

Tarrant County, Texas

# Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2021



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**TARRANT COUNTY, TEXAS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2021**



**Prepared By**

**County Auditor's Office**

**S. Renee Tidwell, CPA**

**County Auditor**



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# INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, TARRANT COUNTY, TEXAS





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FORT WORTH, TEXAS 76196-0103  
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March 31, 2022

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

The annual comprehensive financial report of Tarrant County, Texas (the "County") for the fiscal year ended September 30, 2021 is submitted herewith. This report is submitted in compliance with Section 114.025 of the Texas Local Government Code and has been prepared by the County Auditor's staff.

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

The County's financial statements (excluding the financial statements of the County's discretely presented component units which were audited by other auditors) have been audited by Deloitte & Touche LLP, independent auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Deloitte & Touche LLP was also engaged to perform an audit of the County's federal and state awards that is designed 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; the State of Texas Uniform Grant Management Standards; and the State of Texas Single Audit Circular. The audit report on federal and state awards is 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 auditors.

## **Profile of the County**

Tarrant County is a political subdivision of the State of Texas and was organized in 1849. The County is an urban county located in the north central part of Texas. Fort Worth serves as the county seat to a county population of 2,144,653 citizens. It is one of the fastest growing urban counties in the United States today.

The 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 available resources 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 appropriation between categories, even within the same department. Budget-to-actual comparisons are provided in this report for all budgeted governmental funds. The General Fund and the Road and Bridge Fund comparisons at the department level are presented on pages 96-99 as part of the required supplementary information. The other budget comparisons at the department level are presented on pages 116-124 as part of budgetary compliance. A separate budget report detailed at the legal level of control is available upon request.

## **Local Economy**

Historically, the County's economic environment has been characterized by steady, yet modest growth. This has been in part because of the diverse nature of the business sectors making up the local economy, without an overwhelming dominance by any one industry. Similarly, local real estate values have demonstrated steady yet modest increases over the past decade.

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

Major factors of this continued stability include:

**National Medal of Honor Museum:** Arlington Texas was selected as the future home of the National Medal of Honor Museum. It is expected to bring more than 5 million annual visitors. The museum is expected to open in 2024.

**AllianceTexas:** AllianceTexas is a 26,000-acre master-planned, mixed use community located in north Fort Worth. AllianceTexas offers a variety of commercial real estate options, including new industrial, office, and retail. Anchored by the inland port known as the Alliance Global Logistics Hub, AllianceTexas is home to more than 525 companies, and 61,000 employees. BNSF Railway, FedEx, UPS Ground Hub, Deloitte, Fidelity Investments, TD Ameritrade, Mercedes-Benz, AT&T, DynCorp International, Facebook, Amazon, Hillwood Properties, Carolina Beverage, Walmart.com, Callaway Golf Co., TuSimple and others are located in AllianceTexas.

**Mercantile Center Business Park:** Mercantile is currently home to the Federal Aviation Administration's \$20 million Southwest Regional Headquarters, Dillard's Department Store distribution center, Mid-States Distributing Co., The Buxton Company, Virbac, XPO Logistics Supply Chain, Inc. and CampFire, U.S.A.'s state-of-the-art Childcare Center and National Training Center for childcare providers.

**Facebook:** Facebook is expanding its data center campus at AllianceTexas by approximately 170,000 square feet to be completed by 2022. Once completed the campus will consist of more than 2.6 million square feet.

**Amazon:** Amazon built a 1.1 million square-foot distribution center. This center is one of three new e-commerce fulfillment sites in Texas employing 1,000 in Tarrant County. Amazon's new Regional Air Hub opened at Fort Worth Alliance Airport in October 2019. Amazon is opening four new delivery stations in Tarrant County this year.

**NGC Renewables:** A North American subsidiary of a Chinese wind turbine equipment manufacturer, has constructed a 120,000 square foot manufacturing facility in the Alliance development.

**Meacham International Airport:** Meacham Airport features two runways, 88 buildings, 1.55 million square feet of hangar space, three full-service fixed base operators, aircraft maintenance facilities, flight schools and two aviation museums.

**GM Arlington:** GM recently announced plans to invest an additional \$55 million in its assembly plant for new tooling and equipment to provide tools and technology for its workforce to continue to roll out high-quality vehicles.

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

**Dickies Arena:** The City of Fort Worth built a \$540 million multi-purpose arena to house the Fort Worth Stock Show and Rodeo as well as concerts and other performances in the city's museum district. The City's funding was capped at \$225 million, and the remaining funds came from private sector participants. The state-of-the-art venue opened in November 2019. The Professional Bull Rider (PBR) World Finals event will move to Dickies beginning 2022.

**American Airlines:** American Airlines opened the new 1.8 million square-foot headquarters campus in Fort Worth in 2019.

**Tarleton State University:** construction started on a new campus in the southwest portion of Tarrant County. The first building was completed in 2019 with the ribbon cutting officially opening Tarleton's Fort Worth campus on August 1, 2019.

**TCU-UNTHSC:** Texas Christian University and the University of North Texas Health Science Center joined forces to open a new medical school. Classes began July 15, 2019.

**Lockheed Martin:** Lockheed designs and produces the F-35 Lightning II. Three variants of this fighter jet will replace legacy fighters for the U.S. Air Force, Navy, Marine Corp, and 11 other countries around the world. Lockheed Martin provides 15,200 jobs for Tarrant County.

**Texas Ranger Ballpark:** The citizens of the City of Arlington approved a 50/50 cost-sharing plan to build a new \$1 billion new ballpark with a retractable roof for the Texas Rangers. Globe Life Field opened in 2020.

**Dallas Cowboy Stadium:** The Dallas Cowboy Stadium opened in 2009 and has hosted numerous professional, college and high school football games, as well as basketball, pro bull riding, boxing, and concert events.

**Arlington Entertainment District Expansion:** A planned \$810 million expansion which will add a best in class hotel brand, new convention center, corporate headquarters, mixed-use residential building, small business coworking and incubator space, and more dining, retail and entertainment options for residents and visitors. The expansion is a continuation of the strong public-private partnership between the City of Arlington, the Texas Rangers, Loews Hotels & Co, and the Cordish Companies.

**Other major businesses:** Other major businesses recently locating to or expanding in Tarrant County include Charles Schwab Corp., Incora, Ariat International, Linear Labs, Allied Electronics & Automation, TuSimple, and Mouser Electronics.

## 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 2021 totaled \$0.234 with \$0.016552 per \$100 valuation to fund the annual debt service requirements. On May 7, 2006, the Commissioners Court approved a resolution expressing its intent to be fiscally responsible in the issuance of 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 May 13, 2006, the voters of Tarrant County overwhelmingly approved five bond propositions for a total of \$433,120,000 to fund street, road and bridge improvements, a new jail facility, a new civil courts building, expansion of the juvenile justice facilities, and new medical examiner and crime lab facilities. Of these bonds, \$200 million along with matching funds from local municipalities or Texas Department of Transportation, will be used for transportation issues. To date, the County has issued \$418,120,000 of bonds for these purposes. There will not be any more bonds issued from the 2006 bond election.

On November 2, 2021, the voters of Tarrant County overwhelmingly approved a \$400,000,000 Traffic Mobility bond proposal to improve traffic flow and reduce traffic congestion by purchasing, constructing, reconstructing, renovating, rehabilitating, while improving and maintaining streets, roads, highways and bridges within Tarrant County. The 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, 2020. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for 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 thanks to Commissioners Court and the District Judges for their interest and support in planning and conducting the financial affairs of the County in a responsible and professional manner.

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

Sincerely,



S. Renee Tidwell, CPA  
County Auditor



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Tarrant County  
Texas**

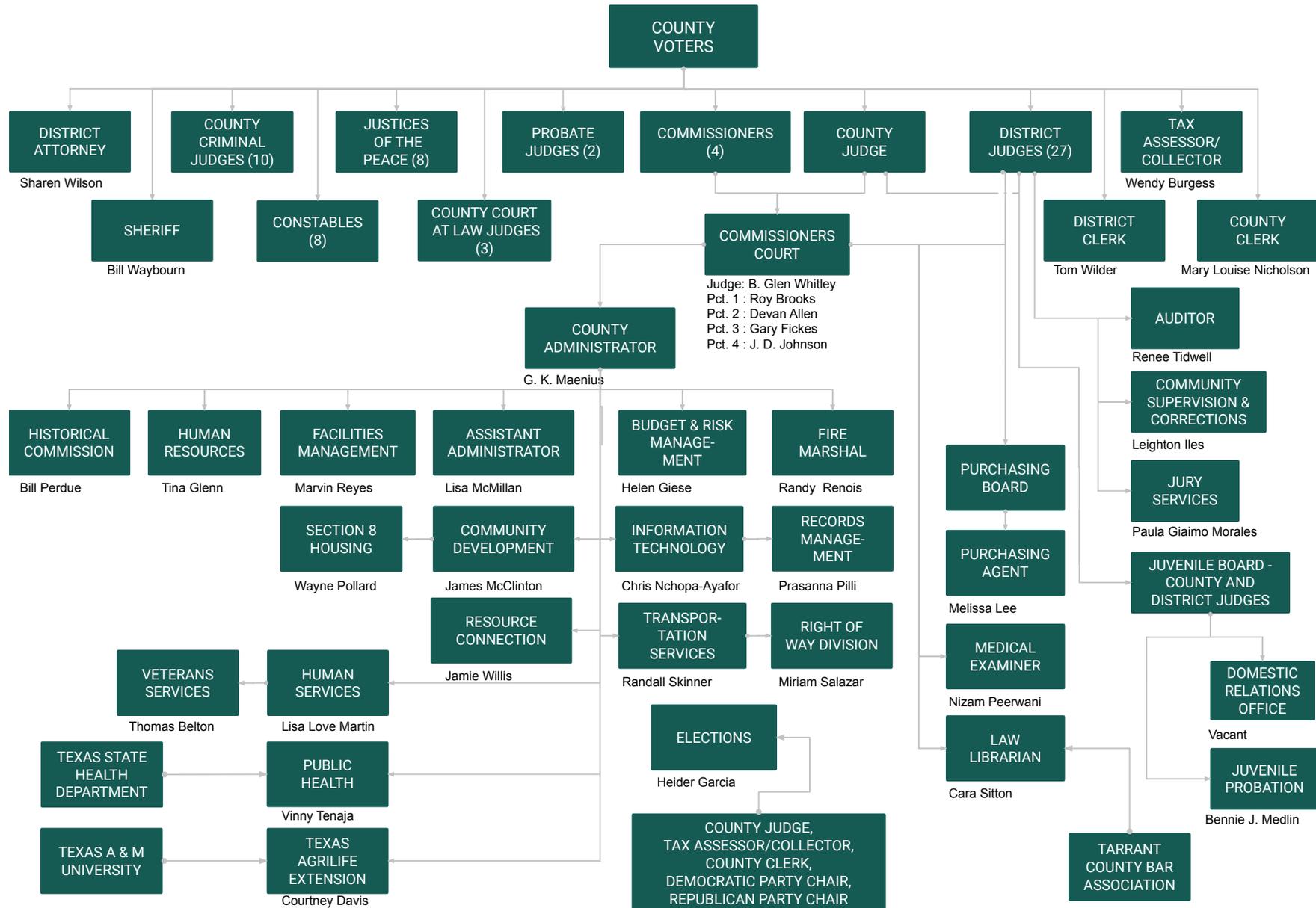
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## TARRANT COUNTY ORGANIZATION



**PRINCIPAL OFFICIALS**

September 30, 2021

Commissioners Court:

B. Glen Whitley  
 Roy Charles Brooks  
 Devan Allen  
 Gary Fickes  
 J. D. Johnson

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

Board of District Judges:

Elizabeth H. Beach  
 Wayne Salvant  
 Robb Catalano  
 Mike Thomas  
 Melody Wilkinson  
 Vacant  
 Don Cosby  
 J. Patrick Gallagher  
 John P. Chupp  
 Susan McCoy  
 Chris Wolfe  
 Jesus Nevarez, Jr.  
 Kenneth E. Newell  
 Tom Lowe  
 David C. Hagerman  
 James Munford  
 Alex Kim  
 Jerome S. Hennigan  
 Judith Wells  
 Kimberly Fitzpatrick  
 Megan Fahey  
 Josh Burgess  
 Patricia Baca Bennett  
 Mollee Westfall  
 Scott Wisch  
 George Gallagher  
 Ruben Gonzalez

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

County Judges:

David Cook  
 Carey Walker  
 Bob McCoy  
 Deborah Nekhom  
 Jamie Cummings  
 Molly Jones  
 Cheril Hardy  
 Charles Vanover  
 Brent Carr  
 Phillip Sorrells  
 Don Pierson  
 Jennifer Rymell  
 Mike Hrabal

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, 2021

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### County Judges: (continued)

Chris Ponder	Judge, Probate Court No. 1
Brooke Allen	Judge, Probate Court No. 2
Ralph Swearingin, Jr.	Justice of the Peace, Precinct 1
Mary Tom Curnutt	Justice of the Peace, Precinct 2
Bill Brandt	Justice of the Peace, Precinct 3
Christopher Gregory	Justice of the Peace, Precinct 4
Sergio L. DeLeon	Justice of the Peace, Precinct 5
Jason Charbonnet	Justice of the Peace, Precinct 6
Kenneth Sanders	Justice of the Peace, Precinct 7
Lisa R. Woodard	Justice of the Peace, Precinct 8

### Law Enforcement:

Bill Waybourn	Sheriff
Sharen Wilson	Criminal District Attorney
Bennie J. Medlin*	Chief Juvenile Probation Officer
Leighton Iles*	Community Supervision & Corrections Director
Harry D. Clark, III	Constable, Precinct 1
Robert J. McGinty	Constable, Precinct 2
Darrell Huffman	Constable, Precinct 3
Joe D. Johnson	Constable, Precinct 4
Pete Munoz	Constable, Precinct 5
Jon Siegel	Constable, Precinct 6
Sandra Lee	Constable, Precinct 7
Michael R. Campbell	Constable, Precinct 8
Vacant*	Domestic Relations Director

### Administrative Officials:

G.K. Maenius*	County Administrator
S. Renee Tidwell*	County Auditor
Wendy Burgess	Tax Assessor-Collector
Melissa Lee*	Purchasing Agent
Helen Giese*	Budget and Risk Management Director
Christopher Nchopa-Ayafor*	Chief Information Officer

### Recording Officials:

Mary Louise Nicholson	County Clerk
Tom Wilder	District Clerk

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

# FINANCIAL SECTION

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





## **INDEPENDENT AUDITORS' REPORT**

The Honorable County Judge and Commissioners Court  
Tarrant County, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 19 to the basic financial statements, the County adjusted its beginning net position and fund balance as of September 30, 2020, to reflect the impact of the implementation of Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this change.

## **Other Matters**

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

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

### ***Other Information***

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

The combining financial statements and budgetary compliance schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and budgetary compliance schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Deloitte & Touche LLP

March 30, 2022



## 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, 2021. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section.

### Financial Highlights

- The County received \$204,194,446 as a direct disbursement from the U.S. Treasury for COVID-19 relief as part of the American Rescue Plan Act. Additional federal and state grants awarded for the global pandemic totaled approximately \$128,000,000.
- The assets and deferred outflows of the County exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$261,218,000 (net position). This is an increase of \$110,189,000.
- Total net position of the County is comprised of the following:
  1. Net investment in capital assets of \$382,009,000 includes land, buildings, computer software, infrastructure, construction in progress and other capital assets, net of accumulated depreciation, and is reduced by outstanding debt, net of unspent bond proceeds, related to the purchase or construction of capital assets.
  2. Net position of \$52,361,000 is restricted by constraints imposed from outside the County, such as debt obligations, laws, regulations, contractual or donor imposed constraints.
  3. Unrestricted net position of a negative \$173,152,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$442,923,000, an increase of \$55,300,000 in comparison with the prior year. Approximately 27 percent of this total amount, \$121,695,000, 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 \$131,705,000, or approximately 30 percent of total general fund expenditures.
- The County's bonded debt decreased by \$26,770,000 (approximately 11 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 most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only Tarrant County, but also a legally separate hospital district, mental 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 14-17 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 18-23 of this report. The combining nonmajor governmental fund financial statements begin on page 112.

**Proprietary funds.** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its Resource Connection. Internal service funds are 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 24-26 of this report. The combining internal service fund financial statements begin on page 126.

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

The basic fiduciary fund financial statement can be found on page 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 29-95 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 96-109 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 \$261,218,000 at the close of the most recent fiscal year.

A large portion of the County's net position, \$382,009,000, 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 include \$22,298,000 for records management, \$17,799,000 for contractual or donor imposed restrictions, and \$12,264,000 for legislative purposes. The remaining portion of the net position is unrestricted net position, which is a negative \$173,152,000.

## Tarrant County's Net Position

(Amounts in thousands)

	September 30, 2021			September 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 813,325	\$ 3,646	\$ 816,971	\$ 620,050	\$ 2,950	\$ 623,000
Capital assets	494,264	3,936	498,200	481,113	3,888	485,001
Total assets	1,307,589	7,582	1,315,171	1,101,163	6,838	1,108,001
Deferred outflows	182,596	467	183,063	72,326	188	72,514
Other liabilities	319,456	254	319,710	186,628	272	186,900
Long-term liabilities	789,032	1,535	790,567	720,467	1,333	721,800
Total liabilities	1,108,488	1,789	1,110,277	907,095	1,605	908,700
Deferred inflows	126,368	371	126,739	120,420	366	120,786
Net position:						
Net investment in						
capital assets	378,073	3,936	382,009	374,709	3,888	378,597
Restricted	52,361	-	52,361	45,417	-	45,417
Unrestricted	(175,105)	1,953	(173,152)	(274,152)	1,167	(272,985)
Total net position (deficit)	\$ 255,329	\$ 5,889	\$ 261,218	\$ 145,974	\$ 5,055	\$ 151,029

The County has a positive net position for the government as a whole, as well as for its governmental activities. The negative unrestricted net position is a result of the required accounting and reporting for the estimated unfunded portion of pension and other postemployment benefit liabilities and associated deferred inflows and outflows of resources. The net pension liability and OPEB liability of the governmental activities are \$290,190,000 and \$212,724,000, respectively. More information regarding contributions, net pension liability and OPEB liability can be found in the required supplemental information on pages 102-106.

The County's net position increased by \$110,189,000, during the current fiscal year. This increase represents the degree to which ongoing revenues have surpassed ongoing expenses. Revenues increased \$82,460,000, approximately 10 percent, related to grants received due to the public health emergency (COVID-19) and property taxes resulting from increased property values. Expenses increased \$71,347,000, or by approximately 10 percent.

**Governmental activities.** Governmental activities increased the County's net position by \$109,355,000, thereby accounting for the increase in the net position of the County. Revenue increased \$82,218,000 or approximately 10 percent from prior year as a result of increase in operating grant revenues and property taxes. Expenses increased \$71,477,000 or by approximately 10 percent from prior year as a result of increased spending in general government, transportation support for interlocal transportation projects, community services related to COVID-19, and increase in OPEB related expenses.

**Business-type activities.** Business-type activities net position increased \$834,000. Expenses decreased \$130,000 or approximately 4 percent from the prior year and current year revenues increased \$242,000 or approximately 7 percent due to rate increases to tenants. Net position also increased due to a \$350,000 transfer of a road from governmental activities.

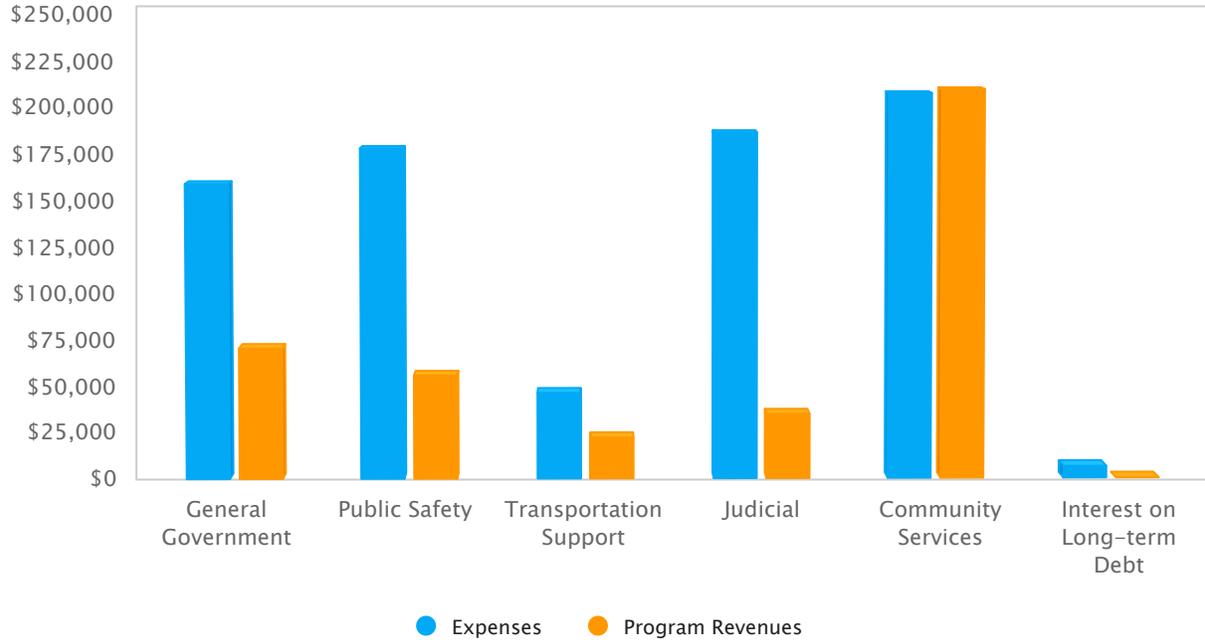
## Tarrant County's Changes in Net Position

(Amounts in thousands)

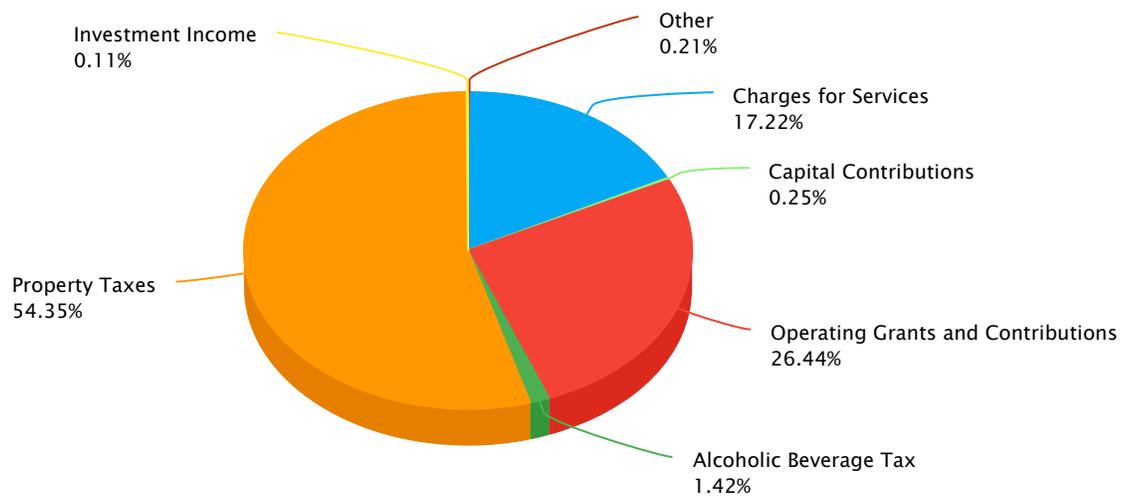
	For the year ended September 30, 2021			For the year ended September 30, 2020		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
Revenues:						
Program revenues:						
Fees, fines and charges for for services	\$ 154,178	\$ 3,408	\$ 157,586	\$ 142,468	\$ 3,174	\$ 145,642
Operating grants and contributions	236,748	-	236,748	188,415	-	188,415
Capital grants and contributions	2,223	-	2,223	711	-	711
General revenues:						
Property taxes	486,726	-	486,726	465,946	-	465,946
Alcohol, bingo, and other taxes	12,695	-	12,695	10,772	-	10,772
Investment earnings	975	5	980	4,258	28	4,286
Other general revenue	1,853	106	1,959	610	75	685
Total revenues	<u>895,398</u>	<u>3,519</u>	<u>898,917</u>	<u>813,180</u>	<u>3,277</u>	<u>816,457</u>
Expenses:						
General government	159,604	-	159,604	164,474	-	164,474
Public safety	177,771	-	177,771	165,779	-	165,779
Transportation	46,368	-	46,368	29,234	-	29,234
Judicial	187,223	-	187,223	186,468	-	186,468
Community services	208,224	-	208,224	161,201	-	161,201
Interest and fiscal charges	6,503	-	6,503	7,060	-	7,060
Resource Connection	-	3,035	3,035	-	3,165	3,165
Total expenses	<u>785,693</u>	<u>3,035</u>	<u>788,728</u>	<u>714,216</u>	<u>3,165</u>	<u>717,381</u>
Increase in net position before transfers	<u>109,705</u>	<u>484</u>	<u>110,189</u>	<u>98,964</u>	<u>112</u>	<u>99,076</u>
Transfers	(350)	350	-	-	-	-
Increase in net position	<u>109,355</u>	<u>834</u>	<u>110,189</u>	<u>98,964</u>	<u>112</u>	<u>99,076</u>
Net position-beginning	145,974	5,055	151,029	47,010	4,943	51,953
Net position-ending	<u>\$ 255,329</u>	<u>\$ 5,889</u>	<u>\$ 261,218</u>	<u>\$ 145,974</u>	<u>\$ 5,055</u>	<u>\$ 151,029</u>

## 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 \$442,923,000, an increase of \$55,300,000. Approximately 27 percent of this total amount, \$121,695,000, 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) \$7,784,000 is not in spendable form, 2) \$85,577,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$157,541,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$70,326,000 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 \$131,705,000, and the total fund balance was \$202,068,000. 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 30 percent of total general fund expenditures, while total fund balance represents approximately 46 percent of that same amount.

The fund balance of the County's general fund increased by \$74,983,000 during the current fiscal year. Revenues increased about 4 percent from prior year due to increased tax revenue from increased property values. Expenditures decreased slightly, mainly due to the use of grant funds for public safety personnel costs in a similar manner to the prior year. Operating transfers to other funds including the capital projects fund decreased by 15%.

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 \$17,936,000 of which \$872,000 is in nonspendable form, the remainder is committed by the Commissioners Court. The fund balance increased \$3,365,000 due to revenues exceeding projections for motor vehicle registration fees.

The debt service fund has a total fund balance of \$1,718,000, all of which is committed for the payment of debt service. The net increase in fund balance during the current year was \$751,000 due to property tax collections exceeding budgeted amounts. The County maintains a budgeted reserve of \$1,000,000 in this fund.

The capital projects fund has a total fund balance of \$113,943,000, most of which is either restricted or committed for the payment of capital projects. The net decrease in fund balance during the current year was \$33,780,000. The fund balance decreased due to the decrease in the subsidy operating transfer from the general fund and an increase in capital expenditures. Expenditures increased approximately 84% primarily due to expenditures for interlocal transportation projects and the expansion of the Juvenile complex. Details of the bond projects are further described in the long-term debt section beginning on page 45.

The grants fund has a deficit fund balance for COVID-19 expenditures anticipated to be eligible for FEMA reimbursement that were not awarded to the County by fiscal year end. All expenditures in the grants fund should be reimbursed by state and federal funds. Also, any excess revenues received are deferred until earned.

Other governmental funds are for specific purposes. Revenues exceed expenditures resulting in an increase of the fund balance by \$17,275,000. Records preservation and automation fund increased \$1,834,000 with revenues

exceeding expenditures related to projects to enhance public access and to make records searchable and available online. Public health contract fund balance increased \$12,345,000 due to revenues exceeding expenditures related to Medicaid 1115 waiver and administrative fees received for vaccination efforts. Miscellaneous contracts increased \$2,745,000 due to contracts with pharmacies for 340B prescription rebates and state funds received from electric cooperatives to be spent on economic development.

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

Total net position of the Resource Connection fund at the end of the year amounted to \$5,889,000. The total increase in net position for the fund was \$834,000. Current year revenues increased \$592,000 or approximately 18 percent partially due to rate increases to tenants, and to a \$350,000 capital contribution. Expenses decreased \$130,000 or approximately 4 percent from prior year.

## 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 were to sheriff confinement due to increased jail population and to transfer court costs amongst the numerous courts.

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

- General government expenditures were less than budgeted because the budget includes a budgeted reserve of \$65,020,934, and an undesignated balance of \$12,975,058.
- Departmental expenses were less than budgeted for sheriff, and jail operations.
- Total revenues exceeded budgeted amounts. Revenue from property taxes, tax office commissions, liquor by the drink, county clerk real estate filings, passports, and non-jurisdictional autopsies were greater than budgeted.

## Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounted to \$498,200,000 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, computer software, infrastructure and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was \$13,199,000.

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

- Continued development of criminal justice software
- Continued development of a jail management system
- Continued development of Juvenile Justice Complex

Additional information on the County's capital assets can be found in Note 6 on pages 44-45 of this report.

**Tarrant County's Capital Assets**  
(Net of depreciation)  
(Amounts in thousands)

	September 30, 2021			September 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 66,872	\$ 2,071	\$ 68,943	\$ 66,667	\$ 2,071	\$ 68,738
Buildings and improvements	276,222	828	277,050	289,407	1,011	290,418
Furnishings and equipment	26,504	108	26,612	26,994	147	27,141
Software	3,884	-	3,884	5,188	-	5,188
Infrastructure	51,720	929	52,649	53,873	659	54,532
Construction in progress	32,617	-	32,617	8,202	-	8,202
Software in development	36,445	-	36,445	30,782	-	30,782
Total	<u>\$ 494,264</u>	<u>\$ 3,936</u>	<u>\$ 498,200</u>	<u>\$ 481,113</u>	<u>\$ 3,888</u>	<u>\$ 485,001</u>

**Long-term debt.**

At the end of the current fiscal year, the County had total bonded debt outstanding of \$213,675,000. All of this debt represents bonds payable solely on future ad valorem tax revenue. The remainder of the County's long-term debt obligation is comprised of a capital lease with a balance of \$38,000.

**Tarrant County's Outstanding Debt**  
(Amounts in thousands)

	Governmental Activities September 30	
	2021	2020
Bonds	\$ 213,675	\$ 240,445
Capital Lease	38	71
Total	<u>\$ 213,713</u>	<u>\$ 240,516</u>

The County's bonded debt decreased by \$26,770,000 or 11 percent during the current fiscal year due to scheduled payments.

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

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 \$10,845,269,000, 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 7 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 decreased from 7.7 percent to 4.1 percent. The state's average unemployment rate decreased to 5.1 percent compared to the prior year of 7.7 percent. The national unemployment rate also decreased to 4.7 percent.
- Continued increase in the tax rolls in Tarrant County, due to both new construction and increase in values.
- Inflationary trends in the region were slightly higher than national indices.

All of these factors were considered in preparing the County's budget for the 2022 fiscal year.

At September 30, 2021, the unassigned fund balance in the general fund was \$131,705,000. Total assigned fund balance, \$66,206,000, includes \$60,926,000 assigned for the purpose of spending in the 2022 fiscal year budget. This available fund balance enabled the County's tax rate to remain the same for the 2022 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, 2021 (Amounts in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 759,306	\$ 4,030	\$ 763,336
Taxes receivable, net of allowance for uncollectibles	7,003	-	7,003
Other receivables, net of allowance for uncollectibles	38,389	66	38,455
Internal balances	457	(457)	-
Prepaid expenses and inventory	8,170	7	8,177
Capital assets, net:			
Not subject to depreciation	135,934	2,071	138,005
Subject to depreciation	358,330	1,865	360,195
Total assets	1,307,589	7,582	1,315,171
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	138,840	350	139,190
Deferred OPEB outflows	41,352	117	41,469
Deferred charge on refunding	2,404	-	2,404
Total deferred outflows of resources	182,596	467	183,063
<b>LIABILITIES</b>			
Accounts payable	27,725	133	27,858
Accrued interest payable	1,387	-	1,387
Other liabilities	35,970	47	36,017
Unearned revenue	254,374	74	254,448
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	36,330	102	36,432
Capital lease	35	-	35
Bonds & notes payable	27,560	-	27,560
Other postemployment benefit liability	8,451	22	8,473
Other noncurrent liabilities	3,655	-	3,655
Portion due or payable after one year:			
Compensated absences payable	14,096	27	14,123
Capital lease payable	3	-	3
Bonds and notes payable	195,042	-	195,042
Net pension liability	290,190	739	290,929
Other postemployment benefit liability	204,273	645	204,918
Other noncurrent liabilities	9,397	-	9,397
Total liabilities	1,108,488	1,789	1,110,277
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension inflows	67,154	179	67,333
Deferred OPEB inflows	59,214	192	59,406
Total deferred inflows of resources	126,368	371	126,739
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	378,073	3,936	382,009
Restricted:			
Records management	22,298	-	22,298
Contractual or donor imposed	17,799	-	17,799
Legislative	12,264	-	12,264
Unrestricted	(175,105)	1,953	(173,152)
Total net position (deficit)	\$ 255,329	\$ 5,889	\$ 261,218

See accompanying notes to the financial statements

Component Units	
Tarrant County Hospital District	MHMR of Tarrant County
\$ 1,203,075	\$ 49,339
831	-
235,119	18,168
-	-
37,280	3,395
77,063	4,723
166,548	17,592
<u>1,719,916</u>	<u>93,217</u>
38,522	-
-	-
-	-
<u>38,522</u>	<u>-</u>
64,552	4,532
-	-
204,876	4,780
37,225	1,299
-	333
-	120
5,167	-
-	-
7,042	-
-	3,944
-	-
24,764	-
23,946	-
-	-
8,771	-
<u>376,343</u>	<u>15,008</u>
749	-
-	-
<u>749</u>	<u>-</u>
211,807	22,196
-	-
4,049	1,295
-	-
1,165,490	54,718
<u>\$ 1,381,346</u>	<u>\$ 78,209</u>

## STATEMENT OF ACTIVITIES

For the year ended September 30, 2021 (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	\$ 159,604	\$ 62,283	\$ 8,200	\$ 44
Public safety	177,771	16,351	39,549	30
Transportation support	46,368	19,610	33	2,142
Judicial	187,223	23,572	11,063	-
Community services	208,224	32,362	177,903	7
Interest and fiscal charges	6,503	-	-	-
Total governmental activities	785,693	154,178	236,748	2,223
Business-type:				
Resource Connection	3,035	3,408	-	-
Total primary government	\$ 788,728	\$ 157,586	\$ 236,748	\$ 2,223
Component units				
Tarrant County Hospital District	\$ 1,228,272	\$ 635,685	\$ 341,301	\$ 28
MHMR of Tarrant County	164,016	61,604	112,573	-
	\$ 1,392,288	\$ 697,289	\$ 453,874	\$ 28

General revenues and transfers

General revenues:

Property taxes

Alcoholic beverage, bingo, and other taxes

Unrestricted investment earnings

Other general revenue

Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Tarrant County Hospital District	MHMR of Tarrant County
\$ (89,077)	\$ -	\$ (89,077)	\$ -	\$ -
(121,841)	-	(121,841)	-	-
(24,583)	-	(24,583)	-	-
(152,588)	-	(152,588)	-	-
2,048	-	2,048	-	-
(6,503)	-	(6,503)	-	-
(392,544)	-	(392,544)	-	-
-	373	373	-	-
<u>\$ (392,544)</u>	<u>\$ 373</u>	<u>\$ (392,171)</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ (251,258)	\$ -
			-	10,161
			<u>\$ (251,258)</u>	<u>\$ 10,161</u>
486,726	-	486,726	479,150	-
12,695	-	12,695	-	-
975	5	980	4,239	528
1,853	106	1,959	94,973	414
(350)	350	-	-	-
<u>501,899</u>	<u>461</u>	<u>502,360</u>	<u>578,362</u>	<u>942</u>
109,355	834	110,189	327,104	11,103
145,974	5,055	151,029	1,054,242	67,106
<u>\$ 255,329</u>	<u>\$ 5,889</u>	<u>\$ 261,218</u>	<u>\$ 1,381,346</u>	<u>\$ 78,209</u>

## BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2021 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
<b>ASSETS</b>				
Cash, cash equivalents, and investments	\$ 202,234	\$ 18,360	\$ 1,709	\$ 125,071
Receivables				
Taxes, net of allowance for uncollectibles	6,396	1	606	-
Other receivables, net of allowance for uncollectibles	6,073	298	-	24
Due from other funds	26,038	-	-	-
Advance to proprietary fund	-	-	-	457
Supplies and prepaid items	3,570	872	-	391
<b>TOTAL ASSETS</b>	<b>\$ 244,311</b>	<b>\$ 19,531</b>	<b>\$ 2,315</b>	<b>\$ 125,943</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,932	\$ 752	\$ -	\$ 11,986
Other liabilities	26,489	842	-	14
Due to other funds	-	-	-	-
Unearned revenue	3	-	-	-
<b>Total liabilities</b>	<b>32,424</b>	<b>1,594</b>	<b>-</b>	<b>12,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	6,314	1	597	-
Unavailable revenue-other receivables	3,505	-	-	-
<b>Total deferred inflows of resources</b>	<b>9,819</b>	<b>1</b>	<b>597</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	3,570	872	-	391
Restricted	-	-	-	31,215
Committed	587	17,064	1,718	82,337
Assigned	66,206	-	-	-
Unassigned	131,705	-	-	-
<b>Total fund balances</b>	<b>202,068</b>	<b>17,936</b>	<b>1,718</b>	<b>113,943</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 244,311</b>	<b>\$ 19,531</b>	<b>\$ 2,315</b>	<b>\$ 125,943</b>

See accompanying notes to the financial statements

Grants	Other Governmental Funds	Total Governmental Funds
\$ 255,382	\$ 113,757	\$ 716,513
-	-	7,003
23,443	4,646	34,484
-	-	26,038
-	-	457
<u>2,716</u>	<u>235</u>	<u>7,784</u>
<u>\$ 281,541</u>	<u>\$ 118,638</u>	<u>\$ 792,279</u>
\$ 7,840	\$ 563	\$ 27,073
2,325	1,032	30,702
24,406	1,632	26,038
<u>254,264</u>	<u>-</u>	<u>254,267</u>
<u>288,835</u>	<u>3,227</u>	<u>338,080</u>
-	-	6,912
-	859	4,364
-	859	11,276
2,716	235	7,784
-	54,362	85,577
-	55,835	157,541
-	4,120	70,326
<u>(10,010)</u>	<u>-</u>	<u>121,695</u>
<u>(7,294)</u>	<u>114,552</u>	<u>442,923</u>
<u>\$ 281,541</u>	<u>\$ 118,638</u>	<u>\$ 792,279</u>

## RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE TO GOVERNMENTAL ACTIVITIES NET POSITION

September 30, 2021 (Amounts in thousands)

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

Total fund balance - total governmental funds	\$ 442,923
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	494,264
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	11,276
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.	28,005
Deferred outflows of resources are not an available resource and, therefore are not reported in the funds.	182,596
Deferred inflows of resources are not an available resource and, therefore are not reported in the funds.	(126,368)
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>(777,367)</u>
Net position - governmental activities	<u>\$ 255,329</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, 2021 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
<b>REVENUES:</b>				
Taxes	\$ 452,064	\$ 1	\$ 34,947	\$ -
Licenses and permits	1,285	-	-	-
Fees of office	64,932	19,539	-	-
Intergovernmental	25,027	102	-	-
Investment income	434	22	21	202
Other revenues	8,759	390	-	1,073
Total revenues	552,501	20,054	34,968	1,275
<b>EXPENDITURES:</b>				
Current:				
General government	126,448	4,024	-	-
Public safety	124,828	-	-	-
Transportation support	-	23,798	-	-
Judicial	178,082	-	-	-
Community services	5,888	-	-	-
Capital outlay	-	-	-	63,861
Debt service:				
Principal payments	-	-	26,770	-
Interest and fiscal charges	-	-	7,447	-
Total expenditures	435,246	27,822	34,217	63,861
Excess (deficiency) of revenues over (under) expenditures	117,255	(7,768)	751	(62,586)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	736	11,133	-	28,806
Transfers out	(43,008)	-	-	-
Total other financing sources (uses)	(42,272)	11,133	-	28,806
Change in fund balance	74,983	3,365	751	(33,780)
FUND BALANCES, beginning of year	127,085	14,571	967	147,723
FUND BALANCES, end of year	\$ 202,068	\$ 17,936	\$ 1,718	\$ 113,943

See accompanying notes to the financial statements

Grants	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 122	\$ 487,134
-	9	1,294
575	27,945	112,991
219,090	32,224	276,443
136	162	977
193	6,242	16,657
<u>219,994</u>	<u>66,704</u>	<u>895,496</u>
5,726	5,068	141,266
39,593	7,322	171,743
180	-	23,978
9,195	3,010	190,287
165,584	33,626	205,098
7,010	2,361	73,232
-	-	26,770
-	-	7,447
<u>227,288</u>	<u>51,387</u>	<u>839,821</u>
(7,294)	15,317	55,675
-	2,694	43,369
-	(736)	(43,744)
-	1,958	(375)
(7,294)	17,275	55,300
-	97,277	387,623
<u>\$ (7,294)</u>	<u>\$ 114,552</u>	<u>\$ 442,923</u>

## 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, 2021 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ 55,300
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)	12,744
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note 2)	407
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(447)
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)	26,803
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note 2)	13,078
The change in net position of certain activities of internal service funds is reported with governmental activities.	<u>1,470</u>
Change in net position - governmental activities	<u>\$ 109,355</u>

See accompanying notes to the financial statements

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

September 30, 2021 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,030	\$ 42,793
Other receivables, net of allowance for uncollectibles	66	3,905
Prepaid expenses and inventory	7	386
Total current assets	<u>4,103</u>	<u>47,084</u>
Noncurrent assets:		
Capital assets		
Land	2,071	-
Building and improvements, net	828	-
Equipment, net	108	-
Infrastructure, net	929	-
Total noncurrent assets	<u>3,936</u>	<u>-</u>
Total assets	<u>8,039</u>	<u>47,084</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension outflows	350	-
Deferred OPEB outflows	117	-
Total deferred outflows of resources	<u>467</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	133	652
Other liabilities	47	5,268
Advance from capital projects fund	457	-
Unearned revenue	74	107
Compensated absences payable	102	-
Other postemployment benefit liability	22	-
Other long term liabilities-current portion	-	3,655
Total current liabilities	<u>835</u>	<u>9,682</u>
Noncurrent liabilities:		
Other noncurrent liabilities	-	9,397
Net pension liability	739	-
Compensated absences payable	27	-
Other postemployment benefit liability	645	-
Total noncurrent liabilities	<u>1,411</u>	<u>9,397</u>
Total liabilities	<u>2,246</u>	<u>19,079</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pension inflows	179	-
Deferred OPEB inflows	192	-
Total deferred inflows of resources	<u>371</u>	<u>-</u>
<b>NET POSITION</b>		
Investment in capital assets	3,936	-
Unrestricted	1,953	28,005
Total net position	<u>\$ 5,889</u>	<u>\$ 28,005</u>

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, 2021 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<b>OPERATING REVENUES</b>		
Building rental	\$ 3,408	\$ -
Charges for services - external	-	19,014
Charges for services - internal	-	52,712
Oil and gas royalties	93	-
Other revenues	5	10,017
	<u>3,506</u>	<u>81,743</u>
Total operating revenues	3,506	81,743
<b>OPERATING EXPENSES</b>		
Personnel	1,080	-
Building and equipment	1,383	594
Depreciation and amortization	314	-
Self insurance claims	-	67,803
Insurance premiums	40	2,354
Other expenses	218	9,952
	<u>3,035</u>	<u>80,703</u>
Total operating expenses	3,035	80,703
Operating income	<u>471</u>	<u>1,040</u>
<b>NONOPERATING REVENUES</b>		
Investment income	5	55
Gain on disposal of property	8	-
	<u>13</u>	<u>55</u>
Total nonoperating revenues	13	55
Income before contributions and transfers	484	1,095
Capital contributions	350	-
Transfers in	-	375
	<u>834</u>	<u>1,470</u>
Change in net position	834	1,470
Net position - beginning of year	<u>5,055</u>	<u>26,535</u>
Net position - ending	<u>\$ 5,889</u>	<u>\$ 28,005</u>

See accompanying notes to the financial statements

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended September 30, 2021 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from customers and employees	\$ 2,245	\$ 28,717
Receipts from interfund charges	1,183	52,712
Payments to suppliers	(1,674)	-
Payments for claims and judgments	-	(75,043)
Payments to employees	(1,133)	-
Net cash provided by operating activities	<u>621</u>	<u>6,386</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Investment income	<u>5</u>	<u>55</u>
Net cash provided by investing activities	<u>5</u>	<u>55</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
Transfers in	<u>-</u>	<u>375</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>375</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Proceeds from sale of capital asset	8	-
Purchase of capital assets	(12)	-
Net cash used in capital and related financial activities	<u>(4)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	622	6,816
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,408</u>	<u>35,977</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,030</u>	<u>\$ 42,793</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Income from operations	\$ 471	\$ 1,040
Net cash provided by operating activities:		
Depreciation & amortization	314	-
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Other receivables	2	(319)
Prepaid expenses and inventory	(1)	(140)
Pension related deferred outflows	(225)	-
OPEB related deferred outflows	(54)	-
Accounts payable	(32)	55
Other liabilities	19	5,745
Advance from capital projects fund	(75)	-
Unearned revenue	(5)	5
Pension liability	123	-
Pension related deferred inflows	25	-
OPEB liability	82	-
OPEB related deferred inflows	(20)	-
Compensated absences	(3)	-
Net cash provided by operating activities	<u>\$ 621</u>	<u>\$ 6,386</u>
Schedule of non-cash capital and related financing activities:		
Contribution of capital asset	\$ 350	

See accompanying notes to the financial statements

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

September 30, 2021 (Amounts in thousands)

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash, cash equivalents, and investments	\$ 116,277
Other receivables	<u>2</u>
Total assets	<u>116,279</u>
<b>LIABILITIES</b>	
Accounts payable	524
Held for others	6,104
Due to other government agencies	<u>52,734</u>
Total liabilities	<u>59,362</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>56,917</u>
Total net position	<u>\$ 56,917</u>

See accompanying notes to the financial statements

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended September 30, 2021 (Amounts in thousands)

	Custodial Funds
<u>ADDITIONS</u>	
Property tax collections for other governments	\$ 4,476,964
Vehicle registration fees collected for state	693,478
Judicial/statutory ordered collections due to others	41,917
Collateral/escrow deposits from bondsmen	874
Inmate commissary deposits	11,546
Seizures by law enforcement agencies	2,120
State grant/program revenue	23,561
Interest earnings	<u>263</u>
Total additions	<u>5,250,723</u>
<u>DEDUCTIONS</u>	
Property taxes due to other governments	4,476,964
Vehicle registration due to state	693,478
Payments due under judicial order/statute	35,413
Release of collateral/escrow held for bondsmen	751
Inmate commissary funds	11,546
State grant/program revenue	<u>23,575</u>
Total deductions	<u>5,241,727</u>
Net increase (decrease) in fiduciary net position	8,996
Net position-beginning of year, as previously reported	-
Restatement adjustment (Note 19)	<u>47,921</u>
Net position-beginning, as restated	<u>47,921</u>
Net position - ending	<u>\$ 56,917</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 2021, the County implemented requirements of **GASB Statement No. 84, *Fiduciary Activities***, establishes criteria for identifying activities that should be reported and clarifies whether and how business-type activities should report their fiduciary activities. **GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No.61***, defines a majority equity interest and establishes the accounting and financial reporting required. **GASB Statement No. 93, *Replacement of Interbank Offered Rates***, addresses accounting and financial reporting implications that result from the replacement of an IBOR and the removal of LIBOR as an appropriate benchmark interest rate, including early implementation of the portion effective for fiscal year 2022. **GASB Statement No. 98, *The Annual Comprehensive Financial Report***, is effective for the County beginning fiscal year 2022 yet early implementation was encouraged. This statement establishes the term annual comprehensive financial report and its acronym ACFR.

### (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.

#### BLENDING 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 7).

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 7).

## 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, 2021. 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, 2021 and therefore are not included in the County’s financial statements. All debt issued through TCHFDC was conduit debt (see Note 7). 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, 2021, and therefore are not included in the County’s financial statements. All debt issued through TCCEFFC was conduit debt (see Note 7). TCCEFFC had no other operations.

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

TCHD  
1500 S. Main  
Fort Worth, Texas 76104

MHMRTC  
3840 Hulen Street  
Fort Worth, Texas 76107

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

**(b) Basis of Presentation**

## GOVERNMENT-WIDE STATEMENTS

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

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

## FUND FINANCIAL STATEMENTS

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

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

The County reports the following major governmental funds:

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

**Road and Bridge Fund** – The Road and Bridge Fund 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.

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

#### GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and

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

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

### (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) Supplies and Prepaid Items**

Supplies are recorded by the County at cost using the average cost method. Under the consumption method of accounting for inventories, supplies are recorded as inventory until used. Once consumed, inventories are charged as expenditures.

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

**(f) Capital Assets**

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

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

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

Infrastructure	7 - 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 and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

### (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, Resource Connection and Other Governmental funds.

### (i) Compensated Absences

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

### (j) Deferred Outflows/Inflows of Resources

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

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- 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.

- Difference in expected and actual pension 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 plan.
- Deferred charge on refunding - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt, using the straight line method, which approximates the effective interest method.

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

- Unavailable revenue - The Governmental Fund Balance Sheet reports unavailable revenues from two sources: property taxes and other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension 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.

**(k) Property Taxes**

Property subject to taxation is real property and certain personal property situated in the County. Certain properties of religious, educational and charitable organizations are exempt from taxation. In addition, other special exemptions are allowed by the Commissioners Court of the County.

The County's ad valorem taxes are levied and become a legal enforceable claim, on October 1 on 100% of assessed valuation at a rate of \$0.234 (\$0.217448 for the maintenance and operations and \$0.016552 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) 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.

### (m) Net Position

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

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

#### **Net position: Restricted**

This component of net position is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets and liabilities that are restricted for specific use by legal or external restrictions. The County has 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 \$777,367 difference are as follows (in thousands):

Bonds payable	\$ 213,675
Plus: Premium on issuance (to be amortized as interest expense)	8,927
Accrued interest payable	1,387
Capital lease payable	38
Compensated absences	50,426
Pension liability	290,190
Other postemployment benefits liability	<u>212,724</u>
Net adjustment to fund balance	<u>\$ 777,367</u>

Another element of that reconciliation explains that “Deferred outflows of resources are not reported in the funds.” The details of this \$182,596 difference are as follows (in thousands):

Deferred charges on debt refunding	\$ 2,404
Pension contributions after the measurement date	43,845
Changes in pension assumptions	92,106
Difference in pension experience	2,889
OPEB contributions after the measurement date	8,451
Difference in OPEB assumptions	<u>32,901</u>
Net adjustment to fund balance	<u>\$ 182,596</u>

Another element of that reconciliation explains that Deferred inflows of resources are not reported in the funds. The details of this \$126,368 difference are as follows (in thousands):

Difference in projected and actual pension earnings	\$ 57,298
Changes in pension assumptions	3,303
Difference in projected and actual pension experience	6,553
Changes in OPEB assumptions	23,754
Difference in projected and actual OPEB experience	<u>35,460</u>
Net adjustment to fund balance	<u>\$ 126,368</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 \$12,744 difference are as follows (in thousands):

Capital outlay	\$ 41,114
Depreciation expense	<u>(28,370)</u>
Net adjustment to fund balance	<u>\$ 12,744</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 \$407 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.	\$ (557)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>964</u>
Net adjustment to fund balance	<u>\$ 407</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$26,803 difference are as follows (in thousands):

Principal repayments:		
Limited tax refunding and general obligation debt	\$	26,770
Capital lease		<u>33</u>
Net adjustment to fund balance	\$	<u>26,803</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$13,078 difference are as follows (in thousands):

Changes in:		
Compensated absences	\$	(191)
Other postemployment benefits		(29,079)
Net pension liability		(63,483)
Deferred pension outflows		90,990
Deferred pension inflows		(11,512)
Deferred OPEB outflows		19,840
Deferred OPEB inflows		5,564
Accrued interest payable		164
Amortization of deferred charge on refunding		(560)
Amortization of bond premiums		<u>1,345</u>
Net adjustment to fund balance	\$	<u>13,078</u>

### 3. CASH AND INVESTMENTS

#### Cash

At year-end, the County’s carrying amount of cash including cash in the fiduciary funds was \$538,382,000 and the bank balance was \$552,783,000, 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, 2021 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	\$ 2,756	\$ 2,656	\$ 100	0.8%
Investment pools:				
TexPool	114,107	114,107	-	33.4%
Lone Star	79,553	79,553	-	23.3%
TexStar	86,148	86,148	-	25.3%
Texas CLASS	13,415	13,415	-	3.9%
Fiduciary funds:				
Certificates of deposit	45,252	23,457	21,795	13.3%
Total Investments	\$ 341,231	\$ 319,336	\$ 21,895	100%

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, 2021, certificates of deposit and investment pools are not classified in the fair value hierarchy. Certificates of deposit are recorded using a cost-based measure. The recorded position of the pools for TexPool and Lone Star are measured at amortized cost as these pools meet the requirements of GASB Statement No. 79. The recorded position of the pool for TexStar and Texas CLASS are 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, 2021, 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	\$ 538,382
Investments	<u>341,231</u>
Total	<u>\$ 879,613</u>
Cash and investments per Statement of Net Position	\$ 763,336
Cash and investments per Statement of Fiduciary Net Position	<u>116,277</u>
Total	<u>\$ 879,613</u>

#### 4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Total</u>
Property taxes receivable	\$ 31,621	\$ 17	\$ 4,312	\$ 35,950
Allowance for uncollectibles	<u>(25,225)</u>	<u>(16)</u>	<u>(3,706)</u>	<u>(28,947)</u>
Net Taxes Receivable	<u>\$ 6,396</u>	<u>\$ 1</u>	<u>\$ 606</u>	<u>\$ 7,003</u>

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

	<b>Governmental Funds</b>					<b>Total</b>
	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	
Accounts receivable	\$ 2,237	\$ 5	\$ 24	\$ 1,205	\$ 2,020	\$ 5,491
Fee office receivable	91,992	-	-	-	-	91,992
Intergovernmental receivable	492	293	-	22,627	2,691	26,103
Allowance for uncollectible	<u>(88,648)</u>	<u>-</u>	<u>-</u>	<u>(389)</u>	<u>(65)</u>	<u>(89,102)</u>
Net accounts receivable	<u>\$ 6,073</u>	<u>\$ 298</u>	<u>\$ 24</u>	<u>\$ 23,443</u>	<u>\$ 4,646</u>	<u>\$ 34,484</u>

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

<b>Proprietary Funds</b>	<b>Enterprise</b>	<b>Internal Service</b>	<b>Total</b>
Accounts receivable	\$ 67	\$ 3,920	\$ 3,987
Allowance for uncollectible	(1)	(15)	(16)
Net accounts receivable	<u>\$ 66</u>	<u>\$ 3,905</u>	<u>\$ 3,971</u>

## 5. OPERATING LEASES - LESSOR

The County is the lessor in several cancelable operating leases to various entities for space at the Resource Connection, a 16-building, one-stop center providing employment, education, health and human services programs to clients through state and local governmental agencies and non-profit organizations. The County's investment in the property on the operating leases is as follows (in thousands):

	<b>Carrying Value</b>
Buildings	\$ 5,702
Less: accumulated depreciation	<u>(5,008)</u>
Net carrying value	<u>\$ 694</u>

### 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows (in thousands):

	Balance October 1, 2020	Additions	Disposals	Transfers	Balance September 30, 2021
<b>Governmental activities:</b>					
Capital assets; not depreciated:					
Land	\$ 66,667	\$ 207	\$ (2)	\$ -	\$ 66,872
Software in development	30,782	5,961	-	(298)	36,445
Construction in progress	8,202	24,899	-	(484)	32,617
Total capital assets not depreciated	<u>105,651</u>	<u>31,067</u>	<u>(2)</u>	<u>(782)</u>	<u>135,934</u>
Capital assets; being depreciated:					
Buildings and improvements	508,077	310	-	484	508,871
Furnishings and equipment	97,838	6,854	(3,363)	-	101,329
Software	50,603	40	(25)	298	50,916
Infrastructure	133,811	4,178	(1,639)	(350)	136,000
Total capital assets; being depreciated	<u>790,329</u>	<u>11,382</u>	<u>(5,027)</u>	<u>432</u>	<u>797,116</u>
Less accumulated depreciation for:					
Buildings and improvements	(218,670)	(13,979)	-	-	(232,649)
Furnishings and equipment	(70,844)	(7,215)	3,234	-	(74,825)
Software	(45,415)	(1,642)	25	-	(47,032)
Infrastructure	(79,938)	(5,534)	1,192	-	(84,280)
Total accumulated depreciation	<u>(414,867)</u>	<u>(28,370)</u>	<u>4,451</u>	<u>-</u>	<u>(438,786)</u>
Total capital assets; being depreciated, net	375,462	(16,988)	(576)	432	358,330
Governmental activities capital assets, net	<u>\$ 481,113</u>	<u>\$ 14,079</u>	<u>\$ (578)</u>	<u>\$ (350)</u>	<u>\$ 494,264</u>

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

<b>Governmental activities:</b>	
General government	\$ 13,683
Public safety	4,647
Transportation	9,297
Judicial	136
Community services	607
Total governmental activities depreciation expense	<u>\$ 28,370</u>

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

	Balance October 1, 2020	Additions	Disposal	Transfers	Balance September 30, 2021
<b>Business-type activities:</b>					
Capital assets; not depreciated:					
Land	\$ 2,071	\$ -	\$ -	\$ -	\$ 2,071
Total capital assets not depreciated	<u>2,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071</u>
Capital assets; being depreciated:					
Buildings and improvements	6,807	-	-	-	6,807
Furnishings and equipment	615	12	(20)	-	607
Infrastructure	1,409	-	-	350	1,759
Total capital assets; being depreciated	<u>8,831</u>	<u>12</u>	<u>(20)</u>	<u>350</u>	<u>9,173</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,796)	(183)	-	-	(5,979)
Furnishings and equipment	(468)	(51)	20	-	(499)
Infrastructure	(750)	(80)	-	-	(830)
Total accumulated depreciation	<u>(7,014)</u>	<u>(314)</u>	<u>20</u>	<u>-</u>	<u>(7,308)</u>
Total capital assets; being depreciated, net	1,817	(302)	-	350	1,865
Business-type activities capital assets, net	<u>\$ 3,888</u>	<u>\$ (302)</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 3,936</u>

## 7. LONG-TERM DEBT AND LIABILITIES

General obligation debt and limited tax refunding bonds are generally payable from property tax revenues. Capital leases are payable from the capital projects fund. Pension liability, OPEB obligations and compensated absences are generally liquidated from the following funds: General, Road and Bridge, Grants, Resource Connection and Other Governmental 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 May 13, 2006, the voters of Tarrant County overwhelmingly approved five bond propositions for a total of \$433,120,000 to fund street, road and bridge improvements, a new jail facility, a new county/district courts building, expansion of the juvenile justice facilities, and new medical examiner and crime lab facilities. The County has issued \$418,120,000 Limited Tax Bonds for this purpose.

At fiscal year-end, \$109,374,247 of debt related proceeds have not been used in the calculation of net investment in capital assets. This amount includes proceeds that are not related to County capital projects, as these expenditures are related to interlocal agreements with municipalities for road and bridge improvements, not future assets owned by the County and other unspent bond proceeds.

Long-term debt of the County consisted of the following at September 30, 2021 (in thousands):

Limited Tax Refunding and General Obligation - Series 2010 Original amount of \$70,045 dated September 15, 2010, with interest rates from 2.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2030. The issuance included the refunding of Limited Tax Bonds \$15,600 of the 2002 Limited Tax Bonds. \$33,310 of the General Obligation was refunded with the 2017 issuance.	\$ 1,805
Limited Tax Refunding and General Obligation - Series 2013 Original amount of \$72,260 dated September 1, 2013, with interest rates from 1.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2033. The issuance included the refunding of \$19,975 of the 2004 Limited Tax Refunding and Improvement Bonds and \$17,235 of the 2005 Limited Tax Refunding Bonds.	37,870
Limited Tax Refunding and General Obligation - Series 2015 Original amount of \$67,075 dated August 1, 2015, with interest rates from 2.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2035. This issuance included the refunding of \$32,455 of the 2007 Limited Tax Bonds.	56,340
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.	39,215
Limited Tax Refunding - Series 2016 Original amount of \$70,905 dated August 1, 2016, with interest rate of 1.48%, payable in annual installments in varying amounts plus interest through 2028. The issuance included the refunding of \$65,150 of the 2008 Limited Tax Bonds.	46,440
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.	32,005
	213,675
Less - current maturities	27,560
Long-term debt, net of current maturities	186,115
Plus premiums	8,927
Long-term debt, net of current maturities, and premium	<u>\$ 195,042</u>

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

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

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	
2022	\$ 9,775	\$ 4,518	\$ 17,785	\$ 2,142	\$ 34,220
2023	8,370	4,029	18,105	1,817	32,321
2024	8,805	3,611	18,435	1,487	32,338
2025	6,630	3,170	18,770	1,150	29,720
2026	8,605	2,839	15,830	807	28,081
2027-2031	31,950	9,764	28,735	1,112	71,561
2032-2035	21,880	2,515	-	-	24,395
Total	<u>\$ 96,015</u>	<u>\$ 30,446</u>	<u>\$ 117,660</u>	<u>\$ 8,515</u>	<u>\$ 252,636</u>

In March 2017, the County entered into a property lease agreement containing a leasehold improvement component. The carrying value of the leasehold improvement as of September 30, 2021 is \$91,250, which is \$150,000 less amortization of \$58,750. The leasehold improvement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The future minimum lease obligation and the net present value of the minimum lease payments as of September 30, 2021 is as follows (in thousands):

Fiscal Year	Governmental Activities
2022	\$ 37
2023	3
Total minimum lease payments	\$ 40
Less: amount representing interest	(2)
Present value of minimum lease payments	<u>\$ 38</u>

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2021 (in thousands):

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Amounts Due within One year
<b>Governmental activities:</b>					
Bonds payable	\$ 240,445	\$ -	\$ (26,770)	\$ 213,675	\$ 27,560
Deferred amounts:					
Premium	10,272	-	(1,345)	8,927	-
Total bonds payable	250,717	-	(28,115)	222,602	27,560
Capital lease	71	-	(33)	38	35
<b>Total</b>	<b>\$ 250,788</b>	<b>\$ -</b>	<b>\$ (28,148)</b>	<b>\$ 222,640</b>	<b>\$ 27,595</b>
<b>Governmental activities:</b>					
Compensated absences	\$ 50,235	\$ 36,541	\$ (36,350)	\$ 50,426	\$ 36,330
<b>Business-type activities:</b>					
Compensated absences	\$ 132	\$ 135	\$ (138)	\$ 129	\$ 102

### 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, 2021 is as follows (in thousands):

Tarrant County Housing Finance Corporation	\$ 185,569
Tarrant County Health Facilities Development Corporation	49,565
Tarrant County Cultural Education Facilities Finance Corporation	5,804,586
<b>Total Conduit Debt</b>	<b>\$ 6,039,720</b>

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 \$300,000,000.

## 8. DEFICIT FUND BALANCE / NET POSITION

The following County funds had a deficit fund balance/net position as of September 30, 2021 (in thousands):

Grants	\$	7,294
Worker's Compensation	\$	12,363

The deficit fund balance in the Grants fund is due to COVID-19 expenditures anticipated to be eligible for FEMA reimbursement that were not awarded to the County by fiscal year end. The related revenue for these expenditures will be recognized in the year of the award.

The deficit net position in the Workers Compensation Fund is due to increased claims related to the COVID-19 pandemic and the accrual of future year liabilities of \$12,396,117. This liability is based on an actuarial study. The County intends to transfer \$7,000,000 in fiscal year 2022 to cover the deficit. The County plans to continue to fund the current year workers compensation claims and maintain a \$1,000,000 reserve for any unforeseen expenditures.

**9. INTERFUND BALANCES AND ACTIVITY**

The following is a summary of County interfund transfers, receivable and payables at September 30, 2021 and for the year then ended (in thousands):

<b>Transfer From</b>	<b>Amount</b>	<b>Transfer To</b>	<b>Explanation</b>
General Fund	\$ 28,806	Capital Projects Fund	Supplement capital funds
General Fund	11,133	Road and Bridge	Supplement transportation services
General Fund	2,694	Other Governmental Funds	Supplement fund sources
General Fund	375	Internal Service Funds	Supplement self insurance fund
Other Governmental Funds	699	General Fund	Supplement courthouse security activity
Other Governmental Funds	37	General Fund	Supplement deferred prosecution program
	<u>\$ 43,744</u>		

<b>Funds Due From</b>	<b>Amount</b>	<b>Funds Due To</b>	<b>Explanation</b>
Grants Fund	\$ 24,406	General Fund	Short-term loan
Other Governmental Funds	1,632	General Fund	Short-term loan
	<u>\$ 26,038</u>		

<b>Advance From</b>	<b>Amount</b>	<b>Advance To</b>	<b>Explanation</b>
Capital Project Fund	\$ 457	Enterprise	Repayment for Medium Voltage Distribution Project to be repaid as funds are available.

The Statement of Activities includes a \$350,000 transfer of an infrastructure asset constructed by the Road & Bridge Fund donated to the Enterprise Fund.

**10. 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.

**11. 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 viewed at [www.tcdrs.org](http://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 October 2020, the County approved a 1% cost-of-living adjustment benefit increase effective January 1, 2021.

**Employees Covered by Benefit Terms**

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,820
Inactive employees entitled but not yet receiving benefits	2,084
Active employees	4,346
Total	9,250

**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 2020, which was 5.13% greater than the actuarially required contribution rate of 14.37% and contributed 19.5% for the calendar year 2021, which was 5.73% greater than the actuarially required contribution rate of 13.77%. The contribution rate payable by the employee members for calendar years 2020 and 2021 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, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %	
Salary Increases	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 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 1.60% per year for a career employee.

Mortality rates for depositing members were based on 90% of the RP-2014 Active Employee Mortality Table for males and females as appropriate, projected with 110% of the MP-2014 Ultimate scale after 2014. Service retirees, beneficiaries and non-depositing members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. Disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

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 2021 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. More information regarding Milliman's experience report may be obtained by contacting TCDRS at TCDRS.org.

The following target asset allocation was adopted by the TCDRS Board in March 2021. The geometric real rate of return is net of inflation, assumed at 2.0%.

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

Asset Class	Target Allocation	Geometric Real Rate of Return
US equities	11.5%	4.25%
Global equities	2.5%	4.55%
International equities - developed	5.0%	4.25%
International equities - emerging	6.0%	4.75%
Investment-grade bonds	3.0%	-0.85%
Strategic credit	9.0%	2.11%
Direct lending	16.0%	6.70%
Distressed debt	4.0%	5.70%
REIT equities	2.0%	3.45%
Master limited partnerships	2.0%	5.10%
Private real estate partnerships	6.0%	4.90%
Private equity	25.0%	7.25%
Hedge funds	6.0%	1.85%
Cash equivalents	2.0%	-0.70%
	100.00%	

### Discount Rate

The discount rate used to measure the total pension liability was 7.6%, a decrease from the prior year discount rate of 8.1%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act.

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future 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, 2019	\$ 1,808,146	\$ 1,580,823	\$ 227,323
Changes for the year:			
Service cost	40,819	-	40,819
Interest on total pension liability <sup>1</sup>	146,368	-	146,368
Difference between expected and actual activity	2,915	-	2,915
Effect of assumption changes or inputs	115,425		115,425
Refunds of contributions	(2,845)	(2,845)	-
Benefit payments	(86,648)	(86,648)	-
Employer contributions	-	58,920	(58,920)
Member contributions	-	21,174	(21,174)
Net investment income	-	163,464	(163,464)
Administrative expenses	-	(1,270)	1,270
Other <sup>2</sup>	1,925	1,558	367
Net changes	<u>217,959</u>	<u>154,353</u>	<u>63,606</u>
Balances as of December 31, 2020	<u>\$ 2,026,105</u>	<u>\$ 1,735,176</u>	<u>\$ 290,929</u>

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

<sup>2</sup> 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	Current	1% Increase
	6.60%	Discount Rate 7.60%	8.60%
Total pension liability	\$ 2,291,205	\$ 2,026,105	\$ 1,803,447
Fiduciary net position	<u>1,735,176</u>	<u>1,735,176</u>	<u>1,735,176</u>
Net pension liability	<u>\$ 556,029</u>	<u>\$ 290,929</u>	<u>\$ 68,271</u>

**Pension Plan Fiduciary Net Position**

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

**(d) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2021, the County recognized pension expense of \$43,545,885. As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts in thousands):

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
<b>Deferred Outflows of Resources</b>			
Changes of assumptions	\$ 92,106	\$ 235	\$ 92,341
Differences between expected and actual experience	2,889	8	2,897
Contributions subsequent to the measurement date	43,845	107	43,952
Total deferred outflows of resources	<u>\$ 138,840</u>	<u>\$ 350</u>	<u>\$ 139,190</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 6,553	\$ 20	\$ 6,573
Changes of assumptions	3,303	10	3,313
Net difference between projected and actual earnings	57,298	149	57,447
Total deferred inflows of resources	<u>\$ 67,154</u>	<u>\$ 179</u>	<u>\$ 67,333</u>

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

<b>Year ended September 30:</b>	<b>Amount</b>
2022	\$ 719
2023	17,029
2024	(6,369)
2025	16,526

**(e) Payable to the Pension Plan**

At September 30, 2021, the County reported a payable of \$6,355,617 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2021.

**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. 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. 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, 2020, the measurement date, the following participants were covered by the Plan:

Retired participants and surviving spouses	1,000
Active participating employees	<u>4,177</u>
Total	<u><u>5,177</u></u>

**(b) Total OPEB Liability**

The County's total OPEB liability of \$213,391,000 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability at September 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	3.00%
Discount rate	2.21%, 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 dependants who are eligible
Healthcare cost trend rates	7.25% for 2020, decreasing 0.25% each year until reaching the ultimate trend rate of 4.00%
Stop loss fees	7.25% for 2020, decreasing 0.25% each year until reaching the ultimate trend rate of 4.00%
Administrative fees	4.00% for all years
Salary increases	Varies by entry age and years of service between .50% and 5.00%
Mortality table	PUB 2010 generational table scaled using MP-2020 and applied on a gender-specific basis

**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 per capita costs, 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 Supplement and 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, 2020. The rate of withdrawal for reasons other than death and retirement is dependent on an employee’s age and years of service. The tables were adjusted for “Extra Low” termination group.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, *except where required to be different by GASB 68, Accounting and Financial Reporting for Pensions.*

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

	<b>Total OPEB Liability</b>
Balances as of September 30, 2019	\$ 184,230
Changes for the year:	
Service cost	12,398
Interest	5,127
Difference between expected and actual experience	(3,945)
Changes in assumptions or other inputs	26,184
Benefit payments	(10,603)
Net changes	29,161
Balances as of September 30, 2020	\$ 213,391

*Changes of assumptions since the prior valuation:*

*The discount rate decreased from 2.66% to 2.21%*

*The plan participation percentage was lowered from 64% to 57%*

*The mortality improvement scale was updated from MP-2019 to MP-2020*

*The ultimate health care trend assumption decreased from 4.50% to 4.00%, along with slower grading*

**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 2.21%, 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 (1.21%) or 1-percentage-point higher (3.21%) than the current rate (amounts in thousands):

	<b>1% Decrease 1.21%</b>	<b>Current Discount Rate 2.21%</b>	<b>1% Increase 3.21%</b>
Total OPEB liability	\$ 236,865	\$ 213,391	\$ 194,187

### 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 .25% each year until reaching the ultimate trend rate of 4.00%. Medical and Rx Benefits (Pre & Post 65) were calculated using a 7.25% trend and reduced by .25% each year until reaching the ultimate trend rate of 4.00%. Stop Loss Fees were calculated using a 7.25% trend and reduced by .25% each year after until reaching the ultimate trend rate of 4.00%. Administrative Fees were calculated using 4.00% each year (amounts in thousands):

	1% Decrease	Medical, RX, & Stop Loss 7.25% Administrative Fees 4.00% Current	1% Increase
Total OPEB liability	\$ 185,651	\$ 213,391	\$ 245,401

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$12,157,339. As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Governmental Activities	Business- type Activities	Total
<b>Deferred Outflows of Resources:</b>			
Contributions subsequent to the measurement date	\$ 8,451	\$ 22	\$ 8,473
Changes in assumptions	32,901	95	32,996
Total deferred outflows of resources	<u>\$ 41,352</u>	<u>\$ 117</u>	<u>\$ 41,469</u>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ 35,460	\$ 115	\$ 35,575
Changes in assumptions	23,754	77	23,831
Total deferred inflows of resources	<u>\$ 59,214</u>	<u>\$ 192</u>	<u>\$ 59,406</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):

<u>Year ended</u> <u>September 30:</u>	<u>Amount</u>
2021	\$ (5,369)
2022	(5,369)
2023	(5,369)
2024	(5,369)
2025	(5,369)
after 2025	435

**(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.

## 12. 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	\$ 5,866
Road and Bridge	2,005
Capital Projects	26,311
Grants	53,552
Other Governmental Funds	<u>2,418</u>
 Total	 <u><u>\$ 90,152</u></u>

### Construction and other significant commitments

The County has several active construction and software development projects as of September 30, 2021. 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):

<u>Project:</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
Juvenile justice complex	\$ 33,237	\$ 14,255
Criminal courts software	24,537	677
Jail management system	9,218	88
ME-LIMS System	1,149	37
Transportation projects	<u>13,808</u>	<u>4,510</u>
 Total	 <u><u>\$ 81,949</u></u>	 <u><u>\$ 19,567</u></u>

The County has no material future operating lease commitments. Total rental expense incurred for the County for fiscal year 2021 was \$3,835,414.

## 13. 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, 2021 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, 2021 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

**14. 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:

	<u>Coverage</u>	<u>Deductible</u>
Buildings	\$971,932,520	\$500,000
Boilers and machinery	100,000,000	25,000
Scheduled heavy equipment	24,357,662	15,000
Scheduled equipment	46,145,004	2,500

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

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

In June of 2020, the Commissioners Court elected to discontinue the purchase of excess workers’ compensation coverage.

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, 2021, 3,740 and 3,471 employees participate in health care coverage and dental coverage, respectively.

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

	<u>2020</u>	<u>2021</u>
Beginning liability	\$ 4,630	\$ 3,467
New claims/adjustments	59,204	65,756
Claims paid/adjustments	<u>(60,367)</u>	<u>(63,971)</u>
Ending liability	<u>\$ 3,467</u>	<u>\$ 5,252</u>

For the year ended September 30, 2021, 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, 2021.

Change in the accrued liability in the Workers' Compensation Fund and Self-insurance Fund for the last two years is as follows (in thousands):

	<u>2020</u>	<u>2021</u>
Beginning liability	\$ 9,025	\$ 9,092
New claims/adjustments	3,704	5,024
Claims paid/adjustments	(3,704)	(5,024)
Other - change in estimate	<u>67</u>	<u>3,960</u>
Ending liability	<u>\$ 9,092</u>	<u>\$ 13,052</u>
Amount due within 1 year	\$ 3,515	\$ 3,655

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

## 15. 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 taxable assessed 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 November 3, 2020, the County approved participation in the City of Haslet Tax Increment Financing Reinvestment Zone #1, beginning with tax year 2020, at a participation rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$6,218,749.

On November 10, 2020, the County approved participation in the City of River Oaks Tax Increment Financing Reinvestment Zone #1, beginning with tax year 2020, at a participation rate of 75% of its collected incremental tax revenue up to a maximum cumulative contribution of \$8,665,667.

On March 9, 2021, the County approved Amendment No. 1 to the Participation Agreement for the City of Richland Hills Tax Increment Financing Reinvestment Zone #1 which lowered the County's maximum contribution from \$1,488,402 to \$726,555.

On May 11, 2021, the County approved participation in the City of Bedford Tax Increment Financing Reinvestment Zone #1, beginning with tax year 2021, at a participation rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$4,684,634.

On June 15, 2021, the County approved participation in the City of White Settlement Tax Increment Financing Reinvestment Zone #1, beginning with tax year 2021, at a participation rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$11,700,984.

On September 7, 2021, the County approved participation in the City of Keller Tax Increment Financing Reinvestment Zone #2, beginning with tax year 2022, at a participation rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$14,958,340.

On September 28, 2021 the County approved the Amended and Restated Participation Agreement for the City of Arlington Tax Increment Financing Zone #5, which extended the term of the zone through December 31, 2052. The revised agreement increased the combined maximum tax increment contribution for the County, Hospital and College Districts to \$111,202,453 which includes the County's expenditure of \$15,000,000 for infrastructure improvements prior to creation of the Zone.

The Contribution Maximum of \$8,509,917 was met with the tax year 2020 payment for the City of Fort Worth TIF #4 which ended the County's participation.

Subsequent to year end, the County approved Amendment No. 1 to the City of River Oaks Tax Increment Financing Zone #1, which modified the Tax Increment Base Year for the expanded zone as of January 1, 2019.

# 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 2021
City of Arlington #1 (maintenance and operation rate only)	70%	\$ 379
City of Arlington #5	70%	700
City of Arlington #6	75%	1,406
City of Azle #1	50%	68
City of Benbrook #1	100%	401
City of Crowley #1	75%	75
City of Euless #3	75%	460
City of Euless #4	75%	92
City of Everman #1	50%	11
City of Fort Worth #3	40%	707
City of Fort Worth #4	50%	590
City of Fort Worth #8	40%	446
City of Fort Worth #9	80%	1,303
City of Fort Worth #10	50%	125
City of Fort Worth #12	100%	262
City of Fort Worth #13	80%	404
City of Fort Worth #14	50%	223
City of Fort Worth #15	50%	144
City of Grand Prairie #1	75%	<1
City of Haltom City #1	75%	29
City of Haslet #1	50%	18
City of Kennedale #1	75%	27
City of Mansfield #1	30%	185
City of Mansfield #2	75%	145
City of North Richland Hills #3	25%	4
City of Richland Hills #1	75%	40
City of River Oaks #1	75%	-
City of Sansom Park #1	80%	61
Town of Trophy Club #1	60%	34
		\$ 8,340

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

Name	Participation Rate
City of Fort Worth #6	100%

**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, 2021, 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	1	50 - 70%	\$ 98	\$ 67
Mixed Use Development	1	50%	30	28
Corporate Offices/Data Center	4	40 - 75%	2,722	1,734
Manufacturing Facility	3	30 - 70%	1,143	1,096
<b>Total Abated Taxes</b>			<b>\$ 3,993</b>	<b>\$ 2,925</b>

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 - 70%
Corporate Offices/Data Center	2	40 - 70%
Maintenance/Operations Facility	1	40 - 50%
Office/Warehouse Facility	1	40 - 50%

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

### 16. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2021 (in thousands):

	General	Road and Bridge	Debt Service	Capital Projects	Grants	Other Governmental Funds	Total
Nonspendable:							
Supplies/prepaid items	\$ 3,570	\$ 872	\$ -	\$ 391	\$ 2,716	\$ 235	\$ 7,784
	<u>3,570</u>	<u>872</u>	<u>-</u>	<u>391</u>	<u>2,716</u>	<u>235</u>	<u>7,784</u>
Restricted:							
Law library	-	-	-	-	-	958	958
Records management	-	-	-	-	-	22,655	22,655
Education	-	-	-	-	-	320	320
Public health	-	-	-	-	-	13,152	13,152
Law enforcement and prosecution	-	-	-	-	-	6,977	6,977
Contractual agreement	-	-	-	-	-	5,460	5,460
Court designated	-	-	-	-	-	3,059	3,059
VIT administration	-	-	-	-	-	1,781	1,781
Construction and equipment	-	-	-	4,697	-	-	4,697
Transportation project	-	-	-	26,518	-	-	26,518
	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,215</u>	<u>-</u>	<u>54,362</u>	<u>85,577</u>
Committed:							
Law library	-	-	-	-	-	167	167
Records management	-	-	-	-	-	1,169	1,169
Public health	-	-	-	-	-	52,862	52,862
Law enforcement and prosecution	298	-	-	-	-	618	916
Contractual agreement	276	-	-	-	-	634	910
Court designated	-	-	-	-	-	385	385
Construction and equipment	13	-	-	81,813	-	-	81,826
Transportation project	-	17,064	-	524	-	-	17,588
Debt service	-	-	1,718	-	-	-	1,718
	<u>587</u>	<u>17,064</u>	<u>1,718</u>	<u>82,337</u>	<u>-</u>	<u>55,835</u>	<u>157,541</u>
Assigned:							
Economic development	-	-	-	-	-	4,120	4,120
County Operations	5,280	-	-	-	-	-	5,280
Subsequent year's budget: appropriation of fund balance	60,926	-	-	-	-	-	60,926
	<u>66,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,120</u>	<u>70,326</u>
Unassigned	131,705	-	-	-	(10,010)	-	121,695
Total Fund Balance	<u>\$ 202,068</u>	<u>\$ 17,936</u>	<u>\$ 1,718</u>	<u>\$ 113,943</u>	<u>\$ (7,294)</u>	<u>\$ 114,552</u>	<u>\$ 442,923</u>

## 17. 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.

## 18. 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. 87 was postponed by eighteen months and GASB Statement Nos. 89, 91, 92, 93 were postponed by one year from their original implementation periods by **GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance***.

**GASB Statement No. 87, *Leases***, is effective for the County beginning fiscal year 2022. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***, is effective for the County beginning fiscal year 2022. This statement establishes accounting requirements for interest cost incurred before the end of a construction period.

**GASB Statement No. 91, *Conduit Debt Obligations***, is effective for the County beginning fiscal year 2022. The statement establishes a single method for accounting and reporting conduit debt by clarifying the definition of a conduit debt obligation.

**GASB Statement No. 92, *Omnibus 2020***, is effective for the County beginning fiscal year 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments which were effective upon issuance. This statement addresses a variety of topics including issues related to clarify the implementation of Statements 73, 74, 83, 84 and 87.

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***, is effective for the County beginning fiscal year 2023. This statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements.

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***, is effective for the County beginning fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

**GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32***, is effective for the County beginning fiscal year 2022, except for requirements that related to the absence of a governing board in determining financial accountability and applicability of the financial burden criterion in paragraph 7 of Statement 84, which were effective immediately. This statement provides guidance on financial reporting for defined contribution pension plans, OPEB plans, Section 457 plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

## 19. ADJUSTMENT TO BEGINNING NET POSITION

GASB Statement No. 84, *Fiduciary Activities*, was implemented in the current year. The required changes are reflected in the County's financial statements and notes to those statements. Implementation of GASB Statement No. 84 resulted in a restatement of the prior period net position of Fiduciary Activities (in thousands):

Net Position at September 30, 2020, as previously reported	\$ -
Addition of Net Position as calculated pursuant to GASB 84	<u>47,921</u>
Net Position at September 30, 2020, as restated	<u>\$ 47,921</u>

## 20. SUBSEQUENT EVENTS

On November 2, 2021, voters approved the County's \$400 million Traffic Mobility bond proposal to improve traffic flow and reduce traffic congestion by purchasing, constructing, reconstructing, renovating, rehabilitating, improving and maintaining streets, roads, highways and bridges within Tarrant County.

## 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, 2021, 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 is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives are being used:

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

**Compensated Absences**

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

**Defined Benefit Pension Plan**

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

**Deferred Outflows/Inflows of Resources**

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

**Net Patient Service Revenue**

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

**Tobacco Settlement Revenue**

Tobacco settlement revenue is the result of a settlement between various counties and hospital districts in Texas and the tobacco industry for tobacco-related health care costs. During the year ended September 30, 2021 the TCHD received approximately \$9,092,000 related to the settlement. This revenue is recognized as other revenue.

### **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, 2016.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospective payment system. Inpatient reimbursement is inclusive of an add-on for trauma care that is based on the Medicaid Standards Dollar Amount. Outpatient and physician services are reimbursed under a mixture of fee schedules and cost reimbursement. TCHD is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicaid administrative contractor. TCHD's Medicaid cost reports have been audited through September 30, 2015.

Approximately 71 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended September 30, 2021. 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**

Supplemental Medicaid funding revenue includes revenue received from the Medicaid Disproportionate Share Program of approximately \$41,577,000 for the year ended September 30, 2021. The funding TCHD has received is subject to audit and is not representative of funding to be received in future years.

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 Pool). The revenue from the two funding pools is recognized as earned throughout the related demonstration year.

During 2021, TCHD recognized approximately \$148,531,000 and \$58,155,000 from the UC Pool and the DSRIP Pool, respectively. The funding TCHD has received is subject to audit and is not representative of funding to be received in future years.

The 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. Currently, CMS has not approved the requested extension of DSRIP or any other new directed payment programs.

TCHD also participated in the Uniform Hospital Rate Increase Program (UHRIP). Under UHRIP, HHSC may direct Medicaid managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospital, increasing revenue from services provided to Medicaid managed care beneficiaries. The state's share of UHRIP funding is funded through intergovernmental transfers from certain hospitals, including TCHD. Revenue from UHRIP is recognized as a component of net patient service revenue. The UHRIP program ended on August 31, 2021 and has yet to be extended.

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. Revenue recognized from the GME program was approximately \$3,500,000 in 2021.

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.

During 2017, TCHD began administration of 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 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, 2021, TCHD held \$131,114,000 in excess LPPF collections that will be transferred in 2022.

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

TCHD received approximately 31 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 \$14,555,000 at September 30, 2021.

TCHD's property tax rate was \$0.223479 and \$.00095 per \$100 valuation for the maintenance and operation fund and interest and sinking fund, respectively. Property tax revenue was \$479,150,000.

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

#### **Deposits**

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

State law requires collateralization of all deposit with federal depository insurance or other qualified investments. At September 30, 2021, TCHD's deposits were either insured or collateralized in accordance with state law.

At September 30, 2021, a blended component unit of TCHD's cash accounts exceeded federally insured limits by \$2,027,000.

#### **Investments**

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

At September 30, 2021, TCHD's investment balances were as follows (in thousands):

Investment Type	Fair Value	Maturity in Years	
		less than 1	1-5
Investment pools	\$ 121,591	\$ 121,591	\$ -
U.S. Treasury obligations	95,407	95,407	-
U.S. Agency obligations	76,804	30,000	46,804
Municipal bonds	21,558	16,240	5,318
Money market mutual funds	97,153	97,153	-
Commercial paper	173,684	173,684	-
		<u>\$ 534,075</u>	<u>\$ 52,122</u>
Mutual funds	<u>4,530</u>		
Total Investments	<u>\$ 590,727</u>		

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

**Credit risk:** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its 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 Aaa to 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.

**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; therefore, as a means of meeting diversification objectives, issuer exposure is generally limited to a maximum of 10% of the investment portfolio.

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

U.S. Treasury	16.20%
Toyota Motor Credit Commercial Paper	11.00%
Royal Bank of Canada	9.90%
Federal Farm Credit Bank	6.00%
Federal Home Loan Bank	5.70%
University of Texas	5.10%

**Investment Income**

Investment income for the fiscal year ended September 30, 2021, consisted of interest and dividend income of \$3,885,000 and a net increase in fair value of investments of \$195,000 for a total of \$4,080,000.

**(f) Patient Accounts Receivable**

TCHD grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at September 30, 2021, consisted of (in thousands):

Medicare	\$	29,004
Medicaid		22,568
Other third-party payers		43,223
Patients		81,428
		<u>176,223</u>
Less allowance for uncollectible accounts		<u>(99,499)</u>
Total	\$	<u>76,724</u>

**(g) Capital Assets**

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

	<b>Balance October 1, 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance September 30, 2021</b>
Land and improvements	\$ 67,104	\$ -	\$ -	\$ 216	\$ 67,320
Buildings and improvements	273,649	-	-	995	274,644
Equipment	482,358	21,099	(7,842)	3,168	498,783
Construction in progress	3,978	10,144	-	(4,379)	9,743
	<u>827,089</u>	<u>31,243</u>	<u>(7,842)</u>	<u>-</u>	<u>850,490</u>
Less accumulated depreciation	<u>(576,521)</u>	<u>(37,903)</u>	<u>7,545</u>	<u>-</u>	<u>(606,879)</u>
Capital assets, net	<u>\$ 250,568</u>	<u>\$ (6,660)</u>	<u>\$ (297)</u>	<u>\$ -</u>	<u>\$ 243,611</u>

**(h) Self-Insurance Programs****Medical Malpractice and General Liability Risks**

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

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

	<b>2020</b>	<b>2021</b>
Balance, beginning of year	\$ 460	\$ 530
Current year claims incurred and changes in estimates for claims incurred in prior years	230	60
Claims and expenses paid	<u>(160)</u>	<u>(88)</u>
Balance, end of year	<u>\$ 530</u>	<u>\$ 502</u>

**Employee Health Claims**

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

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

	<u>2020</u>	<u>2021</u>
Balance, beginning of year	\$ 4,800	\$ 4,750
Current year claims incurred and changes in estimates for claims incurred in prior years	54,668	59,910
Claims and expenses paid	<u>(54,718)</u>	<u>(59,410)</u>
Balance, end of year	<u>\$ 4,750</u>	<u>\$ 5,250</u>

### Worker's Compensation Claims

The 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):

	<u>2020</u>	<u>2021</u>
Balance, beginning of year	\$ 2,782	\$ 3,416
Current year claims incurred and changes in estimates for claims incurred in prior years	2,979	1,876
Claims and expenses paid	<u>(2,345)</u>	<u>(2,177)</u>
Balance, end of year	<u>\$ 3,416</u>	<u>\$ 3,115</u>

(i) Long-Term Debt

Long-term debt of TCHD consisted of the following at September 30, 2021 (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 ranging from \$1,670 to \$1,955 through 2029. The bonds are secured by property tax revenue. The proceeds from the bonds were used to advance refund the Series 2006 bonds.

\$ 14,495

Revenue Bonds - Senior Lien Revenue Refunding Bonds, Series 2012:

Original amount of \$25,890 dated September 1, 2012, which bear interest at rates ranging from 3.0% to 5.0%, payable annually with installments ranging from \$1,825 to \$2,205 through 2027. The bonds are secured by revenues of TCHD, excluding property tax revenue. All of the bonds still outstanding may be redeemed at TCHD's option on or after August 15, 2023, at par value plus accrued interest. The proceeds from the bonds were used to advance refund the Series 2002 bonds.

12,165

Notes payable

The note payable due to a vendor does not bear interest and is due in four annual installments of \$1,672 beginning December 2019. The note is secured by certain equipment and the final installment is due December 2022.

3,343

30,003

Less - current maturities

(5,167)

Long-term debt, net of current maturities

24,836

Less bond discount

(72)

Long-term debt, net of current maturities and discount

\$ 24,764

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

Fiscal Year	Principal	Interest	Total Principal & Interest
2022	\$ 5,167	\$ 754	\$ 5,921
2023	5,296	625	5,921
2024	3,760	490	4,250
2025	3,865	390	4,255
2026	3,965	288	4,253
2027-2030	7,950	267	8,217
Total	\$ 30,003	\$ 2,814	\$ 32,817

The following is a summary of the changes in long-term debt for TCHD for the year ended September 30, 2021 (in thousands):

Beginning liability	\$ 35,050
Additions	-
Retirements	<u>(5,047)</u>
Ending liability	<u>\$ 30,003</u>
Amount due within one year	\$ 5,167

### (j) Uncompensated Care

In support of its mission, TCHD voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. The cost of charity care provided under the charity care policy was \$298,913,000. The increase in charity care costs is attributable to higher charity care charges as well as a higher cost to charge ratio due to increased expenses during the year ended September 30, 2021. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

### (k) Retirement Plans

#### Plan Description

TCHD sponsors 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. Participants may retire at any age after 55 if they have ten 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, 2020 (measurement date), are:

Inactive employees or beneficiaries currently receiving benefits	494
Inactive employees entitled to but not yet receiving benefits	1,294
Active employees	<u>4,307</u>
 Total	 <u><u>6,095</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, 2021, the average active employee contribution rate was 2.0% of annual pay, and TCHD's average contribution rate was 6.25% of annual payroll.

TCHD's contribution is set to be 6.25% of participate payroll effective October 1, 2020, 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 are expected to be 6.25% of estimated participant compensation for the plan year ending September 30, 2020. The costs of administering the plan are paid by the plan and are considered in the determination of the employer contribution rate.

### Net Pension Liability

TCHD's net pension liability was measured as of October 1, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	5.0%, average, including inflation
Ad hoc cost of living adjustments	Not included
Investment rate of return	6.75%, net of pension plan investment expense, including inflations

Mortality rates were based on the Society of Actuaries Pri-2012 Mortality Table, projected from the 2012 base year with Projection Scale MP-2020.

The actuarial assumptions used in the October 1, 2020, valuation were based on the results of an actuarial experience study for the period 2011-2016 for withdrawal rates, retirement rates, and earnings progression and 2016-2020 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

# FINANCIAL SECTION

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target asset allocation percentage and by adding expected inflation (2.25%). In addition, the final 6.75% assumption reflected a reduction of 0.49% for adverse deviation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	60.0%	6.1%
International equity	15.0%	6.0%
Fixed income	24.0%	1.7%
Cash	1.0%	0.5%
	100.0%	

### Discount Rate

The discount rate used to measure the total pension liability was 6.75% at October 1, 2020. 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, 2020	\$ 324,393	\$ 312,671	\$ 11,722
Changes for the year:			
Service cost	18,432	-	18,432
Interest on total pension liability	23,472	-	23,472
Changes of benefit terms	200	-	200
Difference between expected and actual experience	2,314	-	2,314
Contributions - employee	-	5,258	(5,258)
Contributions - employer	-	18,225	(18,225)
Net investment income	-	19,485	(19,485)
Benefit payments, including refunds of employee contributions	(13,021)	(13,021)	-
Administrative expenses	(1,110)	(1,110)	-
Assumption changes	10,774	-	10,774
Net changes	41,061	28,837	12,224
Balances as of September 30, 2021	\$ 365,454	\$ 341,508	\$ 23,946

The net pension liability of TCHD has been calculated using a discount rate of 6.75% at October 1, 2020. The following presents the net pension liability using a discount rate 1 % higher and 1 % lower than the current rate (in thousands).

	<b>1% Decrease</b> <b>5.75%</b>	<b>Current Discount Rate</b> <b>6.75%</b>	<b>1% Increase</b> <b>7.75%</b>
Net pension liability (asset)	\$ 71,596	\$ 23,946	\$ (15,231)

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

For the year ended September 30, 2021, TCHD recognized pension expense of \$18,251,000. At September 30, 2021, TCHD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,967	\$ -
Employer contributions subsequent to the measurement date	20,153	-
Changes of assumptions	11,532	749
Net difference between projected and actual earnings on plan investments	<u>1,870</u>	<u>-</u>
Total	<u>\$ 38,522</u>	<u>\$ 749</u>

At September 30, 2021, TCHD reported \$20,153,000 as deferred outflows of resources related to pensions resulting from TCHD's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at September 30, 2021.

Other amounts reported as deferred inflows of resources and deferred outflows of resources at September 30, 2021, related to pensions will be recognized in pension expense as follows (in thousands):

<b>Year Ended September 30:</b>	<b>Amount</b>
2022	\$ 4,375
2023	5,548
2024	5,120
2025	<u>2,577</u>
Total	<u>\$ 17,620</u>

## Pension Plan Fiduciary Net Position

As of October 1, 2020, the Plan's fiduciary net position was comprised of the following (in thousands):

Cash and cash equivalents	\$ 21,205
Investments, at fair value	
Mutual funds	342,389
Common/collective trust funds	237,494
103-12 investment fund	<u>38,720</u>
Total investments at fair value	<u>618,603</u>
Total plan fiduciary net position	<u>\$ 639,808</u>

TCHD's interest in the Plan net position as of the measurement date of October 1, 2020 was \$341,508,000.

*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	<u>15%</u>
Total Equities	<u>75%</u>
Intermediate fixed income	24%
Cash	<u>1%</u>
Total fixed income	<u>25%</u>

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 percent of the portfolio, measured at market value.
- Equity holdings in any one economic sector should not exceed the greater of 30 percent 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 percent 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 6.3% for the 12 months ended October 1, 2020.

*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 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 25% of the portfolio or 10% above the sector weight in the benchmark and limit equity holdings in any single company to 7% of the portfolio. Additionally, the Plan's policy limits holdings in fixed income obligations of any single entity, excluding U.S. government and its agencies, to 5% of the portfolio.

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	37.1%
Vanguard Small Cap Index	13.4%
State Street Aggregate Bond Index NL Fund	12.4%
PIMCO Total Return	12.1%
Morgan Stanley International Equity Trust	6.1%
State Street Aggregate Bond Index NL Fund	5.7%

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, 2020 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	\$ 342,389	\$ 342,389	\$ -	\$ -
Total investments by fair value level	<u>342,389</u>	<u>342,389</u>	<u>-</u>	<u>-</u>
Investments measured at the net asset value (NAV) (A)				
Common/collective trust fund	237,494			
103-12 investment fund	38,720			
Total investments measured at the NAV	<u>276,214</u>			
Total investments at fair value	<u>\$ 618,603</u>			

(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, 2020. 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 \$8,957,000 for the fiscal year ended September 30, 2021.

In addition, TCHD offers its employees a tax deferred annuity plan created in accordance with IRC Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan and income attributable to those amounts are solely the property of the employee. Thus, the plan amounts are not reported in the financial statements.

Also, TCHD offers its employees a tax deferred annuity plan created in accordance with IRC Section 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan and income attributable to those amounts are solely the

property of the employee. Thus, the plan amounts are not reported in the financial statements. Employee contributions were \$20,949,000 for the fiscal year ended September 30, 2021.

TCHD has a Governmental Excess Benefit Arrangement Plan for executives approved by the Board of Managers. This plan is to provide participants in the defined benefit plan that portion of a participant's benefits that would otherwise be payable under the terms of the defined benefit plan, except for the limitations on benefits imposed by Section 415(b) of the IRC. Contributions to this plan are included in cash, cash equivalents and investments and the plan liability is recorded in other noncurrent liabilities in the statement of net position. As of September 30, 2021, \$1,574,000 in contributions are included in cash, cash equivalents and investments and approximately \$1,469,000 was due under this plan. Approximately \$207,000 of benefit expense was recognized in fiscal year 2021.

#### (I) 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, 2021 (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	\$ 76,804	\$ -	\$ 76,804	\$ -
U.S. Treasury obligations	95,407	95,407	-	-
Commercial paper	173,684	-	173,684	-
Municipal bonds	21,558	-	21,558	-
Money market mutual funds	97,153	97,153	-	-
Mutual funds	4,530	4,530	-	-
Total investments by fair value level	469,136	\$ 197,090	\$ 272,046	\$ -
Investment pool carried at amortized cost	121,591			
Total Investments	\$ 590,727			

### 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, 2021.

#### (m) COVID-19 Pandemic & CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of coronavirus disease 2019 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitation on certain businesses, as well as suspended elective procedures by health care facilities.

TCHD's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. TCHD has taken precautionary steps to enhance its operational and financial flexibility and react to the risks the COVID-19 pandemic presents to its business.

In addition, in 2020, TCHD received approximately \$49,780,000 of accelerated Medicare payments and approximately \$87,959,000 in general and targeted Provider Relief Fund distributions, both as provided for under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act.

The extent of the COVID-19 pandemic's adverse effect on the operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond TCHD's control and ability to forecast. Such factors include, but are not limited to, government-imposed or recommended suspensions of elective procedures, fluctuations in patient volumes, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure.

Because of these and other uncertainties, TCHD cannot estimate the length or severity of the effect of the pandemic on TCHD's business. Potential future decreases in cash flows and results of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

### **Provider Relief Fund**

During the year, TCHD received \$87,959,000 of distributions from the CARES Act Provider Relief Fund. Distributions from the Provider Relief Fund may be retained, provided TCHD is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services (HHS).

TCHD is accounting for such payments as conditional contributions. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on operating revenues and expenses through the fiscal year, TCHD recognized \$87,429,000, related to the Provider Relief Fund, and these payments are recorded as contribution revenue in the statement of activities.

TCHD will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. These funds are also subject to government oversight, including potential audits, which could impact TCHD's ability to retain all of the distributions received.

### **Medicare Accelerated and Advance Payment Program**

During the year ended September 30, 2020, TCHD requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by Centers for Medicare & Medicaid Services (CMS) according to the payback provisions.

Effective September 30, 2020, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25 percent of the remittance advice payment, followed by a six-month payback period at 50 percent of the remittance advice payment. After 29 months, CMS expects any amount not paid back though the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29 month at a rate of 4 percent.

During the year ended September 30, 2020, TCHD received approximately \$49,780,000 from these accelerated Medicare payment requests. During the year ended September 30, 2021, TCHD repaid approximately \$12,555,000 of the accelerated Medicare payments to CMS. The unapplied amount of accelerated Medicare payment requests of \$37,225,000 are reflected as other noncurrent liabilities in the

statement of net position. TCHD anticipates the remaining Medicare Advance Payments will be paid back in 2022.

## 22. MY HEALTH MY RESOURCES OF TARRANT COUNTY NOTES

### (a) Summary of Significant Accounting Policies

#### Deposits and Investments

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

The Public Funds Investment Act 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, 2021, MHMRTC did not own any types of securities other than those permitted by statute.

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

#### Receivables

MHMRTC accounts receivable from patients and insurance carriers for services rendered are reduced by the amount of such billings deemed by management to be ultimately uncollectible. MHMRTC provides for an amount of uncollectible patient fees using the reserve method based on past payment history. At the year ended August 31, 2021, accounts receivable for patient services are \$12,855,245 less the allowance for doubtful accounts in the amount of \$9,802,363 for a net realizable value of \$3,052,882.

#### Inventories and Prepaid Expenditures

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

#### 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 or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs 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 is depreciated using the straight-line method over the following useful lives:

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

### Source Funds

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

### Compensated Absences

Full-time employees earn personal time off (PTO) each pay period of work performed. Accrual of PTO hours is based on the number years of service. 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 in graduated amounts ranging from 50% of their balance up to a maximum of 126 hours for employees with two years of service to 100% of their balance up to a maximum of 372 hours for employees with more than 15 years of service.

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. The General Fund has been used in prior years to liquidate the liability for compensated absences.

### Risk Management

MHMRTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctors' malpractice; and natural disasters. During fiscal 2021, MHMRTC is covered under a general liability insurance plan with a combined single limit of \$3,000,000 at a cost it considers to be economically justifiable.

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

## (b) Cash and Investments

### Deposits

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

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

Deposits of MHMRTC are fully insured or collateralized with securities held by MHMRTC, its agent or by the pledging financial institution's trust department or agent in the name of MHMRTC at year-end. For the component unit, MHMR Foundation, \$45,907 of deposits are not insured by FDIC coverage or collateralized with eligible securities at year-end.

### Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, MHMRTC's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with state statutes. 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. At least 10% of the total portfolio must be maintained in cash equivalent investments, or investments that mature within 30 days. 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, 2021, 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	Weighted Average Days to Maturity	Fair Value Hierarchy
Certificates of deposit	\$ 257,523	2.4 %	exempt	358	exempt
Fidelity Advisor Floating Rate Fund	2,696,750	25.5 %	AAA	1643	Level 1
Eaton Vance Floating Rate Fund	2,693,217	25.5 %	AAA	1894	Level 1
Annuity contracts	4,921,467	46.6 %	Moody's AA3	145	Level 1
Total	<u>\$ 10,568,957</u>	<u>100.0 %</u>			

### (c) Receivables From Other Governments

Receivables from other governments represent reimbursement of expenditures and fees for services provided under various programs and grants. All amounts are expected to be collected within the next year. At year-end, MHMRTC had \$14,901,567 of receivables from other governments.

**(d) Capital Assets**

A summary of changes in capital asset balances for the fiscal year ended August 31, 2021, is as follows (in thousands):

	Balance September 1, 2020	Additions	Disposals	Prior Period Adjustment	Balance August 31, 2021
Nondepreciable assets					
Land	\$ 3,734	\$ -	\$ -	\$ -	\$ 3,734
Land-restricted	989	-	-	-	989
Total nondepreciable assets	4,723	-	-	-	4,723
Depreciable assets					
Buildings and improvements	22,557	584	(63)	-	23,078
Buildings and improvements- restricted	3,617	-	-	-	3,617
Vehicles	2,939	280	(407)	-	2,812
Furniture and equipment	22,152	400	(581)	-	21,971
Total depreciable assets	51,265	1,264	(1,051)	-	51,478
Less accumulated depreciation					
Buildings and improvements	(12,156)	(959)	-	-	(13,115)
Buildings and improvements- restricted	(1,940)	(76)	-	-	(2,016)
Vehicles	(2,291)	(170)	303	-	(2,158)
Furniture and equipment	(13,844)	(3,324)	571	-	(16,597)
Total accumulated depreciation	(30,231)	(4,529)	874	-	(33,886)
Capital assets, net	\$ 25,757	\$ (3,265)	\$ (177)	\$ -	\$ 22,315

Total depreciation expense is \$4,528,943.

**(e) Lease Obligations**

MHMRTC is obligated under capital leases for certain equipment as of August 31, 2021. The gross amount of assets acquired by capital lease is \$3,034,013 and \$670,536 of depreciation expense. Net book value of these assets is \$439,910.

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

During 2021, operating lease payments by MHMRTC are \$1,648,916. The future minimum lease payments under operating and capital leases and the present value of the future minimum capital lease payments for MHMRTC as of August 31, 2021 are as follows (in thousands):

Year Ended August 31:	Operating Leases	Capital Leases	
		Principal	Interest
2022	\$ 1,729	\$ 120	\$ -
2023	950	-	-
2024	602	-	-
2025	347	-	-
2026	273	-	-
and thereafter	262	-	-
Total minimum lease payment	\$ 4,163	\$ 120	\$ -

### (f) Long-Term Obligations

The following is a summary of the changes in long-term obligations for MHMRTC for the fiscal year ended August 31, 2021 (in thousands):

	Balance September 1, 2020	Additions	Retirements	Balance August 31, 2021	Due Within One Year
Compensated absences	\$ 4,103	\$ 6,991	\$ 6,817	\$ 4,277	\$ 333
Capital lease obligations	1,274	-	1,154	120	120
Total	\$ 5,377	\$ 6,991	\$ 7,971	\$ 4,397	\$ 453

Capital lease obligations do not carry a stated rate of interest. Imputed interest on the capital lease obligations are not material to the financial statements.

### (g) Pension Plan

MHMRTC maintains a defined contribution money purchase pension plan under code section 401(a) of the Internal Revenue Code identified as the Tarrant County MHMR Money Purchase Plan. Participation in the plan is available to full-time employees who have completed one year of service and contribute 5% of compensation to the plan. MHMRTC contributes 8% of employee compensation on behalf of participating employees. The plan is administered by ICMA Retirement Corporation. Participants begin to vest in the employer's contribution at the completion of one year of service with 100% vesting occurring after five years (20% per year). During 2021, \$182,948 of employee forfeitures are used to reduce employer contributions for the year. At year-end, the amount due to the plan was \$114,263.

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

Fiscal Year	Employer Contributions	Employee Contributions	Percentage Contributed
2019	\$ 3,766	\$ 2,322	100%
2020	4,250	2,526	100%
2021	4,333	2,795	100%

**(h) Deferred Compensation Plan**

MHMRTC offered its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plan is available to all 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 unforeseeable emergency. In-service withdrawals are available from fully vested balances upon attainment of age 70½. For employees who elect to contribute at least 5% of gross pay to the employee only 457 plan, MHMRTC will contribute 8% of the employee’s gross pay as a matching contribution to the employer only 457 plan. Employees who elect to defer less than 5% to the employee only 457 plan are not eligible for a matching contribution to the employer only 457 plan. Employees are always fully vested in their contributions to the employee only 457 plan. Employees begin to vest in the MHMRTC contributions to the employer only 457 plan following completion of one year of service with 100% vesting occurring after five years (20% per year). During 2021, employee elective deferrals to the employee only 457 plan were \$1,135,680. MHMRTC matching contributions to the employer only 457 plan were \$728,329. \$1,970 of employee forfeitures were used to reduce the MHMRTC contributions to the employer only 457 plan.

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

MHMRTC established a partially self-funded health benefits plan for employee health benefits. MHMRTC purchases commercial stop-loss coverage for medical claims in excess of \$225,000 per plan participant, per policy period, with an unlimited specific benefit lifetime maximum. The policy minimum annual aggregate deductible limit is the greater of a) \$18,136,237; or b) 90% of the monthly aggregate deductible for the first month of the policy year, then multiplied by 12. The aggregate benefit attachment point is the greater of a) the sum of the monthly aggregate deductibles for the policy year; or b) the minimum aggregate deductible. Settled claims have not exceeded insurance coverage for the fiscal year. Liabilities for health benefits are calculated considering known claims and estimates of future claims based on the lag time for medical claims. MHMRTC accounts for this activity in an internal service fund. This internal service fund reflects a claims liability in the amount of \$2,035,630 at year end. This claims liability is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates a liability has been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. MHMRTC does not discount its claims liabilities.

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

	2020	2021
Beginning liability	\$ 2,226	\$ 1,662
Expenses incurred	19,092	20,056
Expenses paid	(19,656)	(19,682)
Ending liability	<u>\$ 1,662</u>	<u>\$ 2,036</u>

Claims liability is expected to be paid within one year of August 31, 2021.

## **(j) Commitments and Contingencies**

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

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

In March, 2020, Texas Governor Greg Abbott declared the state of Texas a disaster area as a result of the COVID-19 pandemic. Subsequently, the continued spread of this novel coronavirus across the United States and the world has created significant uncertainty about the breadth and duration of business disruptions associated with the pandemic. The extent of the impact of COVID-19 on MHMRTC's operations and financial performance will depend on the duration and spread of the outbreak of the virus. The effects of the pandemic on MHMRTC cannot be determined at this time.

## **(k) 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 clients. 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 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 \$2,589,857.

## **(l) Subsequent Events**

Subsequent to the end of the year, MHMRTC entered into the two significant transactions. MHMRTC purchased real estate at an approximate cost of \$1,500,000. This property had been leased for clinic space during 2021 and prior years. Also, MHMRTC entered into a three year capital lease agreement for the replacement of MHMRTC computer equipment. Total cost of the equipment acquired was approximately \$3,000,000. The contract calls for annual lease payments of approximately \$1,000,000 over each of the next three years. This lease replaced equipment that had been leased under a similar agreement that ended in fiscal year 2021.

# REQUIRED SUPPLEMENTARY INFORMATION

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



## BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONTINUED)

For the year ended September 30, 2021 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 441,266	\$ 441,266	\$ 452,360	\$ 11,094
Licenses and permits	1,050	1,050	1,285	235
Fees of office	54,653	54,653	64,931	10,278
Intergovernmental	15,097	15,097	25,027	9,930
Investment income	201	201	439	238
Other revenues	17,250	7,250	8,759	1,509
Transfers	513	513	736	223
<b>Total Revenues</b>	<b>\$ 530,030</b>	<b>\$ 520,030</b>	<b>\$ 553,537</b>	<b>\$ 33,507</b>
<b>EXPENDITURES:</b>				
County Judge	\$ 1,139	\$ 1,139	\$ 1,087	\$ 52
County Administrator	2,916	2,916	2,659	257
Non-Departmental	146,878	141,839	57,494	84,345
Auditor	8,072	8,072	7,723	349
Budget/Risk Management	981	981	957	24
Tax Assessor / Collector	17,000	17,000	16,248	752
Elections Administration	8,090	8,090	7,787	303
Information Technology	46,371	46,371	42,938	3,433
Human Resources	3,590	3,590	3,355	235
Purchasing	2,560	2,560	2,302	258
Facilities	5,463	5,463	4,968	495
Sheriff	54,191	53,861	49,546	4,315
Sheriff - Confinement	93,880	98,791	68,084	30,707
Constable Precinct 1	1,409	1,409	1,381	28
Constable Precinct 2	1,472	1,466	1,345	121
Constable Precinct 3	1,600	1,600	1,590	10
Constable Precinct 4	1,193	1,193	1,183	10
Constable Precinct 5	1,065	1,001	938	63
Constable Precinct 6	1,037	1,037	1,012	25
Constable Precinct 7	1,534	1,533	1,451	82
Constable Precinct 8	1,384	1,384	1,297	87
Medical Examiner	10,828	11,128	10,522	606
Fire Marshal	458	458	444	14
Community Supervision	3,247	3,247	2,444	803
Juvenile Services	25,479	25,479	24,729	750
Buildings	26,070	25,912	24,501	1,411
17TH District Court	308	309	303	6
48TH District Court	308	308	303	5
67TH District Court	306	306	299	7
96TH District Court	307	307	301	6
141ST District Court	305	305	301	4
153RD District Court	318	318	310	8
236TH District Court	314	314	303	11

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONTINUED)

For the year ended September 30, 2021 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
342ND District Court	\$ 309	\$ 309	\$ 303	\$ 6
348TH District Court	304	304	278	26
352ND District Court	305	305	300	5
Criminal District Court 1	2,415	2,415	1,573	842
Criminal District Court 2	1,926	1,926	1,329	597
Criminal District Court 3	2,018	2,018	1,407	611
Criminal District Court 4	1,945	1,945	1,477	468
213TH District Court	2,409	2,409	2,279	130
297TH District Court	1,987	1,987	1,336	651
371ST District Court	2,334	2,546	2,461	85
372ND District Court	2,101	2,101	1,534	567
396TH District Court	2,532	2,533	1,644	889
432nd District Court	2,404	2,404	1,761	643
Magistrate Court	2,057	2,060	2,060	-
231ST District Court	941	1,091	780	311
233RD District Court	1,239	1,707	1,410	297
322ND District Court	793	1,092	951	141
323RD District Court	2,507	2,507	2,106	401
324TH District Court	981	1,131	993	138
325TH District Court	908	1,058	945	113
360TH District Court	917	1,227	1,048	179
Special Judges	283	283	205	78
Criminal Court Administration	4,106	4,146	4,146	-
Grand Jury	221	221	221	-
Criminal Attorney Appointment	406	406	378	28
Criminal Mental Health Court	884	946	895	51
County Court at Law #1	653	653	640	13
County Court at Law #2	653	671	667	4
County Court at Law #3	641	641	622	19
County Criminal Court #1	1,117	1,117	890	227
County Criminal Court #2	1,106	1,106	928	178
County Criminal Court #3	957	1,043	1,014	29
County Criminal Court #4	1,042	1,042	872	170
County Criminal Court #5	1,308	1,308	1,120	188
County Criminal Court #6	871	871	753	118
County Criminal Court #7	910	1,010	829	181
County Criminal Court #8	909	909	795	114
County Criminal Court #9	905	943	841	102
County Criminal Court #10	826	926	748	178
Probate Court 1	2,483	2,483	2,351	132
Probate Court 2	2,238	2,238	2,095	143
Justice of the Peace Pct. 1	869	869	857	12
Justice of the Peace Pct. 2	861	868	824	44
Justice of the Peace Pct. 3	896	896	873	23

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONCLUDED)

For the year ended September 30, 2021 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Justice of the Peace Pct. 4	\$ 850	\$ 850	\$ 809	\$ 41
Justice of the Peace Pct. 5	732	732	728	4
Justice of the Peace Pct. 6	875	875	842	33
Justice of the Peace Pct. 7	923	916	906	10
Justice of the Peace Pct. 8	839	839	794	45
Criminal District Attorney	45,642	45,642	44,143	1,499
District Clerk	12,249	12,255	11,658	597
County Clerk	13,202	13,206	11,876	1,330
Domestic Relations	8,444	8,444	8,105	339
Jury Services	2,255	2,255	993	1,262
Courts / Judiciary	4,744	2,748	545	2,203
Human Services	4,572	4,572	3,101	1,471
Child Protective Services	2,399	2,399	2,186	213
Public Assistance	1,173	1,346	1,346	-
TX Cooperative Extension	776	788	707	81
Veterans Services	534	534	518	16
Historical Commission	288	288	236	52
Total Expenditures	<u>\$ 629,047</u>	<u>\$ 629,047</u>	<u>\$ 481,137</u>	<u>\$ 147,910</u>

## BUDGETARY COMPARISON SCHEDULE ROAD AND BRIDGE

For the year ended September 30, 2021 (Amounts in thousands)

	Road and Bridge			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Fees of office	15,324	15,324	19,539	4,215
Intergovernmental	42	42	102	60
Investment income	15	15	23	8
Other revenues	172	172	389	217
Transfers	11,133	11,133	11,133	-
<b>Total Revenues</b>	<b>\$ 26,686</b>	<b>\$ 26,686</b>	<b>\$ 31,187</b>	<b>\$ 4,501</b>
<b>EXPENDITURES:</b>				
Commissioner Precinct 1	\$ 9,323	\$ 9,323	\$ 7,338	\$ 1,985
Commissioner Precinct 2	5,462	5,462	4,201	1,261
Commissioner Precinct 3	5,301	5,301	4,664	637
Commissioner Precinct 4	7,887	7,887	7,392	495
Right of Way	3,831	3,831	894	2,937
Transportation	4,543	4,543	3,184	1,359
Road and Bridge Non-Departmental	875	875	686	189
<b>Total Expenditures</b>	<b>\$ 37,222</b>	<b>\$ 37,222</b>	<b>\$ 28,359</b>	<b>\$ 8,863</b>

**NOTES TO THE REQUIRED  
SUPPLEMENTARY INFORMATION  
For the year ended September 30, 2021**

**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.tarrantcounty.com](http://www.tarrantcounty.com) 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):

	<b>General Fund</b>	<b>Road and Bridge</b>
<b>Revenues</b>		
Budgetary Basis	\$ 553,537	\$ 31,187
Transfers in	(736)	(11,133)
Market value adjustment for securities not budget relevant	(5)	-
Available in 2021, received in 2022	81	-
Accrued in prior years, received in 2021	(376)	-
	<hr/>	<hr/>
Revenues on modified accrual (GAAP) basis	552,501	20,054
<b>Expenditures</b>		
Budgetary Basis	481,137	28,359
Transfers out	(43,008)	-
Incurred in prior years, paid in 2021	728	437
Incurred during 2021, payable in future years	(3,374)	(904)
Prepaid, bad debt, & inventory adjustments not budget relevant	(237)	(70)
	<hr/>	<hr/>
Expenditures on modified accrual (GAAP) basis	435,246	27,822
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>	(42,272)	11,133
	<hr/>	<hr/>
Changes in fund balance on modified accrual (GAAP) basis	\$ 74,983	\$ 3,365

A separate budget report detailed to the legal level of control is available upon request or can be viewed at [www.tarrantcounty.com](http://www.tarrantcounty.com) 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				
	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 42,581	\$ 41,266	\$ 38,960	\$ 38,055	\$ 36,398
Contributions in relation to the actuarially determined contribution	59,618	56,181	53,353	50,786	46,843
Contribution (excess)	<u>(17,037)</u>	<u>(14,915)</u>	<u>(14,393)</u>	<u>(12,731)</u>	<u>(10,445)</u>
Covered payroll	\$ 305,731	\$ 288,105	\$ 273,603	\$ 262,718	\$ 253,641
Contributions as a percentage of covered payroll	19.50%	19.50%	19.50%	19.33%	18.47%

### 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	7.5 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.6% 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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
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: Employer contributions reflect a 1% flat COLA adoption Calendar year 2020: Employer contributions reflect a 1% flat COLA adoption
Changes in Assumptions Methods Reflected in the Schedule *	Calendar year 2015: New inflation, mortality and other assumptions reflected. Calendar year 2017: New mortality assumptions reflected. Calendar year 2019: New inflation, mortality and other assumptions reflected.

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 35,941	\$ 34,260	\$ 32,472	\$ 29,612	\$ 27,321
<u>44,024</u>	<u>39,342</u>	<u>38,235</u>	<u>32,372</u>	<u>27,321</u>
<u>(8,083)</u>	<u>(5,082)</u>	<u>(5,763)</u>	<u>(2,760)</u>	<u>-</u>
\$ 251,567	\$ 234,785	\$ 225,829	\$ 217,492	\$ 213,321
17.50%	16.76%	16.93%	14.88%	12.81%

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

	Plan Year ended December 31		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 40,819	\$ 39,404	\$ 39,155
Interest on total pension liability	146,368	138,573	135,469
Effect of plan changes	-	-	(60,557)
Effect of assumption changes or inputs	115,425	-	-
Difference between expected and actual activity	2,915	940	(1,393)
Refunds of contributions	(2,845)	(3,000)	(2,068)
Benefit payments	(86,648)	(79,672)	(71,926)
Other	1,925	3,642	1,780
Net change in total pension liability	<u>217,959</u>	<u>99,887</u>	<u>40,460</u>
Total pension liability, beginning	1,808,146	1,708,259	1,667,799
Total pension liability, ending (a)	<u>\$ 2,026,105</u>	<u>\$ 1,808,146</u>	<u>\$ 1,708,259</u>
Fiduciary Net Position			
Employer contributions	\$ 58,920	\$ 53,560	\$ 51,604
Member contributions	21,174	19,241	18,518
Investment income (loss) net of investment expenses	163,464	224,572	(26,041)
Refunds of contributions	(2,845)	(3,000)	(2,068)
Benefit payments	(86,648)	(79,672)	(71,926)
Administrative expenses	(1,270)	(1,205)	(1,096)
Other	1,558	2,792	1,513
Net change in fiduciary net position	<u>154,353</u>	<u>216,288</u>	<u>(29,496)</u>
Fiduciary net position, beginning	1,580,823	1,364,535	1,394,031
Fiduciary net position, ending (b)	<u>\$ 1,735,176</u>	<u>\$ 1,580,823</u>	<u>\$ 1,364,535</u>
Net pension liability, ending = (a) - (b)	<u>\$ 290,929</u>	<u>\$ 227,323</u>	<u>\$ 343,724</u>
Fiduciary net position as a percentage of total pension liability	85.64%	87.43%	79.88%
Covered payroll	\$ 302,165	\$ 274,656	\$ 264,548
Net pension liability as a percentage of covered payroll	96.28%	82.77%	129.93%

TCDRS Annual Comprehensive Financial Report is available at [www.tcdrs](http://www.tcdrs) or PO Box 2034, Austin, Texas 78768-2034. The County implemented GASB 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available, therefore, ten years of data will accumulate over time.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 38,878	\$ 39,393	\$ 37,283	\$ 35,951
129,570	120,402	113,517	105,804
-	-	(7,351)	-
(9,933)	-	21,317	-
(16,337)	(2,578)	(15,711)	(898)
(3,479)	(2,321)	(2,989)	(2,207)
(65,434)	(59,509)	(54,948)	(49,258)
1,703	1,600	1,503	
<u>74,968</u>	<u>96,987</u>	<u>92,621</u>	<u>89,392</u>
1,592,831	1,495,844	1,403,223	1,313,831
<u>\$ 1,667,799</u>	<u>\$ 1,592,831</u>	<u>\$ 1,495,844</u>	<u>\$ 1,403,223</u>
\$ 47,657	\$ 42,720	\$ 41,529	\$ 33,317
17,817	17,094	16,662	16,120
178,077	84,033	(3,788)	72,724
(3,479)	(2,321)	(2,989)	(2,207)
(65,434)	(59,509)	(54,948)	(49,258)
(927)	(913)	(818)	(850)
1,247	4,229	517	31
<u>174,958</u>	<u>85,333</u>	<u>(3,835)</u>	<u>69,877</u>
1,219,073	1,133,740	1,137,575	1,067,698
<u>\$ 1,394,031</u>	<u>\$ 1,219,073</u>	<u>\$ 1,133,740</u>	<u>\$ 1,137,575</u>
<u>\$ 273,768</u>	<u>\$ 373,758</u>	<u>\$ 362,104</u>	<u>\$ 265,648</u>
83.59%	76.53%	75.79%	81.07%
\$ 254,133	\$ 244,001	\$ 237,309	\$ 228,675
107.73%	153.18%	152.59%	116.17%

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

	Measurement date September 30			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 12,398	\$ 9,313	\$ 11,025	\$ 12,432
Interest cost	5,127	7,061	8,236	7,137
Difference between expected and actual activity	(3,945)	-	(48,089)	-
Effect of assumption changes or inputs	26,184	12,344	(19,539)	(17,168)
Benefit payments	(10,603)	(8,203)	(7,479)	(7,305)
Net change in total OPEB liability	29,161	20,515	(55,846)	(4,904)
Total OPEB liability, beginning	184,230	163,715	219,561	224,465
Total OPEB liability, ending (a)	<u>\$ 213,391</u>	<u>\$ 184,230</u>	<u>\$ 163,715</u>	<u>\$ 219,561</u>
Fiduciary Net Position				
Employer contributions	\$ 10,603	\$ 8,203	\$ 7,479	\$ 7,305
Benefit payments	(10,603)	(8,203)	(7,479)	(7,305)
Net change in fiduciary net position	-	-	-	-
Fiduciary net position, beginning	-	-	-	-
Fiduciary net position, ending (b)	-	-	-	-
Total OPEB liability, ending = (a) - (b)	<u>\$ 213,391</u>	<u>\$ 184,230</u>	<u>\$ 163,715</u>	<u>\$ 219,561</u>
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 265,682	\$ 250,278	\$ 243,335	\$ 254,210
Total OPEB liability as a percentage of covered employee payroll	80.32%	73.61%	67.28%	86.37%

### 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:

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.

**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
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%
2015	12,313	12,313	-	182,418	6.75%
2014	11,625	11,625	-	178,847	6.50%

**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	6 years at October 1, 2020; recalculated annually; employer contribution rate constant unless amortization period > 25 years or ≤ 0 years
Asset valuation method	5 year smoothed market
Inflation	2.25%
Salary increases	5.0%, average, including inflation
Investment rate of return	6.75% net of pension plan investment expenses, including inflation
Retirement age	60
Mortality	Pri-2012 Total Dataset Mortality Table, Projected from the 2012 base year using the MP-2020 and MP-2019 mortality improvement scales for 2020 and 2019, respectively

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, TCHD will present information for those years for which information is available.

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

	Measurement date October 1		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 18,432	\$ 17,647	\$ 15,429
Interest on total pension liability	23,472	21,612	19,526
Changes of benefit terms	200	-	184
Effect of assumption changes or inputs	10,774	(1,028)	8,396
Difference between expected and actual activity	2,314	1,073	4,775
Benefit payments, including refunds of employee contributions	(13,021)	(11,805)	(8,577)
Administrative expenses	(1,110)	(942)	(886)
Net change in total pension liability	41,061	26,557	38,847
Total pension liability, beginning	324,393	297,836	258,989
Total pension liability, ending (a)	<u>\$ 365,454</u>	<u>\$ 324,393</u>	<u>\$ 297,836</u>
Fiduciary Net Position			
Employer contributions	\$ 18,225	\$ 17,281	\$ 17,305
Member contributions	5,258	4,956	2,314
Investment income (loss) net of investment expenses	19,485	10,602	25,385
Benefit payments, including refunds of employee contributions	(13,021)	(11,805)	(8,577)
Administrative expenses	(1,110)	(942)	(886)
Net change in fiduciary net position	28,837	20,092	35,541
Fiduciary net position, beginning	312,671	292,579	257,038
Fiduciary net position, ending (b)	<u>\$ 341,508</u>	<u>\$ 312,671</u>	<u>\$ 292,579</u>
Net pension liability, ending = (a) - (b)	<u>\$ 23,946</u>	<u>\$ 11,722</u>	<u>\$ 5,257</u>
Fiduciary net position as a percentage of total pension liability	93.45%	96.39%	98.23%
Covered payroll	\$ 291,597	\$ 276,493	\$ 256,366
Net pension liability as a percentage of covered payroll	8.21%	4.24%	2.05%

**Notes to schedule:**

Changes of assumptions:

- 1) Mortality updated to Pri-2012 projected from 2012 base year using MP-2020
- 2) Assumed annual investment rate of return and discount rate reduced from 7.00% to 6.75%

Changes in benefit terms:

- 1) Updated benefit factor for one senior executive to match the rate for similarly situated senior executives

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, TCHD will present information for those years for which information is available.

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$	12,604	\$ 12,028	\$ 12,181	\$ 11,556
	17,416	15,931	14,805	12,953
	-	-	-	-
	(1,084)	(2,153)	(4,900)	6,650
	5,794	1,523	1,720	(717)
	(6,590)	(7,210)	(6,069)	(7,021)
	(515)	(496)	-	-
	<u>27,625</u>	<u>19,623</u>	<u>17,737</u>	<u>23,421</u>
	231,364	211,741	194,004	170,583
\$	<u>258,989</u>	<u>\$ 231,364</u>	<u>\$ 211,741</u>	<u>\$ 194,004</u>
\$	14,443	\$ 13,579	\$ 12,313	\$ 11,625
	1,933	1,805	1,641	1,575
	29,994	20,967	(2,629)	20,134
	(6,590)	(7,210)	(6,069)	(7,021)
	(515)	(496)	(587)	(407)
	<u>39,265</u>	<u>28,645</u>	<u>4,669</u>	<u>25,906</u>
	217,773	189,128	184,459	158,553
\$	<u>257,038</u>	<u>\$ 217,773</u>	<u>\$ 189,128</u>	<u>\$ 184,459</u>
\$	<u>1,951</u>	<u>\$ 13,591</u>	<u>\$ 22,613</u>	<u>\$ 9,545</u>
	99.25%	94.13%	89.32%	95.08%
\$	213,963	\$ 201,170	\$ 182,418	\$ 178,847
	0.91%	6.76%	12.40%	5.34%



# 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, 2021 (Amounts in thousands)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 1,179	\$ 23,978	\$ 331	\$ 52,976	\$ 1,580
Other receivables, net of allowance for uncollectibles	-	-	-	892	-
Supplies and prepaid items	-	95	-	16	-
<b>TOTAL ASSETS</b>	<b>\$ 1,179</b>	<b>\$ 24,073</b>	<b>\$ 331</b>	<b>\$ 53,884</b>	<b>\$ 1,580</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 37	\$ 49	\$ 11	\$ 197	\$ 13
Other liabilities	17	105	-	535	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>54</b>	<b>154</b>	<b>11</b>	<b>732</b>	<b>13</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-other receivables	-	-	-	859	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>859</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	95	-	16	-
Restricted:					
Law library	958	-	-	-	-
Records management	-	22,655	-	-	-
Education	-	-	320	-	-
Public health	-	-	-	12,821	-
Law enforcement and prosecution	-	-	-	-	1,479
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
VIT administration	-	-	-	-	-
Committed:					
Law library	167	-	-	-	-
Records management	-	1,169	-	-	-
Public health	-	-	-	39,456	-
Law enforcement and prosecution	-	-	-	-	88
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
Assigned:					
Economic development	-	-	-	-	-
<b>Total fund balances</b>	<b>1,125</b>	<b>23,919</b>	<b>320</b>	<b>52,293</b>	<b>1,567</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,179</b>	<b>\$ 24,073</b>	<b>\$ 331</b>	<b>\$ 53,884</b>	<b>\$ 1,580</b>

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ 5,373	\$ 19,029	\$ 2,985	\$ 1,784	\$ 422	\$ 4,075	\$ 45	\$ 113,757
281	3,331	142	-	-	-	-	4,646
124	-	-	-	-	-	-	235
<u>\$ 5,778</u>	<u>\$ 22,360</u>	<u>\$ 3,127</u>	<u>\$ 1,784</u>	<u>\$ 422</u>	<u>\$ 4,075</u>	<u>\$ 45</u>	<u>\$ 118,638</u>
\$ 114	\$ 102	\$ 38	\$ -	\$ 2	\$ -	\$ -	\$ 563
79	230	20	3	43	-	-	1,032
-	1,632	-	-	-	-	-	1,632
-	-	-	-	-	-	-	-
<u>193</u>	<u>1,964</u>	<u>58</u>	<u>3</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>3,227</u>
-	-	-	-	-	-	-	859
-	-	-	-	-	-	-	859
124	-	-	-	-	-	-	235
-	-	-	-	-	-	-	958
-	-	-	-	-	-	-	22,655
-	-	-	-	-	-	-	320
-	31	-	-	300	-	-	13,152
5,020	478	-	-	-	-	-	6,977
-	5,460	-	-	-	-	-	5,460
-	273	2,786	-	-	-	-	3,059
-	-	-	1,781	-	-	-	1,781
-	-	-	-	-	-	-	167
-	-	-	-	-	-	-	1,169
-	13,329	-	-	77	-	-	52,862
441	89	-	-	-	-	-	618
-	634	-	-	-	-	-	634
-	102	283	-	-	-	-	385
-	-	-	-	-	4,075	45	4,120
<u>5,585</u>	<u>20,396</u>	<u>3,069</u>	<u>1,781</u>	<u>377</u>	<u>4,075</u>	<u>45</u>	<u>114,552</u>
<u>\$ 5,778</u>	<u>\$ 22,360</u>	<u>\$ 3,127</u>	<u>\$ 1,784</u>	<u>\$ 422</u>	<u>\$ 4,075</u>	<u>\$ 45</u>	<u>\$ 118,638</u>

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

For the year ended September 30, 2021 (Amounts in thousands)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fees of office	1,262	6,681	30	5,828	-
Intergovernmental	-	-	78	28,936	-
Investment income	2	32	-	58	3
Other revenues	11	12	-	99	382
Total revenues	1,275	6,725	108	34,921	385
<b>EXPENDITURES:</b>					
Current:					
General government	-	2,636	-	113	203
Public safety	-	-	58	-	-
Judicial	162	806	17	-	365
Community services	1,123	-	-	22,364	-
Capital outlay	29	1,449	-	99	116
Total expenditures	1,314	4,891	75	22,576	684
Excess (deficiency) of revenues over (under) expenditures	(39)	1,834	33	12,345	(299)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Change in fund balance	(39)	1,834	33	12,345	(299)
FUND BALANCES, beginning of year	1,164	22,085	287	39,948	1,866
FUND BALANCES, end of year	\$ 1,125	\$ 23,919	\$ 320	\$ 52,293	\$ 1,567

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ -	\$ -	\$ -	\$ 122	\$ -	\$ -	\$ -	\$ 122
-	9	-	-	-	-	-	9
-	11,294	1,755	47	1,048	-	-	27,945
-	2,987	223	-	-	-	-	32,224
7	24	4	3	1	28	-	162
3,668	1,788	-	-	-	282	-	6,242
3,675	16,102	1,982	172	1,049	310	-	66,704
-	1,690	345	81	-	-	-	5,068
3,346	3,918	-	-	-	-	-	7,322
-	1,088	572	-	-	-	-	3,010
-	8,884	-	-	1,060	195	-	33,626
370	184	80	34	-	-	-	2,361
3,716	15,764	997	115	1,060	195	-	51,387
(41)	338	985	57	(11)	115	-	15,317
250	2,444	-	-	-	-	-	2,694
-	(37)	(699)	-	-	-	-	(736)
250	2,407	(699)	-	-	-	-	1,958
209	2,745	286	57	(11)	115	-	17,275
5,376	17,651	2,783	1,724	388	3,960	45	97,277
\$ 5,585	\$ 20,396	\$ 3,069	\$ 1,781	\$ 377	\$ 4,075	\$ 45	\$ 114,552



# 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, 2021 (Amounts in thousands)

	Debt Service Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 34,264	\$ 34,264	\$ 34,970	\$ 706
Investment income	18	18	21	3
Total Revenues	<u>\$ 34,282</u>	<u>\$ 34,282</u>	<u>\$ 34,991</u>	<u>\$ 709</u>
EXPENDITURES:				
Debt service	\$ 35,219	\$ 35,219	\$ 34,217	\$ 1,002
Total Expenditures	<u>\$ 35,219</u>	<u>\$ 35,219</u>	<u>\$ 34,217</u>	<u>\$ 1,002</u>

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

For the year ended September 30, 2021 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Investment income	\$ 81	\$ 81	\$ 202	\$ 121
Other revenues	-	-	1,071	1,071
Transfers	28,806	28,806	28,881	75
<b>Total Revenues</b>	<b>\$ 28,887</b>	<b>\$ 28,887</b>	<b>\$ 30,154</b>	<b>\$ 1,267</b>
<b>EXPENDITURES:</b>				
County Judge	\$ 4	\$ 4	\$ 1	\$ 3
County Administrator	9	9	8	1
Non-Departmental	9,889	5,721	6	5,715
Auditor	14	14	2	12
Tax Assessor / Collector	144	144	25	119
Elections Administration	-	5	5	-
Information Technology	15,070	17,059	8,284	8,775
Human Resources	3	5	4	1
Facilities	862	812	249	563
Sheriff	200	201	164	37
Sheriff - Confinement	55	81	76	5
Constable Precinct 1	2	2	2	-
Constable Precinct 5	3	5	5	-
Constable Precinct 7	-	1	1	-
Constable Precinct 8	4	4	1	3
Medical Examiner	118	115	86	29
Fire Marshal	6	7	6	1
Community Supervision	24	24	20	4
Juvenile Services	28	28	27	1
Buildings	56,313	58,500	12,922	45,578
352ND District Court	2	2	1	1
Criminal District Court 3	2	2	-	2
Criminal District Court 4	2	2	-	2
213TH District Court	2	2	-	2
371ST District Court	-	1	1	-
372ND District Court	4	4	-	4
432nd District Court	2	2	-	2
325TH District Court	5	5	5	-
Criminal Court Administration	22	26	12	14
County Court at Law #1	1	1	1	-
County Court at Law #3	1	1	1	-
County Criminal Court 1	1	1	-	1
County Criminal Court 2	2	2	1	1
County Criminal Court 5	1	1	1	-
County Criminal Court 8	2	2	1	1
Probate Court 2	2	2	1	1
Justice of the Peace Pct. 1	7	7	7	-
Justice of the Peace Pct. 2	2	2	2	-
Justice of the Peace Pct. 4	-	2	2	-
Justice of the Peace Pct. 5	-	1	1	-
Justice of the Peace Pct. 8	-	4	4	-

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

For the year ended September 30, 2021 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Criminal District Attorney	\$ 13	\$ 13	\$ 9	\$ 4
District Clerk	66	66	61	5
County Clerk	11	11	9	2
Domestic Relations	5	5	4	1
Jury Services	3	3	3	-
Courts / Judiciary	45	40	-	40
Human Services	1	1	-	1
TX Cooperative Extension	4	4	4	-
Commissioner Precinct 1	918	918	374	544
Commissioner Precinct 2	923	923	464	459
Commissioner Precinct 3	344	344	78	266
Commissioner Precinct 4	1,112	1,112	782	330
Right of Way	2,345	2,345	2,345	-
Transportation	23,743	23,743	5,284	18,459
	<u>23,743</u>	<u>23,743</u>	<u>5,284</u>	<u>18,459</u>
Total Expenditures	<u>\$ 112,341</u>	<u>\$ 112,341</u>	<u>\$ 31,352</u>	<u>\$ 80,989</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**  
For the year ended September 30, 2021 (Amounts in thousands)

	Law Library			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,164	\$ 1,164	\$ 1,262	\$ 98
Investment income	2	2	2	-
Other revenues	10	10	11	1
Total Revenues	<u>\$ 1,176</u>	<u>\$ 1,176</u>	<u>\$ 1,275</u>	<u>\$ 99</u>
EXPENDITURES:				
Law Library	\$ 1,868	\$ 1,868	\$ 1,203	\$ 665
Judicial Law Library	175	175	166	9
Total Expenditures	<u>\$ 2,043</u>	<u>\$ 2,043</u>	<u>\$ 1,369</u>	<u>\$ 674</u>

	Records Preservation and Automation			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 5,012	\$ 5,012	\$ 6,680	\$ 1,668
Investment income	23	23	32	9
Other revenues	-	-	12	12
Total Revenues	<u>\$ 5,035</u>	<u>\$ 5,035</u>	<u>\$ 6,724</u>	<u>\$ 1,689</u>
EXPENDITURES:				
Information Technology	\$ 2,050	\$ 2,050	\$ 594	\$ 1,456
District Clerk	1,194	1,194	803	391
County Clerk	21,788	21,788	2,197	19,591
Total Expenditures	<u>\$ 25,032</u>	<u>\$ 25,032</u>	<u>\$ 3,594</u>	<u>\$ 21,438</u>

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

For the year ended September 30, 2021 (Amounts in thousands)

	Education			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 25	\$ 25	\$ 30	\$ 5
Intergovernmental	-	78	78	-
Total Revenues	<u>\$ 25</u>	<u>\$ 103</u>	<u>\$ 108</u>	<u>\$ 5</u>
EXPENDITURES:				
Sheriff	\$ 117	\$ 163	\$ 33	\$ 130
Sheriff-Confinement	41	61	24	37
Constable Precinct 1	2	3	3	-
Constable Precinct 2	7	8	1	7
Constable Precinct 3	1	2	-	2
Constable Precinct 4	10	11	-	11
Constable Precinct 5	7	8	-	8
Constable Precinct 6	9	10	-	10
Constable Precinct 7	8	9	-	9
Constable Precinct 8	2	3	1	2
Fire Marshal	1	1	1	-
Probate Court 1	56	54	3	51
Probate Court 2	50	47	1	46
Criminal District Attorney	-	3	3	-
Courts / Judiciary	-	5	5	-
Total Expenditures	<u>\$ 311</u>	<u>\$ 388</u>	<u>\$ 75</u>	<u>\$ 313</u>
	Public Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 784	\$ 784	\$ 5,828	\$ 5,044
Intergovernmental	25,217	25,217	28,936	3,719
Investment income	28	28	58	30
Other revenues	-	-	69	69
Transfer	549	549	549	-
Total Revenues	<u>\$ 26,578</u>	<u>\$ 26,578</u>	<u>\$ 35,440</u>	<u>\$ 8,862</u>
EXPENDITURES:				
Non-Departmental	\$ 32,790	\$ 32,747	\$ 549	\$ 32,198
Buildings	297	295	244	51
Public Health	25,183	31,433	22,425	9,008
Total Expenditures	<u>\$ 58,270</u>	<u>\$ 64,475</u>	<u>\$ 23,218</u>	<u>\$ 41,257</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**  
For the year ended September 30, 2021 (Amounts in thousands)

	District Attorney			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ -	\$ -	\$ 1	\$ 1
Investment income	2	2	3	1
Other revenues	-	-	384	384
<b>Total Revenues</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 388</b>	<b>\$ 386</b>
EXPENDITURES:				
Facilities	\$ -	\$ 297	\$ 297	\$ -
District Attorney	1,854	1,557	508	1,049
<b>Total Expenditures</b>	<b>\$ 1,854</b>	<b>\$ 1,854</b>	<b>\$ 805</b>	<b>\$ 1,049</b>

	Sheriff Contracts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Investment income	\$ 5	\$ 5	\$ 7	\$ 2
Other revenues	1,620	1,620	3,668	2,048
Transfer	250	250	250	-
<b>Total Revenues</b>	<b>\$ 1,875</b>	<b>\$ 1,875</b>	<b>\$ 3,925</b>	<b>\$ 2,050</b>
EXPENDITURES:				
Sheriff	\$ 1,130	\$ 1,130	\$ 613	\$ 517
Sheriff - Confinement	5,518	5,518	3,005	2,513
<b>Total Expenditures</b>	<b>\$ 6,648</b>	<b>\$ 6,648</b>	<b>\$ 3,618</b>	<b>\$ 3,030</b>

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

For the year ended September 30, 2021 (Amounts in thousands)

	Miscellaneous Contracts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Licenses and permits	\$ 9	\$ 9	\$ 10	\$ 1
Fees of office	9,212	9,263	11,293	2,030
Intergovernmental	806	2,652	2,987	335
Investment income	16	16	24	8
Other revenues	995	1,362	1,793	431
Transfer	3,200	3,200	2,444	(756)
<b>Total Revenues</b>	<b>\$ 14,238</b>	<b>\$ 16,502</b>	<b>\$ 18,551</b>	<b>\$ 2,049</b>
<b>EXPENDITURES:</b>				
County Administrator	\$ 7	\$ 9	\$ 2	\$ 7
Non-Departmental	2,543	2,543	9	2,534
Elections Administration	295	2,141	1,694	447
Self Insurance	1,864	1,864	161	1,703
Sheriff	2	2	-	2
Constable Precinct 7	19	19	9	10
Medical Examiner	30	30	-	30
Fire Marshal	386	386	97	289
Community Supervision	4,085	4,243	3,850	393
Juvenile Services	347	347	20	327
Buildings	77	176	115	61
Criminal Court Administration	237	237	196	41
Veterans Diversion Court	41	41	41	-
Criminal District Attorney	690	741	687	54
Domestic Relations	3	3	1	2
8th Admin Judicial Region	128	128	119	9
Public Health	15,687	15,687	9,113	6,574
Human Services	51	159	89	70
Child Protective Services	108	108	58	50
Public Assistance	20	20	8	12
Historical Commission	62	62	-	62
<b>Total Expenditures</b>	<b>\$ 26,682</b>	<b>\$ 28,946</b>	<b>\$ 16,269</b>	<b>\$ 12,677</b>

## SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS For the year ended September 30, 2021 (Amounts in thousands)

	Court Designated			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Fees of office	\$ 1,411	\$ 1,624	\$ 1,755	\$ 131
Intergovernmental	80	80	222	142
Investment income	2	2	4	2
<b>Total Revenues</b>	<b>\$ 1,493</b>	<b>\$ 1,706</b>	<b>\$ 1,981</b>	<b>\$ 275</b>
<b>EXPENDITURES:</b>				
County Administrator	\$ 1,429	\$ 1,429	\$ 250	\$ 1,179
Non Departmental	728	941	809	132
Information Technology	445	445	104	341
Juvenile Services	3	3	-	3
233rd District Court	423	423	261	162
Appeals Court	179	179	172	7
Criminal Court Administration	15	15	-	15
Criminal Mental Health Court	91	91	19	72
Probate Court 1	358	358	56	302
Probate Court 2	247	247	64	183
Public Health	83	83	-	83
<b>Total Expenditures</b>	<b>\$ 4,001</b>	<b>\$ 4,214</b>	<b>\$ 1,735</b>	<b>\$ 2,479</b>
<b>Vehicle Inventory Tax</b>				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 96	\$ 96	\$ 122	\$ 26
Fees of office	70	70	47	(23)
Investment income	2	2	3	1
<b>Total Revenues</b>	<b>\$ 168</b>	<b>\$ 168</b>	<b>\$ 172</b>	<b>\$ 4</b>
<b>EXPENDITURES:</b>				
Tax Assessor/Collector	\$ 1,891	\$ 1,891	\$ 115	\$ 1,776
<b>Total Expenditures</b>	<b>\$ 1,891</b>	<b>\$ 1,891</b>	<b>\$ 115</b>	<b>\$ 1,776</b>

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

For the year ended September 30, 2021 (Amounts in thousands)

	Consumer Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,075	\$ 1,075	\$ 1,048	\$ (27)
Investment income	-	-	1	1
Total Revenues	<u>\$ 1,075</u>	<u>\$ 1,075</u>	<u>\$ 1,049</u>	<u>\$ (26)</u>
EXPENDITURES:				
Public Health	\$ 1,324	\$ 1,324	\$ 1,060	\$ 264
Total Expenditures	<u>\$ 1,324</u>	<u>\$ 1,324</u>	<u>\$ 1,060</u>	<u>\$ 264</u>



# INTERNAL SERVICE FUNDS

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



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**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, 2021 (Amounts in thousands)

<u>ASSETS</u>	Employee Benefits	Self Insurance	Workers Compensation	Total
Current assets:				
Cash and cash equivalents	\$ 40,312	\$ 2,455	\$ 26	\$ 42,793
Other receivables, net of allowance for uncollectibles	3,902	3	-	3,905
Prepaid expenses and inventory	246	-	140	386
Total current assets	<u>44,460</u>	<u>2,458</u>	<u>166</u>	<u>47,084</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	455	64	133	652
Other liabilities	5,268	-	-	5,268
Unearned revenue	107	-	-	107
Other long term liabilities-current portion	-	451	3,204	3,655
Total current liabilities	<u>5,830</u>	<u>515</u>	<u>3,337</u>	<u>9,682</u>
Noncurrent liabilities:				
Other noncurrent liabilities	-	205	9,192	9,397
Total noncurrent liabilities	<u>-</u>	<u>205</u>	<u>9,192</u>	<u>9,397</u>
Total liabilities	<u>5,830</u>	<u>720</u>	<u>12,529</u>	<u>19,079</u>
<u>NET POSITION</u>				
Unrestricted	<u>38,630</u>	<u>1,738</u>	<u>(12,363)</u>	<u>28,005</u>
Total net position	<u>\$ 38,630</u>	<u>\$ 1,738</u>	<u>\$ (12,363)</u>	<u>\$ 28,005</u>

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

For the year ended September 30, 2021 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
<b>OPERATING REVENUES</b>				
Charges for services - external	\$ 19,014	\$ -	\$ -	\$ 19,014
Charges for services - internal	50,224	-	2,488	52,712
Other revenues	8,959	995	63	10,017
Total operating revenues	78,197	995	2,551	81,743
<b>OPERATING EXPENSES</b>				
Building and equipment	5	589	-	594
Self insurance claims	63,971	163	3,669	67,803
Insurance premiums	2,354	-	-	2,354
Other expenses	4,476	85	5,391	9,952
Total operating expenses	70,806	837	9,060	80,703
Operating income (loss)	7,391	158	(6,509)	1,040
<b>NONOPERATING REVENUES</b>				
Investment income	50	4	1	55
Total nonoperating revenues	50	4	1	55
Income (loss) before transfers	7,441	162	(6,508)	1,095
Transfers in	-	375	-	375
Change in net position	7,441	537	(6,508)	1,470
Net position - beginning	31,189	1,201	(5,855)	26,535
Net position (deficit) - ending	\$ 38,630	\$ 1,738	\$ (12,363)	\$ 28,005

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the year ended September 30, 2021 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and employees	\$ 27,641	\$ 1,013	\$ 63	\$ 28,717
Receipts from interfund charges	50,224	-	2,488	52,712
Payments for claims and judgments	(69,088)	(1,710)	(4,245)	(75,043)
Net cash provided by (used in) operating activities	8,777	(697)	(1,694)	6,386
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income, net	50	4	1	55
Net cash provided by investing activities	50	4	1	55
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	375	-	375
Net cash provided by noncapital financing activities	-	375	-	375
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,827</b>	<b>(318)</b>	<b>(1,693)</b>	<b>6,816</b>
CASH AND CASH EQUIVALENTS, beginning of year	31,485	2,773	1,719	35,977
CASH AND CASH EQUIVALENTS, end of year	\$ 40,312	\$ 2,455	\$ 26	\$ 42,793
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Income (loss) from operations	\$ 7,391	\$ 158	\$ (6,509)	\$ 1,040
Changes in assets and liabilities:				
Other receivables	(337)	18	-	(319)
Prepaid expenses and inventory	-	-	(140)	(140)
Accounts payable	(67)	39	83	55
Other liabilities	1,785	(912)	4,872	5,745
Unearned revenue	5	-	-	5
Net cash provided by (used in) operating activities	\$ 8,777	\$ (697)	\$ (1,694)	\$ 6,386

# 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, 2021 (Amounts in thousands)

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
<b>ASSETS</b>				
Cash, cash equivalents, and investments	\$ 22,407	\$ 83,012	\$ 10,858	\$ 116,277
Other receivables	-	2	-	2
Total assets	<u>22,407</u>	<u>83,014</u>	<u>10,858</u>	<u>116,279</u>
<b>LIABILITIES</b>				
Accounts payable	-	4	520	524
Held for others	-	5,890	214	6,104
Due to other government agencies	<u>22,407</u>	<u>20,203</u>	<u>10,124</u>	<u>52,734</u>
Total liabilities	<u>22,407</u>	<u>26,097</u>	<u>10,858</u>	<u>59,362</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	-	56,917	-	56,917
Total net position	<u>\$ -</u>	<u>\$ 56,917</u>	<u>\$ -</u>	<u>\$ 56,917</u>

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended September 30, 2021 (Amounts in thousands)

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
<b>ADDITIONS</b>				
Property tax collections for other governments	\$ -	\$ 4,476,964	\$ -	\$ 4,476,964
Vehicle registration fees collected for state	693,478	-	-	693,478
Judicial/statutory ordered collections due to others	9,044	31,436	1,437	41,917
Collateral/escrow deposits from bondsmen	-	874	-	874
Inmate commissary deposits	-	11,546	-	11,546
Seizures by law enforcement agencies	-	2,120	-	2,120
State grant/program revenue	-	-	23,561	23,561
Interest earnings	-	249	14	263
<b>Total additions</b>	<b>702,522</b>	<b>4,523,189</b>	<b>25,012</b>	<b>5,250,723</b>
<b>DEDUCTIONS</b>				
Property taxes due to other governments	-	4,476,964	-	4,476,964
Vehicle registration due to state	693,478	-	-	693,478
Payments due under judicial order/statute	9,044	24,932	1,437	35,413
Release of collateral/escrow held for bondsmen	-	751	-	751
Inmate commissary funds	-	11,546	-	11,546
State grant/program revenue	-	-	23,575	23,575
<b>Total deductions</b>	<b>702,522</b>	<b>4,514,193</b>	<b>25,012</b>	<b>5,241,727</b>
Net increase (decrease) in fiduciary net position	-	8,996	-	8,996
Net position-beginning of year, as previously reported	-	-	-	-
Restatement adjustment (Note 19)	-	47,921	-	47,921
Net position-beginning, as restated	-	47,921	-	47,921
Net position - ending	\$ -	\$ 56,917	\$ -	\$ 56,917



# STATISTICAL SECTION

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





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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.

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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.	
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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.	
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These schedules offer demographic and economic indicators to aid in understanding the environment within which the County’s financial activities take place.	
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## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	FISCAL YEAR				
	2012	2013	2014	2015 <sup>(1)</sup>	2016
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 213,102	\$ 187,832	\$ 214,058	\$ 205,217	\$ 242,704
Restricted	17,780	20,967	23,439	35,733	27,460
Unrestricted	19,401	11,749	12,510	(211,929)	(251,868)
Total governmental activities net position (deficit)	<u>\$ 250,283</u>	<u>\$ 220,548</u>	<u>\$ 250,007</u>	<u>\$ 29,021</u>	<u>\$ 18,296</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 5,256	\$ 4,922	\$ 4,567	\$ 4,302	\$ 4,480
Unrestricted	1,043	1,519	1,638	843	890
Total business-type activities net position	<u>\$ 6,299</u>	<u>\$ 6,441</u>	<u>\$ 6,205</u>	<u>\$ 5,145</u>	<u>\$ 5,370</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 218,358	\$ 192,754	\$ 218,625	\$ 209,519	\$ 247,184
Restricted	17,780	20,967	23,439	35,733	27,460
Unrestricted	20,444	13,268	14,148	(211,086)	(250,978)
Total primary government net position (deficit)	<u>\$ 256,582</u>	<u>\$ 226,989</u>	<u>\$ 256,212</u>	<u>\$ 34,166</u>	<u>\$ 23,666</u>

- (1) The County implemented GASB 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.
- (2) 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.

TABLE I

2017	2018 <sup>(2)</sup>	2019	2020	2021
\$ 263,098	\$ 351,713	\$ 365,058	\$ 374,709	\$ 378,073
56,753	31,287	34,488	45,417	52,361
(312,227)	(413,157)	(352,536)	(274,152)	(175,105)
<u>\$ 7,624</u>	<u>\$ (30,157)</u>	<u>\$ 47,010</u>	<u>\$ 145,974</u>	<u>\$ 255,329</u>
\$ 4,301	\$ 4,095	\$ 4,154	\$ 3,888	\$ 3,936
1,057	823	789	1,167	1,953
<u>\$ 5,358</u>	<u>\$ 4,918</u>	<u>\$ 4,943</u>	<u>\$ 5,055</u>	<u>\$ 5,889</u>
\$ 267,399	\$ 355,808	\$ 369,212	\$ 378,597	\$ 382,009
56,753	31,287	34,488	45,417	52,361
(311,170)	(412,334)	(351,747)	(272,985)	(173,152)
<u>\$ 12,982</u>	<u>\$ (25,239)</u>	<u>\$ 51,953</u>	<u>\$ 151,029</u>	<u>\$ 261,218</u>

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Accrual basis of accounting - Unaudited)  
(Amounts in thousands)

Expenses	FISCAL YEAR				
	2012	2013	2014	2015	2016
<b>Governmental activities:</b>					
General government	\$ 127,322	\$ 130,932	\$ 127,883	\$ 143,920	\$ 145,969
Public safety	129,313	133,199	127,787	132,926	145,216
Transportation support	48,559	40,820	32,234	38,500	37,363
Judicial	157,358	160,619	157,483	162,219	174,043
Community services	79,934	82,852	78,405	82,042	92,572
Interest and fiscal charges	15,112	14,140	14,124	16,066	13,275
<b>Total governmental activities expenses</b>	<b>557,598</b>	<b>562,562</b>	<b>537,916</b>	<b>575,673</b>	<b>608,438</b>
<b>Business-type activities:</b>					
Resource Connection	3,351	3,158	3,699	3,735	3,453
<b>Total primary government expenses</b>	<b>560,949</b>	<b>565,720</b>	<b>541,615</b>	<b>579,408</b>	<b>611,891</b>
<b>Program Revenues <sup>(1)</sup></b>					
<b>Governmental activities:</b>					
Fees, Fines, and Charges for Services	96,785	118,963	119,321	126,633	131,550
Operating Grants and Contributions	72,934	76,631	80,696	88,776	85,747
Capital Grants and Contributions	3,505	1,144	347	1,728	1,318
<b>Total governmental activities program revenues</b>	<b>173,224</b>	<b>196,738</b>	<b>200,364</b>	<b>217,137</b>	<b>218,615</b>
<b>Business-type activities:</b>					
Resource Connection	2,626	2,962	3,138	3,092	3,292
<b>Total primary government program revenues</b>	<b>175,850</b>	<b>199,700</b>	<b>203,502</b>	<b>220,229</b>	<b>221,907</b>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	(384,374)	(365,824)	(337,552)	(358,536)	(389,823)
Business-type activities	(725)	(196)	(561)	(643)	(161)
<b>Total primary government net expenses</b>	<b>\$ (385,099)</b>	<b>\$ (366,020)</b>	<b>\$ (338,113)</b>	<b>\$ (359,179)</b>	<b>\$ (389,984)</b>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Property taxes	\$ 317,016	\$ 325,106	\$ 335,242	\$ 350,708	\$ 363,964
Alcoholic beverage and bingo taxes	6,392	6,694	9,110	11,136	10,953
Unrestricted investment earnings	825	816	1,151	1,134	2,188
Other general revenue	3,644	3,473	5,205	4,322	1,993
Transfers	-	-	-	-	-
<b>Total governmental activities</b>	<b>327,877</b>	<b>336,089</b>	<b>350,708</b>	<b>367,300</b>	<b>379,098</b>
<b>Business-type activities:</b>					
Unrestricted investment earnings	4	4	5	5	9
Other general revenue	387	334	320	195	377
Transfers	-	-	-	-	-
<b>Total business-type activities</b>	<b>391</b>	<b>338</b>	<b>325</b>	<b>200</b>	<b>386</b>
<b>Total primary government</b>	<b>328,268</b>	<b>336,427</b>	<b>351,033</b>	<b>367,500</b>	<b>379,484</b>
<b>Changes in Net Position</b>					
Governmental activities	(56,497)	(29,735)	13,156	8,764	(10,725)
Business-type activities	(334)	142	(236)	(443)	225
<b>Total primary government</b>	<b>\$ (56,831)</b>	<b>\$ (29,593)</b>	<b>\$ 12,920</b>	<b>\$ 8,321</b>	<b>\$ (10,500)</b>

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

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

TABLE II

	2017	2018	2019	2020	2021
\$	157,056	\$ 151,006	\$ 153,715	\$ 164,474	\$ 159,604
	159,812	155,980	145,317	165,779	177,771
	36,952	49,564	28,634	29,234	46,368
	182,028	182,031	172,703	186,468	187,223
	99,256	93,103	96,341	161,201 <sup>(2)</sup>	208,224
	10,435	8,701	7,933	7,060	6,503
	<u>645,539</u>	<u>640,385</u>	<u>604,643</u>	<u>714,216</u>	<u>785,693</u>
	3,496	3,210	3,435	3,165	3,035
	<u>649,035</u>	<u>643,595</u>	<u>608,078</u>	<u>717,381</u>	<u>788,728</u>
	131,310	132,839	143,884	142,468	154,178
	99,132	87,599	90,900	188,415 <sup>(2)</sup>	236,748
	3,579	642	4,833	711	2,223
	<u>234,021</u>	<u>221,080</u>	<u>239,617</u>	<u>331,594</u>	<u>393,149</u>
	3,284	3,284	3,272	3,174	3,408
	<u>237,305</u>	<u>224,364</u>	<u>242,889</u>	<u>334,768</u>	<u>396,557</u>
	(411,518)	(419,305)	(365,026)	(382,622)	(392,544)
	(212)	74	(163)	9	373
\$	<u>(411,730)</u>	<u>(419,231)</u>	<u>(365,189)</u>	<u>(382,613)</u>	<u>(392,171)</u>
\$	384,555	\$ 403,618	\$ 417,540	\$ 465,946	\$ 486,726
	10,943	11,321	12,188	10,772	12,695
	3,815	6,888	10,453	4,258	975
	1,533	1,037	2,012	610	1,853
	-	-	-	-	(350)
	<u>400,846</u>	<u>422,864</u>	<u>442,193</u>	<u>481,586</u>	<u>501,899</u>
	20	44	72	28	5
	180	140	116	75	106
	-	-	-	-	350
	<u>200</u>	<u>184</u>	<u>188</u>	<u>103</u>	<u>461</u>
	<u>401,046</u>	<u>423,048</u>	<u>442,381</u>	<u>481,689</u>	<u>502,360</u>
	(10,672)	3,559	77,167	98,964	109,355
	(12)	258	25	112	834
\$	<u>(10,684)</u>	<u>3,817</u>	<u>77,192</u>	<u>99,076</u>	<u>110,189</u>

## PROGRAM REVENUE BY FUNCTION/PROGRAM LAST TEN YEARS

(Accrual basis of accounting - Unaudited)  
(Amounts in thousands)

Function/Program	FISCAL YEAR				
	2012	2013	2014	2015	2016
<b>Fees, Fines, and Charges for Services</b>					
<b>Governmental:</b>					
General government	\$ 39,776	\$ 44,789	\$ 47,345	\$ 51,688	\$ 52,059
Public safety	5,884	6,383	6,621	6,915	7,468
Transportation support	19,633	19,419	18,851	17,449	18,484
Judicial	14,954	30,646	29,311	28,103	29,827
Community services	16,538	17,726	17,193	22,478	23,712
Total Governmental	<u>96,785</u>	<u>118,963</u>	<u>119,321</u>	<u>126,633</u>	<u>131,550</u>
<b>Business-type:</b>	2,626	2,962	3,138	3,092	3,253
Total Fees, Fines and Charges for Service	<u>\$ 99,411</u>	<u>\$ 121,925</u>	<u>\$ 122,459</u>	<u>\$ 129,725</u>	<u>\$ 134,803</u>
<b>Operating Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 2,499	\$ 1,962	\$ 2,263	\$ 8,873	\$ 677
Public safety	3,818	3,896	3,892	3,902	3,961
Transportation support	33	153	217	137	31
Judicial	11,186	11,390	12,614	11,626	11,776
Community services	55,398	59,230	61,710	64,238	69,302
Total Governmental	<u>72,934</u>	<u>76,631</u>	<u>80,696</u>	<u>88,776</u>	<u>85,747</u>
Total Operating Grants and Contributions	<u>\$ 72,934</u>	<u>\$ 76,631</u>	<u>\$ 80,696</u>	<u>\$ 88,776</u>	<u>\$ 85,747</u>
<b>Capital Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 1,080	\$ 1,083	\$ -	\$ -	\$ 377
Public safety	156	33	325	229	482
Transportation support	2,166	28	-	1,392	256
Judicial	-	-	22	107	-
Community services	103	-	-	-	203
Total Governmental	<u>3,505</u>	<u>1,144</u>	<u>347</u>	<u>1,728</u>	<u>1,318</u>
<b>Business-type:</b>	-	-	-	-	39
Total Capital Grants and Contributions	<u>\$ 3,505</u>	<u>\$ 1,144</u>	<u>\$ 347</u>	<u>\$ 1,728</u>	<u>\$ 1,357</u>
<b>Total Program Revenues</b>					
<b>Governmental:</b>					
General government	\$ 43,355	\$ 47,834	\$ 49,608	\$ 60,561	\$ 53,113
Public safety	9,858	10,312	10,838	11,046	11,911
Transportation support	21,832	19,600	19,068	18,978	18,771
Judicial	26,140	42,036	41,947	39,836	41,603
Community services	72,039	76,956	78,903	86,716	93,217
Total Governmental	<u>173,224</u>	<u>196,738</u>	<u>200,364</u>	<u>217,137</u>	<u>218,615</u>
<b>Business-type:</b>	2,626	2,962	3,138	3,092	3,292
Total Program Revenues	<u>\$ 175,850</u>	<u>\$ 199,700</u>	<u>\$ 203,502</u>	<u>\$ 220,229</u>	<u>\$ 221,907</u>

TABLE III

	2017	2018	2019	2020	2021
\$	53,037	\$ 54,323	\$ 57,787	\$ 59,041	\$ 62,283
	10,521	10,995	12,169	14,219	16,351
	18,021	18,830	19,236	18,242	19,610
	28,937	29,143	29,455	25,048	23,572
	20,794	19,548	25,237	25,918	32,362
	<u>131,310</u>	<u>132,839</u>	<u>143,884</u>	<u>142,468</u>	<u>154,178</u>
	3,284	3,284	3,272	3,174	3,408
\$	<u>134,594</u>	<u>136,123</u>	<u>147,156</u>	<u>145,642</u>	<u>157,586</u>
\$	6,969	\$ 1,134	\$ 1,410	\$ 11,212	\$ 8,200
	3,965	4,659	5,992	17,895	39,549
	85	31	38	39	33
	12,469	11,370	11,690	12,823	11,063
	<u>75,644</u>	<u>70,405</u>	<u>71,770</u>	<u>146,446</u>	<u>177,903</u>
	<u>99,132</u>	<u>87,599</u>	<u>90,900</u>	<u>188,415</u>	<u>236,748</u>
\$	<u>99,132</u>	<u>87,599</u>	<u>90,900</u>	<u>188,415</u>	<u>236,748</u>
\$	63	\$ 85	\$ 88	\$ -	\$ 44
	25	38	26	60	30
	3,404	519	4,719	651	2,142
	-	-	-	-	-
	87	-	-	-	7
	<u>3,579</u>	<u>642</u>	<u>4,833</u>	<u>711</u>	<u>2,223</u>
	-	-	-	-	-
\$	<u>3,579</u>	<u>642</u>	<u>4,833</u>	<u>711</u>	<u>2,223</u>
\$	60,069	\$ 55,542	\$ 59,285	\$ 70,253	\$ 70,527
	14,511	15,692	18,187	32,174	55,930
	21,510	19,380	23,993	18,932	21,785
	41,406	40,513	41,145	37,871	34,635
	96,525	89,953	97,007	172,364	210,272
	<u>234,021</u>	<u>221,080</u>	<u>239,617</u>	<u>331,594</u>	<u>393,149</u>
	3,284	3,284	3,272	3,174	3,408
\$	<u>237,305</u>	<u>224,364</u>	<u>242,889</u>	<u>334,768</u>	<u>396,557</u>

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	FISCAL YEAR				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Nonspendable	\$ 4,002	\$ 3,409	\$ 2,442	\$ 1,703	\$ 830
Committed	63	603	307	244	795
Assigned	23,276	25,015	27,578	26,917	31,146
Unassigned	38,499	49,101	48,616	52,580	52,861
Total General fund	<u>\$ 65,840</u>	<u>\$ 78,128</u>	<u>\$ 78,943</u>	<u>\$ 81,444</u>	<u>\$ 85,632</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 596	\$ 1,107	\$ 2,604	\$ 2,321	\$ 2,355
Restricted	145,765	146,653	114,877	153,572	144,294
Committed	73,574	80,443	78,467	90,117	101,253
Assigned	3,352	3,357	3,488	3,597	3,703
Unassigned	-	-	(1,482)	(1,462)	(1,691)
Total all other governmental funds	<u>\$ 223,287</u>	<u>\$ 231,560</u>	<u>\$ 197,954</u>	<u>\$ 248,145</u>	<u>\$ 249,914</u>

TABLE IV

2017	2018	2019	2020	2021
\$ 1,432	\$ 2,666	\$ 2,825	\$ 3,276	\$ 3,570
320	386	138	668	587
27,942	27,005	10,794	31,227	66,206
50,545	51,478	75,997	91,914	131,705
<u>\$ 80,239</u>	<u>\$ 81,535</u>	<u>\$ 89,754</u>	<u>\$ 127,085</u>	<u>\$ 202,068</u>
\$ 2,592	\$ 3,475	\$ 3,041	\$ 2,155	\$ 4,214
134,580	114,858	114,326	117,717	85,577
95,569	102,701	114,761	136,661	156,954
3,717	3,765	4,255	4,005	4,120
(1,859)	(1,973)	(1,997)	-	(10,010)
<u>\$ 234,599</u>	<u>\$ 222,826</u>	<u>\$ 234,386</u>	<u>\$ 260,538</u>	<u>\$ 240,855</u>

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	FISCAL YEAR				
	2012	2013	2014	2015	2016
<b>Revenues:</b>					
Taxes	\$ 323,034	\$ 326,100	\$ 333,417	\$ 351,233	\$ 364,485
Licenses and permits	1,137	983	1,078	1,435	1,198
Fees of office	73,432	80,247	81,740	85,429	90,803
Intergovernmental	100,345	104,592	112,639	121,625	120,058
Investment income	825	816	1,151	1,134	2,188
Other revenues	19,868	24,990	21,240	19,225	18,672
<b>Total revenues</b>	<b>518,641</b>	<b>537,728</b>	<b>551,265</b>	<b>580,081</b>	<b>597,404</b>
<b>Expenditures:</b>					
Current:					
General government	100,997	105,773	111,910	117,878	115,112
Public safety	112,139	115,081	118,983	123,359	127,142
Transportation support	20,723	19,548	20,451	23,136	22,523
Judicial	144,477	147,520	152,770	158,622	161,072
Community services	70,643	73,433	74,836	77,537	83,886
Capital outlay	67,715	64,269	70,370	62,106	44,487
Debt service:					
Principal payments	17,325	16,140	18,815	18,645	22,990
Interest and fiscal charges	16,110	15,574	15,508	16,128	14,542
<b>Total expenditures</b>	<b>550,129</b>	<b>557,338</b>	<b>583,643</b>	<b>597,411</b>	<b>591,754</b>
Excess (deficiency) of revenues over (under) expenditures	(31,488)	(19,610)	(32,378)	(17,330)	5,650
<b>Other Financing Sources (Uses):</b>					
Transfers in	27,266	27,507	29,040	39,303	36,974
Transfers out	(26,139)	(27,782)	(29,453)	(39,350)	(36,894)
Issuance of capital lease	2,370	184	-	3,783	-
Issuance of debt	-	36,940	-	61,095	-
Premium on new debt	-	3,361	-	4,677	-
Discount on new debt	-	(163)	-	-	-
Refunding bonds issued	-	35,320	-	88,960	70,905
Premium on refunding bonds	-	4,703	-	4,566	-
Discount on refunding bonds	-	(148)	-	-	-
Payment to refunded bond escrow agent	-	(39,751)	-	(93,012)	(70,678)
<b>Total other financing sources (uses)</b>	<b>3,497</b>	<b>40,171</b>	<b>(413)</b>	<b>70,022</b>	<b>307</b>
<b>Change in fund balance</b>	<b>\$ (27,991)</b>	<b>\$ 20,561</b>	<b>\$ (32,791)</b>	<b>\$ 52,692</b>	<b>\$ 5,957</b>
Debt Service as a percentage of noncapital expenditures	6.5%	6.1%	6.5%	6.2%	6.6%

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

TABLE V

	2017	2018	2019	2020	2021
\$	384,275	\$ 403,972	\$ 418,793	\$ 464,547	\$ 487,134
	1,291	1,214	1,422	1,213	1,294
	93,665	94,059	106,227	104,172	112,991
	125,472	126,883	132,352	223,553 <sup>(1)</sup>	276,443 <sup>(1)</sup>
	3,813	6,891	10,453	4,258	977
	17,127	17,292	18,718	16,124	16,657
	625,643	650,311	687,965	813,867	895,496
	128,382	123,409	127,951	140,259	141,266
	136,224	143,914	151,697	161,860	171,743
	24,978	22,929	23,244	24,191	23,978
	168,256	177,228	185,877	188,429	190,287
	87,797	90,764	97,860	157,767 <sup>(1)</sup>	205,098 <sup>(1)</sup>
	62,761	65,274	44,393	43,297	73,232
	25,940	27,295	28,125	25,930	26,770
	11,911	9,995	9,158	8,276	7,447
	646,249	660,808	668,305	750,009	839,821
	(20,606)	(10,497)	19,660	63,858	55,675
	44,571	43,115	41,175	51,282	43,369
	(44,810)	(43,245)	(41,056)	(51,657)	(43,744)
	-	150	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	36,860	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	(36,723)	-	-	-	-
	(102)	20	119	(375)	(375)
\$	(20,708)	\$ (10,477)	\$ 19,779	\$ 63,483	\$ 55,300
	6.3%	5.9%	5.8%	4.7%	4.3%

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

(Per \$100 of Assessed Value)  
(Unaudited)

Governmental Unit	FISCAL YEAR				
	2012	2013	2014	2015	2016
Tarrant County	\$ 0.264000	\$ 0.264000	\$ 0.264000	\$ 0.264000	\$ 0.264000
Special Districts Rates					
Live Oak Creek Municipal Utility District #1	0.990000	0.990000	0.990000	0.990000	0.990000
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	0.227897	0.227897	0.227897
Tarrant County College District	0.148970	0.148970	0.149500	0.149500	0.149500
Tarrant Regional Water District	0.020000	0.020000	0.020000	0.020000	0.020000
Tarrant Emergency Services District	0.064000	0.064000	0.080000	0.080000	0.080000
County Line Special District Rates					
Trophy Club Municipal Utility District #1	0.175000	0.133390	0.133390	0.133390	0.131140
City Rates					
Arlington	0.648000	0.648000	0.648000	0.648000	0.648000
Bedford	0.504329	0.499115	0.494830	0.494830	0.494830
Benbrook	0.657500	0.657500	0.657500	0.657500	0.657500
Blue Mound	0.680000	0.750000	0.750000	0.750000	0.806250
Colleyville	0.355900	0.355900	0.355900	0.355900	0.355900
Dalworthington Gardens	0.262739	0.262739	0.262739	0.262739	0.253670
Edgecliff Village	0.285934	0.294000	0.299000	0.305216	0.305216
Eules	0.470000	0.470000	0.470000	0.467500	0.467500
Everman	1.105413	1.105413	1.255205	1.255205	1.255205
Forest Hill	1.060000	1.060000	1.060000	0.996054	0.996054
Fort Worth	0.855000	0.855000	0.855000	0.855000	0.855000
Haltom City	0.651740	0.651740	0.699990	0.699990	0.699990
Haslet	0.304645	0.320869	0.320869	0.292785	0.285693
Hurst	0.578000	0.608498	0.608498	0.606000	0.610560
Keller	0.442190	0.442190	0.442190	0.437190	0.434690
Kennedale	0.722500	0.722500	0.747500	0.747500	0.767500
Lake Worth	0.466419	0.474411	0.482083	0.467828	0.499252
Lakeside	0.379248	0.379248	0.379260	0.379260	0.360192
North Richland Hills	0.570000	0.610000	0.610000	0.610000	0.610000
Pantego	0.410000	0.410000	0.420000	0.420000	0.420000
Pelican Bay	0.898499	0.898499	0.898499	0.898499	0.898499
Richland Hills	0.551757	0.528094	0.528094	0.528094	0.528805
River Oaks	0.853006	0.856519	0.850351	0.850351	0.852309
Saginaw	0.480000	0.490000	0.510000	0.510000	0.544000
Sansom Park	0.719518	0.737215	0.733655	0.704741	0.690692
Watauga	0.589001	0.591216	0.591216	0.591216	0.618718
Westover Hills	0.365806	0.360238	0.350500	0.347400	0.347400
Westworth Village	0.500000	0.492000	0.492000	0.492000	0.500000
White Settlement	0.742135	0.614715	0.670653	0.690660	0.733103
County Line City Rates					
Azle	0.643800	0.649500	0.659500	0.668000	0.679500
Burleson	0.690000	0.690000	0.690000	0.740000	0.740000
Crowley	0.640000	0.669019	0.696829	0.696829	0.739270
Flower Mound	0.449700	0.449700	0.449700	0.439000	0.439000
Grand Prairie	0.669998	0.669998	0.669998	0.669998	0.669998
Grapevine	0.348000	0.345695	0.342500	0.332439	0.328437

TABLE VI

2017	2018	2019	2020	2021
\$ 0.254000	\$ 0.244000	\$ 0.234000	\$ 0.234000	\$ 0.234000
0.990000	0.990000	1.000000	1.000000	1.000000
-	-	-	-	1.000000
0.448100	0.448100	0.448100	0.448100	0.448100
0.227897	0.224429	0.224429	0.224429	0.224429
0.144730	0.140060	0.136070	0.130170	0.130170
0.019400	0.019400	0.019400	0.028700	0.028700
0.080000	0.082500	0.082500	0.081900	0.081900
0.127220	0.120210	0.116180	0.112730	0.107740
0.644800	0.639800	0.634800	0.624000	0.622500
0.476509	0.520000	0.561862	0.569000	0.569000
0.650000	0.640000	0.640000	0.627770	0.622500
0.806250	0.741530	0.696800	0.605900	0.571000
0.339130	0.333834	0.320800	0.306807	0.304365
0.273979	0.374379	0.580000	0.580000	0.636593
0.270359	0.270359	0.270359	0.257780	0.272000
0.462500	0.462500	0.462500	0.462500	0.462500
1.230000	1.158630	1.113943	1.085713	1.149676
0.990000	0.990000	0.992873	0.992873	0.997340
0.835000	0.805000	0.785000	0.747500	0.747500
0.699990	0.668180	0.653000	0.665760	0.665760
0.290253	0.333044	0.305960	0.297583	0.249972
0.587900	0.580940	0.580000	0.597299	0.625159
0.430000	0.427500	0.413250	0.399900	0.395000
0.767500	0.777500	0.725714	0.734970	0.774085
0.460660	0.454920	0.434806	0.413577	0.469212
0.360192	0.375000	0.379000	0.406300	0.406300
0.610000	0.590000	0.585000	0.572000	0.575700
0.420000	0.420000	0.420000	0.420000	0.420000
0.898499	0.898499	0.898499	0.898499	0.898499
0.595633	0.563738	0.541880	0.558551	0.558551
0.794444	0.780000	0.749400	0.674516	0.697374
0.513000	0.495000	0.471800	0.459000	0.461579
0.767304	0.787304	0.787304	0.722200	0.718850
0.618411	0.601788	0.601788	0.580500	0.580404
0.355000	0.355000	0.387200	0.426000	0.447000
0.500000	0.500000	0.485000	0.475000	0.475000
0.755693	0.762127	0.762186	0.732245	0.746200
0.679500	0.671500	0.667287	0.657204	0.657204
0.735000	0.735000	0.735000	0.720000	0.711100
0.739270	0.719000	0.709000	0.681992	0.699806
0.439000	0.439000	0.439000	0.436500	0.436500
0.669998	0.669998	0.669998	0.669998	0.669998
0.289271	0.289271	0.289271	0.284271	0.282601

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

(Per \$100 of Assessed Value)  
(Unaudited)

Governmental Unit (cont'd)	FISCAL YEAR				
	2012	2013	2014	2015	2016
Mansfield	0.710000	0.710000	0.710000	0.710000	0.710000
Reno	0.492700	0.492700	0.499600	0.499900	0.530000
Roanoke	0.375120	0.375120	0.375120	0.375120	0.375120
Southlake	0.462000	0.462000	0.462000	0.462000	0.462000
Trophy Club	0.530000	0.518430	0.499300	0.490000	0.484000
Westlake	0.156840	0.156840	0.156840	0.156340	0.156340
<b>School District Rates</b>					
Arlington Independent School District	1.305500	1.301000	1.292170	1.348110	1.412952
Birdville Independent School District	1.435000	1.435000	1.435000	1.435000	1.453900
Carroll Independent School District	1.415000	1.400000	1.400000	1.400000	1.395000
Castleberry Independent School District	1.453300	1.453300	1.415500	1.399700	1.415500
Eagle Mountain Saginaw Independent School District	1.530000	1.540000	1.540000	1.540000	1.540000
Everman Independent School District	1.277500	1.395000	1.490000	1.510000	1.530000
Fort Worth Independent School District	1.322000	1.322000	1.322000	1.322000	1.352000
Hurst Eules Bedford Independent School District	1.414000	1.407500	1.387500	1.375000	1.350000
Keller Independent School District	1.540000	1.540000	1.540000	1.540000	1.540000
Kennedale Independent School District	1.512068	1.512068	1.492068	1.514717	1.486724
Lake Worth Independent School District	1.670000	1.670000	1.670000	1.670000	1.670000
White Settlement Independent School District	1.540000	1.540000	1.540000	1.540000	1.540000
<b>County Line School District Rates</b>					
Aledo Independent School District	1.425200	1.425200	1.425200	1.425200	1.595000
Azle Independent School District	1.190000	1.190000	1.190000	1.203000	1.203000
Burleson Independent School District	1.540000	1.540000	1.540000	1.540000	1.540000
Crowley Independent School District	1.535000	1.670000	1.670000	1.650000	1.650000
Godley Independent School District	1.137090	1.128700	1.172752	1.195500	1.247660
Grapevine Colleyville Independent School District	1.310000	1.320100	1.320100	1.320100	1.320100
Lewisville Independent School District	1.426000	1.453000	1.477000	1.477000	1.476730
Mansfield Independent School District	1.496000	1.540000	1.527100	1.527100	1.510000
Northwest Independent School District	1.375000	1.375000	1.452500	1.452500	1.452500

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

2017	2018	2019	2020	2021
0.710000	0.710000	0.710000	0.710000	0.690000
0.530000	0.520000	0.520000	0.520000	0.520000
0.375120	0.375120	0.375120	0.375120	0.375120
0.462000	0.462000	0.447000	0.410000	0.405000
0.473000	0.451442	0.446442	0.446442	0.446442
0.136950	0.136150	0.156000	0.160180	0.167880
1.390080	1.368670	1.368670	1.298670	1.387100
1.453900	1.453900	1.453900	1.383900	1.380300
1.390000	1.385000	1.380000	1.300000	1.286400
1.376600	1.392200	1.392200	1.290550	1.241300
1.540000	1.540000	1.540000	1.518000	1.496400
1.525000	1.510000	1.495000	1.390000	1.370000
1.352000	1.352000	1.352000	1.282000	1.378400
1.316000	1.263000	1.273000	1.220000	1.198000
1.520000	1.520000	1.510000	1.408300	1.394700
1.486724	1.480000	1.451694	1.350000	1.336400
1.670000	1.670000	1.670000	1.568400	1.510200
1.540000	1.540000	1.520000	1.450000	1.415900
1.595000	1.595000	1.595000	1.493300	1.479700
1.203000	1.329000	1.329000	1.247350	1.247400
1.540000	1.670000	1.670000	1.568350	1.538300
1.650000	1.670000	1.670000	1.568400	1.539800
1.540000	1.540000	1.540000	1.470000	1.466400
1.396700	1.396700	1.396700	1.326700	1.303100
1.420000	1.407500	1.407500	1.337500	1.347300
1.510000	1.540000	1.540000	1.460000	1.446400
1.452500	1.490000	1.490000	1.420000	1.336300

## ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

TABLE VII

(Unaudited)  
(Amounts in thousands)

<b>Fiscal Year Ended September 30</b>	<b>Assessed Real Property</b>	<b>Assessed Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Direct Tax Rate <sup>(1)</sup></b>
2012	\$ 124,087,054	\$ 25,696,928	\$ 26,401,558	\$ 123,382,424	\$ 0.264000
2013	127,035,192	26,185,771	28,213,654	125,007,309	0.264000
2014	131,383,399	26,034,219	29,025,508	128,392,110	0.264000
2015	140,621,096	25,012,208	30,338,644	135,294,660	0.264000
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

Note: The appraisal of property within the County is the responsibility of the Tarrant Appraisal District. Under the Texas Tax Code, the appraisal district is required to appraise all property on the basis of 100% of its market value and is prohibited from applying any assessment ratios. The Appraisal District is required to review the value of property at least every three years.

(1) Tax rate are per \$100 of assessed value

Source: Tarrant Appraisal District

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

TABLE VIII

(Unaudited)

(Amounts in thousands)

Taxpayer	FISCAL YEAR					
	2021			2012		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
American Airlines	\$ 1,559,347	1	0.72%	\$ 292,075	8	0.24%
Oncor Electric Delivery	1,418,470	2	0.65%	888,088	1	0.72%
Winner LLC	903,204	3	0.42%	-		
Atmos Energy/Mid Tex Division	516,468	4	0.24%	-		
General Motors LLC	478,101	5	0.22%	-		
Bell Textron INC	388,493	6	0.18%	418,973	4	0.34%
Opryland Hotel	379,753	7	0.18%	273,332	9	0.22%
Wal-mart Real Estate Bus Trust	365,532	8	0.17%	395,427	5	0.32%
DDR/DTC City Investmnts LP ETAL	288,872	9	0.13%	-		
Alcon Laboratories	276,507	10	0.13%	-		
Chesapeake Operating	-			736,222	2	0.60%
Devon Energy Food Co	-			506,053	3	0.41%
Quicksilver Resources	-			359,055	6	0.29%
Southwestern Bell	-			308,901	7	0.25%
Barnett Gathering Lp	-			251,248	10	0.20%
	<u>\$ 6,574,747</u>		<u>3.03%</u>	<u>\$ 4,429,374</u>		<u>3.59%</u>

Source: Tarrant Appraisal District

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(Unaudited)

(Amounts in thousands)

Fiscal Year Ended September 30	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
				Amount	Percentage of Levy	
2012	\$ 324,066	\$ 111	\$ 324,177	\$ 320,705	98.96%	\$ 2,985
2013	328,199	(672)	327,527	324,960	99.01%	2,045
2014	336,803	(448)	336,355	333,806	99.11%	1,874
2015	354,272	(762)	353,510	350,698	98.99%	2,240
2016	368,922	(13)	368,909	365,724	99.13%	2,527
2017	387,855	(678)	387,177	384,387	99.11%	2,065
2018	409,336	(898)	408,438	406,075	99.20%	1,460
2019	427,161	(727)	426,434	423,720	99.19%	1,012
2020	471,596	(1,940)	469,656	467,381	99.11%	27
2021	492,857	-	492,857	489,370	99.29%	-

Source: Tarrant County Tax Office and Tarrant Appraisal District

TABLE IX

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<b>Total Collections</b>	
<b>Amount</b>	<b>Percentage of Levy</b>
\$ 323,690	99.85%
327,005	99.84%
335,680	99.80%
352,938	99.84%
368,251	99.82%
386,452	99.81%
407,535	99.78%
424,732	99.60%
467,408	99.52%
489,370	99.29%

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

TABLE X

(Unaudited)

(Amounts in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Limited Tax Refunding	Capital Leases	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
2012	\$ 206,334	\$ 126,344	\$ 2,325	\$ 335,003	0.42%	\$ 181.67
2013 <sup>(3)</sup>	196,521	158,983	1,920	357,424	0.43%	192.27
2014	186,343	152,406	1,304	340,053	0.38%	176.07
2015	91,551	295,620	4,441	391,612	0.41%	199.86
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% <sup>(2)</sup>	116.99
2021	-	222,602	38	222,640	0.19% <sup>(2)</sup>	103.81

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 2020.

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

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

TABLE XI

(Unaudited)

(Amounts in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Limited Tax Refunding	Total Primary Government	Less: Amount Available In Debt Service Fund	Total	Percentage of Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2012	\$ 206,334	\$ 126,344	\$ 332,678	\$ 1,626	\$ 331,052	0.27%	\$ 180.78
2013 <sup>(3)</sup>	196,521	158,983	355,504	486	355,018	0.28%	190.98
2014	186,343	152,406	338,749	1,112	337,637	0.26%	174.82
2015	91,551	295,620	387,171	1,151	386,020	0.29%	197.00
2016	12,378	352,616	364,994	1,421	363,573	0.26%	182.55
2017	5,089	331,923	337,012	1,513	335,499	0.22%	165.76
2018	-	307,996	307,996	1,841	306,155	0.18%	148.77
2019	-	278,259	278,259	1,262	276,997	0.15%	132.38
2020	-	250,717	250,717	967	249,750	0.12%	116.50
2021	-	222,602	222,602	1,718	220,884	0.10%	102.99

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

(1) See Schedule of Assessed and Actual Value of Taxable Property Table VII for property value data.

(2) See Schedule of Demographic and Economic Statistics Table XIV for personal income and population data.

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

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2021

(Unaudited)

(Amounts in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt 9/30/2021
Debt repaid with property taxes:			
Special Districts:			
Live Oak Creek Municipal Utility District #1	\$ 20,170	100.00%	\$ 20,170
Viridian Municipal Management District	168,295	100.00%	168,295
Tarrant County College District	255,995	100.00%	255,995
Tarrant County Hospital District	14,495	100.00%	14,495
County Line Special District:			
Trophy Club Municipal Utility District #1	6,395	27.69%	1,771
Cities:			
Arlington	603,925	100.00%	603,925
Bedford	139,585	100.00%	139,585
Benbrook	23,390	100.00%	23,390
Colleyville	2,700	100.00%	2,700
Dalworthington Gardens	5,205	100.00%	5,205
Euless	64,710	100.00%	64,710
Everman	8,370	100.00%	8,370
Forest Hill	2,735	100.00%	2,735
Fort Worth	857,075	96.15%	824,078
Haltom City	71,245	100.00%	71,245
Haslet	7,206	100.00%	7,206
Hurst	57,715	100.00%	57,715
Keller	53,090	100.00%	53,090
Kennedale	15,090	100.00%	15,090
Lake Worth	13,490	100.00%	13,490
North Richland Hills	129,795	100.00%	129,795
Pantego	2,565	100.00%	2,565
Pelican Bay	886	100.00%	886
Richland Hills	25,145	100.00%	25,145
River Oaks	16,565	100.00%	16,565
Saginaw	51,370	100.00%	51,370
Sansom Park	9,888	100.00%	9,888
Watauga	42,735	100.00%	42,735
Westover Hills	4,715	100.00%	4,715
Westworth Village	7,936	100.00%	7,936
White Settlement	25,800	100.00%	25,800
County Line Cities:			
Azle	20,765	79.86%	16,583

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 9/30/2021
Burleson	\$ 139,660	20.10%	\$ 28,072
Crowley	50,255	99.77%	50,139
Flower Mound	154,130	2.62%	4,038
Grand Prairie	377,990	50.29%	190,091
Grapevine	149,285	97.69%	145,837
Mansfield	151,135	90.38%	136,596
Reno	839	4.43%	37
Roanoke	38,110	5.30%	2,020
Southlake	61,632	98.19%	60,516
Trophy Club	21,541	6.52%	1,404
Westlake	34,652	99.26%	34,396
School Districts:			
Arlington Independent School District	1,081,250	100.00%	1,081,250
Birdville Independent School District	440,840	100.00%	440,840
Carroll Independent School District	329,880	100.00%	329,880
Castleberry Independent School District	34,200	100.00%	34,200
Eagle Mountain Saginaw Independent School District	924,256	100.00%	924,256
Everman Independent School District	113,760	100.00%	113,760
Fort Worth Independent School District	1,249,965	100.00%	1,249,965
Hurst Euless Bedford Independent School District	343,375	100.00%	343,375
Keller Independent School District	877,565	100.00%	877,565
Kennedale Independent School District	23,305	100.00%	23,305
Lake Worth Independent School District	77,500	100.00%	77,500
White Settlement Independent School District	145,894	100.00%	145,894
County Line School Districts:			
Aledo Independent School District	278,389	8.96%	24,944
Azle Independent School District	117,215	63.35%	74,256
Burleson Independent School District	310,562	33.59%	104,318
Crowley Independent School District	520,570	99.27%	516,770
Godley Independent School District	163,285	9.10%	14,859
Grapevine Colleyville Independent School District	362,389	97.64%	353,837
Lewisville Independent School District	1,315,387	0.73%	9,602
Mansfield Independent School District	853,615	93.70%	799,837
Northwest Independent School District	1,223,982	47.02%	575,516
Sub-total Overlapping Debt			<u>11,456,118</u>
Tarrant County (direct debt)	222,640	100.00%	<u>222,640</u>
Total Direct and Overlapping Debt			<u>\$ 11,678,758</u>

## LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

(Unaudited)

(Amounts in thousands)

	FISCAL YEAR				
	2012	2013 <sup>(2)</sup>	2014	2015	2016
Debt Limit	\$ 6,169,121	\$ 6,250,365	\$ 6,419,606	\$ 6,764,733	\$ 7,052,971
Total net debt applicable to limit	<u>331,052</u>	<u>355,018</u>	<u>337,637</u>	<u>386,020</u>	<u>363,573</u>
Legal debt margin	<u>\$ 5,838,069</u>	<u>\$ 5,895,347</u>	<u>\$ 6,081,969</u>	<u>\$ 6,378,713</u>	<u>\$ 6,689,398</u>
Total net debt applicable to the limit as a percentage of debt limit	5.37%	5.68%	5.26%	5.71%	5.15%

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

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

TABLE XIII

2017	2018	2019	2020	2021
\$ 7,734,577	\$ 8,529,430	\$ 9,309,657	\$ 10,339,570	\$ 10,845,269
335,499	306,155	276,997	249,750	220,884
<u>\$ 7,399,078</u>	<u>\$ 8,223,275</u>	<u>\$ 9,032,660</u>	<u>\$ 10,089,820</u>	<u>\$ 10,624,385</u>
4.34%	3.59%	2.98%	2.42%	2.04%

**Legal Debt Margin Calculation (1) for Fiscal Year 2021**

Assessed value	\$216,905,371
Debt Limit (5% of total assessed value)	10,845,269
Debt applicable to limit:	
Total General Bonded debt	222,602
Less: Amount available in Debt Service Fund	(1,718)
Total net debt applicable to limit	<u>220,884</u>
Legal debt margin	<u>\$ 10,624,385</u>

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

TABLE XIV

(Unaudited)

<u>Fiscal Year</u>	<u>Population <sup>(3)</sup></u>	<u>Personal Income (Amounts in thousands)</u>	<u>Per Capita Personal Income <sup>(4)</sup></u>	<u>Unemployment Rate <sup>(5)</sup></u>	<u>Public School Enrollment <sup>(6)</sup></u>
2012	1,831,230	\$ 78,823,464	\$ 43,044	6.2%	347,573
2013	1,858,921	82,567,694	44,417	6.0%	353,806
2014	1,931,335	89,167,806	46,169	5.0%	357,126
2015	1,959,449	95,478,071	48,727	4.0%	355,833
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 <sup>(2)</sup>	119,224,934	55,615	7.7% <sup>(1)</sup>	360,066
2021	2,144,653	N/A	N/A	4.5%	346,274 <sup>(1)</sup>

N/A Not Available

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

(2) Population updated with 2020 Census

Data Sources:

(3) World Population Review, United States Census Bureau, North Central Texas Council of Governments, Fort Worth Chamber of Commerce, Texas Dept. of State Health Services

(4) Bureau of Economic Analysis U.S. Department of Commerce

(5) Texas Workforce Commission

(6) Texas Education Agency

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

TABLE XV

Employer	2021 <sup>(1)</sup>			2012 <sup>(2)</sup>		
	Employees	Rank	% of Total Tarrant County Employment	Employees	Rank	% of Total Tarrant County Employment
AMR Corp./American Airlines	33,000	1	3.14%	24,888	1	2.75%
Lockheed Martin Aeronautics Company	18,079	2	1.72%	14,988	3	1.65%
Texas Health Resources	12,266	3	1.17%	22,000	2	2.43%
Fort Worth Independent School District	11,477	4	1.09%	11,000	5	1.21%
Naval Air Station Fort Worth Joint Reserve Base	10,000	5	0.95%	11,350	4	1.25%
Arlington Independent School District	8,500	6	0.81%	7,908	6	0.87%
Cook Children's Health Care System	7,975	7	0.76%	5,310	10	0.59%
University of Texas at Arlington	7,460	8	0.71%	6,022	9	0.66%
JPS Health Network	7,253	9	0.69%	-		
City of Fort Worth	7,170	10	0.68%	6,195	8	0.68%
Bell Helicopter-Textron	-			6,700	7	0.74%

## Data Sources:

(1) Based on most current information available from individual employers, Fort Worth Business Press and Texas Workforce Commission

(2) Fort Worth Chamber of Commerce and Texas Workforce Commission

## FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

(Unaudited)

FUNCTION	Full-Time Equivalent Employees as of September 30				
	2012	2013	2014	2015	2016
<b>Governmental activities:</b>					
General government	718	726	727	738	740
Public safety	1,428	1,441	1,445	1,467	1,487
Transportation	200	201	201	202	204
Judicial	1,336	1,344	1,348	1,369	1,358
Community services	507	512	516	523	527
<b>Business-type activities:</b>					
Resource Connection	13	14	14	15	16
Total full-time equivalent employees	<u>4,202</u>	<u>4,238</u>	<u>4,251</u>	<u>4,314</u>	<u>4,332</u>

Source: Tarrant County Budget Office

TABLE XVI

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
741	742	755	772	813
1,490	1,501	1,531	1,547	1,616
205	204	204	205	206
1,372	1,390	1,416	1,444	1,473
537	532	532	528	646
<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>17</u>
<u>4,361</u>	<u>4,385</u>	<u>4,454</u>	<u>4,512</u>	<u>4,771</u>

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

(Unaudited)

FUNCTION	FISCAL YEAR			
	2012	2013	2014	2015
<b>District Clerk</b>				
Civil court cases filed	6,995	6,692	8,752	9,143
Criminal court cases filed	16,880	17,367	17,167	17,305
Family court cases filed (Attorney General cases)	11,505	15,551	13,285	11,386
Family court cases filed (Non-Attorney General cases)	15,372	14,836	14,821	15,368
Juvenile court cases filed	2,516	2,487	2,175	1,974
Tax foreclosure cases filed	5,601	2,196	3,541	4,786
Passport applications accepted	16,583	25,868	35,659	33,520
<b>County Clerk</b>				
County court at law cases filed	8,947	8,212	7,480	7,754
Mental health cases filed	3,002	2,954	3,096	3,606
Probate cases filed	3,858	4,288	4,353	4,431
Birth certificates issued	41,415	45,460	46,979	51,389
Marriage licenses issued	14,223	14,439	14,754	15,424
Passport applications accepted	N/A	N/A	N/A	N/A
<b>Justice of the Peace (all precincts)</b>				
Traffic cases	6,352	5,725	6,660	9,068
Non-traffic cases	4,839	5,479	4,842	5,423
Small claims cases	2,843	2,379	5,558	5,556
Landlord/Tenant	27,324	27,176	27,511	24,245
Debt Claims	10,907	11,195	6,609	8,548
<b>Sheriff</b>				
Prisoner bed days in county jail	1,213,861	1,179,322	1,256,067	1,113,814
<b>Public Health</b>				
Chronic disease prevention, average monthly caseload	1,009	947	1,105	1,139
Notifiable diseases reported	5,543	5,057	4,337	4,371
Food establishment inspections	6,234	5,752	6,127	7,035
Sexually transmitted disease clinic visits	6,137	5,939	6,516	7,049
Milk and dairy tests	18,870	18,468	17,836	17,485
Tuberculosis DOT/DOPT doses administered	16,609	18,192	24,343	20,860
Women, infants & children visits and immunizations	686,603	652,496	616,333	605,912
<b>Tax Assessor/Collector</b>				
Tax accounts collected	834,962	940,493	1,142,980	1,329,246
Contracts with entities for tax collection	56	58	56	58
<b>Transportation</b>				
Miles of roads maintained in un-incorporated areas	412	407	403	402
Inter-local contracts executed/performed	91	84	70	70
Square yards of right of way	13,889,638	13,751,279	13,651,932	13,578,587
<b>Human Services</b>				
Rent vouchers issued	1,133	856	813	588
Utility vouchers issued	8,158	9,724	10,312	10,408
Food/hygiene vouchers issued	4,694	1,512	2,331	3,602

N/A Not Applicable

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

2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>	2021 <sup>(1)</sup>
6,785	7,752	8,060	9,073	8,359	9,149
20,289	20,830	24,242	25,495	25,186	23,763
12,078	14,148	15,113	12,243	10,084	5,842
15,734	16,106	16,114	17,325	16,925	16,793
1,850	2,609	3,013	3,894	2,956	2,744
4,055	4,251	3,933	3,720	3,301	3,908
N/A	N/A	N/A	N/A	N/A	N/A
7,932	7,940	8,555	10,775	8,370	7,397
4,604	5,093	4,791	4,466	4,800	4,814
4,588	4,049	4,207	4,623	4,942	5,595
54,793	43,207	42,210	58,836	38,446 <sup>(2)</sup>	50,753
15,560	17,079	20,284	15,380	14,825	15,307
887	11,444	13,753	24,111	17,838	33,445
9,380	9,638	12,345	11,835	8,229	6,464
3,956	4,368	5,158	6,082	5,840	3,676
5,503	5,921	6,930	6,666	5,639	5,157
25,124	26,021	26,558	30,349	19,439 <sup>(2)</sup>	14,967
8,969	13,137	16,711	20,917	21,097	24,555
1,167,826	1,304,411	1,427,461	1,472,457	1,441,844	1,544,676
1,125	1,500	1,500	1,000	240 <sup>(2)</sup>	232 <sup>(2)</sup>
5,509	11,375	10,052	11,526	60,125 <sup>(2)</sup>	298,396 <sup>(2)</sup>
7,528	7,244	7,711	6,345	6,791 <sup>(2)</sup>	6,487
5,982	6,207	6,126	5,130	6,065	6,319
18,319	19,070	18,077	17,902	15,355	16,893
17,481	18,229	13,178	12,895	10,729	9,352
584,517	545,408	460,552	431,309	406,691	398,678
1,669,671	1,686,094	1,730,397	1,808,146	1,839,821	1,844,624
60	60	67	79	79	79
401	398	397	397	395	396
53	66	67	57	56	45
13,558,253	13,395,295	13,346,720	13,281,790	13,252,717	13,281,824
616	699	553	546	495	254
9,254	14,125	5,055	4,457	5,455	4,539
2,109	2,233	1,354	1,144	1,035	683

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN YEARS

(Unaudited)

	FISCAL YEAR			
	2012	2013	2014	2015
<b>General Government</b>				
Number of buildings				
Subcourthouses	9	8	8	9
Courts buildings	6	5	5	6
Other	15	14	14	14
Building square footage	3,054,447	2,825,302	2,826,802	3,101,552
Subcourthouses	363,420	346,781	346,781	389,031
Courts buildings	1,179,968	1,074,510	1,074,510	1,307,010
Other	1,511,059	1,404,011	1,405,511	1,405,511
<b>Public Safety</b>				
Number of jails	5	5	5	4
Building square footage	1,115,523	1,115,523	1,115,523	1,044,755
Number of patrol vehicles	102	102	102	102
<b>Transportation</b>				
Miles of roads in un-incorporated areas	412	407	403	402
Square yards of right of way	13,889,638	13,751,279	13,651,932	13,578,587
Number of heavy equipment	251	247	250	258
Number of vehicles	475	492	523	516
<b>Judicial</b>				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
<b>Community Services</b>				
Public Health vehicles	43	47	45	44
<b>Resource Connection</b>				
Number of buildings	15	16	16	16
Building square footage	348,464	348,464	348,464	348,464

Source: Tarrant County Facilities Office

TABLE XVIII

2016	2017	2018	2019	2020	2021
8	8	8	8	8	8
6	6	6	6	6	6
14	15	15	15	15	15
3,083,629	3,198,103	3,218,798	3,218,798	3,218,798	3,218,798
371,108	371,108	391,803	391,803	391,803	391,803
1,307,010	1,307,010	1,307,010	1,307,010	1,307,010	1,307,010
1,405,511	1,519,985	1,519,985	1,519,985	1,519,985	1,519,985
4	5	5	5	5	5
1,044,755	1,230,985	1,230,985	1,230,985	1,230,985	1,230,985
102	101	100	99	102	103
401	398	397	397	395	396
13,558,253	13,395,295	13,346,720	13,281,790	13,252,717	13,281,824
257	263	260	261	258	265
497	522	495	484	554	543
124,770	124,770	124,770	124,770	124,770	124,770
43	45	45	45	46	46
16	16	16	16	16	16
348,464	348,464	348,464	348,464	348,464	348,464

