -	\$ -
Total investments by fair value level	202,550	202,550	-	-
Investments measured at the net asset value (NAV) (A)				
Common/collective trust fund	692,529			
Total investments measured at the NAV	692,529			
Total investments at fair value	\$ 895,079			

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts disclosed for total plan investments at fair value.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Plan did not hold any Level 2 or 3 securities at October 1, 2024. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) are presented as above. There were no unfunded commitments or redemption restrictions for these funds.

Other Benefit Plans

TCHD has an IRC Section 401(a) plan that includes an employer match calculated as 50% of an employee's contribution to the IRC Section 403(b) plan discussed below, up to 4% of pay. The contributions for the employer match on the plan were approximately \$14,858,000 for the fiscal year ended September 30, 2025.

In addition, TCHD offers its employees a deferred compensation 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 deferred compensation 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 \$30,078,000 for the fiscal year ended September 30, 2025.

(n) Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2025 (in thousands):

	Carrying Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. agency obligations	\$ 360,908	\$ -	\$ 360,908	\$ -
U.S. Treasury obligations	1,190,564	1,188,540	2,024	-
Municipal bonds	2,620	-	2,620	-
Commercial paper	113,344	-	113,344	-
Money market mutual funds	76,540	76,540	-	-
Mutual funds	9,677	9,677	-	-
Total investments by fair value level	1,753,653	\$ 1,274,757	\$ 478,896	\$ -
Investment pool carried at amortized cost	420,137			
Total Investments	\$ 2,173,790			

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. TCHD held no Level 3 investments as of September 30, 2025.

(o) Note 17. Ongoing Risk and Uncertainties Contingencies

On July 3, 2025, the U.S. Congress enacted the One Big Beautiful Bill Act (OBBBA), a comprehensive budget reconciliation law introducing significant changes to federal healthcare programs, tax policy, and energy-related incentives. The legislation includes substantial reductions in Medicaid funding, modifications to provider tax structures, and new eligibility and cost-sharing requirements for Medicaid beneficiaries. The OBBBA has not had a material impact on the financial results to date as many aspects of the legislation are effective for future periods. The District is currently evaluating what impact the OBBBA may have on the financial results, cash flows, and financial position for future periods.

General Litigation

The District is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. Some of these allegations are in areas not covered by the District's self-insurance program (discussed elsewhere in these notes) or by commercial insurance, for example, allegations regarding employment practices or performance of contracts. The District evaluates such allegations by conducting investigations to determine the validity of each potential claim. It is the opinion of management the disposition or ultimate resolution of

such claims and lawsuits will not have a material adverse effect on the balance sheets, change in net assets, and cash flows of the District. Events could occur that would change this estimate materially in the near term.

22. MY HEALTH MY RESOURCES OF TARRANT COUNTY NOTES

(a) Summary of Significant Accounting Policies

Cash and Cash Equivalents

MHMRTC's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments, when applicable, are stated at fair value within the fair value hierarchy established by generally accepted accounting principles.

Patient Receivables

Patient receivables are uncollateralized noninterest bearing patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim. Accounts receivable from patients and insurance companies for services rendered are recorded at the amount estimated to be collected. At August 31, 2025, MHMRTC had total patient receivables of \$12,146,980 with an allowance for doubtful accounts of \$8,488,169 for a net carrying value of \$3,658,811.

Grants Receivable

Grant receivables represent contractual exchange transactions that are recognized as revenue as the services are performed or nonexchange operational grants. Management has not recorded an allowance on grants receivable as amounts are expected to be fully collected within the year.

Revenue

Net Patient and Client Service Revenue

MHMRTC has agreements with third-party payors that provide for payments to MHMRTC at contractually agreed upon rates. Net patient and client service revenue is reported at the estimated net realizable amounts from patients, clients, and third-party payors, and others for services rendered. MHMRTC also entered into payment agreements with Medicare, certain commercial insurance carriers (managed care organizations) and other organizations. The basis for payment under these agreements is mostly based on fee for service arrangements.

For uninsured patients, MHMRTC recognizes revenue on the basis of its standard rates for services provided, adjusted for the minimum monthly fee provisions as mandated by the state of Texas. Revenue from Medicaid Waiver programs (such as Home Community Services, Texas Home Living, YES) are recognized when services are rendered. These programs are billed based on state negotiated rates. Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Grants

MHMRTC receives grants from private organizations and state and federal agencies. Revenues from grants are recognized when all eligibility requirements, including time requirements, are met.

Other Revenues

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Intergovernmental Transfer (IGT)

MHMRTC has enrolled in the Directed Payment Program (DPP) for Behavioral Health Services and, as of August 31, 2025, has sent HHSC intergovernmental transfer (IGT) in order to leverage federal funding. As DPP payments are received, the applicable amount of IGT offsets the IGT deposit. As of August 31, 2025, the outstanding prepaid IGT balance is \$2,903,624.

Prepaid Expenses

Certain payments to vendors reflect costs that benefit future reporting periods and are reported as prepaid expenses. Prepaid items are reported using the consumption method.

Capital Assets

Capital assets include property, plant, and equipment. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

Right to use leased assets are recognized at the lease commencement date and represent MHMRTC's right to use an underlying asset for the lease term. MHMRTC recognized right to use assets with total rent payments exceeding \$25,000. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 6 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the Center's right to use of an underlying IT asset for the subscription term. The Center recognizes subscriptions IT assets for contracts that are over \$250,000 for the life of the contract including renewals as defined in GASB 96. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use

subscription IT assets are amortized over the short of the subscription term or useful life of the underlying asset using the interest rate method. The amortization period varies from 3 to 5 years.

Compensated Absences

Full-time employees earn paid time off (PTO) for each pay period of work performed. Accrual of PTO hours is based on the number of years the individual is employed by MHMRTC. Employees may carryover PTO from year to year in graduated amounts ranging from 204 hours for employees with two years of service to 372 hours for employees with 15 years of service.

After two years of employment, vested PTO is paid upon termination of employment as follows: employees with two to five years of employment receive 50% of their PTO balance up to a maximum of 126 hours; employees with greater than five but less than ten years of employment receive 75% of their PTO balance up to a maximum of 234 hours; employees with greater than ten but less than fifteen years of employment receive 85% of their PTO balance up to a maximum of 291 hours; employees with more than fifteen years of employment receive 100% of their PTO balance up to a maximum of 372 hours.

Certain employees hired prior to September 12, 2003 participate in an Extended Leave Bank (ELB). While these employees do not accrue any additional ELB hours, ELB hours accrued prior to September 12, 2003 may be used for personal illness, illness of a family member or health related appointments. ELB hours that are not used may be carried forward to subsequent years until fully utilized. ELB hours are not paid upon termination of employment.

Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds accrue only the compensated absences due and payable to currently terminated employees. Compensated absences may be paid to the employee for time off as the request of the employee with approval by their supervisor, accordingly, MHMRTC reports these amounts as due within one year. The general fund has been used in prior years to liquidate the liability for compensated absences.

Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities. Lease liabilities represent MHMRTC's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by MHMRTC.

Source of Funds

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

Risk Management

MHMRTC is exposed to various risks of loss related to general liability; tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctor's malpractice; cyber liability, and natural disasters. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

(b) Deposits and Investments

Cash and Time Deposits

MHMRTC's policy requires deposits to be fully secured at 102% by collateral valued at market or par, whichever is lower, less the amount of federal deposit insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health. Collateral agreements must be approved prior to the deposit of funds. The Board of Trustees approves authorized depository institutions based on the recommendations of MHMRTC management.

At August 31, 2025, all of MHMRTC's deposits were covered by federal deposit insurance or by a collateral pledge agreement except for MHMR Visions dba MHMR Foundation which was undercollateralized by \$170,000.

Investments

The Public Funds Investment Act provides the primary legal basis for the investment of public funds. Following those parameters, MHMRTC's investment policy authorizes investments in obligations of the United States government, its agencies and instrumentalities, (but excluding mortgage backed securities); obligations of the State of Texas or its agencies or instrumentalities; other obligations which are unconditionally guaranteed or insured by, the State of Texas or the United States or their respective agencies and instrumentalities; obligations of agencies, counties, cities and other political subdivisions of the State of Texas having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; certificates of deposit, and other forms of deposit, issued by an institution with a main office or branch office in Texas that are fully insured or collateralized; fully collateralized repurchase agreements; AAA rated SEC registered government money market mutual funds, and constant dollar local government investment pools. During the year ended August 31, 2025, MHMRTC did not own any types of securities other than those permitted by statute.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, MHMRTC's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with state statutes. MHMRTC policy emphasizes high quality investments and safety of principal with no perceived default risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. MHMRTC's investment policy requires short-term liquidity to absorb variable cash flow requirements. The weighted average maturity for the portfolio will be less than 180 days and the maximum allowable maturity is limited to two years, except as specifically authorized by the Board. During the year ended August 31, 2025, MHMRTC did not own investments other than those permitted by policy.

Investments, when applicable, are stated at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. A summary of year-end investments follows (in thousands):

Investment Type	Fair Value	Percentage of Total	Credit Rating	Maturity	Fair Value Hierarchy
Money Market (Other Governmental Fund)	\$ 57	0.31%	N/A	N/A	Level 1
Equities (Other Governmental Fund)	\$ 867	4.64%	N/A	N/A	Level 1
Fixed Income (Other Governmental Fund)	\$ 400	2.14%	N/A	N/A	Level 1
Annuity contracts (General Fund)	\$ 17,362	92.91%	AA3	<90 days	Level 1
Total	<u>\$ 18,686</u>	<u>100%</u>			

(c) Receivables From Other Governments

Receivables from other governments are for reimbursement of expenditures and fees for service provided under various programs and grants. All amounts are expected to be collected within the next year. At year-end, MHMRTC had \$24,300,524 of receivables from other governments.

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

(d) Capital Assets

A summary of changes in capital asset balances for the fiscal year ended August 31, 2025, is as follows (in thousands):

	Balance September 1, 2024	Additions	Disposals	Adjustments	Balance August 31, 2025
Nondepreciable assets					
Land	\$ 3,998	\$ -	\$ (23)	\$ -	\$ 3,975
Land-restricted	989	-	-	-	989
Construction in progress	189	18	(189)	-	18
Total nondepreciable assets	5,176	18	(212)	-	4,982
Depreciable assets					
Buildings and improvements	28,554	767	(674)	-	28,647
Buildings and improvements- restricted	3,617	-	-	-	3,617
Furniture and equipment	10,833	390	(5,935)	(43)	5,245
Vehicles	3,049	-	(46)	-	3,003
Total depreciable assets	46,053	1,157	(6,655)	(43)	40,512
Less accumulated depreciation					
Buildings and improvements	(15,906)	(1,003)	667	-	(16,242)
Buildings and improvements- restricted	(2,244)	(76)	-	-	(2,320)
Furniture and equipment	(9,320)	(604)	5,860	-	(4,064)
Vehicles	(2,086)	(232)	41	-	(2,277)
Total accumulated depreciation	(29,556)	(1,915)	6,568	-	(24,903)
Right to use leased assets					
Land	92	-	-	-	92
Buildings	8,142	103	(730)	-	7,515
Vehicles	-	549	-	-	549
Equipment	3,597	2,657	-	-	6,254
Total right to use leased assets	11,831	3,309	(730)	-	14,410
Less accumulated amortization					
Land	(46)	(15)	-	-	(61)
Buildings	(4,198)	(1,311)	730	-	(4,779)
Vehicles	-	(26)	-	-	(26)
Equipment	(2,499)	(1,078)	-	-	(3,577)
Total accumulated amortization	(6,743)	(2,430)	730	-	(8,443)
Right to use subscription IT assets					
Equipment	14,418	240	(253)	-	14,405
Total right to use subscription IT assets	14,418	240	(253)	-	14,405
Less accumulated amortization					
Equipment	(4,139)	(2,518)	253	-	(6,404)
Total accumulated amortization	(4,139)	(2,518)	253	-	(6,404)
Total capital assets, net	\$ 37,040	\$ (2,139)	\$ (299)	\$ (43)	\$ 34,559

Total depreciation and amortization expense is \$6,864,052.

(e) Unearned Revenue

Unearned revenue represents grants and contracts for certain programs to be earned in the future. Certain grant and contract revenue is recognized when expended. Grant and contract revenue received prior to expenditure is recorded as unearned revenue in the statement of net position and revenue is recorded at the time the revenue is considered earned. Total unearned revenue at year-end is \$1,053,446.

(f) Leases and Subscription-Based Information Technology Arrangements (SBITAs)

MHMRTC entered into various lease agreements as lessee for the use of land, buildings and equipment. As of August 31, 2025, the value of the lease liability was \$5,586,896. MHMRTC is required to make monthly principal and interest payments through lease termination which ranges from September 2020 to July 2030. The lease liability was valued using a discount rate ranging from 4.75% to 10.00% as determined by management based on MHMRTC's incremental borrowing rate. The total amount of right to use leased assets, and the related accumulated amortization on right to use leased assets was \$14,409,813 and \$8,443,123, respectively.

MHMRTC entered into various technology based subscription contracts that qualify as SBITAs under GASB 96. As of August 31, 2025, the value of the SBITA liability was \$8,428,947. The subscription liability was valued using a discount rate ranging from 7% to 9.5% as determined by management based on MHMRTC's incremental borrowing rate. The total amount of subscription IT assets, and the related accumulated amortization on right to use subscription IT assets was \$14,405,520 and \$6,404,119, respectively.

(g) Long-Term Liabilities

The following is a summary of the changes in long-term obligations for MHMRTC for the fiscal year ended August 31, 2025 (in thousands):

	Balance September 1, 2024	Additions	Retirements	Balance August 31, 2025	Due Within One Year
Lease liability	\$ 5,686	\$ 3,309	\$ (3,408)	\$ 5,587	\$ 2,320
Subscription IT liability	10,405	241	(2,217)	8,429	2,348
Compensated absences	4,763	935	-	5,698	554
Total	<u>\$ 20,854</u>	<u>\$ 4,485</u>	<u>\$ (5,625)</u>	<u>\$ 19,714</u>	<u>\$ 5,222</u>

Remaining principle and interest payments on leases are as follows (in thousands):

Years ending August 31,	Lease Liability		Subscription IT Liability	
	Principal	Interest	Principal	Interest
2026	\$ 2,320	\$ 342	\$ 2,348	\$ 663
2027	2,390	186	2,089	457
2028	546	43	2,208	273
2029	240	15	1,784	77
2030	91	3	-	-
	<u>\$ 5,587</u>	<u>\$ 589</u>	<u>\$ 8,429</u>	<u>\$ 1,470</u>

(h) Pension Plan

MHMRTC administers two defined contributions plans: the first plan is closed and has one fully vested participant; the second plan is an active money purchase pension plan as defined under code section 401(a) of the Internal Revenue Service. The active defined contribution plan is identified as the Tarrant County MHMR Money Purchase Plan. Participation in the open plan is available to full-time employees who have completed one year of service. Employees contribute 5% of their compensation and the Center contributes 8% of employee compensation on behalf of participating employees. The plan is administered by Voya Financial. 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% graded vesting per year).

During the fiscal year, \$400,061 employee forfeitures were used to reduce employer contributions. The amount remaining in the forfeiture account as of the close of the fiscal year was \$0. At year end, the amount due to the plan was \$311,209.

Contributions to the defined contribution retirement plan for the year were as follows (in thousands):

Plan	Employee	Employer	Total
Closed	\$ 4	\$ 6	\$ 10
Active	3,114	5,014	8,128
Total	\$ 3,118	\$ 5,020	\$ 8,138

(i) Deferred Compensation Plan

MHMRTC offers employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are more fully described below:

Non Matching Plan

This plan is available to all active MHMRTC employees. Employee elective deferrals are voluntary and permit them to defer a portion of their salary in accordance with maximum limits established by the Internal Revenue Code. Deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. In service withdrawals are available from fully vested balances upon attainment of age 70 ½. Employee contributions are always fully vested. This plan is administered by Voya Financial. At year end, the amount due to the plan was \$39,937. Employee contributions to the defined compensation plan for the year were \$1,026,392.

Matching Plan

Employees of MHMR who were hired on or before April 1, 2016 who were eligible to participate in the 401(a) Money Purchase Plan (identified in Note j), but who did not elect to participate during their initial eligibility enrollment period or at any time prior to April 1, 2016 are eligible to participate in the MHMR 457 Deferred Compensation Matching Plan established by MHMR on July 25, 2017. Employees eligible for this plan who elect to participate contribute 5% of compensation and receive an 8% match from MHMR. Employee and employer contributions are 100% vested at the time of contribution. This plan is administered by Voya Financial. During the fiscal year, \$438 of employee forfeitures were used to reduce employer contributions. The amount remaining in the forfeiture account as of the close of the fiscal year was \$0. At year end, the amount due to the plan was \$37,177. Employee contributions to the matching plan for the year were \$415,758 with employer contributions to the plan totaling \$550,882.

(j) Health Care Coverage

MHMRTC established a partially self-funded health benefits plan for employee medical benefits. MHMRTC purchases commercial stop-loss coverage for medical claims in excess of \$250,000 per plan participant, per policy period plus an aggregating specific deductible of \$173,000. The policy Minimum Annual Aggregate Deductible limit is the greater of a) \$25,921,959; or b) 90% of the Monthly Aggregate Deductible for the first month of the Policy Year, then multiplied by 12. There is also an Aggregate Benefit Attachment Point limit for the Policy Year, which was \$26,984,268. At year-end, the final paid aggregate claims for the Policy Year were below the sum of the Monthly Aggregate Deductibles for the Policy Year. MHMRTC accounts for this activity in an internal service fund. This internal service fund reflects a claims liability in the amount of \$4,762,146 at year-end. This claims liability is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates a liability has been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. MHMRTC does not discount its claims liabilities. All claims liabilities are expected to be paid within one year.

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

	2024	2025
Unpaid claims, beginning of year	\$ 3,932	\$ 3,490
Incurred claims (including BNR)	31,879	36,707
Claims, premiums, and fee payments	(32,321)	(35,435)
Unpaid claims, end of year	\$ 3,490	\$ 4,762

(k) Commitments and Contingencies

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

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

(l) Permanently Restricted Capital Assets

The Texas Health and Human Services Commission (HHSC), formerly the Department of Aging and Disability Services (DADS), transferred title to five separate real estate properties to MHMRTC in return for the payoff of DADS bonded indebtedness in a prior year. These properties are used by MHMRTC to provide group home services to its patients. In addition, MHMRTC received title to another separate property from DADS to be used to provide program services. The deeds received for these properties contain a restriction that states if the properties cease to be utilized by MHMRTC to provide community-based mental health or intellectual and development disability services for a continuous period of more than 180 days, then title to the property reverts to HHSC as successor to DADS. In accordance with this deed restriction, MHMRTC reports the cost of these properties of \$4,605,775 as restricted capital assets within the building and improvements – restricted and land – restricted captions in Note (d). The net book value of these assets after depreciation is \$2,284,897.

(m) Patient Assistance Program

Consumers periodically receive prescription medications through a program known as the Patient Assistance Program (PAP). These prescriptions are provided at no cost to the consumer. These items do not meet the criteria for recognition on MHMRTC's financial statements; however, they do provide significant assistance to the consumers MHMRTC serves. Management estimates that consumers received prescription medications through this program valued at \$4,869,631 during the year ending August 31, 2025

(n) Related Party Transactions

MHMRTC established a banking relationship with a financial institution, which includes a line of credit. One of the MHMRTC's Board Members is the Chief Operations Officer of this bank. This member will abstain from all voting related to transactions or relationships with this bank.

(o) Direct Payment Program and Charity Care Program

The State of Texas has been approved for a five-year Medicaid demonstration waiver (through September 30, 2016) that will enable hospitals and other providers to earn up to \$11.4 billion in funds for Delivery System Reform Incentive Payment (DSRIP) projects. DSRIP projects are designed to improve Texas' health care delivery system, including access to care, quality of care, and health outcomes. Texas has allocated a minimum of 10% of the DSRIP funds to the community mental health centers that serve mentally ill Medicaid and indigent patients throughout the state. An extension was granted until December 2017. On December 22, 2017, the Centers for Medicare & Medicaid Services (CMS) approved Texas HHSC's request to extend Texas' section 1115(a) demonstration project effective from January 1, 2019 through September 30, 2022. Under the new terms, there are two years of level funding, followed by two years of funding which will decrease each year. The program ended September 30, 2022.

In November 2021, CMS approved the Directed Payment Program for Behavioral Health Services (DPP BHS) to take the place of the DSRIP program, but community mental health centers (CMHC) are encouraged to continue successful DSRIP innovations. DPP BHS is a value-based payment program to promote and improve access to behavioral health services, care coordination, and successful care transitions. It also incentivizes continuation of services to Medicaid-enrolled individuals that are aligned with the Certified Community Behavioral Health Clinic (CCBHC) model of care.

DPP BHS payments will be included in MCO capitation rates and distributed through two components to enrolled CMHCs who meet program requirements. Component 1 is a uniform dollar increase issued in monthly payments to all qualifying providers participating in the program. As a condition of participation, providers will report on progress made toward certification or maintenance of CCBHC status. Enrolled providers will also be required to report on the implementation status of activities foundational to quality improvement, such as telehealth services, collaborative care, integration of physical and behavioral health, and improved data exchange. Component 2 is a uniform percent increase on certain CCBHC services based on achievement of quality metrics that align with CCBHC measures and goals. These two components were combined beginning FY 25. MHMRTC enrolled in this program and for the period of September 1, 2024 through August 31, 2025, has paid HHS two deposits of intergovernmental transfers (IGT) in the amount of \$4,035,849. MHMRTC has received or expects to receive payments of \$6,813,193 of which they have applied \$2,724,596 to IGT, recognized \$4,088,911 in revenue, and have reserved \$1,277,799. The Center has remaining IGT of \$2,903,624 which includes \$1,684,835 payment for FY26. This IGT is recorded as Deposit IGT DPP and the reserve in accounts payable on the balance sheet in the governmental funds and in the statement of net position.

The State of Texas has also developed the Public Health Provider – Charity Care Program (PHP-CCP), which is designed to allow qualified providers to receive reimbursements for the cost of delivering healthcare services, including behavioral health services, when those services are not covered by other funding sources. This program is authorized under the 1115 waiver and year 1 included uncovered cost and the Medicaid shortfall. Year 2 will only include charity care.

The program was effective beginning October 1, 2021 with a total funding pool of \$500 million for the state. The state received federal approval on December 22, 2021.

MHMRTC recognized \$20,358,503 from the PHP-CCP in FY25 based on cost reports reporting FY24 expenses.



REQUIRED SUPPLEMENTARY INFORMATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONTINUED)

For the year ended September 30, 2025 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 468,943	\$ 468,943	\$ 467,424	\$ (1,519)
Licenses and permits	1,400	1,400	1,396	(4)
Fees of office	71,070	71,070	75,086	4,016
Intergovernmental	34,961	34,961	37,775	2,814
Investment income	16,703	16,703	14,967	(1,736)
Other revenues	16,904	16,904	15,789	(1,115)
Transfers	1,215	1,215	1,282	67
Total Revenues	<u>\$ 611,196</u>	<u>\$ 611,196</u>	<u>\$ 613,719</u>	<u>\$ 2,523</u>
EXPENDITURES:				
County Judge	\$ 1,169	\$ 1,169	\$ 1,135	\$ 34
County Administrator	2,453	2,453	2,056	397
Communications	390	390	310	80
Emergency Management	283	283	200	83
Non-Departmental	180,781	163,915	81,126	82,789
Auditor	8,136	8,136	8,054	82
Budget/Risk Management	1,864	1,864	1,810	54
Tax Assessor / Collector	18,023	17,981	17,875	106
Elections Administration	11,841	11,841	9,392	2,449
Information Technology	59,322	59,322	52,650	6,672
Human Resources	3,875	3,890	3,456	434
Purchasing	2,842	2,842	2,791	51
Facilities	7,330	7,515	7,282	233
Sheriff	64,368	68,293	68,200	93
Sheriff - Confinement	112,724	120,127	120,116	11
Constable Precinct 1	1,604	1,613	1,613	-
Constable Precinct 2	1,627	1,627	1,596	31
Constable Precinct 3	1,891	1,891	1,886	5
Constable Precinct 4	1,319	1,319	1,297	22
Constable Precinct 5	1,249	1,286	1,286	-
Constable Precinct 6	1,124	1,124	1,084	40
Constable Precinct 7	1,762	1,765	1,765	-
Constable Precinct 8	1,696	1,696	1,669	27
Medical Examiner	15,833	15,830	15,227	603
Fire Marshal	461	461	410	51
Community Supervision	4,832	4,832	4,242	590
Juvenile Services	29,918	29,918	27,962	1,956
Buildings	31,680	31,680	31,372	308
Resource Connection	1,276	1,276	919	357
17TH District Court	339	330	322	8
48TH District Court	344	333	333	-
67TH District Court	341	331	331	-
96TH District Court	336	357	357	-
141ST District Court	332	352	352	-
153RD District Court	351	363	363	-
236TH District Court	334	340	336	4

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)**
For the year ended September 30, 2025 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
342ND District Court	\$ 337	\$ 337	\$ 323	\$ 14
348TH District Court	334	334	329	5
352ND District Court	334	334	328	6
Criminal District Court 1	2,480	2,477	2,404	73
Criminal District Court 2	2,119	3,141	3,064	77
Criminal District Court 3	2,184	4,609	4,609	-
Criminal District Court 4	1,893	2,331	2,330	1
213TH District Court	2,496	3,084	2,965	119
297TH District Court	2,060	2,514	2,498	16
371ST District Court	2,361	3,466	3,466	-
372ND District Court	2,211	3,010	3,010	-
396TH District Court	2,498	2,625	2,564	61
432nd District Court	2,390	2,999	2,876	123
485TH District Court	2,464	3,185	3,177	8
Magistrate Court	2,735	2,727	2,605	122
231ST District Court	1,475	1,485	1,399	86
233RD District Court	2,164	2,164	1,869	295
322ND District Court	1,079	1,271	1,271	-
323RD District Court	2,487	2,497	2,197	300
324TH District Court	1,068	1,278	1,250	28
325TH District Court	1,027	1,214	1,211	3
360TH District Court	1,347	1,374	1,374	-
Criminal Court Administration	5,393	5,579	5,506	73
Grand Jury	257	261	261	-
Criminal Attorney Appointment	683	683	679	4
Criminal Mental Health Court	299	279	182	97
County Court at Law #1	698	708	708	-
County Court at Law #2	684	684	665	19
County Court at Law #3	675	733	608	125
County Criminal Court #1	1,153	1,260	1,256	4
County Criminal Court #2	1,019	1,075	1,072	3
County Criminal Court #3	1,023	1,073	1,073	-
County Criminal Court #4	989	1,103	1,090	13
County Criminal Court #5	1,215	1,281	1,260	21
County Criminal Court #6	844	1,161	1,160	1
County Criminal Court #7	889	1,064	1,054	10
County Criminal Court #8	908	1,087	1,082	5
County Criminal Court #9	854	1,055	1,048	7
County Criminal Court #10	788	970	948	22
Probate Court 1	2,370	2,370	2,290	80
Probate Court 2	1,955	1,976	1,976	-
Justice of the Peace Pct. 1	1,003	1,003	999	4
Justice of the Peace Pct. 2	1,024	1,020	1,008	12
Justice of the Peace Pct. 3	987	987	986	1

BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONCLUDED)

For the year ended September 30, 2025 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Justice of the Peace Pct. 4	\$ 849	\$ 856	\$ 856	\$ -
Justice of the Peace Pct. 5	929	947	947	-
Justice of the Peace Pct. 6	958	958	935	23
Justice of the Peace Pct. 7	1,094	1,094	1,049	45
Justice of the Peace Pct. 8	1,027	1,027	975	52
Criminal District Attorney	50,087	50,087	48,415	1,672
District Clerk	12,629	12,629	12,305	324
County Clerk	14,339	14,339	12,769	1,570
Domestic Relations	8,771	8,771	8,373	398
Jury Services	3,216	3,216	3,203	13
Courts / Judiciary	6,332	717	526	191
Human Services	4,054	4,312	4,079	233
Child Protective Services	2,654	2,654	2,430	224
Public Assistance	379	401	352	49
TX Cooperative Extension	851	851	780	71
Veterans Services	694	694	657	37
Historical Commission	321	321	319	2
Comm Pct 1 - General	1,479	1,479	1,406	73
Comm Pct 2 - General	1,596	1,596	1,493	103
Comm Pct 3 - General	1,300	1,300	865	435
Comm Pct 4 - General	1,133	1,133	1,081	52
Fleet Services	4,030	4,030	3,167	863
Total Expenditures	\$ 758,025	\$ 758,025	\$ 652,187	\$ 105,838

BUDGETARY COMPARISON SCHEDULE ROAD AND BRIDGE

For the year ended September 30, 2025 (Amounts in thousands)

	Road and Bridge			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 18,622	\$ 18,622	\$ 19,775	\$ 1,153
Intergovernmental	56	56	91	35
Investment income	800	800	1,155	355
Other revenues	205	205	1,021	816
Transfers	6,751	6,751	6,751	-
Total Revenues	<u>\$ 26,434</u>	<u>\$ 26,434</u>	<u>\$ 28,793</u>	<u>\$ 2,359</u>
EXPENDITURES:				
Commissioner Precinct 1	\$ 12,099	\$ 12,099	\$ 8,364	\$ 3,735
Commissioner Precinct 2	6,219	6,219	4,098	2,121
Commissioner Precinct 3	4,599	4,599	4,055	544
Commissioner Precinct 4	10,486	10,486	9,139	1,347
Right of Way	4,073	4,073	1,405	2,668
Transportation	4,642	4,624	3,218	1,406
Road and Bridge Non-Departmental	994	1,012	385	627
Total Expenditures	<u>\$ 43,112</u>	<u>\$ 43,112</u>	<u>\$ 30,664</u>	<u>\$ 12,448</u>

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
For the year ended September 30, 2025**

1. Budgets and Budgetary Accounting

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

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

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

2. Reconciliation to Fund Statements

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

	General Fund	Road and Bridge
Revenues		
Budgetary Basis	\$ 613,719	\$ 28,793
Transfers in	(1,282)	(6,751)
Available in 2025, received in 2026	192	-
Budgeted in 2025, available in 2026	(2,404)	-
Accrued in prior years, received in 2025	229	-
Difference of amortized lease revenue and payments received	(47)	-
Revenues on modified accrual (GAAP) basis	610,407	22,042
Expenditures		
Budgetary Basis	652,187	30,664
Transfers out	(67,567)	-
Capital outlay for right to use leases and subscriptions	7,192	-
Incurred in prior years, paid in 2025	4,747	1,337
Incurred during 2025, payable in future years	(6,429)	(2,581)
Not budget relevant entries including changes in prepaid, bad-debt, non-monetary donations, inventory adjustments, and indirect cost	(2,533)	441
Expenditures on modified accrual (GAAP) basis	587,597	29,861
Other Financing Sources (Uses)	(59,093)	6,751
Changes in fund balance on modified accrual (GAAP) basis	\$ (36,283)	\$ (1,068)

A separate budget report detailed to the legal level of control is available upon request or can be viewed at www.tarrantcountytx.gov under the Auditor department. The detailed budget report has "sub-funds" and contains more detail than the budget information provided within this report.



REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
(Amounts in thousands)

	Year ended September 30				
	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 45,728	\$ 46,356	\$ 48,606	\$ 46,804	\$ 42,581
Contributions in relation to the actuarially determined contribution	52,963	72,313	71,445	65,014	59,618
Contribution (excess)	(7,235)	(25,957)	(22,839)	(18,210)	(17,037)
Covered payroll	\$ 380,911	\$ 370,835	\$ 366,385	\$ 333,404	\$ 305,731
Contributions as a percentage of covered payroll	13.90%	19.50%	19.50%	19.50%	19.50%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	4 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset valuation method	5 year smoothed fair value
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career, including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Plan Provisions Reflected in the Schedule *	Calendar year 2015: Employer contributions reflect a 50% CPI COLA adoption. Calendar year 2016: No changes in plan provisions. Calendar year 2017: Employer contributions reflect a 50% CPI COLA adoption. Also, new Annuity Purchase rates were reflected for benefits earned after 2017. Calendar year 2018: Employer contributions reflect a 50% CPI COLA adoption. Calendar year 2019 through 2024: Employer contributions reflect a 1% flat COLA adoption.
Changes in Assumptions and Methods Reflected in the Schedule *	Calendar year 2015: New inflation, mortality and other assumptions were reflected. Calendar year 2017: New mortality assumptions were reflected. Calendar year 2019: New inflation, mortality and other assumptions were reflected. Calendar year 2022: New investment return and inflation assumptions were reflected.

* Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 41,266	\$ 38,960	\$ 38,055	\$ 36,398	\$ 35,941
<u>56,181</u>	<u>53,353</u>	<u>50,786</u>	<u>46,843</u>	<u>44,024</u>
<u>(14,915)</u>	<u>(14,393)</u>	<u>(12,731)</u>	<u>(10,445)</u>	<u>(8,083)</u>
\$ 288,105	\$ 273,603	\$ 262,718	\$ 253,641	\$ 251,567
19.50%	19.50%	19.33%	18.47%	17.50%

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

(Amounts in thousands)

	Plan Year ended December 31		
	2024	2023	2022
Total Pension Liability			
Service cost	\$ 57,728	\$ 55,344	\$ 48,963
Interest on total pension liability	179,230	170,836	162,126
Effect of plan changes	-	-	-
Effect of assumption changes or inputs	-	-	-
Difference between expected and actual activity	2,893	1,061	5,566
Refunds of contributions	(4,050)	(4,193)	(3,776)
Benefit payments	(118,706)	(111,535)	(102,282)
Other	-	2,377	4,521
Net change in total pension liability	117,095	113,890	115,118
Total pension liability, beginning	2,360,814	2,246,924	2,131,806
Total pension liability, ending (a)	\$ 2,477,909	\$ 2,360,814	\$ 2,246,924
Fiduciary Net Position			
Employer contributions	\$ 72,870	\$ 69,676	\$ 68,277
Member contributions	26,247	25,110	24,566
Investment income (loss) net of investment expenses	220,403	216,613	(122,428)
Refunds of contributions	(4,050)	(4,193)	(3,776)
Benefit payments	(118,706)	(111,535)	(102,282)
Administrative expenses	(1,286)	(1,132)	(1,155)
Other	(662)	1,834	4,362
Net change in fiduciary net position	194,816	196,373	(132,436)
Fiduciary net position, beginning	2,167,154	1,970,781	2,103,217
Fiduciary net position, ending (b)	\$ 2,361,970	\$ 2,167,154	\$ 1,970,781
Net pension liability, ending = (a) - (b)	\$ 115,939	\$ 193,660	\$ 276,143
Fiduciary net position as a percentage of total pension liability	95.32%	91.80%	87.71%
Covered payroll	\$ 373,694	\$ 357,315	\$ 350,138
Net pension liability as a percentage of covered payroll	31.03%	54.20%	78.87%

TCDRS Annual Comprehensive Financial Report is available at www.tcdrs.org or PO Box 2034, Austin, Texas 78768-2034.

2021	2020	2019	2018	2017	2016	2015
\$ 50,651	\$ 40,819	\$ 39,404	\$ 39,155	\$ 38,878	\$ 39,393	\$ 37,283
154,557	146,368	138,573	135,469	129,570	120,402	113,517
-	-	-	(60,557)	-	-	(7,351)
(4,721)	115,425	-	-	(9,933)	-	21,317
(2,486)	2,915	940	(1,393)	(16,337)	(2,578)	(15,711)
(2,591)	(2,845)	(3,000)	(2,068)	(3,479)	(2,321)	(2,989)
(94,014)	(86,648)	(79,672)	(71,926)	(65,434)	(59,509)	(54,948)
4,305	1,925	3,642	1,780	1,703	1,600	1,503
105,701	217,959	99,887	40,460	74,968	96,987	92,621
<u>2,026,105</u>	<u>1,808,146</u>	<u>1,708,259</u>	<u>1,667,799</u>	<u>1,592,831</u>	<u>1,495,844</u>	<u>1,403,223</u>
<u>\$ 2,131,806</u>	<u>\$ 2,026,105</u>	<u>\$ 1,808,146</u>	<u>\$ 1,708,259</u>	<u>\$ 1,667,799</u>	<u>\$ 1,592,831</u>	<u>\$ 1,495,844</u>
\$ 60,188	\$ 58,920	\$ 53,560	\$ 51,604	\$ 47,657	\$ 42,720	\$ 41,529
21,607	21,174	19,241	18,518	17,817	17,094	16,662
380,241	163,464	224,572	(26,041)	178,077	84,033	(3,788)
(2,591)	(2,845)	(3,000)	(2,068)	(3,479)	(2,321)	(2,989)
(94,014)	(86,648)	(79,672)	(71,926)	(65,434)	(59,509)	(54,948)
(1,138)	(1,270)	(1,205)	(1,096)	(927)	(913)	(818)
3,748	1,558	2,792	1,513	1,247	4,229	517
368,041	154,353	216,288	(29,496)	174,958	85,333	(3,835)
<u>1,735,176</u>	<u>1,580,823</u>	<u>1,364,535</u>	<u>1,394,031</u>	<u>1,219,073</u>	<u>1,133,740</u>	<u>1,137,575</u>
<u>\$ 2,103,217</u>	<u>\$ 1,735,176</u>	<u>\$ 1,580,823</u>	<u>\$ 1,364,535</u>	<u>\$ 1,394,031</u>	<u>\$ 1,219,073</u>	<u>\$ 1,133,740</u>
<u>\$ 28,589</u>	<u>\$ 290,929</u>	<u>\$ 227,323</u>	<u>\$ 343,724</u>	<u>\$ 273,768</u>	<u>\$ 373,758</u>	<u>\$ 362,104</u>
98.66%	85.64%	87.43%	79.88%	83.59%	76.53%	75.79%
\$ 308,678	\$ 302,165	\$ 274,656	\$ 264,548	\$ 254,133	\$ 244,001	\$ 237,309
9.26%	96.28%	82.77%	129.93%	107.73%	153.18%	152.59%

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS (Amounts in thousands)

	Measurement date September 30		
	2024	2023	2022
Total OPEB Liability			
Service cost	\$ 10,373	\$ 9,959	\$ 15,543
Interest cost	8,301	7,834	5,755
Difference between expected and actual activity	(1,719)	-	(19,712)
Effect of assumption changes or inputs	(32,756)	(1,399)	(46,686)
Benefit payments	(8,640)	(8,824)	(9,314)
Net change in total OPEB liability	(24,441)	7,570	(54,414)
Total OPEB liability, beginning	196,904	189,334	243,748
Total OPEB liability, ending (a)	\$ 172,463	\$ 196,904	\$ 189,334
Fiduciary Net Position			
Employer contributions	\$ 8,640	\$ 8,824	\$ 9,314
Benefit payments	(8,640)	(8,824)	(9,314)
Net change in fiduciary net position	-	-	-
Fiduciary net position, beginning	-	-	-
Fiduciary net position, ending (b)	-	-	-
Total OPEB liability, ending = (a) - (b)	\$ 172,463	\$ 196,904	\$ 189,334
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 316,796	\$ 309,019	\$ 288,682
Total OPEB liability as a percentage of covered employee payroll	54.44%	63.72%	65.59%

Notes to schedule

There are no assets in a qualifying trust, as defined by GASB 75, to pay related benefits.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2024	3.81%
2023	4.09%
2022	4.02%
2021	2.26%
2020	2.21%
2019	2.66%
2018	4.18%
2017	3.64%
2016	3.06%

The County implemented GASB 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available, therefore, ten years of data will accumulate over time.

2021	2020	2019	2018	2017
\$ 15,371	\$ 15,788	\$ 12,527	\$ 16,282	\$ 12,432
5,393	6,782	8,953	8,449	7,137
177	(34,069)	762	(5,183)	-
(1,601)	10,510	24,675	(25,870)	(17,168)
(8,474)	(10,603)	(8,203)	(7,479)	(7,305)
10,866	(11,592)	38,714	(13,801)	(4,904)
232,882	244,474	205,760	219,561	224,465
<u>\$ 243,748</u>	<u>\$ 232,882</u>	<u>\$ 244,474</u>	<u>\$ 205,760</u>	<u>\$ 219,561</u>
\$ 8,474	\$ 10,603	\$ 8,203	\$ 7,479	\$ 7,305
(8,474)	(10,603)	(8,203)	(7,479)	(7,305)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 243,748</u>	<u>\$ 232,882</u>	<u>\$ 244,474</u>	<u>\$ 205,760</u>	<u>\$ 219,561</u>
0.00%	0.00%	0.00%	0.00%	0.00%
\$ 274,981	\$ 265,682	\$ 250,278	\$ 243,335	\$ 254,210
88.64%	87.65%	97.68%	84.56%	86.37%

DISCRETELY PRESENTED COMPONENT UNIT - TCHD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - TCHD
(Amounts in thousands)

Year ended September 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	\$ 17,518	\$ 17,518	\$ -	\$ 280,290	6.25%
2024	18,975	18,975	-	303,607	6.25%
2023	18,861	18,861	-	301,779	6.25%
2022	20,425	20,425	-	326,804	6.25%
2021	20,153	20,153	-	322,441	6.25%
2020	18,225	18,225	-	291,597	6.25%
2019	17,281	17,281	-	276,493	6.25%
2018	17,305	17,305	-	256,366	6.75%
2017	14,443	14,443	-	213,963	6.75%
2016	13,579	13,579	-	201,170	6.75%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	"Closed group" level dollar of payroll
Remaining amortization period	10.8 years at October 1, 2024; recalculated annually; employer contribution rate constant unless amortization period > 25 years or ≤ 0 years
Asset valuation method	5 year smoothed fair value
Inflation	2.50%
Salary increases	5.93%, average, including inflation
Investment rate of return	6.75% net of pension plan investment expense, including inflation
Retirement age	62 (average)
Mortality	Pri-2012 Total Dataset Mortality Table, Projected from the 2012 base year using the MP-2021 mortality improvement scale



DISCRETELY PRESENTED COMPONENT UNIT - TCHD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS
(Amounts in thousands)

	Measurement date October 1		
	2024	2023	2022
Total Pension Liability			
Service cost	\$ 17,308	\$ 17,015	\$ 13,198
Interest on total pension liability	33,843	29,636	27,646
Changes of benefit terms	-	(40)	-
Effect of assumption changes or inputs	7,758	-	(4,425)
Difference between expected and actual activity	(517)	32,030	5,556
Benefit payments, including refunds of employee contributions	(16,943)	(13,897)	(16,510)
Administrative expenses	(1,205)	(1,093)	(1,003)
Net change in total pension liability	40,244	63,651	24,462
Total pension liability, beginning	493,617	429,966	405,504
Total pension liability, ending (a)	\$ 533,861	\$ 493,617	\$ 429,966
Fiduciary Net Position			
Employer contributions	\$ 18,975	\$ 18,861	\$ 20,425
Member contributions	5,548	5,424	5,573
Investment income (loss) net of investment expenses	109,329	55,525	(70,626)
Benefit payments, including refunds of employee contributions	(16,943)	(13,897)	(16,510)
Administrative expenses	(1,205)	(1,093)	(1,003)
Net change in fiduciary net position	115,704	64,820	(62,141)
Fiduciary net position, beginning	434,449	369,629	431,770
Fiduciary net position, ending (b)	\$ 550,153	\$ 434,449	\$ 369,629
Net pension liability/(asset), ending = (a) - (b)	\$ (16,292)	\$ 59,168	\$ 60,337
Fiduciary net position as a percentage of total pension liability	103.05%	88.01%	85.97%
Covered payroll	\$ 303,607	\$ 301,779	\$ 326,804
Net pension liability as a percentage of covered payroll	-5.37%	19.61%	18.46%

Notes to schedule:

Changes of assumptions:

Earnings progression assumption was updated to reflect recent experience in 2024.

2021	2020	2019	2018	2017	2016	2015
\$ 28,335	\$ 18,432	\$ 17,647	\$ 15,429	\$ 12,604	\$ 12,028	\$ 12,181
25,495	23,472	21,612	19,526	17,416	15,931	14,805
-	200	-	184	-	-	-
(2,375)	10,774	(1,028)	8,396	(1,084)	(2,153)	(4,900)
5,978	2,314	1,073	4,775	5,794	1,523	1,720
(16,330)	(13,021)	(11,805)	(8,577)	(6,590)	(7,210)	(6,069)
(1,053)	(1,110)	(942)	(886)	(515)	(496)	-
40,050	41,061	26,557	38,847	27,625	19,623	17,737
365,454	324,393	297,836	258,989	231,364	211,741	194,004
\$ 405,504	\$ 365,454	\$ 324,393	\$ 297,836	\$ 258,989	\$ 231,364	\$ 211,741
\$ 20,153	\$ 18,225	\$ 17,281	\$ 17,305	\$ 14,443	\$ 13,579	\$ 12,313
5,476	5,258	4,956	2,314	1,933	1,805	1,641
82,016	19,485	10,602	25,385	29,994	20,967	(2,629)
(16,330)	(13,021)	(11,805)	(8,577)	(6,590)	(7,210)	(6,069)
(1,053)	(1,110)	(942)	(886)	(515)	(496)	(587)
90,262	28,837	20,092	35,541	39,265	28,645	4,669
341,508	312,671	292,579	257,038	217,773	189,128	184,459
\$ 431,770	\$ 341,508	\$ 312,671	\$ 292,579	\$ 257,038	\$ 217,773	\$ 189,128
\$ (26,266)	\$ 23,946	\$ 11,722	\$ 5,257	\$ 1,951	\$ 13,591	\$ 22,613
106.48%	93.45%	96.39%	98.23%	99.25%	94.13%	89.32%
\$ 322,441	\$ 291,597	\$ 276,493	\$ 256,366	\$ 213,963	\$ 201,170	\$ 182,418
-8.15%	8.21%	4.24%	2.05%	0.91%	6.76%	12.40%



NONMAJOR GOVERNMENTAL FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS - FUND DESCRIPTIONS

LAW LIBRARY FUND

This fund was established, pursuant to State statutes, to account for the collection and expenditure of monies collected in civil cases supporting the Tarrant County Law Library.

RECORDS PRESERVATION & AUTOMATION FUNDS

This fund was established, pursuant to State statutes, to account for the collection and expenditure of monies collected in court cases and from filing fees to allow for the preservation and automation of County Records.

EDUCATION FUND

This fund was established, pursuant to State statutes, to account for the collection and expenditure of monies collected to provide for the continuing education of those officials and employees associated with the probate courts and certain law enforcement officers.

PUBLIC HEALTH CONTRACT

The Tarrant County Hospital District provides funding for the operation of the Tarrant County Health Department in an effort to aggregate the cost of health service to Tarrant County residents. These funds are restricted. This fund also includes the Medicaid 1115 Waiver, this waiver is to enhance access to health care, increase the quality of care, improve the cost-effectiveness of care provided and better serve the health of the patients and their families. These funds are committed.

DISTRICT ATTORNEY CONTRACTS

These funds are used to account for monies collected by the District Attorney which are used in the investigation of criminal activities. These monies consist primarily of fees for bad checks and forfeited monies resulting from narcotics related convictions. These funds are restricted by State statutes.

SHERIFF CONTRACTS

These funds are used to account for monies collected by activities in the Sheriff Department. These activities include fees from operation of the jail commissary which are used for the benefit of the jail inmates. Monies are also collected from forfeitures resulting from narcotics related activities. These funds are restricted by State statutes.

MISCELLANEOUS CONTRACTS

These funds are used to account for monies received by Tarrant County as contributions for specified purposes. These funds may be restricted by the donor if not; they are committed for a specific purpose by the Commissioners Court.

COURT DESIGNATED FUNDS

These funds were established to account for the collection and expenditure of court ordered fees, pursuant to State statutes.

VEHICLE INVENTORY TAX FUND

This fund was established, pursuant to State statutes, to account for any earnings generated from the vehicle inventory tax, which the collector shall retain to defray the cost of collecting this tax.

CONSUMER HEALTH FUND

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

HOUSING FINANCE CORPORATION

The Housing Finance Corporation was organized exclusively for the purpose of benefiting and accomplishing public purpose of, and on behalf of, the County, by financing the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the County at prices they can afford.

INDUSTRIAL DEVELOPMENT CORPORATION

The Industrial Development Corporation was organized to promote and develop commercial, industrial and manufacturing enterprises to promote and encourage employment and public welfare.



COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025 (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	\$ 2,595	\$ 29,429	\$ 313	\$ 45,047	\$ 2,559
Other receivables, net of allowance for uncollectibles	-	1	-	218	15
Supplies and prepaid items	-	154	-	122	-
TOTAL ASSETS	\$ 2,595	\$ 29,584	\$ 313	\$ 45,387	\$ 2,574
LIABILITIES					
Accounts payable	\$ 23	\$ 4,569	\$ 32	\$ 3,734	\$ 41
Other liabilities	26	83	-	542	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	49	4,652	32	4,276	41
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-other receivables	-	-	-	-	-
Deferred lease inflows	-	-	-	541	-
Total deferred inflows of resources	-	-	-	541	-
FUND BALANCES					
Nonspendable	-	154	-	122	-
Restricted:					
Law library	2,091	-	-	-	-
Records management	-	21,602	-	-	-
Education	-	-	281	-	-
Public health	-	-	-	3,461	-
Law enforcement and prosecution	-	-	-	-	2,106
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
VIT administration	-	-	-	-	-
Committed:					
Law library	455	-	-	-	-
Records management	-	3,176	-	-	-
Public health	-	-	-	36,987	-
Law enforcement and prosecution	-	-	-	-	427
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
Assigned:					
Economic development	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,546	24,932	281	40,570	2,533
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,595	\$ 29,584	\$ 313	\$ 45,387	\$ 2,574

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ 5,065	\$ 26,350	\$ 6,349	\$ 4,877	\$ 2,936	\$ 5,898	\$ 45	\$ 131,463
101	4,492	-	-	-	-	-	4,827
355	-	-	-	-	-	-	631
<u>\$ 5,521</u>	<u>\$ 30,842</u>	<u>\$ 6,349</u>	<u>\$ 4,877</u>	<u>\$ 2,936</u>	<u>\$ 5,898</u>	<u>\$ 45</u>	<u>\$ 136,921</u>
\$ 216	\$ 498	\$ 39	\$ 3	\$ 3	\$ -	\$ -	\$ 9,158
70	285	29	3	64	-	-	1,102
-	123	-	-	-	-	-	123
-	24	-	-	-	-	-	24
<u>286</u>	<u>930</u>	<u>68</u>	<u>6</u>	<u>67</u>	<u>-</u>	<u>-</u>	<u>10,407</u>
-	846	-	-	-	-	-	846
-	-	-	-	-	-	-	541
-	846	-	-	-	-	-	1,387
355	-	-	-	-	-	-	631
-	-	-	-	-	-	-	2,091
-	-	-	-	-	-	-	21,602
-	-	-	-	-	-	-	281
-	28	-	-	2,625	-	-	6,114
3,719	759	-	-	-	-	-	6,584
-	8,823	-	-	-	-	-	8,823
-	371	5,348	-	-	-	-	5,719
-	-	-	4,871	-	-	-	4,871
-	-	-	-	-	-	-	455
-	-	-	-	-	-	-	3,176
-	11,839	-	-	244	-	-	49,070
1,161	128	-	-	-	-	-	1,716
-	6,953	-	-	-	-	-	6,953
-	165	933	-	-	-	-	1,098
-	-	-	-	-	5,898	45	5,943
-	-	-	-	-	-	-	-
<u>5,235</u>	<u>29,066</u>	<u>6,281</u>	<u>4,871</u>	<u>2,869</u>	<u>5,898</u>	<u>45</u>	<u>125,127</u>
<u>\$ 5,521</u>	<u>\$ 30,842</u>	<u>\$ 6,349</u>	<u>\$ 4,877</u>	<u>\$ 2,936</u>	<u>\$ 5,898</u>	<u>\$ 45</u>	<u>\$ 136,921</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fees of office	1,641	5,873	26	1,833	1
Intergovernmental	-	-	177	13,147	-
Investment income	105	1,248	-	2,121	119
Other revenues	45	8	-	440	411
Total revenues	1,791	7,129	203	17,541	531
EXPENDITURES:					
Current:					
General government	-	8,882	-	4,625	-
Public safety	-	-	97	-	-
Judicial	239	1,575	33	-	570
Community services	1,136	-	-	19,796	-
Capital outlay	20	279	-	174	55
Debt service:					
Principal payments	-	50	-	237	-
Interest and fiscal charges	-	5	-	25	-
Total expenditures	1,395	10,791	130	24,857	625
Excess (deficiency) of revenues over (under) expenditures	396	(3,662)	73	(7,316)	(94)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(15)	-
Leases (as lessee)	-	269	-	-	-
Total other financing sources (uses)	-	269	-	(15)	-
Change in fund balance	396	(3,393)	73	(7,331)	(94)
FUND BALANCES, beginning of year	2,150	28,325	208	47,901	2,627
FUND BALANCES, end of year	\$ 2,546	\$ 24,932	\$ 281	\$ 40,570	\$ 2,533

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ -	\$ -	\$ -	\$ 258	\$ -	\$ -	\$ -	\$ 258
-	5	-	-	-	-	-	5
-	11,743	3,145	528	2,989	-	-	27,779
-	8,432	168	-	-	-	-	21,924
190	950	242	176	102	242	-	5,495
4,204	1,494	1	1	-	855	-	7,459
4,394	22,624	3,556	963	3,091	1,097	-	62,920
-	2,798	110	146	-	-	-	16,561
4,152	5,792	-	-	-	-	-	10,041
-	885	1,072	-	-	-	-	4,374
-	8,700	-	-	1,533	16	-	31,181
799	232	36	66	217	-	-	1,878
73	-	-	-	-	-	-	360
2	-	-	-	-	-	-	32
5,026	18,407	1,218	212	1,750	16	-	64,427
(632)	4,217	2,338	751	1,341	1,081	-	(1,507)
400	4,727	-	-	-	-	-	5,127
-	-	(1,282)	-	-	-	-	(1,297)
-	-	-	-	-	-	-	269
400	4,727	(1,282)	-	-	-	-	4,099
(232)	8,944	1,056	751	1,341	1,081	-	2,592
5,467	20,122	5,225	4,120	1,528	4,817	45	122,535
\$ 5,235	\$ 29,066	\$ 6,281	\$ 4,871	\$ 2,869	\$ 5,898	\$ 45	\$ 125,127



BUDGETARY COMPLIANCE

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - DEBT SERVICE

For the year ended September 30, 2025 (Amounts in thousands)

	Debt Service Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 43,018	\$ 43,018	\$ 43,466	\$ 448
Investment income	850	850	855	5
Total Revenues	<u>\$ 43,868</u>	<u>\$ 43,868</u>	<u>\$ 44,321</u>	<u>\$ 453</u>
EXPENDITURES:				
Debt service	\$ 45,243	\$ 45,243	\$ 43,738	\$ 1,505
Total Expenditures	<u>\$ 45,243</u>	<u>\$ 45,243</u>	<u>\$ 43,738</u>	<u>\$ 1,505</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS (CONTINUED)

For the year ended September 30, 2025 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 770	\$ 770	\$ 935	\$ 165
Investment income	13,338	13,338	21,465	8,127
Other revenues	75	75	1,510	1,435
Transfers/bond proceeds	70,707	68,607	68,158	(449)
Total Revenues	\$ 84,890	\$ 82,790	\$ 92,068	\$ 9,278
EXPENDITURES:				
County Administrator	\$ 22	\$ 22	\$ 7	\$ 15
Communications	17	17	10	7
Non-Departmental	43,625	44,702	15,003	29,699
Auditor	7	7	6	1
Budget/Risk Management	9	15	11	4
Tax Assessor / Collector	38	55	47	8
Elections Administration	2,965	2,973	616	2,357
Information Technology	29,309	29,287	5,295	23,992
Human Resources	8	8	3	5
Purchasing	6	7	7	-
Facilities	69,048	63,962	382	63,580
Sheriff	2,517	2,801	1,835	966
Sheriff - Confinement	350	337	293	44
Constable Precinct 1	14	15	7	8
Constable Precinct 2	10	10	10	-
Constable Precinct 3	48	48	46	2
Constable Precinct 4	1	1	1	-
Constable Precinct 5	40	40	40	-
Constable Precinct 6	25	25	-	25
Constable Precinct 7	24	24	23	1
Constable Precinct 8	87	87	16	71
Medical Examiner	380	384	78	306
Community Supervision	71	71	59	12
Juvenile Services	50	50	49	1
Buildings	119,159	120,708	18,814	101,894
Resource Connection	-	19	19	-
17TH District Court	-	7	7	-
48TH District Court	-	7	-	7
322ND District Court	-	6	6	-
342ND District Court	6	6	6	-
233RD District Court	5	5	-	5
Criminal Court Administration	-	35	28	7
County Court at Law #1	4	4	4	-
County Court at Law #2	-	2	-	2
Probate Court 2	2	7	5	2
Justice of the Peace Pct. 1	6	6	4	2
Justice of the Peace Pct. 2	11	11	9	2
Justice of the Peace Pct. 4	4	5	5	-
Justice of the Peace Pct. 5	7	7	7	-
Justice of the Peace Pct. 6	5	5	4	1

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS (CONCLUDED)**

For the year ended September 30, 2025 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Criminal District Attorney	\$ 83	\$ 83	\$ 74	\$ 9
District Clerk	167	168	168	-
County Clerk	30	30	5	25
Domestic Relations	5	5	2	3
Courts / Judiciary	94	54	19	35
Human Services	3	3	3	-
Historical Commission	-	3	3	-
Commissioner Precinct - Road and Bridge	5,567	5,567	4,147	1,420
Commissioner Precinct 2 - Road and Bridge	7,081	7,081	1,857	5,224
Commissioner Precinct 2 - General	18	24	10	14
Commissioner Precinct 3 - Road and Bridge	1,141	1,141	853	288
Commissioner Precinct 4 - Road and Bridge	15,317	15,317	5,573	9,744
Commissioner Precinct 4 - General	10	10	7	3
Transportation	163,588	163,611	56,789	106,822
Fleet Services	4,554	4,554	972	3,582
Total Expenditures	<u>\$ 465,538</u>	<u>\$ 463,439</u>	<u>\$ 113,244</u>	<u>\$ 350,195</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

Law Library				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,375	\$ 1,375	\$ 1,641	\$ 266
Investment income	70	70	105	35
Other revenues	30	30	45	15
Total Revenues	<u>\$ 1,475</u>	<u>\$ 1,475</u>	<u>\$ 1,791</u>	<u>\$ 316</u>
EXPENDITURES:				
Law Library	\$ 2,840	\$ 2,840	\$ 1,159	\$ 1,681
Judicial Law Library	365	365	239	126
Total Expenditures	<u>\$ 3,205</u>	<u>\$ 3,205</u>	<u>\$ 1,398</u>	<u>\$ 1,807</u>

Records Preservation and Automation				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 5,089	\$ 5,089	\$ 5,873	\$ 784
Investment income	959	959	1,248	289
Other revenues	-	-	8	8
Total Revenues	<u>\$ 6,048</u>	<u>\$ 6,048</u>	<u>\$ 7,129</u>	<u>\$ 1,081</u>
EXPENDITURES:				
Information Technology	\$ 82	\$ 82	\$ -	\$ 82
District Clerk	3,500	3,500	1,158	2,342
County Clerk	25,192	25,192	7,908	17,284
Total Expenditures	<u>\$ 28,774</u>	<u>\$ 28,774</u>	<u>\$ 9,066</u>	<u>\$ 19,708</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

Education				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 28	\$ 28	\$ 26	\$ (2)
Intergovernmental	-	95	177	82
Total Revenues	<u>\$ 28</u>	<u>\$ 123</u>	<u>\$ 203</u>	<u>\$ 80</u>
EXPENDITURES:				
Sheriff	\$ 39	\$ 86	\$ 48	\$ 38
Sheriff-Confinement	33	53	49	4
Constable Precinct 1	2	4	2	2
Constable Precinct 2	6	9	1	8
Constable Precinct 3	4	6	3	3
Constable Precinct 4	2	4	-	4
Constable Precinct 5	6	9	4	5
Constable Precinct 6	8	10	-	10
Constable Precinct 7	8	11	5	6
Constable Precinct 8	5	7	-	7
Fire Marshal	-	2	-	2
Probate Court 1	40	40	3	37
Probate Court 2	40	40	5	35
Criminal District Attorney	1	8	5	3
Courts / Judiciary	5	5	5	-
Total Expenditures	<u>\$ 199</u>	<u>\$ 294</u>	<u>\$ 130</u>	<u>\$ 164</u>

Public Health				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 995	\$ 995	\$ 1,833	\$ 838
Intergovernmental	13,147	13,147	13,147	-
Investment income	1,800	1,800	2,121	321
Other revenues	-	-	7	7
Total Revenues	<u>\$ 15,942</u>	<u>\$ 15,942</u>	<u>\$ 17,108</u>	<u>\$ 1,166</u>
EXPENDITURES:				
Non-Departmental	\$ 31,491	\$ 29,005	\$ 6,580	\$ 22,425
Buildings	2,645	2,682	1,694	988
Public Health	27,621	30,070	19,255	10,815
Total Expenditures	<u>\$ 61,757</u>	<u>\$ 61,757</u>	<u>\$ 27,529</u>	<u>\$ 34,228</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

District Attorney				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ -	\$ -	\$ 1	\$ 1
Investment income	91	91	119	28
Other revenues	-	-	411	411
Total Revenues	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 531</u>	<u>\$ 440</u>
EXPENDITURES:				
Buildings	\$ -	\$ 425	\$ 12	\$ 413
District Attorney	2,523	2,098	622	1,476
Total Expenditures	<u>\$ 2,523</u>	<u>\$ 2,523</u>	<u>\$ 634</u>	<u>\$ 1,889</u>

Sheriff Contracts				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Investment income	\$ 186	\$ 186	\$ 190	\$ 4
Other revenues	2,650	2,650	4,204	1,554
Transfer	400	400	400	-
Total Revenues	<u>\$ 3,236</u>	<u>\$ 3,236</u>	<u>\$ 4,794</u>	<u>\$ 1,558</u>
EXPENDITURES:				
Sheriff	\$ 1,743	\$ 1,743	\$ 1,046	\$ 697
Sheriff - Confinement	5,524	5,524	3,701	1,823
Total Expenditures	<u>\$ 7,267</u>	<u>\$ 7,267</u>	<u>\$ 4,747</u>	<u>\$ 2,520</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**
For the year ended September 30, 2025 (Amounts in thousands)

	Miscellaneous Contracts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Licenses and permits	\$ 9	\$ 9	\$ 6	\$ (3)
Fees of office	8,227	8,227	11,743	3,516
Intergovernmental	1,290	6,410	8,473	2,063
Investment income	601	601	950	349
Other revenues	1,387	1,479	1,494	15
Transfer	4,831	4,831	4,727	(104)
Total Revenues	<u>\$ 16,345</u>	<u>\$ 21,557</u>	<u>\$ 27,393</u>	<u>\$ 5,836</u>
EXPENDITURES:				
County Administrator	\$ 8	\$ -	\$ -	\$ -
Emergency Management	-	8	-	8
HIV Administration	-	15	-	15
Non-Departmental	8,470	8,453	299	8,154
Elections Administration	805	5,915	2,406	3,509
Self Insurance	2,187	2,187	148	2,039
Sheriff	2	2	-	2
Constable Precinct 7	8	8	7	1
Medical Examiner	26	26	1	25
Fire Marshal	1,065	1,065	368	697
Community Supervision	6,098	6,098	5,544	554
Juvenile Services	358	358	22	336
Buildings	94	94	-	94
Criminal Court Administration	105	105	18	87
Veterans Diversion Court	23	23	-	23
Criminal District Attorney	832	832	743	89
Domestic Relations	1	2	1	1
8th Admin Judicial Region	-	10	1	9
Public Health	9,527	9,512	9,167	345
Human Services	8	99	81	18
Child Protective Services	244	244	103	141
Public Assistance	721	721	689	32
Historical Commission	70	70	2	68
Community Outreach	-	17	17	-
Public Improvement District - Bonds Ranch	32	32	10	22
Total Expenditures	<u>\$ 30,684</u>	<u>\$ 35,896</u>	<u>\$ 19,627</u>	<u>\$ 16,269</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS For the year ended September 30, 2025 (Amounts in thousands)

	Court Designated			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 2,734	\$ 2,909	\$ 3,145	\$ 236
Intergovernmental	80	80	168	88
Investment income	205	205	242	37
Other revenues	-	-	1	1
Total Revenues	<u>\$ 3,019</u>	<u>\$ 3,194</u>	<u>\$ 3,556</u>	<u>\$ 362</u>
EXPENDITURES:				
Non Departmental	\$ 1,825	\$ 1,926	\$ 1,392	\$ 534
Information Technology	640	640	17	623
Juvenile Services	3	3	-	3
233rd District Court	186	186	-	186
Appeals Court	206	260	235	25
Criminal Court Administration	217	237	171	66
Probate Court 1	624	624	69	555
Probate Court 2	532	532	78	454
Dispute Resolutions	3,814	3,814	552	3,262
Total Expenditures	<u>\$ 8,047</u>	<u>\$ 8,222</u>	<u>\$ 2,514</u>	<u>\$ 5,708</u>
	Vehicle Inventory Tax			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 204	\$ 204	\$ 258	\$ 54
Fees of office	481	481	528	47
Investment income	170	170	177	7
Other	-	-	1	1
Total Revenues	<u>\$ 855</u>	<u>\$ 855</u>	<u>\$ 964</u>	<u>\$ 109</u>
EXPENDITURES:				
Tax Assessor/Collector	\$ 4,731	\$ 4,731	\$ 205	\$ 4,526
Total Expenditures	<u>\$ 4,731</u>	<u>\$ 4,731</u>	<u>\$ 205</u>	<u>\$ 4,526</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**

For the year ended September 30, 2025 (Amounts in thousands)

	Consumer Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,780	\$ 1,780	\$ 2,988	\$ 1,208
Investment income	43	43	102	59
Total Revenues	<u>\$ 1,823</u>	<u>\$ 1,823</u>	<u>\$ 3,090</u>	<u>\$ 1,267</u>
EXPENDITURES:				
Public Health	\$ 2,976	\$ 2,976	\$ 1,741	\$ 1,235
Total Expenditures	<u>\$ 2,976</u>	<u>\$ 2,976</u>	<u>\$ 1,741</u>	<u>\$ 1,235</u>



INTERNAL SERVICE FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



**INTERNAL SERVICE FUNDS
FUND DESCRIPTIONS****EMPLOYEE BENEFITS FUND**

This fund was established to account for Tarrant County employee benefits (e.g., medical, dental and life insurance).

SELF INSURANCE FUND

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

WORKERS' COMPENSATION FUND

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

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

September 30, 2025 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 21,033	\$ 14,513	\$ 6,362	\$ 41,908
Other receivables, net of allowance for uncollectibles	2,485	13	-	2,498
Prepaid expenses and inventory	638	-	140	778
Total current assets	24,156	14,526	6,502	45,184
LIABILITIES				
Current liabilities:				
Accounts payable	840	110	187	1,137
Other liabilities	8,571	-	-	8,571
Unearned revenue	13	-	-	13
Other long term liabilities-current portion	-	1,106	3,454	4,560
Total current liabilities	9,424	1,216	3,641	14,281
Noncurrent liabilities:				
Other noncurrent liabilities	-	2,463	7,294	9,757
Total noncurrent liabilities	-	2,463	7,294	9,757
Total liabilities	9,424	3,679	10,935	24,038
NET POSITION				
Unrestricted	14,732	10,847	(4,433)	21,146
Total net position	\$ 14,732	\$ 10,847	\$ (4,433)	\$ 21,146

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
<u>OPERATING REVENUES</u>				
Charges for services - external	\$ 18,901	\$ -	\$ -	\$ 18,901
Charges for services - internal	47,850	-	3,787	51,637
Other revenues	16,429	3,308	2,467	22,204
Total operating revenues	83,180	3,308	6,254	92,742
<u>OPERATING EXPENSES</u>				
Building and equipment	2	377	-	379
Self insurance claims	94,696	1,983	3,046	99,725
Insurance premiums	3,034	3	-	3,037
Other expenses	5,573	548	658	6,779
Total operating expenses	103,305	2,911	3,704	109,920
Operating income (loss)	(20,125)	397	2,550	(17,178)
<u>NONOPERATING REVENUES</u>				
Investment income	1,230	664	257	2,151
Total nonoperating revenues	1,230	664	257	2,151
Income (loss) before transfers	(18,895)	1,061	2,807	(15,027)
Transfers in	-	3,000	-	3,000
Transfers out	(485)	(88)	-	(573)
Change in net position	(19,380)	3,973	2,807	(12,600)
Net position - beginning	34,112	6,874	(7,240)	33,746
Net position (deficit) - ending	\$ 14,732	\$ 10,847	\$ (4,433)	\$ 21,146

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and employees	\$ 38,471	\$ 3,326	\$ 2,467	\$ 44,264
Receipts from interfund charges	47,850	-	3,787	51,637
Payments for claims and judgments	(101,441)	(6,097)	(5,704)	(113,242)
Net cash used in operating activities	(15,120)	(2,771)	550	(17,341)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income, net	1,230	664	257	2,151
Net cash provided by investing activities	1,230	664	257	2,151
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	3,000	-	3,000
Transfers out	(485)	(88)	-	(573)
Net cash provided by (used in) noncapital financing activities	(485)	2,912	-	2,427
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,375)	805	807	(12,763)
CASH AND CASH EQUIVALENTS, beginning of year	35,408	13,708	5,555	54,671
CASH AND CASH EQUIVALENTS, end of year	\$ 21,033	\$ 14,513	\$ 6,362	\$ 41,908
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Income (loss) from operations	\$ (20,125)	\$ 397	\$ 2,550	\$ (17,178)
Changes in assets and liabilities:				
Other receivables	3,138	18	-	3,156
Prepaid expenses and inventory	(439)	-	-	(439)
Accounts payable	(267)	16	48	(203)
Other liabilities	2,570	(3,202)	(2,048)	(2,680)
Unearned revenue	3	-	-	3
Net cash used in operating activities	\$ (15,120)	\$ (2,771)	\$ 550	\$ (17,341)

FIDUCIARY FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



**FIDUCIARY FUNDS
FUND DESCRIPTIONS****CUSTODIAL FUNDS:****STATE COMPTROLLER FUND**

This fund was established to account for monies received on behalf of and subsequently remitted to the State Comptroller.

OTHER CUSTODIAL FUNDS

This fund was established to report assets held in a fiduciary capacity for others and includes property taxes collected and remitted for other entities, statutory fees collected on behalf of other governments, funds held in the registry of the court awaiting judicial order to disburse, cash and securities posted as collateral for securing bail bonds, monies deposited on account for inmate commissary purchases and funds seized by law enforcement agencies.

COMMUNITY SUPERVISION & CORRECTIONS FUND

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

COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

September 30, 2025 (Amounts in thousands)

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
ASSETS				
Cash, cash equivalents, and investments	\$ 23,289	\$ 131,995	\$ 14,203	\$ 169,487
Other receivables	-	2	-	2
Total assets	23,289	131,997	14,203	169,489
LIABILITIES				
Accounts payable	-	140	271	411
Held for others	-	3,077	-	3,077
Due to other government agencies	23,289	59,539	13,932	96,760
Total liabilities	23,289	62,756	14,203	100,248
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	-	69,241	-	69,241
Total net position	\$ -	\$ 69,241	\$ -	\$ 69,241

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended September 30, 2025 (Amounts in thousands)

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
ADDITIONS				
Property tax collections for other governments	\$ -	\$ 5,002,040	\$ -	\$ 5,002,040
Vehicle registration fees collected for state	805,211	-	-	805,211
Judicial/statutory ordered collections due to others	6,437	43,983	1,180	51,600
Collateral/escrow deposits from bondsmen	-	583	-	583
Inmate commissary deposits	-	13,540	-	13,540
Seizures by law enforcement agencies	-	1,379	-	1,379
State grant/program revenue	-	-	32,050	32,050
Interest earnings	-	1,921	552	2,473
Total additions	811,648	5,063,446	33,782	5,908,876
DEDUCTIONS				
Property taxes due to other governments	-	5,002,040	-	5,002,040
Vehicle registration due to state	805,211	-	-	805,211
Payments due under judicial order/statute	6,437	38,164	1,180	45,781
Release of collateral/escrow held for bondsmen	-	777	-	777
Inmate commissary funds	-	13,540	-	13,540
State grant/program revenue	-	-	32,602	32,602
Total deductions	811,648	5,054,521	33,782	5,899,951
Net increase in fiduciary net position	-	8,925	-	8,925
Net position - beginning	-	60,316	-	60,316
Net position - ending	\$ -	\$ 69,241	\$ -	\$ 69,241



STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



TABLE OF CONTENTS

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

FINANCIAL TRENDS 138

These schedules contain trend information to aid in understanding how the County's financial performance and well being have changed over time.
The first three schedules relate to government wide; the remaining schedules relate to fund information.

REVENUE CAPACITY 148

These schedules contain information to aid in assessing the factors affecting the County's ability to generate its property taxes, its most significant local revenue source.

DEBT CAPACITY 156

These schedules present information to aid in assessing the County's current debt levels and its ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION 162

These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.

OPERATING INFORMATION 164

These schedules contain information about the County's operations and resources to aid in understanding how the County's financial information relates to the services the County provides and the activities it performs.

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2016	2017	2018 ⁽¹⁾	2019	2020
Governmental activities:					
Net investment in capital assets	\$ 242,704	\$ 263,098	\$ 351,713	\$ 365,058	\$ 374,709
Restricted	27,460	56,753	31,287	34,488	45,417
Unrestricted	(251,868)	(312,227)	(413,157)	(361,924)	(294,115)
Total governmental activities net position (deficit)	<u>\$ 18,296</u>	<u>\$ 7,624</u>	<u>\$ (30,157)</u>	<u>\$ 37,622</u>	<u>\$ 126,011</u>
Business-type activities:					
Net investment in capital assets	\$ 4,480	\$ 4,301	\$ 4,095	\$ 4,154	\$ 3,888
Unrestricted	890	1,057	823	758	1,103
Total business-type activities net position	<u>\$ 5,370</u>	<u>\$ 5,358</u>	<u>\$ 4,918</u>	<u>\$ 4,912</u>	<u>\$ 4,991</u>
Primary government:					
Net investment in capital assets	\$ 247,184	\$ 267,399	\$ 355,808	\$ 369,212	\$ 378,597
Restricted	27,460	56,753	31,287	34,488	45,417
Unrestricted	(250,978)	(311,170)	(412,334)	(361,166)	(293,012)
Total primary government net position (deficit)	<u>\$ 23,666</u>	<u>\$ 12,982</u>	<u>\$ (25,239)</u>	<u>\$ 42,534</u>	<u>\$ 131,002</u>

(1) The County implemented GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

(2) The County implemented GASB 101 "Compensated Absences, in fiscal year 2025. The amounts for all prior fiscal years have not been restated for the effects of this standard.

(3) In fiscal year 2025, Resource Connection was reclassified from business-type activities to governmental activities.

TABLE I

2021	2022	2023	2024	2025 ⁽²⁾⁽³⁾
\$ 378,073	\$ 400,372	\$ 434,572	\$ 448,893	\$ 505,429
52,361	54,084	50,203	53,825	54,024
(200,551)	(92,397)	26,044	77,831	40,940
<u>\$ 229,883</u>	<u>\$ 362,059</u>	<u>\$ 510,819</u>	<u>\$ 580,549</u>	<u>\$ 600,393</u>
\$ 3,936	\$ 3,651	\$ 3,443	\$ 3,443	\$ -
1,872	2,483	3,081	3,619	-
<u>\$ 5,808</u>	<u>\$ 6,134</u>	<u>\$ 6,524</u>	<u>\$ 7,062</u>	<u>\$ -</u>
\$ 382,009	\$ 404,023	\$ 438,015	\$ 452,336	\$ 505,429
52,361	54,084	50,203	53,825	54,024
(198,679)	(89,914)	29,125	81,450	40,940
<u>\$ 235,691</u>	<u>\$ 368,193</u>	<u>\$ 517,343</u>	<u>\$ 587,611</u>	<u>\$ 600,393</u>

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Accrual basis of accounting)

(Amounts in thousands)

Expenses	FISCAL YEAR				
	2016	2017	2018	2019	2020
Governmental activities:					
General government	\$ 145,969	\$ 157,056	\$ 151,006	\$ 156,306	\$ 167,448
Public safety	145,216	159,812	155,980	148,179	168,988
Transportation support	37,363	36,952	49,564	29,009	29,646
Judicial	174,043	182,028	182,031	175,400	189,490
Community services	92,572	99,256	93,103	97,204	162,159 ⁽²⁾
Interest and fiscal charges	13,275	10,435	8,701	7,933	7,060
Total governmental activities expenses	608,438	645,539	640,385	614,031	724,791
Business-type activities:					
Resource Connection	3,453	3,496	3,210	3,466	3,198
Total primary government expenses	611,891	649,035	643,595	617,497	727,989
Program Revenues⁽¹⁾					
Governmental activities:					
Fees, Fines, and Charges for Services	131,550	131,310	132,839	143,884	142,468
Operating Grants and Contributions	85,747	99,132	87,599	90,900	188,415 ⁽²⁾
Capital Grants and Contributions	1,318	3,579	642	4,833	711
Total governmental activities program revenues	218,615	234,021	221,080	239,617	331,594
Business-type activities:					
Resource Connection	3,292	3,284	3,284	3,272	3,174
Total primary government program revenues	221,907	237,305	224,364	242,889	334,768
Net (Expenses)/Revenue					
Governmental activities	(389,823)	(411,518)	(419,305)	(374,414)	(393,197)
Business-type activities	(161)	(212)	74	(194)	(24)
Total primary government net expenses	\$ (389,984)	\$ (411,730)	\$ (419,231)	\$ (374,608)	\$ (393,221)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 363,964	\$ 384,555	\$ 403,618	\$ 417,540	\$ 465,946
Alcoholic beverage, bingo and other taxes	10,953	10,943	11,321	12,188	10,772
Grants and contributions not restricted to specific programs	-	-	-	-	-
Unrestricted investment earnings	2,188	3,815	6,888	10,453	4,258
Other general revenue	1,993	1,533	1,037	2,012	610
Transfers	-	-	-	-	-
Total governmental activities	379,098	400,846	422,864	442,193	481,586
Business-type activities:					
Unrestricted investment earnings	9	20	44	72	28
Other general revenue	377	180	140	116	75
Transfers	-	-	-	-	-
Total business-type activities	386	200	184	188	103
Total primary government	379,484	401,046	423,048	442,381	481,689
Changes in Net Position					
Governmental activities	(10,725)	(10,672)	3,559	67,779	88,389
Business-type activities	225	(12)	258	(6)	79
Total primary government	\$ (10,500)	\$ (10,684)	\$ 3,817	\$ 67,773	\$ 88,468

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

(2) Fluctuation due to public health emergency (COVID-19).

(3) In fiscal year 2025, Resource Connection was reclassified from business-type activities to governmental activities.

TABLE II

2021	2022	2023	2024	2025 ⁽³⁾
\$ 161,163	\$ 168,685	\$ 189,986	\$ 196,221	\$ 200,021
179,405	182,510	222,224	245,949	230,007
46,580	36,009	48,010	67,802	61,713
188,803	190,166	225,502	228,631	240,503
208,722 ⁽²⁾	175,549 ⁽²⁾	201,028 ⁽²⁾	206,965	171,937
6,503	7,354	14,262	12,018	11,876
791,176	760,273	901,012	957,586	916,057
3,052	3,229	3,480	3,324	-
794,228	763,502	904,492	960,910	916,057
154,178	163,643	163,303	169,818	181,174
236,748 ⁽²⁾	140,520	133,858	123,020	122,603
2,223	5,105	4,201	1,239	8,987
393,149	309,268	301,362	294,077	312,764
3,408	3,311	3,399	3,440	-
396,557	312,579	304,761	297,517	312,764
(398,027)	(451,005)	(599,650)	(663,509)	(603,293)
356	82	(81)	116	-
\$ (397,671)	\$ (450,923)	\$ (599,731)	\$ (663,393)	\$ (603,293)
\$ 486,726	\$ 501,129	\$ 547,071	\$ 526,489	\$ 511,376
12,695	15,062	16,647	17,772	17,016
-	55,252	126,207	124,125	67,328
975	8,574	54,912	60,528	44,861
1,853	3,164	3,573	4,325	3,782
(350)	-	-	-	-
501,899	583,181	748,410	733,239	644,363
5	49	299	345	-
106	195	172	77	-
350	-	-	-	-
461	244	471	422	-
502,360	583,425	748,881	733,661	644,363
103,872	132,176	148,760	69,730	41,070
817	326	390	538	-
\$ 104,689	\$ 132,502	\$ 149,150	\$ 70,268	\$ 41,070

PROGRAM REVENUE BY FUNCTION/PROGRAM LAST TEN YEARS

(Accrual basis of accounting)
(Amounts in thousands)

Function/Program	FISCAL YEAR				
	2016	2017	2018	2019	2020
Fees, Fines, and Charges for Services					
Governmental:					
General government	\$ 52,059	\$ 53,037	\$ 54,323	\$ 57,787	\$ 59,041
Public safety	7,468	10,521	10,995	12,169	14,219
Transportation support	18,484	18,021	18,830	19,236	18,242
Judicial	29,827	28,937	29,143	29,455	25,048
Community services	23,712	20,794	19,548	25,237	25,918
Total Governmental	131,550	131,310	132,839	143,884	142,468
Business-type:					
Total Fees, Fines and Charges for Service	3,253	3,284	3,284	3,272	3,174
	<u>\$ 134,803</u>	<u>\$ 134,594</u>	<u>\$ 136,123</u>	<u>\$ 147,156</u>	<u>\$ 145,642</u>
Operating Grants and Contributions					
Governmental:					
General government	\$ 677	\$ 6,969	\$ 1,134	\$ 1,410	\$ 11,212
Public safety	3,961	3,965	4,659	5,992	17,895
Transportation support	31	85	31	38	39
Judicial	11,776	12,469	11,370	11,690	12,823
Community services	69,302	75,644	70,405	71,770	146,446
Total Governmental	85,747	99,132	87,599	90,900	188,415
Total Operating Grants and Contributions	<u>\$ 85,747</u>	<u>\$ 99,132</u>	<u>\$ 87,599</u>	<u>\$ 90,900</u>	<u>\$ 188,415</u>
Capital Grants and Contributions					
Governmental:					
General government	\$ 377	\$ 63	\$ 85	\$ 88	\$ -
Public safety	482	25	38	26	60
Transportation support	256	3,404	519	4,719	651
Judicial	-	-	-	-	-
Community services	203	87	-	-	-
Total Governmental	1,318	3,579	642	4,833	711
Business-type:					
Total Capital Grants and Contributions	39	-	-	-	-
	<u>\$ 1,357</u>	<u>\$ 3,579</u>	<u>\$ 642</u>	<u>\$ 4,833</u>	<u>\$ 711</u>
Total Program Revenues					
Governmental:					
General government	\$ 53,113	\$ 60,069	\$ 55,542	\$ 59,285	\$ 70,253
Public safety	11,911	14,511	15,692	18,187	32,174
Transportation support	18,771	21,510	19,380	23,993	18,932
Judicial	41,603	41,406	40,513	41,145	37,871
Community services	93,217	96,525	89,953	97,007	172,364
Total Governmental	218,615	234,021	221,080	239,617	331,594
Business-type:					
Total Program Revenues	3,292	3,284	3,284	3,272	3,174
	<u>\$ 221,907</u>	<u>\$ 237,305</u>	<u>\$ 224,364</u>	<u>\$ 242,889</u>	<u>\$ 334,768</u>

(1) In fiscal year 2025, Resource Connection was reclassified from business-type activities to governmental activities.

TABLE III

2021	2022	2023	2024	2025 ⁽¹⁾
\$ 62,283	\$ 68,324	\$ 65,531	\$ 68,268	\$ 73,262
16,351	17,774	20,686	20,302	22,243
19,610	19,094	19,262	19,106	19,857
23,572	29,823	30,496	32,541	33,575
32,362	28,628	27,328	29,601	32,237
154,178	163,643	163,303	169,818	181,174
3,408	3,311	3,399	3,440	-
\$ 157,586	\$ 166,954	\$ 166,702	\$ 173,258	\$ 181,174
\$ 8,200	\$ 2,389	\$ 710	\$ 910	\$ 828
39,549	5,826	6,403	6,913	6,707
33	66	372	78	389
11,063	10,903	13,358	12,722	14,718
177,903	121,336	113,015	102,397	99,961
236,748	140,520	133,858	123,020	122,603
\$ 236,748	\$ 140,520	\$ 133,858	\$ 123,020	\$ 122,603
\$ 44	\$ -	\$ -	\$ 1	\$ 101
30	55	42	323	265
2,142	5,050	4,159	60	8,609
-	-	-	-	12
7	-	-	855	-
2,223	5,105	4,201	1,239	8,987
-	-	-	-	-
\$ 2,223	\$ 5,105	\$ 4,201	\$ 1,239	\$ 8,987
\$ 70,527	\$ 70,713	\$ 66,241	\$ 69,179	\$ 74,191
55,930	23,655	27,131	27,538	29,215
21,785	24,210	23,793	19,244	28,855
34,635	40,726	43,854	45,263	48,305
210,272	149,964	140,343	132,853	132,198
393,149	309,268	301,362	294,077	312,764
3,408	3,311	3,399	3,440	-
\$ 396,557	\$ 312,579	\$ 304,761	\$ 297,517	\$ 312,764

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 830	\$ 1,432	\$ 2,666	\$ 2,825	\$ 3,276
Committed	795	320	386	138	668
Assigned	31,146	27,942	27,005	10,794	31,227
Unassigned	52,861	50,545	51,478	75,997	91,914
Total General fund	<u>\$ 85,632</u>	<u>\$ 80,239</u>	<u>\$ 81,535</u>	<u>\$ 89,754</u>	<u>\$ 127,085</u>
All Other Governmental Funds					
Nonspendable	\$ 2,355	\$ 2,592	\$ 3,475	\$ 3,041	\$ 2,155
Restricted	144,294	134,580	114,858	114,326	117,717
Committed	101,253	95,569	102,701	114,761	136,661
Assigned	3,703	3,717	3,765	4,255	4,005
Unassigned	(1,691)	(1,859)	(1,973)	(1,997)	-
Total all other governmental funds	<u>\$ 249,914</u>	<u>\$ 234,599</u>	<u>\$ 222,826</u>	<u>\$ 234,386</u>	<u>\$ 260,538</u>

(1) In fiscal year 2025, Resource Connection was reclassified from enterprise funds to governmental funds.

TABLE IV

2021	2022	2023	2024	2025 ⁽¹⁾
\$ 3,570	\$ 3,832	\$ 2,891	\$ 2,384	\$ 4,514
587	445	6,373	4,762	1,765
66,206	96,177	81,703	62,461	31,846
131,705	115,047	110,210	97,996	95,853
<u>\$ 202,068</u>	<u>\$ 215,501</u>	<u>\$ 201,177</u>	<u>\$ 167,603</u>	<u>\$ 133,978</u>
\$ 4,214	\$ 7,233	\$ 5,625	\$ 5,214	\$ 5,508
85,577	304,191	286,207	254,522	212,400
156,954	186,034	287,875	355,918	390,389
4,120	3,879	4,526	4,862	5,943
(10,010)	(13,135)	(4,073)	(3,594)	(3,781)
<u>\$ 240,855</u>	<u>\$ 488,202</u>	<u>\$ 580,160</u>	<u>\$ 616,922</u>	<u>\$ 610,459</u>

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	\$ 364,485	\$ 384,275	\$ 403,972	\$ 418,793	\$ 464,547
Licenses and permits	1,198	1,291	1,214	1,422	1,213
Fees of office	90,803	93,665	94,059	106,227	104,172
Intergovernmental	120,058	125,472	126,883	132,352	223,553 ⁽¹⁾
Investment income	2,188	3,813	6,891	10,453	4,258
Other revenues	18,672	17,127	17,292	18,718	16,124
Total revenues	597,404	625,643	650,311	687,965	813,867
Expenditures:					
Current:					
General government	115,112	128,382	123,409	127,951	140,259
Public safety	127,142	136,224	143,914	151,697	161,860
Transportation support	22,523	24,978	22,929	23,244	24,191
Judicial	161,072	168,256	177,228	185,877	188,429
Community services	83,886	87,797	90,764	97,860	157,767 ⁽¹⁾
Capital outlay	44,487	62,761	65,274	44,393	43,297
Debt service:					
Principal payments	22,990	25,940	27,295	28,125	25,930
Interest and fiscal charges	14,542	11,911	9,995	9,158	8,276
Total expenditures	591,754	646,249	660,808	668,305	750,009
Excess (deficiency) of revenues over (under) expenditures	5,650	(20,606)	(10,497)	19,660	63,858
Other Financing Sources (Uses):					
Transfers in	36,974	44,571	43,115	41,175	51,282
Transfers out	(36,894)	(44,810)	(43,245)	(41,056)	(51,657)
Leases (as lessee)	-	-	150	-	-
Software subscriptions	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Premium on new debt	-	-	-	-	-
Refunding bonds issued	70,905	36,860	-	-	-
Payment to refunded bond escrow agent	(70,678)	(36,723)	-	-	-
Total other financing sources (uses)	307	(102)	20	119	(375)
Change in fund balance	\$ 5,957	\$ (20,708)	\$ (10,477)	\$ 19,779	\$ 63,483
Debt Service as a percentage of noncapital expenditures	6.6%	6.3%	5.9%	5.8%	4.7%

(1) Fluctuation due to public health emergency (COVID-19).

(2) In fiscal year 2025, Resource Connection was reclassified from business-type activities to governmental activities.

TABLE V

2021	2022	2023	2024	2025 ⁽²⁾
\$ 487,134	\$ 503,047	\$ 547,308	\$ 525,349	\$ 511,246
1,294	1,353	1,474	1,395	1,401
112,991	117,287	117,443	119,020	124,686
276,443 ⁽¹⁾	231,276 ⁽¹⁾	313,699 ⁽¹⁾	294,002	239,955
977	8,575	54,912	60,529	44,858
16,657	20,687	20,131	21,658	25,983
895,496	882,225	1,054,967	1,021,953	948,129
141,266	150,417	162,156	163,840	166,574
171,743	193,785	222,373	248,565	218,478
23,978	29,802	30,758	29,093	30,455
190,287	207,427	227,629	236,482	238,578
205,098 ⁽¹⁾	172,177 ⁽¹⁾	196,317 ⁽¹⁾	203,162	167,301
73,232	58,131	89,351	89,786	125,153
26,770	30,796	33,422	36,231	38,970
7,447	5,767	15,114	13,854	12,984
839,821	848,302	977,120	1,021,013	998,493
55,675	33,923	77,847	940	(50,364)
43,369	76,328	127,591	102,947	66,437
(43,744)	(77,828)	(136,560)	(105,464)	(68,864)
-	1,353	300	2,589	2,462
-	-	8,456	2,176	5,487
-	214,905	-	-	-
-	11,791	-	-	-
-	75,710	-	-	-
-	(75,402)	-	-	-
(375)	226,857	(213)	2,248	5,522
\$ 55,300	\$ 260,780	\$ 77,634	\$ 3,188	\$ (44,842)
4.3%	4.5%	5.3%	5.1%	5.7%

DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED) LAST TEN YEARS

(Per \$100 of Assessed Value)

Governmental Unit	FISCAL YEAR				
	2016	2017	2018	2019	2020
Tarrant County	\$ 0.264000	\$ 0.254000	\$ 0.244000	\$ 0.234000	\$ 0.234000
Special Districts Rates					
Live Oak Creek Municipal Utility District #1	0.990000	0.990000	0.990000	1.000000	1.000000
Far North Fort Worth Municipal Utility District #1	-	-	-	-	-
Viridian Municipal Management District	0.448100	0.448100	0.448100	0.448100	0.448100
Tarrant County Hospital District	0.227897	0.227897	0.224429	0.224429	0.224429
Tarrant County College District	0.149500	0.144730	0.140060	0.136070	0.130170
Tarrant Regional Water District	0.020000	0.019400	0.019400	0.019400	0.028700
Tarrant Emergency Services District	0.080000	0.080000	0.082500	0.082500	0.081900
County Line Special District Rates					
Karis Municipal Management District	-	-	-	-	-
Trophy Club Municipal Utility District #1	0.131140	0.127220	0.120210	0.116180	0.112730
City Rates					
Arlington	0.648000	0.644800	0.639800	0.634800	0.624000
Bedford	0.494830	0.476509	0.520000	0.561862	0.569000
Benbrook	0.657500	0.650000	0.640000	0.640000	0.627770
Blue Mound	0.806250	0.806250	0.741530	0.696800	0.605900
Colleyville	0.355900	0.339130	0.333834	0.320800	0.306807
Dalworthington Gardens	0.253670	0.273979	0.374379	0.580000	0.580000
Edgecliff Village	0.305216	0.270359	0.270359	0.270359	0.257780
Eules	0.467500	0.462500	0.462500	0.462500	0.462500
Everman	1.255205	1.230000	1.158630	1.113943	1.085713
Forest Hill	0.996054	0.990000	0.990000	0.992873	0.992873
Fort Worth	0.855000	0.835000	0.805000	0.785000	0.747500
Haltom City	0.699990	0.699990	0.668180	0.653000	0.665760
Haslet	0.285693	0.290253	0.333044	0.305960	0.297583
Hurst	0.610560	0.587900	0.580940	0.580000	0.597299
Keller	0.434690	0.430000	0.427500	0.413250	0.399900
Kennedale	0.767500	0.767500	0.777500	0.725714	0.734970
Lake Worth	0.499252	0.460660	0.454920	0.434806	0.413577
Lakeside	0.360192	0.360192	0.375000	0.379000	0.406300
North Richland Hills	0.610000	0.610000	0.590000	0.585000	0.572000
Pantego	0.420000	0.420000	0.420000	0.420000	0.420000
Pelican Bay	0.898499	0.898499	0.898499	0.898499	0.898499
Richland Hills	0.528805	0.595633	0.563738	0.541880	0.558551
River Oaks	0.852309	0.794444	0.780000	0.749400	0.674516
Saginaw	0.544000	0.513000	0.495000	0.471800	0.459000
Sansom Park	0.690692	0.767304	0.787304	0.787304	0.722200
Watauga	0.618718	0.618411	0.601788	0.601788	0.580500
Westover Hills	0.347400	0.355000	0.355000	0.387200	0.426000
Westworth Village	0.500000	0.500000	0.500000	0.485000	0.475000
White Settlement	0.733103	0.755693	0.762127	0.762186	0.732245
County Line City Rates					
Azle	0.679500	0.679500	0.671500	0.667287	0.657204
Burleson	0.740000	0.735000	0.735000	0.735000	0.720000
Crowley	0.739270	0.739270	0.719000	0.709000	0.681992
Flower Mound	0.439000	0.439000	0.439000	0.439000	0.436500
Grand Prairie	0.669998	0.669998	0.669998	0.669998	0.669998
Grapevine	0.328437	0.289271	0.289271	0.289271	0.284271

TABLE VI

2021	2022	2023	2024	2025
\$ 0.234000	\$ 0.229000	\$ 0.224000	\$ 0.194500	\$ 0.187500
1.000000	1.000000	0.942000	0.942000	0.942000
1.000000	1.000000	1.000000	1.000000	1.000000
0.448100	0.448100	0.448100	0.448100	0.463100
0.224429	0.224429	0.224429	0.194500	0.182500
0.130170	0.130170	0.130170	0.112170	0.112280
0.028700	0.028700	0.026900	0.026700	0.026700
0.081900	0.081900	0.080000	0.073330	0.074310
-	0.350000	0.350000	0.460000	0.460000
0.107740	0.105580	0.091340	0.063810	0.062500
0.622500	0.619800	0.599800	0.589800	0.599800
0.569000	0.552000	0.495726	0.495726	0.495726
0.622500	0.617500	0.595000	0.565000	0.555000
0.571000	0.560545	0.560545	0.681745	0.722033
0.304365	0.291778	0.265618	0.260991	0.276204
0.636593	0.658553	0.665133	0.611854	0.616040
0.272000	0.285000	0.267425	0.251846	0.369280
0.462500	0.475000	0.460000	0.457500	0.446700
1.149676	1.149676	1.119676	1.036080	1.026080
0.997340	0.997342	0.882820	0.724094	0.724094
0.747500	0.732500	0.712500	0.672500	0.672500
0.665760	0.645651	0.608162	0.567283	0.580727
0.249972	0.283229	0.296957	0.342638	0.350073
0.625159	0.625159	0.614043	0.581150	0.591324
0.395000	0.395000	0.354500	0.312000	0.291120
0.774085	0.764085	0.706190	0.706190	0.706190
0.469212	0.458548	0.438928	0.380557	0.485420
0.406300	0.406239	0.493500	0.493500	0.550000
0.575700	0.572184	0.547972	0.489389	0.489389
0.420000	0.420000	0.475931	0.570000	0.570000
0.898499	0.800000	0.753999	0.596891	0.615998
0.558551	0.558551	0.538885	0.522689	0.518879
0.697374	0.720874	0.754168	0.660210	0.675827
0.461579	0.479516	0.508042	0.498769	0.493747
0.718850	0.670724	0.677660	0.667886	0.779605
0.580404	0.580400	0.570200	0.570200	0.570200
0.447000	0.478925	0.486833	0.476311	0.470000
0.475000	0.475000	0.475000	0.475000	0.475000
0.746200	0.741795	0.712115	0.667233	0.679816
0.657204	0.646149	0.623426	0.568874	0.614087
0.711100	0.685900	0.657200	0.632500	0.662700
0.699806	0.729545	0.645203	0.594890	0.608300
0.436500	0.405000	0.405000	0.387300	0.387278
0.669998	0.664998	0.660000	0.660000	0.660000
0.282601	0.271811	0.271775	0.250560	0.241165

DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONCLUDED) LAST TEN YEARS

(Per \$100 of Assessed Value)

Governmental Unit (cont'd)	FISCAL YEAR				
	2016	2017	2018	2019	2020
Mansfield	0.710000	0.710000	0.710000	0.710000	0.710000
Newark	-	-	-	-	-
Reno	0.530000	0.530000	0.520000	0.520000	0.520000
Roanoke	0.375120	0.375120	0.375120	0.375120	0.375120
Southlake	0.462000	0.462000	0.462000	0.447000	0.410000
Trophy Club	0.484000	0.473000	0.451442	0.446442	0.446442
Westlake	0.156340	0.136950	0.136150	0.156000	0.160180
School District Rates					
Arlington Independent School District	1.412952	1.390080	1.368670	1.368670	1.298670
Birdville Independent School District	1.453900	1.453900	1.453900	1.453900	1.383900
Carroll Independent School District	1.395000	1.390000	1.385000	1.380000	1.300000
Castleberry Independent School District	1.415500	1.376600	1.392200	1.392200	1.290550
Eagle Mountain Saginaw Independent School District	1.540000	1.540000	1.540000	1.540000	1.518000
Everman Independent School District	1.530000	1.525000	1.510000	1.495000	1.390000
Fort Worth Independent School District	1.352000	1.352000	1.352000	1.352000	1.282000
Hurst Euless Bedford Independent School District	1.350000	1.316000	1.263000	1.273000	1.220000
Keller Independent School District	1.540000	1.520000	1.520000	1.510000	1.408300
Kennedale Independent School District	1.486724	1.486724	1.480000	1.451694	1.350000
Lake Worth Independent School District	1.670000	1.670000	1.670000	1.670000	1.568400
White Settlement Independent School District	1.540000	1.540000	1.540000	1.520000	1.450000
County Line School District Rates					
Aledo Independent School District	1.595000	1.595000	1.595000	1.595000	1.493300
Azle Independent School District	1.203000	1.203000	1.329000	1.329000	1.247350
Burleson Independent School District	1.540000	1.540000	1.670000	1.670000	1.568350
Crowley Independent School District	1.650000	1.650000	1.670000	1.670000	1.568400
Godley Independent School District	1.247660	1.540000	1.540000	1.540000	1.470000
Grapevine Colleyville Independent School District	1.320100	1.396700	1.396700	1.396700	1.326700
Lewisville Independent School District	1.476730	1.420000	1.407500	1.407500	1.337500
Mansfield Independent School District	1.510000	1.510000	1.540000	1.540000	1.460000
Northwest Independent School District	1.452500	1.452500	1.490000	1.490000	1.420000

Note: Overlapping rates are those of local governments that apply to property owners within the County.

Not all overlapping rates apply to all County property owners (e.g., the rates for the special districts apply only to the portion of the County's property owners whose property is located within the geographic boundaries of the special district). These tax rates were not assessed by Tarrant County Commissioners Court.

Source: Tarrant Appraisal District

TABLE VI

2021	2022	2023	2024	2025
0.690000	0.690000	0.680000	0.659293	0.645000
-	-	-	-	0.400620
0.520000	0.468166	0.468166	0.366173	0.556319
0.375120	0.375120	0.339779	0.308039	0.308039
0.405000	0.390000	0.360000	0.319000	0.305000
0.446442	0.445000	0.434799	0.415469	0.415469
0.167880	0.167880	0.167880	0.167880	0.167880
1.387100	1.360800	1.308700	1.115600	1.103500
1.380300	1.338000	1.279800	1.203100	1.198300
1.286400	1.268600	1.218800	1.002500	0.961700
1.241300	1.313100	1.434600	1.199200	1.246900
1.496400	1.457500	1.434600	1.247200	1.245700
1.370000	1.370000	1.327118	1.094146	1.226800
1.378400	1.343200	1.281600	1.062400	1.062400
1.198000	1.160800	1.109800	0.921100	0.968900
1.394700	1.344000	1.272900	1.087500	1.085200
1.336400	1.299100	1.226400	1.137500	1.135200
1.510200	1.519100	1.442900	1.257500	1.255200
1.415900	1.460300	1.417400	1.209200	1.206900
1.479700	1.392900	1.367900	1.207500	1.205200
1.247400	1.222600	1.210500	1.025000	1.097900
1.538300	1.494600	1.442900	1.257500	1.255200
1.539800	1.265800	1.442900	1.257500	1.255200
1.466400	1.492000	1.474600	1.289200	1.286900
1.303100	1.275100	1.130800	0.924700	0.923300
1.347300	1.308700	1.236800	1.130100	1.117800
1.446400	1.418300	1.334600	1.149200	1.146900
1.336300	1.292000	1.274600	1.090200	1.087900

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

TABLE VII

(Amounts in thousands)

Fiscal Year Ended September 30	Assessed Real Property	Assessed Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate ⁽¹⁾
2016	\$ 146,065,649	\$ 26,475,593	\$ 31,481,815	\$ 141,059,427	\$ 0.264000
2017	162,709,268	28,237,199	36,254,928	154,691,539	0.254000
2018	181,216,178	28,982,575	39,610,155	170,588,598	0.244000
2019	197,865,532	31,179,225	42,851,611	186,193,146	0.234000
2020	217,773,980	33,529,763	44,512,343	206,791,400	0.234000
2021	228,823,263	35,421,286	47,339,178	216,905,371	0.234000
2022	241,663,541	36,848,651	50,604,819	227,907,373	0.229000
2023	271,829,414	40,144,502	55,092,844	256,881,072	0.224000
2024	312,606,180	45,253,934	78,603,575	279,256,539	0.194500
2025	330,177,863	45,615,291	96,384,247	279,408,907	0.187500

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 rates are per \$100 of assessed value

Source: Tarrant Appraisal District

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE VIII

(Amounts in thousands)

Taxpayer	FISCAL YEAR					
	2025			2016		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 2,433,320	1	0.87%	\$ 996,124	1	0.71%
American Airlines	1,545,810	2	0.55%	434,150	7	0.31%
Atmos Energy/Mid Tex Division	962,618	3	0.34%	-		
Winner LLC/META Platforms Inc	950,696	4	0.34%	-		
General Motors LLC	910,096	5	0.33%	694,999	3	0.49%
Bell Textron Inc.	599,694	6	0.21%	526,450	4	0.37%
Opryland Hotel	503,041	7	0.18%	-		
Amazon.com Services LLC	467,230	8	0.17%	-		
AT&T Mobility LLC	425,091	9	0.15%	-		
Wal-Mart Stores Texas LLC	378,593	10	0.14%	474,129	6	0.34%
XTO Energy Inc.	-			703,299	2	0.50%
Chesapeake Operating	-			494,992	5	0.35%
Barnett Gathering Lp	-			401,081	8	0.28%
Devon Energy Food Co	-			295,995	9	0.21%
Town Square Ventures	-			293,001	10	0.21%
	<u>\$ 9,176,189</u>		<u>3.28%</u>	<u>\$ 5,314,220</u>		<u>3.77%</u>

Source: Tarrant Appraisal District

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(Amounts in thousands)

Fiscal Year Ended September 30	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
				Amount	Percentage of Levy	
2016	\$ 368,922	\$ 96	\$ 369,018	\$ 365,724	99.13%	\$ 2,748
2017	387,855	\$ (660)	387,195	384,387	99.11%	2,325
2018	409,336	\$ (1,033)	408,303	406,075	99.20%	1,757
2019	427,161	\$ (1,175)	425,986	423,720	99.19%	1,778
2020	471,596	\$ (2,300)	469,296	467,381	99.11%	1,318
2021	492,857	\$ (2,319)	490,538	489,370	99.29%	581
2022	505,505	\$ (902)	504,603	502,321	99.37%	1,584
2023	555,148	\$ (2,019)	553,129	551,532	99.35%	449
2024	531,640	\$ (1,772)	529,868	527,867	99.29%	99
2025	515,592	\$ -	515,592	511,822	99.27%	

Source: Tarrant County Tax Office and Tarrant Appraisal District

TABLE IX

Total Collections	
Amount	Percentage of Levy
\$ 368,472	99.85%
386,712	99.88%
407,832	99.88%
425,498	99.89%
468,699	99.87%
489,951	99.88%
503,905	99.86%
551,981	99.79%
527,966	99.64%
511,822	99.27%

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

TABLE X

(Amounts in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Limited Tax Refunding	Leases ⁽³⁾	Subscriptions ⁽⁴⁾	Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽¹⁾
2016	\$ 12,378	\$ 352,616	\$ 3,064	\$ -	\$ 368,058	0.39%	\$ 184.80
2017	5,089	331,923	2,270	-	339,282	0.35%	167.63
2018	-	307,996	1,641	-	309,637	0.29%	150.46
2019	-	278,259	857	-	279,116	0.25%	133.39
2020	-	250,717	71	-	250,788	0.22%	116.99
2021	-	222,602	38	-	222,640	0.19%	103.81
2022	226,696	190,855	5,107	-	422,658	0.34%	194.69
2023	224,420	163,347	2,888	5,717	396,372	0.29%	181.08
2024	220,767	135,176	3,889	4,339	364,171	0.25%	163.70
2025	215,129	108,900	3,273	3,695	330,997	0.21% ⁽²⁾	146.44

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 2024.

(3) GASB Statement 87 "Leases" was implemented during fiscal year 2022. Amounts listed for years prior to 2022 have not been restated.

(4) GASB Statement 96 "Subscription-Based Information Technology Arrangements" was implemented during fiscal year 2023. Amounts listed for years prior to 2023 have not been restated.

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

TABLE XI

(Amounts in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Limited Tax Refunding	Total Primary Government	Total	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2016	\$ 12,378	\$ 352,616	\$ 364,994	\$ 364,994	0.26%	\$ 183.26
2017	5,089	331,923	337,012	337,012	0.22%	166.51
2018	-	307,996	307,996	307,996	0.18%	149.66
2019	-	278,259	278,259	278,259	0.14%	127.30
2020	-	250,717	250,717	250,717	0.12%	118.79
2021	-	222,602	222,602	222,602	0.10%	103.79
2022	226,696	190,855	417,551	417,551	0.18%	192.33
2023	224,420	163,347	387,767	387,767	0.15%	177.15
2024	220,767	135,176	355,943	355,943	0.13%	160.00
2025	215,129	108,900	324,029	324,029	0.12%	143.35

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.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2025

(Amounts in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt 9/30/2025
Debt repaid with property taxes:			
Special Districts:			
Live Oak Creek Municipal Utility District #1	\$ 19,315	100.00%	\$ 19,315
Karis Municipal Management District	7,745	100.00%	7,745
Viridian Municipal Management District	293,560	100.00%	293,560
Tarrant County College District	547,535	100.00%	547,535
Tarrant County Hospital District	431,255	100.00%	431,255
Tarrant Regional Water District	98,710	100.00%	98,710
County Line Special District:			
Trophy Club Municipal Utility District #1	3,875	26.70%	1,035
Far North Fort Worth Municipal Utility District #1	55,880	81.20%	45,375
Cities:			
Arlington	687,335	100.00%	687,335
Bedford	148,820	100.00%	148,820
Benbrook	19,780	100.00%	19,780
Colleyville	10,860	100.00%	10,860
Dalworthington Gardens	4,485	100.00%	4,485
Eules	61,700	100.00%	61,700
Everman	6,460	100.00%	6,460
Forest Hill	580	100.00%	580
Fort Worth	1,094,195	92.04%	1,007,097
Haltom City	79,040	100.00%	79,040
Haslet	20,622	100.00%	20,622
Hurst	50,080	100.00%	50,080
Keller	67,580	100.00%	67,580
Kennedale	38,220	100.00%	38,220
Lake Worth	30,240	100.00%	30,240
North Richland Hills	121,805	100.00%	121,805
Pantego	16,995	100.00%	16,995
Richland Hills	25,440	100.00%	25,440
River Oaks	16,650	100.00%	16,650
Saginaw	96,890	100.00%	96,890
Sansom Park	9,988	100.00%	9,988
Watauga	55,980	100.00%	55,980
Westover Hills	5,880	100.00%	5,880
Westworth Village	5,150	100.00%	5,150
White Settlement	31,160	100.00%	31,160
County Line Cities:			
Azle	20,230	73.93%	14,956

Note: Overlapping rates are those of local and county governments that apply to property owners within the County.

Not all overlapping rates apply to all County property owners (e.g., the rates for the special districts apply only to the portion of the County's property owners whose property is located within the geographic boundaries of the special district.)

Source: Municipal Advisory Council of Texas

TABLE XII

Governmental Unit (cont'd)	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt 9/30/2025
Burleson	\$ 227,680	16.62%	\$ 37,840
Crowley	48,330	98.16%	47,441
Flower Mound	140,650	3.37%	4,740
Grand Prairie	537,866	45.96%	247,203
Grapevine	150,205	95.72%	143,776
Mansfield	359,690	81.70%	293,867
Reno	541	4.09%	22
Roanoke	83,140	3.93%	3,267
Southlake	72,291	97.06%	70,166
Trophy Club	19,555	5.41%	1,058
Westlake	52,712	85.62%	45,132
School Districts:			
Arlington Independent School District	1,224,080	100.00%	1,224,080
Birdville Independent School District	575,575	100.00%	575,575
Carroll Independent School District	233,465	100.00%	233,465
Castleberry Independent School District	114,350	100.00%	114,350
Eagle Mountain Saginaw Independent School District	1,393,345	100.00%	1,393,345
Everman Independent School District	165,590	100.00%	165,590
Fort Worth Independent School District	1,561,440	100.00%	1,561,440
Hurst Euleless Bedford Independent School District	813,765	100.00%	813,765
Keller Independent School District	678,700	100.00%	678,700
Kennedale Independent School District	98,815	100.00%	98,815
Lake Worth Independent School District	70,012	100.00%	70,012
White Settlement Independent School District	237,749	100.00%	237,749
County Line School Districts:			
Aledo Independent School District	352,744	7.64%	26,950
Azle Independent School District	268,840	52.49%	141,114
Burleson Independent School District	224,725	31.38%	70,519
Crowley Independent School District	1,397,635	98.19%	1,372,338
Godley Independent School District	222,620	5.84%	13,001
Grapevine Colleyville Independent School District	302,425	91.27%	276,023
Lewisville Independent School District	1,545,585	0.97%	14,992
Mansfield Independent School District	1,260,570	88.95%	1,121,277
Northwest Independent School District	2,988,390	40.50%	1,210,298
Sub-total Overlapping Debt			16,386,233
Tarrant County (direct debt)	330,997	100.00%	330,997
Total Direct and Overlapping Debt			\$ 16,717,230

LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

(Amounts in thousands)

	FISCAL YEAR				
	2016	2017	2018	2019	2020
Debt Limit	\$ 7,052,971	\$ 7,734,577	\$ 8,529,430	\$ 9,309,657	\$ 10,339,570
Total net debt applicable to limit	363,573	335,499	306,155	276,997	249,750
Legal debt margin	<u>\$ 6,689,398</u>	<u>\$ 7,399,078</u>	<u>\$ 8,223,275</u>	<u>\$ 9,032,660</u>	<u>\$ 10,089,820</u>
Total net debt applicable to the limit as a percentage of debt limit	5.15%	4.34%	3.59%	2.98%	2.42%

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

TABLE XIII

2021	2022	2023	2024	2025
\$ 10,845,269	\$ 11,395,369	\$ 12,844,054	\$ 13,962,827	\$ 13,970,445
220,884	417,551	387,767	355,943	324,029
<u>\$ 10,624,385</u>	<u>\$ 10,977,818</u>	<u>\$ 12,456,287</u>	<u>\$ 13,606,884</u>	<u>\$ 13,646,416</u>
2.04%	3.66%	3.02%	2.55%	2.32%

Legal Debt Margin Calculation (1) for Fiscal Year 2025

Assessed value	\$279,408,907
Debt Limit (5% of total assessed value)	13,970,445
Debt applicable to limit:	
Total General Bonded debt	324,029
Legal debt margin	<u>\$ 13,646,416</u>

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

TABLE XIV

Fiscal Year	Population ⁽²⁾	Personal Income (Amounts in thousands)	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾	Public School Enrollment ⁽⁵⁾
2016	1,991,639	\$ 95,698,254	\$ 48,050	4.1%	356,941
2017	2,023,985	96,189,887	47,525	3.4%	359,879
2018	2,057,926	105,446,070	51,239	3.4%	359,140
2019	2,092,419	111,509,193	53,292	3.1%	359,086
2020	2,110,640	119,224,934	55,615	7.7% ⁽¹⁾	360,066
2021	2,144,653	125,334,153	58,940	0.045	346,274
2022	2,170,962	134,517,147	61,962	3.5%	346,571
2023	2,188,951	143,956,363	65,765	3.8%	345,093
2024	2,224,584	155,578,507	69,936	3.9%	339,738
2025	2,260,330	N/A	N/A	4.2%	336,474

N/A Not Available

(1) Fluctuation due to public health emergency (COVID-19).

Data Sources:

- (2) North Central Texas Council of Governments
- (3) Bureau of Economic Analysis U.S. Department of Commerce
- (4) Texas Workforce Commission LAUS Report
- (5) Texas Education Agency

**TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE XV

Employer	2025 ⁽¹⁾			2016 ⁽²⁾		
	Employees	Rank	% of Total Tarrant County Employment	Employees	Rank	% of Total Tarrant County Employment
American Airlines Group	35,000	1	3.19%	25,000	1	2.55%
Lockheed Martin Aeronautics Company	17,500	2	1.60%	13,690	2	1.39%
Dallas Fort Worth International Airport	14,000	3	1.28%	-		
Texas Health Resources	12,556	4	1.15%	12,000	3	1.22%
Naval Air Station Fort Worth Joint Reserve Base	10,500	5	0.96%	10,000	5	1.02%
Fort Worth Independent School District	9,860	6	0.90%	12,000	3	1.22%
Cook Children's Health Network	9,000	7	0.82%	6,042	10	0.62%
Wal-Mart Stores Texas LLC	8,742	8	0.80%	-		
Arlington Independent School District	8,613	9	0.79%	8,500	6	0.87%
Amazon.com Services LLC	8,150	10	0.74%	-		
University of Texas at Arlington	-			7,311	7	0.74%
JPS Health Network	-			6,500	8	0.66%
City of Fort Worth	-			6,161	9	0.63%
	-			-		

Data Sources:

(1) Based on most current information available from individual employers and North Central Texas Council of Governments

(2) Fort Worth Business Press and Texas Workforce Commission

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Full-Time Equivalent Employees as of September 30				
	2016	2017	2018	2019	2020
Governmental activities:					
General government	740	741	742	755	772
Public safety	1,487	1,490	1,501	1,531	1,547
Transportation	204	205	204	204	205
Judicial	1,358	1,372	1,390	1,416	1,444
Community services	527	537	532	532	528
Business-type activities:					
Resource Connection	16	16	16	16	16
Total full-time equivalent employees	<u>4,332</u>	<u>4,361</u>	<u>4,385</u>	<u>4,454</u>	<u>4,512</u>

Source: Tarrant County Budget Office

(1) In fiscal year 2025, Resource Connection was reclassified from business-type activities to governmental activities.

TABLE XVI

2021	2022	2023	2024	2025 ⁽¹⁾
813	838	845	846	838
1,616	1,665	1,681	1,660	1,659
206	207	210	213	222
1,473	1,546	1,580	1,594	1,583
646	757	773	775	756
17	17	17	17	-
4,771	5,030	5,106	5,105	5,058

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	FISCAL YEAR			
	2016 ⁽¹⁾	2017 ⁽¹⁾	2018 ⁽¹⁾	2019 ⁽¹⁾
District Clerk				
Civil court cases filed	6,785	7,752	8,060	9,073
Criminal court cases filed	20,289	20,830	24,242	25,495
Family court cases filed (Attorney General cases)	12,078	14,148	15,113	12,243
Family court cases filed (Non-Attorney General cases)	15,734	16,106	16,114	17,325
Juvenile court cases filed	1,850	2,609	3,013	3,894
Tax foreclosure cases filed	4,055	4,251	3,933	3,720
County Clerk				
County court at law cases filed	7,932	7,940	8,555	10,775
Mental health cases filed	4,604	5,093	4,791	4,466
Probate cases filed	4,588	4,049	4,207	4,623
Birth certificates issued	54,793	43,207	42,210	58,836
Marriage licenses issued	15,560	17,079	20,284	15,380
Passport applications accepted	887	11,444	13,753	24,111
Justice of the Peace (all precincts)				
Traffic cases	9,380	9,638	12,345	11,835
Non-traffic cases	3,956	4,368	5,158	6,082
Small claims cases	5,503	5,921	6,930	6,666
Landlord/Tenant	25,124	26,021	26,558	30,349
Debt Claims	8,969	13,137	16,711	20,917
Sheriff				
Prisoner bed days in county jail	1,167,826	1,304,411	1,427,461	1,472,457
Public Health				
Chronic disease prevention, average monthly caseload	1,125	1,500	1,500	1,000
Notifiable diseases reported	5,509	11,375	10,052	11,526
Food establishment inspections	7,528	7,244	7,711	6,345
Sexually transmitted disease clinic visits	5,982	6,207	6,126	5,130
Milk and dairy tests	18,319	19,070	18,077	17,902
Tuberculosis DOT/DOPT doses administered	17,481	18,229	13,178	12,895
Women, infants & children visits and immunizations	584,517	545,408	460,552	431,309
Tax Assessor/Collector				
Tax accounts collected	1,669,671	1,686,094	1,730,397	1,808,146
Contracts with entities for tax collection	60	60	67	79
Transportation				
Miles of roads maintained in un-incorporated areas	401	398	397	397
Inter-local contracts executed/performed	53	66	67	57
Square yards of right of way	13,558,253	13,395,295	13,346,720	13,281,790
Human Services				
Rent vouchers issued	616	699	553	546
Utility vouchers issued	9,254	14,125	5,055	4,457
Food/hygiene vouchers issued	2,109	2,233	1,354	1,144

Source: Various County departments

(1) District Clerk Criminal court cases filed also include civil cases that are related to a criminal case.

(2) Fluctuation due to public health emergency (COVID-19).

TABLE XVII

2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ⁽¹⁾	2024 ⁽¹⁾	2025 ⁽¹⁾
8,359	9,149	8,130	9,814	11,578	12,735
25,186	23,763	27,619	23,933	27,283	27,047
10,084	5,842	6,087	6,165	6,578	5,254
16,925	16,793	16,647	16,447	16,368	16,274
2,956	2,744	3,150	2,579	2,332	2,425
3,301	3,908	4,198	4,539	5,601	5,129
8,370	7,397	6,185	9,115	9,611	10,384
4,800	4,814	4,906	5,067	5,085	4,611
4,942	5,595	4,883	4,599	4,584	5,333
38,446 ⁽²⁾	50,753	66,412	68,422	64,189	67,478
14,825	15,307	16,995	16,032	17,836	17,914
17,838	33,445	42,884	47,367	44,738	41,773
8,229	6,464	7,441	7,024	5,345	5,576
5,840	3,676	4,512	4,510	4,012	4,609
5,639	5,157	7,010	5,519	5,659	5,623
19,439 ⁽²⁾	14,967	30,107	35,612	36,896	34,593
21,097	24,555	17,682	22,276	27,775	37,428
1,441,844	1,544,676	1,518,533	1,618,362	1,560,444	1,568,205
240 ⁽²⁾	232 ⁽²⁾	645 ⁽²⁾	1,841	1,349	3,669
60,125 ⁽²⁾	298,396 ⁽²⁾	320,722 ⁽²⁾	92,530	38,284	11,561
6,791 ⁽²⁾	6,487	6,207	6,186	8,627	7,786
6,065	6,319	8,986	7,071	8,101	7,449
15,355	16,893	14,880	14,435	14,146	13,900
10,729	9,352	6,975	9,637	11,707	14,639
406,691	398,678	461,178	437,139	564,794	569,439
1,839,821	1,844,624	1,844,036	1,869,997	1,879,124	1,915,386
79	79	79	65	65	66
395	396	390	393	391	398
56	45	52	57	56	59
13,252,717	13,281,824	12,858,803	12,876,933	13,476,199	13,222,784
495	254	218	273	353	318
5,455	4,539	5,466	3,236	4,576	5,925
1,035	683	763	679	1,013	1,302

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN YEARS

	FISCAL YEAR			
	2016	2017	2018	2019
General Government				
Number of buildings				
Subcourthouses	8	8	8	8
Courts buildings	6	6	6	6
Other	14	15	15	15
Building square footage	3,083,629	3,198,103	3,218,798	3,218,798
Subcourthouses	371,108	371,108	391,803	391,803
Courts buildings	1,307,010	1,307,010	1,307,010	1,307,010
Other	1,405,511	1,519,985	1,519,985	1,519,985
Public Safety				
Number of jails	4	5	5	5
Building square footage	1,044,755	1,230,985	1,230,985	1,230,985
Number of patrol vehicles	102	101	100	99
Transportation				
Miles of roads in un-incorporated areas	401	398	397	397
Square yards of right of way	13,558,253	13,395,295	13,346,720	13,281,790
Number of heavy equipment	257	263	260	261
Number of vehicles	497	522	495	484
Judicial				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
Community Services				
Number of buildings	-	-	-	-
Building square footage	-	-	-	-
Public Health vehicles	43	45	45	45
Resource Connection				
Number of buildings	16	16	16	16
Building square footage	348,464	348,464	348,464	348,464

Source: Tarrant County Facilities Office

(1) In fiscal year 2025, Resource Connection was reclassified from business-type activities to governmental activities. All related buildings are now reported under general government.

TABLE XVIII

2020	2021	2022	2023	2024	2025 ⁽¹⁾
8	8	8	7	7	7
6	6	6	6	6	6
15	15	16	18	18	34
3,218,798	3,218,798	3,240,272	3,258,971	3,258,971	3,607,621
391,803	391,803	391,803	383,310	383,310	383,310
1,307,010	1,307,010	1,307,010	1,321,539	1,321,539	1,321,539
1,519,985	1,519,985	1,541,459	1,554,122	1,554,122	1,902,772
5	5	5	5	5	5
1,230,985	1,230,985	1,230,985	1,232,110	1,232,110	1,232,259
102	103	103	111	111	119
395	396	390	393	391	398
13,252,717	13,281,824	12,858,803	12,876,933	12,854,130	13,222,784
258	265	269	288	309	326
554	543	558	564	673	733
124,770	124,770	124,770	195,002	195,002	206,562
-	-	-	2	2	2
-	-	-	123,450	123,450	124,255
46	46	46	48	47	48
16	16	16	16	16	-
348,464	348,464	348,464	348,650	348,650	-

