



# TARRANT COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2011

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

**Fiscal Year Ended September 30, 2011**



**Prepared By**  
**County Auditor's Office**

**S. Renee Tidwell, CPA**

**County Auditor**

**TARRANT COUNTY, TEXAS  
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 YEAR ENDED SEPTEMBER 30, 2011  
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**INTRODUCTORY SECTION**



## **TARRANT COUNTY**

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817/884-1205  
Fax 817/884-1104**

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**RONALD D. BERTEL, CPA  
FIRST ASSISTANT COUNTY AUDITOR  
rbertel@tarrantcounty.com**

March 23, 2012

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

The comprehensive annual financial report of Tarrant County, Texas (the "County") for the fiscal year ended September 30, 2011 is submitted herewith. This report is submitted in compliance with Section 114.025 of the Texas Local Government Code and has been prepared by the County Auditor's staff.

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

The County's financial statements have been audited by KPMG, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2011 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 unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **Profile of the County**

Tarrant County is a political subdivision of the State of Texas and was organized in 1849. The County is an urban county located in the north central part of Texas. Fort Worth serves as the county seat to a county population of approximately 1,817,840 citizens. It is one of the fastest growing urban counties in the United States today.

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

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

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

Public hearings are held on the proposed budget. The Commissioners Court must adopt an annual operating budget by a majority vote before September 30. The legal level of budgetary control is at ten categorical levels within each department. Commissioners Court may legally amend the budget. Management must seek approval of Commissioners Court to transfer appropriation between categories, even within the same department. Budget-to-actual comparisons are provided in this report for all budgeted governmental funds. The General Fund and the Road and Bridge Fund comparisons are presented on pages 71-73 as part of the required supplementary information. The other budget comparisons are presented on pages 85-93 as part of budgetary compliance.

## **Local Economy**

Historically, the County's economic environment has been characterized by steady, yet modest growth. This has been in part because of the diverse nature of the business sectors making up the local economy, without an overwhelming dominance by any one industry. Similarly, local real estate values have demonstrated steady yet modest increases over the past decade. Because of this, there has been an absence of the unrealistic market value increases for property in general that has been seen in other markets. As such, as the growth has slowed, the property values have remained fairly stable, with only a modest decline.

Furthermore, in the past several years, the economic impact of developing the Barnett Shale natural gas resources of the area has provided significant employment and other business opportunities. This has also helped offset the reduction in other property values and provided significant new taxable value.

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

Major factors of this continued stability include:

**AllianceTexas:** AllianceTexas is a 17,000-acre master-planned, mixed use community located in north Fort Worth. AllianceTexas offers a variety of commercial real estate options, including new industrial, office and retail. Anchored by the inland port known as the Alliance Global Logistics Hub, AllianceTexas is home to 240 companies, 28,000 employees and more than 7,300 single-family homes. New and expanded developments within AllianceTexas include: LG Electronics, Exel Logistics, Health Care Service Corp., the parent company of Blue Cross Blue Shield of Texas, FoxConn Electronics DynCorp International, Deloitte, Fidelity Investments, and Cabela's Retail Inc.

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

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

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



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

***Lockheed Martin:*** In October 2001, the U.S. Department of Defense awarded a contract valued at \$200 billion to Lockheed Martin for the production of aircraft that will be used by the U.S. Air Force, Navy, and Marines, as well as the United Kingdom's Royal Air Force and Navy. The contract, which is the largest defense contract in U.S. history, is projected to create 31,000 jobs for Tarrant County.

***Dallas Cowboy Stadium:*** The Dallas Cowboy Stadium open in 2009 and has played host to numerous professional, college and high school football games, as well as basketball, pro bull riding, boxing, and concert events. The stadium hosted the 2010 NBA All Star game and the 2011 Super Bowl.

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

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

***American Airlines:*** On November 29, 2011, American Airlines filed Chapter 11 bankruptcy. The company has announced that it intends to restructure and continue operations. The company has paid their half payment of taxes as scheduled, however as a precautionary measure, the county has placed a lien on their personal property for any unpaid taxes.

## **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 2011 totaled \$0.264 with \$0.029379 per \$100 valuation to fund the annual debt service requirements. On May 7, 2006, the Commissioners Court approved a resolution expressing its intent to be fiscally responsible in the issuance of these bonds. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax increase.

## **Major Initiatives**

On May 13, 2006, the voters of Tarrant County overwhelmingly approved five bond propositions for a total of \$433,120,000 to fund street, road and bridge improvements, a new jail facility, a new civil courts building, expansion of the juvenile justice facilities, and new medical examiner and crime lab facilities. \$200 million of these bonds, along with matching funds from local municipalities or Texas Department of Transportation, will be used for transportation issues. To date, the County has issued \$312,700,000 for these purposes.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the County's comprehensive annual financial report for the year ended September 30, 2010. The Certificate of Achievement is a prestigious

**national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.**

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

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

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

**Sincerely,**



**S. Renee Tidwell, CPA  
County Auditor**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tarrant County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



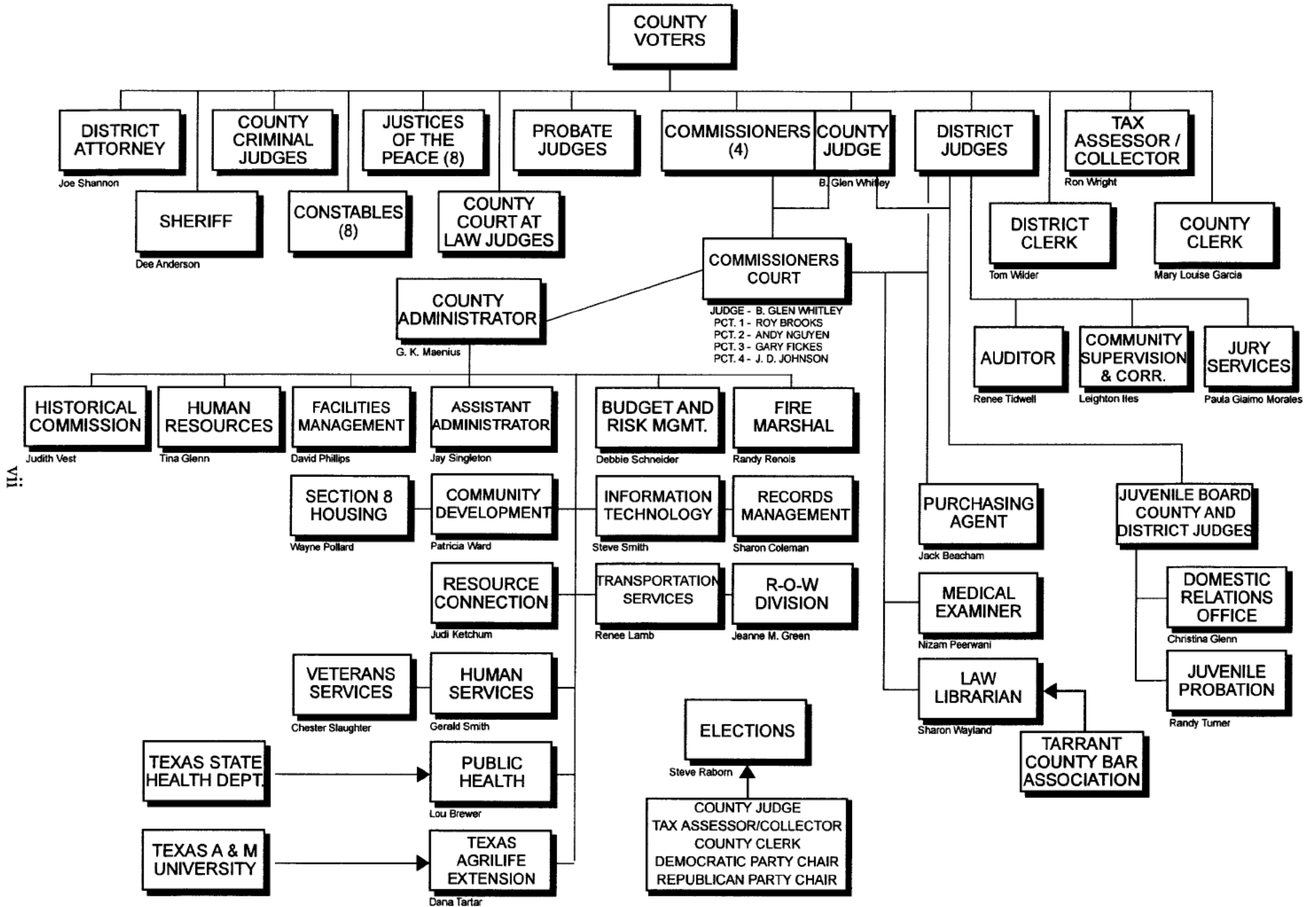
*Linda C. Danson*

President

*Jeffrey R. Enos*

Executive Director

# TARRANT COUNTY ORGANIZATION



**TARRANT COUNTY, TEXAS  
PRINCIPAL OFFICIALS**

Commissioners Court:

B. Glen Whitley  
Roy Brooks  
Andy H. Nguyen  
Gary Fickes  
J. D. Johnson

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

Board of District Judges:

Sharen Wilson  
Wayne Salvant  
Robb Catalano  
Mike Thomas  
Melody Wilkinson  
David Evans  
Don Cosby  
R. H. Wallace, Jr.  
John P. Chupp  
Ken Curry  
Louis Sturns  
Randy Catterton  
William Harris  
Tom Lowe  
Everett Young  
Nancy Berger  
Jean Hudson Boyd  
Jerome S. Hennigan  
Judith Wells  
James Birdwell  
Dana Womack  
Bonnie Sudderth  
Michael Sinha  
Mollee Westfall  
Scott Wisch  
George Gallagher  
Ruben Gonzalez

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

County Judges:

Sherry Hill  
Michael Mitchell  
Billy Mills  
Deborah Nekhom  
Jamie Cummings  
Molly Jones  
Cheril Hardy  
Daryl Coffey  
Brent Carr  
Phillip Sorrells  
Don Pierson  
Jennifer Rymell  
Mike Hrabal  
Steve M. King  
Pat Ferchill

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

**TARRANT COUNTY, TEXAS  
PRINCIPAL OFFICIALS**

**County Judges: (continued)**

Ralph Swearingin  
Linda Davis  
Russ Casey  
Jacquelyn Wright  
Manuel T. Valdez  
Gary Ritchie  
Matt Hayes  
Lisa R. Woodard

Justice of the Peace, Precinct 1  
Justice of the Peace, Precinct 2  
Justice of the Peace, Precinct 3  
Justice of the Peace, Precinct 4  
Justice of the Peace, Precinct 5  
Justice of the Peace, Precinct 6  
Justice of the Peace, Precinct 7  
Justice of the Peace, Precinct 8

**Law Enforcement:**

Dee Anderson  
Joe Shannon  
Randy Turner\*  
Leighton Iles\*  
Jerry Crowder  
Robert McGinty  
Zane Hilger  
Dub Bransom  
Sergio L. DeLeon  
Joe Kubes  
Clint Burgess  
Chester Luckett  
Christina Glenn\*

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

**Administrative Officials:**

G.K. Maenius\*  
S. Renee Tidwell\*  
Ron Wright  
Jack Beacham\*  
Debbie Schneider\*  
James S. Smith\*

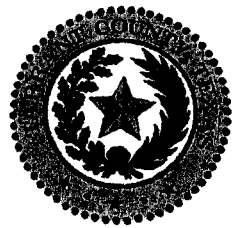
County Administrator  
County Auditor  
Tax Assessor-Collector  
Purchasing Agent  
Budget and Risk Management Director  
Chief Information Officer

**Recording Officials:**

Mary Louise Garcia  
Tom Wilder

County Clerk  
District Clerk

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



**FINANCIAL SECTION**





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

## Independent Auditor's Report

The Honorable County Judge  
and Commissioners' Court:

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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tarrant County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tarrant County Hospital District (TCHD) or the Mental Health and Mental Retardation of Tarrant County (MHMRTC), which represents 100% of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the TCHD and MHMRTC, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 1 to the financial statements, the County adopted the Provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of October 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2012 on our consideration of Tarrant County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 12, 71 through 74, and 76 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit and the audits by other auditors were conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, budgetary compliance schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and budgetary compliance schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we and the other auditors express no opinion on them.

**KPMG LLP**

March 23, 2012

## 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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

### Financial Highlights

- The assets of the County exceed its liabilities at the close the most recent fiscal year by \$313,413,000 (*net assets*). This is a decrease of \$29,237,000.
- Total net assets of the County are comprised of the following:
  1. Capital assets, net of related debt of \$229,902,000 include land, buildings, infrastructure, construction in progress and other capital assets, net of accumulated depreciation, and is reduced by outstanding debt, net of unspent bond proceeds, related to the purchase or construction of capital assets.
  2. Net assets of \$16,507,000 are restricted by constraints imposed from outside the County such as debt obligations, laws, regulations, contractual or donor imposed constraints.
  3. Unrestricted net assets of \$67,004,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$317,118,000, a decrease of \$87,823,000 in comparison with the prior year. Approximately 12 percent of this total amount, \$36,642,000, 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 \$36,642,000, or 11 percent of total general fund expenditures.
- The County's bonded debt decreased by \$20,420,000 (6 percent) during the current fiscal year.

### Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of Tarrant County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 activities*). The governmental activities of the County include general government, public safety, transportation support, judicial, and community services. The business-type activities of Tarrant County include the Resource Connection.

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

The government-wide financial statements can be found on pages 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* elsewhere in this report.

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

The basic governmental fund financial schedule can be found on pages 18-24 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

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

The basic fiduciary fund financial statement can be found on page 28 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 29-70 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary* information including budget to actual schedules for general fund and road and bridge fund, as well as the County's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required supplementary information can be found on pages 71-76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on budget to actual statements, pensions, and other post employment benefits. Combining and individual fund statements and schedules can be found on pages 80-83 and 96-101 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Tarrant County, assets exceeded liabilities by \$313,413,000 at the close of the most recent fiscal year.

The largest portion of the County's net assets \$229,902,000 (73 percent) reflects its investment in capital assets, less any related debt used to acquire those assets still outstanding, excluding unspent proceeds. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another portion of the net assets, \$67,004,000, represents unrestricted net assets, which may be used to meet the government's ongoing obligations to citizens and creditors. The remaining balance of net assets represents resources that are subject to external restriction on how they may be used. Restrictions of \$8,944,000 for records management, \$2,943,000 contractual or donor imposed restrictions and \$4,620,000 for other purposes.

### Tarrant County's Net Assets

(Amounts in thousands)

	September 30, 2011			September 30, 2010		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 417,073	\$ 3,208	\$ 420,281	\$ 507,465	\$ 2,993	\$ 510,458
Internal balance	1,799	(1,799)	-	2,099	(2,099)	-
Capital assets	407,334	5,645	412,979	353,917	5,282	359,199
Total assets	826,206	7,054	833,260	863,481	6,176	869,657
Other Liabilities	105,058	385	105,443	65,383	278	65,661
Long-term liabilities outstanding	414,368	36	414,404	461,211	135	461,346
Total liabilities	519,426	421	519,847	526,594	413	527,007
Net assets:						
Invested in capital assets, net of related debt	224,257	5,645	229,902	236,273	5,282	241,555
Restricted	16,507		16,507	15,784		15,784
Unrestricted	66,016	988	67,004	84,830	481	85,311
Total net assets	\$ 306,780	\$ 6,633	\$ 313,413	\$ 336,887	\$ 5,763	\$ 342,650

At the end of the current fiscal year, the County is able to report positive balances in all of the categories of net assets, both for the government as a whole, as well as for its governmental activities.

The County's net assets decreased by \$29,237,000 during the current fiscal year. This decrease represents the degree to which decreases in ongoing revenues have surpassed similar increases in ongoing expenses. Expenses only increased 1 percent with the largest percentage increase in

transportation costs. Revenues decreased 3 percent, almost all related to a decrease in property taxes and operating grants.

**Governmental activities.** Governmental activities decreased the County's net assets by \$30,107,000, thereby accounting for the decline in the net assets of the County. A key element of this decline was the reduction of total revenue; property tax revenue decreased by \$12,125,000 or 4 percent during the year. Operating grant revenues also decreased \$13,395,000 or 15 percent.

As a result of voluntary departmental cost cutting measures, expenses only increased \$6,269,000 or 1 percent with transportation costs accounting for the largest percentage increase.

**Business-type activities.** Business-type activities net assets increased \$870,000. Expenses remain constant while revenues increased \$627,000 or 19 percent, related to oil and gas royalties.

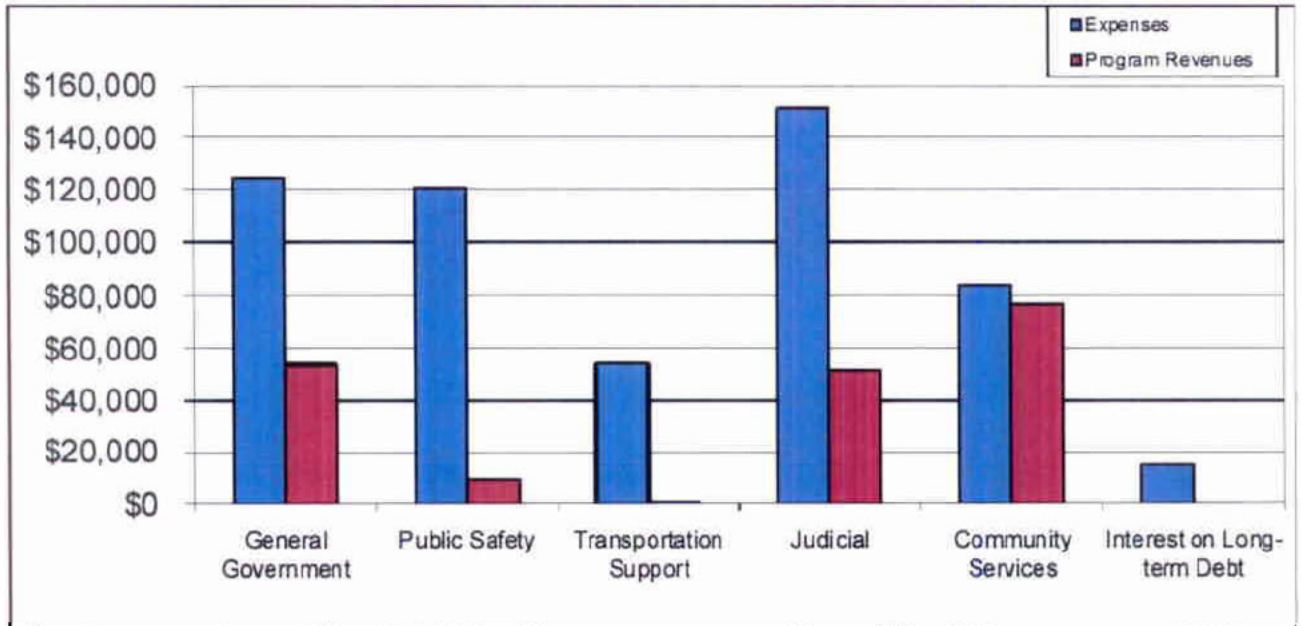
### Tarrant County's Changes in Net Assets

(Amounts in thousands)

	For the year ended September 30, 2011			For the year ended September 30, 2010		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
<b>Program revenues:</b>						
Fees, fines and charges for services	\$ 110,503	\$ 2,745	\$ 113,248	\$ 103,510	\$ 2,880	\$ 106,390
Operating grants and contributions	77,519		77,519	90,914		90,914
Capital grants and contributions	3,339		3,339	1,566		1,566
<b>General revenues:</b>						
Property taxes	315,441		315,441	327,566		327,566
Alcoholic and bingo taxes	7,646		7,646	7,217		7,217
Investment earnings	2,098	10	2,108	2,090	16	2,106
Other general revenue	3,127	1,139	4,266	2,652	371	3,023
Total revenues	<u>519,673</u>	<u>3,894</u>	<u>523,567</u>	<u>535,515</u>	<u>3,267</u>	<u>538,782</u>
<b>Expenses:</b>						
General government	124,555		124,555	126,700		126,700
Public safety	120,881		120,881	118,807		118,807
Transportation	54,329		54,329	42,121		42,121
Judicial	150,841		150,841	150,002		150,002
Community services	84,066		84,066	91,269		91,269
Interest and fiscal charges	15,108		15,108	14,612		14,612
Resource Connection		3,024	3,024		3,048	3,048
Total expenses	<u>549,780</u>	<u>3,024</u>	<u>552,804</u>	<u>543,511</u>	<u>3,048</u>	<u>546,559</u>
Increase in net assets	(30,107)	870	(29,237)	(7,996)	219	(7,777)
Net assets-beginning	<u>336,887</u>	<u>5,763</u>	<u>342,650</u>	<u>344,883</u>	<u>5,544</u>	<u>350,427</u>
Net assets-ending	<u>\$ 306,780</u>	<u>\$ 6,633</u>	<u>\$ 313,413</u>	<u>\$ 336,887</u>	<u>\$ 5,763</u>	<u>\$ 342,650</u>

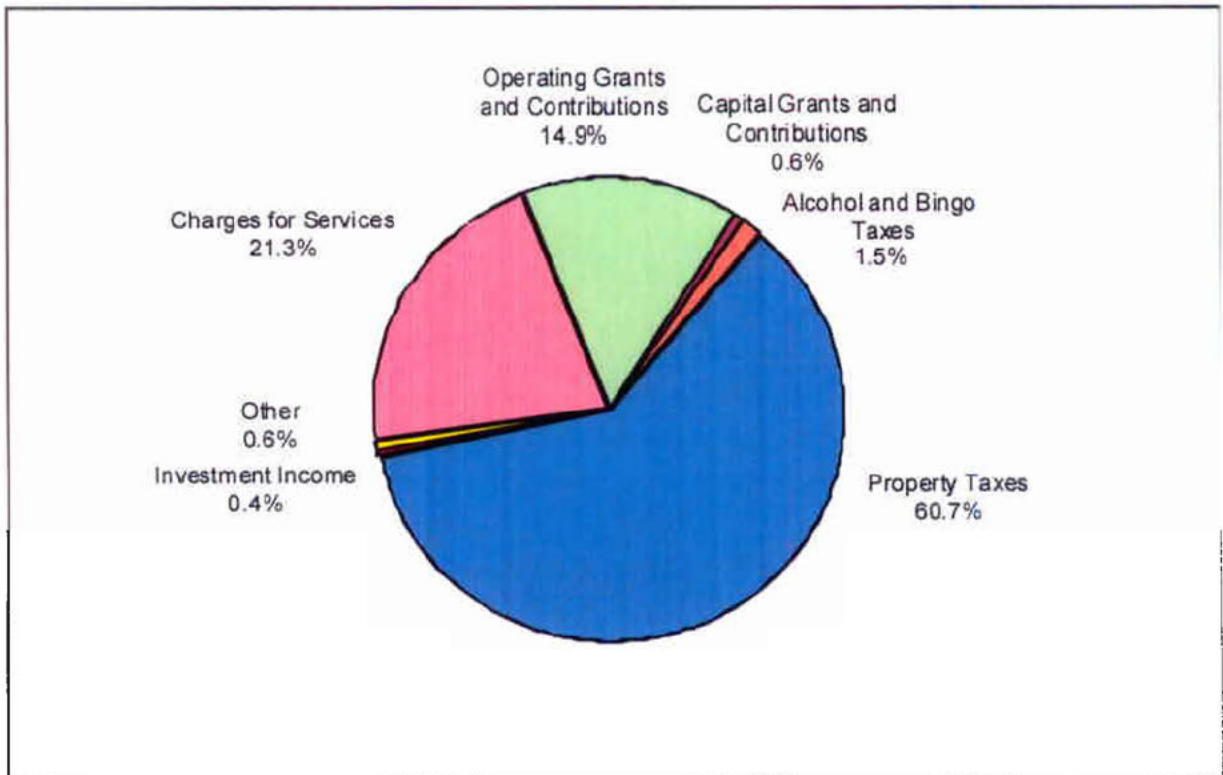
## Expenses and Program Revenues – Governmental Activities

(Amounts in thousands)



## Revenues by Source – Governmental Activities

(Amounts in thousands)





## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$317,118,000 a decrease of \$87,823,000. Approximately 12% of this total amount, \$36,642,000, 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) \$5,340,000 is not in spendable form, 2) \$185,117,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$68,421,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$21,598,000 has been assigned for a specific purpose, generally used to liquidate outstanding purchase orders.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$36,642,000, while total fund balance was \$59,421,000. 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 11 percent of total general fund expenditures, while total fund balance represents 18 percent of that same amount.

The fund balance of the County's general fund decreased by \$5,554,000 during the current fiscal year. While revenues decreased and expenses increased slightly, the key factor for the fund balance decrease was the increase in the amount of operating transfer to Road and Bridge fund and to fund capital projects.

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 \$16,415,000 all of which is either not in spendable form or committed by the Commissioners Court. The fund balance increased \$4,817,000, due to an increase in the operating transfer from the general fund.

The debt service fund has a total fund balance of \$1,482,000, all of which is committed for the payment of debt service. The net decrease in fund balance during the current year in the debt service was \$129,000. The County approved a property tax for debt service at the beginning of the current fiscal year. This tax produced revenues of \$35,903,000 in the current fiscal year. The county maintains a policy of not retaining excess debt service funds and will budget this excess in fiscal 2012.

The capital projects fund has a total fund balance of \$216,774,000, all of which is either restricted or committed for the payment of capital projects. The net decrease in fund balance during the current year was \$87,930,000. The fund balance decreased due to the continued expenditures for capital projects. Details of the bond projects are further described in the long-term debt section on page 11.

Grants fund has no fund balance as all expenditures should be reimbursed by state and federal funds. Also, any excess revenues received are deferred until earned.

Other governmental funds are generally for specific purposes and expenditures are closely aligned with revenues, therefore there is not a large increase or decrease in fund balances.

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

Total net assets of the Resource Connection at the end of the year amounted to \$6,633,000. The total increase in net assets for the fund was \$870,000. The expenses are closely aligned with collected program revenues, but other revenue from oil and gas royalties increased 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 between departments. There were no large transfers. Many of the transfers were to transfer court costs amongst the numerous courts.

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

- General government expenditures were less than budgeted because the budget includes a budgeted reserve of \$17,000,000, contingency of \$1,500,000 and undesignated balance of \$6,604,000.
- Several departments' expenses were less than budgeted for building operations, information technology and jail operations.
- While other revenue was less than anticipated, fees of office and intergovernmental revenues 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, 2011 amounted to \$412,979,000 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, roads and bridges and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was \$53,780,000.

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

- Continued development of criminal justice software
- Construction of a new jail
- Completion of the expansion to the medical examiner building
- Design process for the construction of a civil courts building
- Completion of new subcourthouse

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

### Tarrant County's Capital Assets

(Net of depreciation)  
(Amounts in thousands)

	September 30, 2011			September 30, 2010		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 53,133	\$ 2,071	\$ 55,204	\$ 52,964	\$ 2,071	\$ 55,035
Buildings and improvements	207,679	2,242	209,921	180,983	2,519	183,502
Furnishings and equipment	35,310	102	35,412	31,484	113	31,597
Infrastructure	45,856	1,230	47,086	46,527	579	47,106
Construction in progress	65,356		65,356	41,959	-	41,959
<b>Total</b>	<b>\$ 407,334</b>	<b>\$ 5,645</b>	<b>\$ 412,979</b>	<b>\$ 353,917</b>	<b>\$ 5,282</b>	<b>\$ 359,199</b>

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$335,050,000. All of this debt represents bonds payable solely on future ad valorem tax revenue.

### Tarrant County's Outstanding Debt

(Amounts in thousands)

	Governmental Activities 2011	Governmental Activities 2010
	General Obligation	\$ 209,525
Limited Tax Refunding Bonds	123,810	130,315
Non-Taxable Tax Notes	1,715	5,930
<b>Total</b>	<b>\$ 335,050</b>	<b>\$ 355,470</b>

The County's bonded debt decreased by \$20,240,000 or 6 percent during the current fiscal year. This decrease is a reflection of the principal payments of \$20,240,000.

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 \$312,700,000 Limited Tax Bonds for this purpose. \$200 million of these bonds, along with matching funds from local municipalities or Texas Department of Transportation, will be used for transportation issues. On March 7, 2006, the Tarrant County Commissioners Court approved a resolution expressing its intent to be fiscally responsible in the issuance of these bonds. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax increase.

The County maintains an "AAA" rating from Standard and Poor's and an Aaa rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for the County is \$5,714,485,000, which is in excess of the County's outstanding obligation debt.

Additional information on the County's long-term debt can be found in Note 6 on pages 47-49 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

Tarrant County's economic condition remains positive.

- The unemployment rate increased for Tarrant County to 8.3 percent, compared to the prior year of 7.9 percent. This is comparable to the state's increase in average unemployment rate of 8.4 percent from 7.9 percent a year ago. The national unemployment rate is 8.8 percent
- Continued increase in the tax rolls in Tarrant County, due to both new construction and increase in values.
- Inflationary trends in the region compare favorably to national indices.

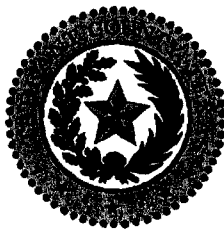
All of these factors were considered in preparing the County's budget for 2012 fiscal year.

At September 30, 2011, the unassigned fund balance in the general fund was \$36,642,000. Of the \$17,868,000 of assigned fund balance, \$16,532,864 has assigned for spending in the 2012 fiscal year budget. This available fund balance enabled the County's tax rate to remain the same for the 2012 fiscal year.

## **Requests for Information**

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

**BASIC FINANCIAL STATEMENTS**



TARRANT COUNTY, TEXAS

STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 356,868	\$ 3,114	\$ 359,982
Taxes receivable, net of allowance for uncollectibles	13,479	-	13,479
Other receivables, net of allowance for uncollectibles	42,385	92	42,477
Internal balances	1,799	(1,799)	-
Prepaid expenses and inventory	3,338	2	3,340
Deferred charges	1,003	-	1,003
Restricted assets	-	-	-
Noncurrent cash and investments	-	-	-
Investment in joint venture	-	-	-
Capital assets, net:			
Not subject to depreciation	118,489	2,071	120,560
Subject to depreciation	288,845	3,574	292,419
Total assets	<u>826,206</u>	<u>7,054</u>	<u>833,260</u>
<b>LIABILITIES</b>			
Accounts payable	24,934	226	25,160
Accrued interest payable	3,356	-	3,356
Other liabilities	19,571	29	19,600
Unearned revenue	10,576	28	10,604
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	25,692	102	25,794
Capital lease	-	-	-
Bonds & notes payable	17,325	-	17,325
Other noncurrent liabilities	3,604	-	3,604
Portion due or payable after one year:			
Compensated absences payable	10,993	36	11,029
Capital lease	-	-	-
Bonds and notes payable	333,547	-	333,547
Other noncurrent liabilities	69,828	-	69,828
Total liabilities	<u>519,426</u>	<u>421</u>	<u>519,847</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	224,257	5,645	229,902
Restricted:			
Records management	8,944	-	8,944
Contractual or donor imposed	2,943	-	2,943
Other purposes	4,620	-	4,620
Unrestricted	66,016	988	67,004
Total net assets	<u>\$ 306,780</u>	<u>\$ 6,633</u>	<u>\$ 313,413</u>

See accompanying notes to the financial statements.

Component Units	
Tarrant County Hospital District	MHMR of Tarrant County
\$ 200,306	\$ 13,835
5,209	-
68,334	8,112
-	-
20,070	1,379
-	-
5,501	-
178,944	-
-	519
47,900	1,294
<u>256,018</u>	<u>11,298</u>
<u>782,282</u>	<u>36,437</u>
32,847	1,618
-	1
28,321	2,165
-	323
-	-
-	327
2,180	81
5,501	-
-	2,381
-	51
56,352	633
<u>2,953</u>	<u>942</u>
<u>128,154</u>	<u>8,522</u>
248,344	11,500
-	-
-	-
2,308	-
250	-
<u>403,226</u>	<u>16,415</u>
<u>\$ 654,128</u>	<u>\$ 27,915</u>



TARRANT COUNTY, TEXAS

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (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	\$ 124,555	\$ 51,078	\$ 744	\$ 2,163
Public safety	120,881	5,274	3,359	593
Transportation support	54,329	-	33	446
Judicial	150,841	39,104	12,094	76
Community services	84,066	15,047	61,289	61
Interest and fiscal charges	15,108	-	-	-
Total governmental activities	549,780	110,503	77,519	3,339
Business-type:				
Resource Connection	3,024	2,745	-	-
Total primary government	\$ 552,804	\$ 113,248	\$ 77,519	\$ 3,339
Component units				
Tarrant County Hospital District	\$ 722,374	\$ 264,448	\$ 104,128	\$ -
MHMR of Tarrant County	98,362	30,125	69,084	-
	\$ 820,736	\$ 294,573	\$ 173,212	\$ -

General revenues:  
Property taxes  
Alcoholic beverage and bingo taxes  
Unrestricted investment earnings  
Other general revenue  
Total general revenues  
Change in net assets  
Net assets-beginning  
Net assets-ending

See accompanying notes to the financial statements.

**Net (Expense) Revenue and Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Tarrant County Hospital District	MHMR of Tarrant County
\$ (70,570)		\$ (70,570)		
(111,655)		(111,655)		
(53,850)		(53,850)		
(99,567)		(99,567)		
(7,669)		(7,669)		
(15,108)		(15,108)		
(358,419)		(358,419)		
-	\$ (279)	(279)		
<u>\$ (358,419)</u>	<u>\$ (279)</u>	<u>\$ (358,698)</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ (353,798)	\$ 847
			<u>\$ (353,798)</u>	<u>\$ 847</u>
315,441	-	315,441	275,345	-
7,646	-	7,646	-	-
2,098	10	2,108	5,487	43
3,127	1,139	4,266	76,131	580
328,312	1,149	329,461	356,963	623
(30,107)	870	(29,237)	3,165	1,470
336,887	5,763	342,650	650,963	26,445
<u>\$ 306,780</u>	<u>\$ 6,633</u>	<u>\$ 313,413</u>	<u>\$ 654,128</u>	<u>\$ 27,915</u>

TARRANT COUNTY, TEXAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

<u>ASSETS</u>	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash, cash equivalents, and investments	\$ 58,095	\$ 16,671	\$ 1,478	\$ 227,576
Receivables				
Taxes, net of allowance for uncollectibles	11,780	8	1,691	-
Other receivables, net of allowance for uncollectibles	25,830	658	4	793
Due from other funds	11,074	-	-	-
Advance to proprietary fund	-	-	-	1,799
Supplies and prepaid items	864	672	-	-
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TOTAL ASSETS	<u>\$ 107,643</u>	<u>\$ 18,009</u>	<u>\$ 3,173</u>	<u>\$ 230,168</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ 6,010	\$ 1,102	\$ -	\$ 13,288
Other liabilities	11,671	484	-	9
Due to other funds	-	-	-	-
Deferred revenue	30,541	8	1,691	97
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Total liabilities	48,222	1,594	1,691	13,394
 FUND BALANCES:				
Nonspendable	4,619	672	-	-
Restricted	-	-	-	167,796
Committed	292	15,743	1,482	48,978
Assigned	17,868	-	-	-
Unassigned	36,642	-	-	-
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Total fund balances	59,421	16,415	1,482	216,774
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 107,643</u>	<u>\$ 18,009</u>	<u>\$ 3,173</u>	<u>\$ 230,168</u>

See accompanying notes to the financial statements.

<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 11,077	\$ 25,496	\$ 340,393
-	-	13,479
12,602	1,221	41,108
-	-	11,074
-	-	1,799
1,614	49	3,199
<u>\$ 25,293</u>	<u>\$ 26,766</u>	<u>\$ 411,052</u>
\$ 2,971	\$ 556	\$ 23,927
1,071	2,903	16,138
10,793	281	11,074
10,458	-	42,795
25,293	3,740	93,934
-	49	5,340
-	17,321	185,117
-	1,926	68,421
-	3,730	21,598
-	-	36,642
-	23,026	317,118
<u>\$ 25,293</u>	<u>\$ 26,766</u>	<u>\$ 411,052</u>

TARRANT COUNTY, TEXAS

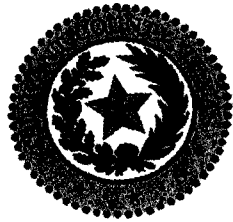
RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET ASSETS  
SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

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

Total fund balance - total governmental funds (pages 18-19)	\$ 317,118
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	407,334
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	32,240
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 assets.	5,524
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>(455,436)</u>
Net assets of governmental activities (page 14)	<u>\$ 306,780</u>

See accompanying notes to the financial statements.



TARRANT COUNTY, TEXASSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>
REVENUES:				
Taxes	\$ 280,269	\$ 1	\$ 35,903	\$ -
Licenses and permits	851	-	-	-
Fees of office	39,118	19,520	-	-
Intergovernmental	17,449	34	-	394
Investment income	645	46	52	940
Other revenues	10,875	113	-	1,621
Total revenues	<u>349,207</u>	<u>19,714</u>	<u>35,955</u>	<u>2,955</u>
EXPENDITURES:				
Current:				
General government	87,496	2,728	-	-
Public safety	105,197	-	-	-
Transportation support	-	22,936	-	-
Judicial	128,986	-	-	-
Community services	4,987	-	-	-
Capital outlay	2,428	-	-	106,511
Debt service:				
Principal payments	-	-	20,420	-
Interest and fiscal charges	-	-	15,964	-
Total expenditures	<u>329,094</u>	<u>25,664</u>	<u>36,384</u>	<u>106,511</u>
Excess (deficiency) of revenues over (under) expenditures	20,113	(5,950)	(429)	(103,556)
OTHER FINANCING SOURCES (USES):				
Transfers in	722	10,767	300	15,926
Transfers out	(26,389)	-	-	(300)
Total other financing sources (uses)	<u>(25,667)</u>	<u>10,767</u>	<u>300</u>	<u>15,626</u>
Change in fund balance	(5,554)	4,817	(129)	(87,930)
FUND BALANCES, beginning of year	<u>64,975</u>	<u>11,598</u>	<u>1,611</u>	<u>304,704</u>
FUND BALANCES, end of year	<u>\$ 59,421</u>	<u>\$ 16,415</u>	<u>\$ 1,482</u>	<u>\$ 216,774</u>

See accompanying notes to the financial statements.

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<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 33	\$ 316,206
-	-	851
1,167	9,710	69,515
77,016	13,052	107,945
22	393	2,098
<u>1,375</u>	<u>4,525</u>	<u>18,509</u>
79,580	27,713	515,124
1,342	7,167	98,733
3,475	1,072	109,744
-	-	22,936
9,879	4,666	143,531
59,319	12,924	77,230
4,979	756	114,674
-	-	20,420
<u>-</u>	<u>-</u>	<u>15,964</u>
78,994	26,585	603,232
586	1,128	(88,108)
749	1,567	30,031
<u>(1,335)</u>	<u>(1,722)</u>	<u>(29,746)</u>
<u>(586)</u>	<u>(155)</u>	<u>285</u>
-	973	(87,823)
<u>-</u>	<u>22,053</u>	<u>404,941</u>
<u>\$ -</u>	<u>\$ 23,026</u>	<u>\$ 317,118</u>



TARRANT COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

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

Net change in fund balances--total governmental funds (pages 22-23)	\$ (87,823)
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)	53,485
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (Note 2)	(68)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,617
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2)	20,420
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)	(20,556)
The change in net assets of certain activities of internal service funds is reported with governmental activities.	<u>(182)</u>
Change in net assets of governmental activities (pages 16-17)	<u>\$ (30,107)</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,114	\$ 16,475
Other receivables, net of allowance for uncollectibles	92	1,277
Prepaid expenses and inventory	2	139
Total current assets	<u>3,208</u>	<u>17,891</u>
Noncurrent assets:		
Capital assets		
Land	2,071	-
Building and improvements, net	2,241	-
Equipment, net	103	-
Infrastructure, net	1,230	-
Total noncurrent assets	<u>5,645</u>	<u>-</u>
Total assets	<u>8,853</u>	<u>17,891</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	226	1,007
Other liabilities	29	7,037
Deferred revenue	28	21
Compensated absences payable	102	-
Advance from governmental fund	200	-
Total current liabilities	<u>585</u>	<u>8,065</u>
Noncurrent liabilities:		
Other noncurrent liabilities	-	4,302
Compensated absences payable	36	-
Long term advance from governmental fund	1,599	-
Total noncurrent liabilities	<u>1,635</u>	<u>4,302</u>
Total liabilities	<u>2,220</u>	<u>12,367</u>
<u>NET ASSETS</u>		
Invested in capital assets	5,645	-
Unrestricted	988	5,524
Total net assets	<u>\$ 6,633</u>	<u>\$ 5,524</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

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	<u>Business-type Activities- Enterprise</u>	<u>Governmental Activities- Internal Service</u>
OPERATING REVENUES:		
Building rental	\$ 2,745	\$ -
User fees	-	14,588
County contributions	156	48,438
Oil and gas royalties	784	-
Other revenues	199	3,604
	<hr/>	<hr/>
Total operating revenues	3,884	66,630
OPERATING EXPENSES		
Personnel	994	-
Building and equipment maintenance and repairs	1,468	104
Depreciation and amortization	365	-
Self insurance claims	-	57,332
Insurance premiums	13	5,805
Other expenses	184	3,346
	<hr/>	<hr/>
Total operating expenses	3,024	66,587
Operating income (loss)	860	43
NONOPERATING REVENUES:		
Investment income	10	60
	<hr/>	<hr/>
Total nonoperating revenues	10	60
Income (loss) before transfers	870	103
Transfers out	-	(285)
	<hr/>	<hr/>
Change in net assets	870	(182)
Total net assets - beginning	5,763	5,706
Total net assets - ending	<u>\$ 6,633</u>	<u>\$ 5,524</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
OPERATING ACTIVITIES:		
Receipts from customers	\$ 4,041	\$ 65,871
Payments to suppliers	(1,688)	-
Payments on behalf of employees	-	(69,692)
Payments to employees	(990)	-
Net cash flows provided by (used in) operating activities	1,363	(3,821)
INVESTING ACTIVITIES:		
Investment income	10	60
Net cash flows provided by investing activities	10	60
NONCAPITAL FINANCING ACTIVITIES:		
Transfers out	-	(285)
Net cash flows used in noncapital financing activities	-	(285)
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Advance to other funds	(300)	-
Acquisition of capital assets	(728)	-
Net cash flows provided by (used in) capital and related financial activities	(1,028)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	345	(4,046)
CASH AND CASH EQUIVALENTS, beginning of year	2,769	20,521
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,114</u>	<u>\$ 16,475</u>
Reconciliation of operating income to net cash provided by operating activities:		
Income (loss) from operations	\$ 860	\$ 43
Net cash provided by operating activities:		
Depreciation & amortization	365	-
Changes in assets and liabilities:		
Supplies & prepaid items	1	(139)
Other receivables	129	(761)
Accounts payable	(24)	(4,072)
Other liabilities	1	1,106
Deferred revenue	28	2
Compensated absences	3	-
Net cash flows provided by (used in) operating activities	<u>\$ 1,363</u>	<u>\$ (3,821)</u>

See accompanying notes to the financial statements.

TARRANT COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

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	<u>Agency Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash, cash equivalents, and investments	\$ 36,690
Other receivables	135,379
Restricted asset	<u>76,695</u>
TOTAL ASSETS	<u>\$ 248,764</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 5
Due to third parties	<u>248,759</u>
TOTAL LIABILITIES	<u>\$ 248,764</u>

See accompanying notes to the financial statements.

# TARRANT COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2011

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governments. The financial report has been prepared in accordance with GASB statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued in 2009 and implemented by the County in fiscal year 2011. The following is a summary of the significant policies:

#### (a) Reporting Entity

The accompanying financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column 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') is governed by a board of directors, appointed by the County Commissioners Court, which currently are the Commissioners Court members. The County Commissioners Court created the TCHFC, but it is not a political subdivision of the County under state law. The TCHFC is authorized to issue bonded debt without County Commissioners Court approval. The TCHFC is reported in the other governmental column in the fund financial statements.

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

#### DISCRETELY PRESENTED COMPONENT UNITS

The Tarrant County Hospital District ('TCHD') serves the citizens of the County and is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. The County Commissioners Court approves the TCHD tax rate and annual budget, but does not provide any funding or hold title to any of the TCHD assets. TCHD cannot issue bonded debt without County Commissioners Court approval. TCHD's financial statements include the JPS Physicians Group (JPSPG) and Partners Together for Health as component units within the reporting entity.

The Mental Health and Mental Retardation of Tarrant County ('MHMRTC') serves the citizens of the County and is governed by a board of directors which the County Commissioners Court may appoint and remove at will. The County Commissioners Court approves the MHMRTC budget, but does not hold title

to any of its assets. MHMRTC can issue bonded debt without the approval of the County Commissioners Court. The fiscal year end of MHMRTC is August 31 and the financial statements presented herein are as of August 31, 2011.

MHMRTC has created two nonprofit corporations in which MHMRTC appoints all the members of the governing boards. In 1997, Trinity Behavioral Rehabilitation Corporation was formed with the intent to enter into contracts for behavioral healthcare with health maintenance organizations. In 2000, MHMR Visions was formed with tax exemption status for fund raising purposes. Trinity Behavioral Rehabilitation Corporation has had no financial activity since its inception and, as such, has had no effect on the financial statements of MHMRTC and is not included in the report. MHMR Visions is reported as a governmental fund within MHMRTC.

The Tarrant County Health Facilities Development Corporation (“TCHFDC”) is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCHFDC has no material balance sheet or results of operations as of and for the year ended September 30, 2011. All debt issued through TCHFDC was conduit debt (see Note 6). TCHFDC had no other operations.

The Tarrant County Cultural Education Facilities Finance Corporation (“TCCEFFC”) is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCCEFFC has no material balance sheet or results of operations as of and for the year ended September 30, 2011. All debt issued through TCCEFFC was conduit debt (see Note 6). TCCEFFC had no other operations.

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

TCHD	MHMRTC
1500 S. Main	3840 Hulen Street
Fort Worth, Texas 76104	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 assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

## FUND FINANCIAL STATEMENTS

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

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

The County reports the following major governmental funds:

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

**Road and Bridge Fund** – The Road and Bridge Fund accounts for the collection and expenditure of those monies designated to be spent for acquisition, construction, and maintenance of county roads and bridges.

**Debt Service Fund** – The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt associated with the acquisition and/or construction of facilities and equipment for the County.

**Capital Projects Fund** – The Capital Projects Fund accounts for the financial resources to be used for the acquisition and/or construction of facilities, equipment and infrastructure for the County.

**Grants Fund** – The Grants Fund accounts for the activities conducted under the many grant agreements between the County and various state and federal organizations.

The County reports the following proprietary funds:

**Resource Connection** – The Resource Connection fund accounts for the activities of the Resource Connection, a 15-building, one-stop center providing employment, education, health and human services programs to clients through state and local governmental agencies and non-profit organizations. The County is the owner/landowner of the property and leases space to the various entities. The Resource Connection has a permanent gas pipeline easement and oil and gas lease agreement. These proceeds will be used to finance capital improvements and capital purchases for the Resource Connection.

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

Additionally, the County reports the following fiduciary funds:

**Agency Funds** – These funds account for assets held by the County in a trustee capacity or as an agent for others. They include the Payroll Clearing fund for payroll deductions and the Fee Office fund for moneys in the custody of the fee office of the County.



**(c) Basis of Accounting**

**GOVERNMENT-WIDE, PROPRIETARY, AND FIDUCIARY FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. The primary revenue sources susceptible to accrual are property taxes, which are recognized as deferred revenue until cash is received, and grant income, which is accrued when the legal and contractual requirements of the individual programs are met. Expenditures are recorded when incurred. However, expenditures for principal and interest on general long-term debt, compensated absences, and claims and judgments are recorded when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, The County, TCHD, and MHMRTC have elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) including those issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

**(d) Encumbrances**

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

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

Cash and cash equivalents of the County and its component units are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents in the cash flow statement do not include restricted assets.

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

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

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

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

**(f) Supplies and Prepaid Items**

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

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

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

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

**(g) Restricted Assets**

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

**(h) Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements at cost. The County defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life greater than 1 year. TCHD capitalizes assets with an estimated useful life of 2 years or longer. MHMRTC defines capital assets as assets with an individual value of more than \$1,000 and an estimated useful life greater than 3 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Infrastructure	20 - 35 years
Land improvements	5 - 25 years
Buildings and improvements	15 - 40 years
Furnishings and equipment	5 - 25 years
Major movable equipment	5 - 8 years

**(i) Unearned and Deferred Revenue**

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

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

**(j) Long-term Obligations**

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

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

**(k) Compensated Absences**

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of accumulated earned but unpaid vacation and sick pay benefits and related fringe benefits associated with the payment of the compensated absences. Vacation pay is accrued, to a maximum amount of twice the employee's current accrual rate, and the vested portion of the sick leave is accrued for the employees eligible to receive payment upon termination, in accordance with County policy.

Compensated absences vacation pay is liquidated from various funds, however sick leave is generally paid from the general fund.

**(l) Property Taxes**

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

The County's ad valorem taxes are levied and become a legal enforceable claim, on October 1 on 100% of assessed valuation at a rate of \$0.264 (\$0.234621 for the maintenance and operations and \$0.029379 for interest and sinking fund) per \$100 valuation as of the preceding January 1. These taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty. Taxes paid after January 31 of each year are subject to interest and penalty charges.

Collections of the current year's levy are reported as current collections if received during the fiscal year.

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

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

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

TCHD ad valorem tax rate was .227897 per \$100 valuation (\$0.226200 per \$100 valuation for the maintenance and operation fund and \$0.001697 per \$100 valuation for the interest and sinking fund).

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

Tobacco settlement revenue is the result of a settlement between various counties and hospital districts in Texas and the tobacco industry for tobacco-related health care costs. During the year ended September 30,

2011 the TCHD received approximately \$5,664,000 related to the settlement. This revenue is recognized as a component of other operating revenue in the statement of revenues, expenses and changes in net assets.

**(n) Risk Management – MHMRTC**

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 2011 MHMRTC was covered under a general liability insurance plan with a combined single limit of \$3,000,000 at a cost it considered to be economically justifiable.

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

**(o) 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 it is by Commissioners Court order.

**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.

**Unassigned Fund Balance**

This classification includes amounts that are available for any purpose; these amounts can be reported only in the County's general fund.

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

**(p) Net Assets**

**Net Assets: Invested in Capital Assets, Net of Related Debt**

This component of net assets 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 Assets: Restricted**

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

**Net Assets: Unrestricted**

This component of net assets is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets and liabilities that is not reported in Net Assets Invested in Capital Assets, Net of Related Debt or Net Assets, Restricted.

**(q) Reclassification**

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. The reclassification had no effect on the changes in financial position.

## 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 assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. 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 \$455,436 difference are as follows (in thousands):

Bonds payable	\$ 335,050
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,867)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(1,003)
Less: Issuance discount (to be amortized as interest expense)	(1,358)
Plus: Premium on issuance (to be amortized as interest expense)	19,047
Accrued interest payable	3,356
Compensated absences	36,685
Other postemployment benefits liability	<u>65,526</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ 455,436</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 assets 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 \$53,485 difference are as follows (in thousands):

Capital outlay	\$ 77,587
Depreciation expense	<u>(24,102)</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 53,485</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 increase net assets.” The details of this \$68 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 assets differs from the change in fund balance by the cost of the capital assets sold.	\$ (877)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>809</u>
Net adjustment to decrease <i>net changes in fund balances--total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (68)</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 assets. 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 \$20,420 difference are as follows (in thousands):

Principal repayments:	
General obligation debt	\$ (9,700)
Limited tax refund debt	(6,505)
Non-taxable tax notes	<u>(4,215)</u>
Net adjustment to increase <i>net changes in fund balances -total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (20,420)</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 \$20,556 difference are as follows (in thousands):

Compensated absences	\$ 807
Other postemployment benefits	(22,132)
Accrued interest payable	(66)
Amortization of deferred charge on refunding	(111)
Amortization of issuance costs	(87)
Amortization of bond discounts	(91)
Amortization of bond premiums	<u>1,124</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (20,556)</u>

### 3. CASH AND INVESTMENTS

#### Cash

At year-end, the County’s carrying amount of cash (including restricted assets in the fiduciary funds) was \$124,801,460 and the bank balance was \$128,810,334, all of which was covered by Federal Depository Insurance Corporation or by collateral held by the County’s agent in the County’s name.

At year-end, TCHD’s carrying amount of deposits (including restricted assets) was \$273,925,000. State law requires collateralization of all deposits with federal depository insurance or other qualified investments. All of TCHD’s deposits were either insured or collateralized in accordance with state law.

On August 31, 2011, MHMRTC’s carrying amount of cash and cash equivalents was \$11,816,403 all of which was covered by Federal Depository Insurance Corporation or by collateral held by MHMRTC, its agent or by pledging financial institution’s trust department or agent in MHMRTC’s name.

#### Investments

##### County

As of September 30, 2011, the County had the following investments and maturities (amounts in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted average Maturity (days)</u>	<u>% of total Portfolio</u>
Investment Pools:			
LOGIC	1,270	42	0.4%
Texpool	81,734	34	23.4%
Texas CLASS	1,351	30	0.4%
Texstar	86,942	40	24.9%
Lone Star	<u>91,923</u>	38	<u>26.5%</u>
Total investment pools	263,220		75.5%
U.S. government sponsored entities, debt securities:			
Federal National Mortgage Assn Notes	60,242	752	17.3%
Federal Home Loan Bank Notes	<u>25,103</u>	759	<u>7.2%</u>
Total securities	85,345		24.5%
Total Investments	<u>\$ 348,565</u>		<u>100%</u>



Investments are stated at fair value, including the investments in LOGIC, Texpool, Texas CLASS, Texstar, and Lone Star investment pools. The fair value of the County's investments in these pools is the same as the value of pool shares. All external investment pools in which the County participates have a credit quality rating of "AAA".

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

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

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

*Custodial credit risk:* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy requires all investments to be acquired on a delivery vs. payment basis at the custodial agent from brokers independent of the custodial agent. As of September 30, 2011, all of the County's investments are held in the County's name.

*Concentration of credit risk:* The County will diversify its investments by institution. With the exception of US Treasury securities, no more than 50% of the County's total investment portfolio will be invested with a single financial institution.

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

## TCHD

At September 30, 2011 TCHD's investment balances were as follows (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>		
		<u>less than 1</u>	<u>1-5</u>	<u>6-10</u>
Money market mutual funds	\$ 3,244	\$ 3,244	\$ -	\$ -
Investment pools	45,298	45,298	-	-
U.S. Treasury obligations	1,248	-	521	727
U.S. agencies obligations	60,154	21,548	20,777	17,829
Municipal bonds	683	101	582	-
		<u>\$ 70,191</u>	<u>\$ 21,880</u>	<u>\$ 18,556</u>
Mutual funds	<u>199</u>			
Total Fair Value of Investments	<u>\$ 110,826</u>			

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

*Credit risk:* Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation. TCHD's policy is to limit its investments to U.S. Treasury and agency obligations or otherwise follow the restriction of the Texas Public Funds Investment Act. TCHD's investments in U. S. Treasury obligations carry the explicit guarantee of the U.S. government. The debt securities of the U.S. agencies are rated AA+ by Standard and Poor's rating agency.

TCHD also invests in the State Investment Pools (the Pools), which are considered investments for financial reporting. TCHD has an undivided beneficial interest in the pool of assets held by the Pools. Authorized investments include obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit, and repurchase agreements. The fair value of the position in these pools is the same as the value of the shares in each pool. The Pools, as well as the money market mutual funds invested in by TCHD, are rated as AAAM by Standard & Poor's. TCHD also invests in certificates of deposits, which are classified as deposits for financial reporting purposes. These certificates of deposit are fully collateralized by the various financial institutions.

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

*Concentration of credit risk:* TCHD places no limit on the amount that may be invested in any one issuer as long as the restrictions of the Texas Public Funds Investment Act are followed. The following table reflects TCHD's investments in single issuers that represent more than five percent of total investments:

Federal Home Loan Bank	19.2%
Federal National Mortgage Association	8.8%
Federal Farm Credit Bank	11.7%
Federal Home Loan Mortgage Association	9.3%
Federal Agricultural Mortgage Corporation	5.3%

## MHMRTC

At August 31, 2011, MHMRTC had the following investments (in thousands):

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Days to Maturity (2)</u>
Certificate of deposit	2,018	2,018	n/a	166
Total Investments	<u>\$ 2,018</u>	<u>\$ 2,018</u>		

(1) Ratings are provided where applicable to indicate associated *credit risk*.

(2) *Interest rate risk* information is provided using the weighted average method.

*Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, MHMRTC's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with state statutes. During the year ended August 31, 2011, MHMRTC did not own any types of securities other than those permitted by statute or its investment policy.

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. MHMRTC's investment policy requires maturities of investments to correspond with projected cash flow needs. Remaining maturities shall be no longer than two years, except as specifically authorized by the Board of Trustees. MHMRTC policy further provides that maturities on investments exceeding one year shall not exceed 15% of the total portfolio. During the year ended August 31, 2011, MHMRTC did not own investments other than those permitted by policy.

*Concentration of credit risk* is the risk of loss attributed to the magnitude of MHMRTC's investment in a single issuer. Following is a list of individual investments that represent more than 5% of total MHMRTC investments at year end (in thousands):

Description	Carrying Amount	Percentage of Portfolio
Hillcrest Bank CD	\$ 245,000	12%
Crockett National Bank CD	245,000	12%
First National Bank CD	245,000	12%
American Bank CD	245,000	12%
West Side Bank & Trust CD	245,000	12%
Legacy Bank CD	245,000	12%
Trinity Bank CD	248,443	12%

MHMRTC's investment policy provides for diversification by market sector and by individual issuer for each eligible investment specified in the investment policy.

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

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

	Primary Government	Component Units
Cash:		
County	\$ 124,802	\$ -
TCHD	-	273,925
MHMRTC	-	11,817
Investments:		
County	348,565	-
TCHD	-	110,826
MHMRTC	-	2,018
Total	\$ 473,367	\$ 398,586
Cash and investments per Statement of Net Assets:		
Unrestricted	\$ 359,982	\$ 214,141
Restricted	-	5,501
Noncurrent cash and investments	-	178,944
Cash and investments per Statement of Fiduciary Net Assets:		
Unrestricted	36,690	-
Restricted	76,695	-
Total	\$ 473,367	\$ 398,586

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

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Total</u>	<u>TCHD</u>
Taxes receivable	\$ 23,679	\$ 20	\$ 3,889	\$ 27,588	\$ 13,100
Allowance for uncollectibles	<u>(11,899)</u>	<u>(12)</u>	<u>(2,198)</u>	<u>(14,109)</u>	<u>(7,891)</u>
Net taxes receivable	<u>\$ 11,780</u>	<u>\$ 8</u>	<u>\$ 1,691</u>	<u>\$ 13,479</u>	<u>\$ 5,209</u>

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

##### Governmental Funds

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts receivable	\$ 2,341	\$ 140	\$ -	\$ 793	\$ 1,987	\$ 1,063	\$ 6,324
Fee office receivable	62,669	-	-	-	-	-	62,669
Intergovernmental receivable	973	518	4	-	10,855	158	12,508
Long-term receivable	3,755	-	-	-	-	-	3,755
Allowance for uncollectible	<u>(43,908)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(240)</u>	<u>-</u>	<u>(44,148)</u>
Net accounts receivable	<u>\$ 25,830</u>	<u>\$ 658</u>	<u>\$ 4</u>	<u>\$ 793</u>	<u>\$ 12,602</u>	<u>\$ 1,221</u>	<u>\$ 41,108</u>

##### Business-type Activities

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Accounts receivable	\$ 99	\$ 1,277	\$ 1,376
Allowance for uncollectible	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Net accounts receivable	<u>\$ 92</u>	<u>\$ 1,277</u>	<u>\$ 1,369</u>

##### Component Units

	<u>TCHD</u>	<u>MHMRTC</u>	<u>Total</u>
Accounts receivable	\$209,680	\$ 12,487	\$222,167
Allowance for uncollectible	<u>(141,346)</u>	<u>(4,375)</u>	<u>(145,721)</u>
Net accounts receivable	<u>\$ 68,334</u>	<u>\$ 8,112</u>	<u>\$ 76,446</u>

The long-term accounts receivable relates to the 1998 sale of the Tarrant County Convention Center to the City of Fort Worth. The agreement allows for the City to pay the County over a twenty-year period.

The Tarrant County tax office contracts with other taxing entities for the collection of their ad valorem taxes. Of the \$135,379,000 reported as other receivables in the County's agency fund, \$135,337,197 is recorded for this purpose.

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

TCHD provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because TCHD does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue. In addition, TCHD provides services to other medically indigent patients under certain government-reimbursed public aid programs. Such programs pay providers amounts which are less than established charges for the services provided to the recipients and many times the payments are less than the cost of rendering the services provided. Uncompensated charges relating to these services are \$654,576,000 for charity allowances and \$206,152,000 for State Medicaid and other public aid programs. TCHD also commits significant time and resources to endeavors and critical services, which meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable.

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

## 5. CAPITAL ASSETS

### County

Capital asset activity for the year ended September 30, 2011 was as follows (in thousands):

	<u>Balance October 1, 2010</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance September 30, 2011</u>
<b>Governmental activities:</b>				
Capital assets not depreciated:				
Land	\$ 52,964	\$ 263	\$ (94)	\$ 53,133
Construction in progress	41,959	47,361	(23,964)	65,356
Total capital assets not depreciated	<u>94,923</u>	<u>47,624</u>	<u>(24,058)</u>	<u>118,489</u>
Other capital assets:				
Buildings and improvements	282,065	20,874	14,361	317,300
Furnishings and equipment	99,632	7,468	4,728	111,828
Infrastructure	89,996	4,069	(711)	93,354
Total other capital assets at cost	<u>471,693</u>	<u>32,411</u>	<u>18,378</u>	<u>522,482</u>
Less accumulated depreciation for:				
Buildings and improvements	(101,082)	(9,038)	499	(109,621)
Furnishings and equipment	(68,148)	(10,698)	2,328	(76,518)
Infrastructure	(43,469)	(4,366)	337	(47,498)
Total accumulated depreciation	<u>(212,699)</u>	<u>(24,102)</u>	<u>3,164</u>	<u>(233,637)</u>
Other capital assets, net	258,994	8,309	21,542	288,845
Governmental activities capital assets, net	<u>\$ 353,917</u>	<u>\$ 55,933</u>	<u>\$ (2,516)</u>	<u>\$ 407,334</u>

	<u>Balance October 1, 2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance September 30, 2011</u>
<b>Business-type activities:</b>				
Capital assets not depreciated:				
Land	\$ 2,071	\$ -	\$ -	\$ 2,071
Other capital assets:				
Buildings and improvements	6,033	-	-	6,033
Furnishings and equipment	425	27	(11)	441
Infrastructure	624	701		1,325
Total other capital assets at cost	<u>7,082</u>	<u>728</u>	<u>(11)</u>	<u>7,799</u>
Accumulated depreciation	<u>(3,871)</u>	<u>(365)</u>	<u>11</u>	<u>(4,225)</u>
Other capital assets, net	3,211	363	-	3,574
Business-type activities capital assets, net	<u>\$ 5,282</u>	<u>\$ 363</u>	<u>\$ -</u>	<u>\$ 5,645</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 12,326
Public safety	2,662
Transportation	8,313
Judicial	464
Community services	<u>337</u>
Total governmental activities depreciation expense	<u>\$ 24,102</u>

Construction in progress primarily consists of criminal justice software development, construction contracts for the construction and expansion of juvenile justice complex, sub-courthouse facility, civil courts, and jail. At September 30, 2011, the remaining commitments on contracts and agreements are \$18,724,678.

The County has a lease agreement with Community Supervision and Corrections to utilize a County facility through August 2012 at a monthly rate of \$20,000.

Also, in fiscal year 2002 the County entered into a lease agreement with the City of Fort Worth #3 (Tax Increment Financing District) to allow public parking in the Law Center parking garage on weekends and evenings. The City of Fort Worth #3 has agreed to pay a total of \$2,500,000 plus 6% interest thru January 2013.

## TCHD

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

	<b>Balance October 1, 2010</b>	<b>Additions</b>	<b>Disposals/ Transfers</b>	<b>Balance September 30, 2011</b>
Land and improvements	\$ 46,898	\$ 176	\$ 826	\$ 47,900
Buildings and improvements	230,176	349	1,267	231,792
Equipment	328,873	15,287	(6,086)	338,074
Construction in progress	5,029	36,270	(12,894)	28,405
	<u>610,976</u>	<u>52,082</u>	<u>(16,887)</u>	<u>646,171</u>
Less accumulated depreciation	<u>(317,421)</u>	<u>(40,565)</u>	<u>15,733</u>	<u>(342,253)</u>
Capital assets, net	<u>\$ 293,555</u>	<u>\$ 11,517</u>	<u>\$ (1,154)</u>	<u>\$ 303,918</u>

In 2010, TCHD began implementing an electronic medical record system. This project is expected to be completed in 2012 and the total estimated remaining cost at September 30, 2011, is \$94,122,000.

## MHMRTC

A summary of changes in capital asset balances, including assets recorded under capital leases for MHMRTC, for the year ended August 31, 2011, is as follows (in thousands):

	<b>Balance August 31, 2010</b>	<b>Additions</b>	<b>Retirements/ Transfers</b>	<b>Balance August 31, 2011</b>
Capital assets not depreciated:				
Land	\$ 1,294	\$ -	\$ -	\$ 1,294
Construction in progress	1,533	-	(1,533)	-
Total capital assets not depreciated	<u>2,827</u>	<u>-</u>	<u>(1,533)</u>	<u>1,294</u>
Other capital assets:				
Buildings and improvements	11,443	274	(4)	11,713
Equipment and furniture	11,763	1,801	1,250	14,814
Total other capital assets at cost	<u>23,206</u>	<u>2,075</u>	<u>1,246</u>	<u>26,527</u>
Accumulated depreciation	<u>(13,363)</u>	<u>(2,117)</u>	<u>251</u>	<u>(15,229)</u>
Other capital assets, net	9,843	(42)	1,497	11,298
Capital assets, net	<u>\$ 12,670</u>	<u>\$ (42)</u>	<u>\$ (36)</u>	<u>\$ 12,592</u>

Depreciation expense was charged to functions as follows:

Mental Health Adult	\$ 408
Mental Retardation	313
Child and Adolescent	38
Administration	502
Substance Abuse	149
Early Childhood Intervention	196
Total depreciation expense	<u>\$ 1,606</u>
Internal Service Fund	<u>511</u>
Total depreciation expense	<u><u>\$ 2,117</u></u>

## 6. LONG-TERM DEBT

### County

General obligation debt, certificates of obligation and contractual obligations are generally payable from property tax revenues. All other obligations, including capital leases and compensated absences, are payable from revenues of the general fund.

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

At year end \$167,796,365 of these bond proceeds remained unspent and accordingly the debt related to the proceeds have not been used in the calculation of net assets invested in capital, net of related debt.

Long-term debt of the County consisted of the following at September 30, 2011 (in thousands):

General Obligation Bonds - Series 2002 with interest rate of 4.25%, payable in annual installments of varying amounts plus interest through 2012	\$ 1,170
General Obligation Bonds - Series 2006 with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2026	67,285
General Obligation Bonds - Series 2007 with interest rates from 4.5% to 5.25%, payable in annual installments in varying amounts plus interest through 2027	45,460



General Obligation Bonds - Series 2008 with interest rates from 3.5% to 5.0%, payable in annual installments in varying amounts plus interest through 2028	95,610
Limited Tax Refunding - Series 2004 with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2024	24,260
Limited Tax Refunding - Series 2005 with interest rates from 3.75% to 5.0%, payable in annual installments in varying amounts plus interest through 2025	32,480
Limited Tax Refunding and General Obligation - Series 2010 with interest rates from 2.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2030	67,070
Non-Taxable Tax Notes - Series 2006 with interest rate of 4.0%, payable in annual installments of varying amounts plus interest through 2012	<u>1,715</u>
	335,050
Less - current maturities	<u>17,325</u>
Long-term debt, net of current maturities	317,725
Plus (less) deferred amounts:	
For issuance premiums	19,047
For issuance discounts	(1,358)
On refunding	<u>(1,867)</u>
Long-term debt, net of current maturities, premium, discount and refunding	<u>\$ 333,547</u>

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

Fiscal Year	General Obligation		Limited Tax Refunding Bonds		Non Taxable Tax Notes		Total Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 10,100	\$ 10,227	\$ 5,510	\$ 5,813	\$ 1,715	\$ 69	\$ 33,434
2013	9,300	9,810	6,840	5,635	-	-	31,585
2014	9,725	9,385	7,110	5,391	-	-	31,611
2015	10,120	8,991	7,455	5,076	-	-	31,642
2016	10,625	8,485	7,810	4,752	-	-	31,672
2017-2021	61,510	34,045	41,875	17,848	-	-	155,278
2022-2026	78,435	17,112	31,950	7,928	-	-	135,425
2027-2030	19,710	1,387	15,260	1,954	-	-	38,311
Total	<u>\$ 209,525</u>	<u>\$ 99,442</u>	<u>\$ 123,810</u>	<u>\$ 54,397</u>	<u>\$ 1,715</u>	<u>\$ 69</u>	<u>\$ 488,958</u>

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2011 (in thousands):

	<b>Balance October 1, 2010</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2011</b>	<b>Amounts Due within One year</b>
<b>Governmental activities:</b>					
Bonds payable	\$ 355,470	\$ -	\$ (20,420)	\$ 335,050	\$ 17,325
Deferred amounts:					
Premium	20,171	-	(1,124)	19,047	-
Discount	(1,449)	-	91	(1,358)	-
Refunding	(1,978)	-	111	(1,867)	-
Total bonds payable	372,214		(21,342)	350,872	17,325
OPEB obligation	43,394	28,352	(6,220)	65,526	-
Claims and judgements	8,111	3,604	(3,809)	7,906	3,604
Compensated absences	37,492	24,885	(25,692)	36,685	25,692
<b>Total</b>	<b>\$ 461,211</b>	<b>\$ 56,841</b>	<b>\$ (57,063)</b>	<b>\$ 460,989</b>	<b>\$ 46,621</b>
<b>Business-type activities:</b>					
Compensated absences	\$ 135	\$ 78	\$ (75)	\$ 138	\$ 102
<b>Total</b>	<b>\$ 135</b>	<b>\$ 78</b>	<b>\$ (75)</b>	<b>\$ 138</b>	<b>\$ 102</b>

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 \$312,700,000 Limited Tax Bonds for this purpose.

The County is not obligated under any significant non-cancelable long-term leases.

#### **TCHD**

Long-term debt of TCHD consisted of the following at September 30, 2011 (in thousands):

##### **Revenue Bonds, Series 2002:**

Original amount of \$40,940 dated June 1, 2002, which bear interest at rates ranging from 2.0% to 5.5%, payable annually with remaining installments ranging from \$1,305 to \$2,790 through 2027;

All of the bonds still outstanding may be redeemed at TCHD's option on or after August 15, 2012, at par value plus accrued interest.

The bonds are secured by the net revenues of TCHD, excluding property tax revenue.

\$ 31,405

Certificates of Obligation Bonds, Series 2006:

Original amount of \$30,330 dated March 1, 2006, bearing interest at rates ranging from 4.0% to 5.0%, payable annually with remaining installments from \$875 to \$2,025 through 2031;

All of the bonds still outstanding may be redeemed at TCHD's option on or after February 15, 2016, at par value plus accrued interest.

The bonds are secured by the net revenues of TCHD, including property tax revenue.

	<u>27,160</u>
	58,565
Less - current maturities	<u>2,180</u>
Long-term debt, net of current maturities	56,385
Plus (less) deferred amounts:	
Premium (discounts)	<u>(33)</u>
Long-term debt, net of current maturities, premium and discount	<u><u>\$ 56,352</u></u>

The indenture agreements require that certain funds be established with the trustee. Accordingly, these funds are included as assets held by trustee for debt service in the balance sheet. The indenture agreements also require TCHD to comply with certain restrictive covenants including minimum insurance coverage and days cash on hand.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal &amp; Interest</u>
2012	\$ 2,180	\$ 2,826	\$ 5,006
2013	2,265	2,737	5,002
2014	2,385	2,625	5,010
2015	2,500	2,507	5,007
2016	2,620	2,384	5,004
2017-2021	15,195	9,825	25,020
2022-2026	19,380	5,634	25,014
2027-2031	12,040	1,258	13,298
Less discount	<u>(33)</u>	-	<u>(33)</u>
Total	<u><u>\$ 58,532</u></u>	<u><u>\$ 29,796</u></u>	<u><u>\$ 88,328</u></u>

The following is a summary of the changes in long-term obligations for TCHD for the year ended September 30, 2011 (in thousands):

	<b>Balance October 1, 2010</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2011</b>	<b>Amounts Due within One year</b>
Bonds payable	\$ 60,660	\$ -	\$ (2,095)	\$ 58,565	\$ 2,180
Deferred premium (discount)	28	-	(61)	(33)	-
Self insurance liability	7,562	35,756	(36,143)	7,175	5,501
Other long-term liability	1,121	158	-	1,279	-
<b>Total</b>	<b>\$ 69,371</b>	<b>\$ 35,914</b>	<b>\$ (38,299)</b>	<b>\$ 66,986</b>	<b>\$ 7,681</b>

TCHD capitalizes interest costs a component of construction in progress, based on the weighted-average rates paid for long-term borrowing. Total interest incurred during 2011 was \$2,839,000.

### MHMRTC

Long-term debt of MHMRTC consisted of the following at August 31, 2011 (in thousands):

J P Morgan Chase Bank, Note Payable with an interest of 4.88%, payable in semiannual payments through 2018	\$ 714
Capital lease obligations: Payments are scheduled through 2013, carrying value of leased assets at August 31, 2011 is \$1,839,210.	378
	1,092
Less - current maturities	408
Long-term debt, net of current maturities	<u>\$ 684</u>

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

<b>Fiscal Year</b>	<b>Notes Payable</b>		<b>Capital Lease</b>		<b>Total Principal &amp; Interest</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2012	\$ 81	\$ 34	\$ 324	\$ 3	\$ 442
2013	85	30	54	-	169
2014	89	26	-	-	115
2015	94	21	-	-	115
2016	98	17	-	-	115
2017-2019	267	19	-	-	286
<b>Total</b>	<b>\$ 714</b>	<b>\$ 147</b>	<b>\$ 378</b>	<b>\$ 3</b>	<b>\$ 1,242</b>

The following is a summary of the changes in long-term obligations for MHMRTC for the year ended August 31, 2011 (in thousands):

	<b>Balance September 1, 2010</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance August 31, 2011</b>	<b>Due Within One Year</b>
Compensated absences	\$ 2,437	\$ 2,381	\$ (2,437)	\$ 2,381	\$ -
Capital lease obligations	963	-	(585)	378	327
Notes payable	791	-	(77)	714	81
Bonds payable	339	-	(339)	-	-
Self insurance liability	710	8,974	(8,742)	942	-
<b>Total</b>	<b>\$ 5,240</b>	<b>\$ 11,355</b>	<b>\$ (12,180)</b>	<b>\$ 4,415</b>	<b>\$ 408</b>

Interest expenses for the year ended August 31, 2011, was \$56,080.

### CONDUIT DEBT

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

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

<b>User Corporation</b>	<b>Outstanding Principal Amount September 30, 2011</b>
Multifamily (Lincoln Meadows) 88	\$ 10,755
Multifamily (S F Apartments) 93	7,050
Multifamily (Bending Oaks Brook) 94A	5,013
Multifamily (Bending Oaks Brook) 94B	6,416
Multifamily (Windcastle Project) 96	7,334
Multifamily (Sierra Springs) 1999	7,760
Multifamily (Remington Hill) 1998	12,600
Multifamily (Barrington at Beach St) 2000	27,215
Multifamily (Provident) 2001	13,300
Multifamily (Crossroads) 2001C	1,480
Multifamily (Hulen Bend) 2005	11,942
Multifamily (Gateway Arl) 2003	13,740
Multifamily (Alameda Villas) 2003	10,540
Multifamily (Sycamore Villas) 2003	12,525
Multifamily (Aventine Parkway)	14,149
Multifamily (Blue Lake at Marine Creek Apt)	10,598
Multifamily (Evergreen at Keller Senior Apts)	12,906
Multifamily (Shady Oaks)	3,377

Multifamily (The Courtyards at Riverpark) 85	3,225
Multifamily (Cobblestone) 2006	13,250
Multifamily (Worthington Point)	11,785
Multifamily (Village Creek) 2006	15
Multifamily (Amelia Parc) 2007	11,455
Multifamily (The Park at Sycamore) 2008	12,205
Single family 1985 A	83,760
	<hr/>
Total Conduit Debt	\$ 324,395
	<hr/>

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

<b>User Corporation</b>	<b>Outstanding Principal Amount September 30, 2011</b>
3927 Foundation, Inc. Project	\$ 5,929
Villa Oak Park Project 2001 A-1	5,609
Villa Oak Park Project 2001 B	3,200
Harris Methodist Health Systems 87A	11,805
Harris Methodist Health Systems 87B	24,070
Harris Methodist Health Systems 94	65,340
Harris Methodist Health Systems 96	16,350
Texas Health Resources Series 97	43,905
Carter Blood Care Series 98	6,900
Bethesda Living Centers-Bethesda Gardens Series 1998C	7,005
Cook Children's Medical Center 2000A	925
Cook Children's Medical Center 2007	51,045
Cook Children's Medical Center, 2010A	125,865
Cook Children's Medical Center, 2010B	64,615
Cook Children's Medical Center, 2010C	35,335
Baylor Healthcare System 2002A	65,815
Cumberland Rest, Inc. Series 2002	16,785
Cumberland Rest, Inc. Series 2006	55,000
Eastview Nursing Center 2000 A-1	13,200
Eastview Nursing Center 2000 B	2,952
	<hr/>
Total Conduit Debt	\$ 621,650
	<hr/>

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

<b>User Corporation</b>	<b>Outstanding Principal Amount September 30, 2011</b>
Northwest Senior Housing Foundation - 2006	\$ 18,830
Goose Creek Retirement Community, 2007A	5,240
Goose Creek Retirement Community, 2007B	610
West 380 Family Care, Doctors Hospital, 2007	59,130
Texas Health Resources, 2007 A	584,565
Texas Health Resources, 2007 B	100,000
Buckingham Senior Living Community, Inc 2007	69,105
Valley Baptist Health System Project, 2007	94,000
Air Force Village Obligated Group Project, 2007	65,680
Air Force Village Obligated Group Project, 2009	47,810
Adventist Long-term Care Obligated Group 2007	9,610
C C Young Memorial Home, 2007	15,325
Buckner Retirement Services, 2007	98,890
Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project, 2008	159,600
Scott and White Memorial Hospital, 2008-1	85,775
Scott and White Memorial Hospital, 2008-2	94,395
Amity Fellowship Realty of Hondo, Inc, 2008A	1,810
Amity Fellowship Realty of Hondo, Inc, 2008B	75
Methodist Hospital of Dallas, 2008	94,300
WGH Heritage, Inc 2008A-1	23,850
WGH Heritage, Inc 2008A-2	1,615
WGH Heritage, Inc 2008B	3,975
Texas Health Resources, 2008	176,055
CHRISTUS Health, 2008A	190,025
CHRISTUS Health, 2008C	193,795
Baylor Healthcare, 2009	213,810
Tarrant County Senior Living Center (SQLC Stayton at Museum Way), 2009	166,575
CHRISTUS Health, 2009	67,980
SQLC Senior Living Center (The Mirador), 2010A, 2010B-1, 2010B-2	79,040
C C Young Memorial Home, 2009A, 2009B	53,995
MRC Crestview, 2010	27,250
Scott and White Healthcare, 2010	344,325
Texas Health Resource, 2010	157,550
Baylor Healthcare, 2011	359,220
<b>Total Conduit Debt</b>	<b>\$ 3,663,810</b>

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

<b>User Corporation</b>	<b>Outstanding Principal Amount September 30, 2011</b>
Fox Meyer – TBL, Inc.	\$ 5,500
Mortex Products, Inc.	3,510
Total Conduit Debt	<u>\$ 9,010</u>

## 7. DEFICIT FUND BALANCES/NET ASSETS

The following is a County fund which had a deficit fund balance or deficit net assets as of September 30, 2011 (in thousands):

Worker's Compensation      \$ 4,385

While the County funds all current year claims, the deficit fund balance is due to the accrual of future year liabilities based on an actuarial study. The County plans to reduce the deficit in this fund with future revenues.

## 8. INTERFUND BALANCES AND ACTIVITY

The following is a summary of County interfund transfers, receivable and payables at September 30, 2011 and for the year then ended (in thousands):

<b>Transfer From</b>	<b>Amount</b>	<b>Transfer To</b>	<b>Explanation</b>
General Fund	\$ 14,926	Capital Projects Fund	Supplement Capital funds
General Fund	10,767	Road & Bridge	Supplement Road & Bridge fund
General Fund	696	Other Governmental	Supplement fund sources
Capital Projects Fund	300	Debt Service	Residual transfer
Internal Service	285	Other Governmental	Supplement fund sources
Other Governmental	722	General Fund	Supplement courthouse security activity
Other Governmental	1,000	Capital Projects Fund	Supplement Capital funds
Grants Fund	586	Other Governmental	Required match and supplement fund sources
Grants Fund	749	Grants Fund	Required match and supplement fund sources
	<u>\$ 30,031</u>		
<b>Funds Due From</b>	<b>Amount</b>	<b>Funds Due To</b>	<b>Explanation</b>
Grant Fund	\$ 10,793	General Fund	Short-term loan
Other Governmental	281	General Fund	Short-term loan
	<u>\$ 11,074</u>		
<b>Advance From</b>	<b>Amount</b>	<b>Advance To</b>	<b>Explanation</b>
Capital Project Fund	<u>\$ 1,799</u>	Resource Connection	Repayment for HVAC system to be repaid as funds are available.



## 9. NET PATIENT SERVICE REVENUE – TCHD

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

*Medicare* – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain inpatient nonacute services and defined medical education costs are paid based on a cost reimbursement methodology. TCHD is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicare administrative contractor. TCHD’s Medicare cost reports have been audited through September 30, 2007.

*Medicaid* – Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospective payment system. Outpatient and physician services are reimbursed under a mixture of fee schedules and cost reimbursement. TCHD is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicaid administrative contractor. TCHD’s Medicaid cost reports have been audited through September 30, 2007.

In response to the growing number of uninsured patients, and the rising cost of health care, the Texas Legislature established the Texas Medicaid Disproportionate Share program (DSH) that was designed to assist those facilities serving the majority of the indigent patients by providing funds supporting increased access to health care within the community. This program allows the Texas Department of Human Services to levy assessments from certain hospitals, use the assessed funds to obtain federal matching funds, and then redistribute the total funds to those facilities serving a disproportionate share of indigent patients in the state of Texas. TCHD receives additional reimbursement from this program as well as the Texas Medicaid Upper Payment Limit Program (UPL) to assist in serving the indigent population of Tarrant County. During fiscal year 2011, TCHD received approximately \$103,309,000 from these programs, primarily DSH. On December 12, 2011, the United States Department of Health and Human services approved a new Medicaid section 1115(a) demonstration entitled “Texas Health Transformation and Quality Improvement Program”. This demonstration will expand existing Medicaid managed care programs and establish two funding pools that will assist providers with uncompensated care costs and promote health system transformation. This demonstration is effective from December 12, 2011 to September 30, 2016, and may have a material impact on TCHD’s future Medicaid funding. Management is not currently able to estimate the impact of the 1115(a) waiver on future funding.

Approximately 50 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

TCHD has also entered into payment agreements with certain commercial insurance carriers, HMO’s and preferred provider organizations. The basis for payment to TCHD under these agreements includes

prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

## **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 custodial legal trust arrangement with the investment companies, which administer the plan. Under these trust arrangements, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employees. Accordingly, the amounts invested with these investment companies are not included in the County's financial statements.

## **11. RETIREMENT PLANS**

### **County**

#### **a. Plan Description**

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). This is accounted for as an agent multiple-employer defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

#### **b. Funding Policy**

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 11.86% for the months of the calendar year in 2010, and 12.31% for the months of the calendar

year in 2011. The contribution rate payable by the employee members for calendar years 2010 and 2011 is the rate of 7% as adopted by the governing body of the employer.

**c. Annual Pension Cost**

For the County's accounting year ending September 30, 2011, the annual pension cost for the TCDRS plan for its employees was \$26,434,847 and the actual contributions were \$26,434,847. (This excludes contributions of \$1,817,906 for Community Supervision, which is not considered a department or component unit of the County.) The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2010, the basis for determining the contribution rates for calendar year 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

**Actuarial Valuation Information**

	12/31/2008	12/31/2009	12/31/2010
Actuarial valuation date	12/31/2008	12/31/2009	12/31/2010
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	20 years	20 years	20 years
Asset valuation method	SAF: 10 year smoothed value ESF: fund value	SAF: 10 year smoothed value ESF: fund value	SAF: 10 year smoothed value ESF: fund value
Actuarial assumptions:			
Investment return <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

**Trend Information  
for the Retirement Plan for the Employees of the County**

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2009	\$ 23,291,166	100%	\$ -
September 30, 2010	24,867,002	100%	-
September 30, 2011	26,434,847	100%	-

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

(Amounts in thousands)

Actuarial Valuation Date		12/31/2010
Actuarial Value of Assets	\$	653,885
Actuarial Accrued Liability (AAL)		804,632
Unfunded Actuarial Accrued Liability (UAAL)		150,747
Funded Ratio		81.27%
Annual Covered Payroll		233,330
UAAL as Percentage of Covered Payroll		64.61%

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

**d. Postemployment Healthcare Benefits**

**Plan Description**

Tarrant County provides medical and dental insurance benefits, as well as access to an employee assistance program (EAP) to its retired employees and their dependents. The single employer plan provides medical and dental insurance to plan members. A separate audited report is not available. Membership in the plan at April 2010, data used for the latest actuarial valuation, consists of the following:

Retired participants and surviving spouses	629
Retiree dependents	238
Active members	3,955

**Funding Policy**

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

For retirements effective on or prior to September 30, 2005, retirees and spouses pay contributions equal to 28.4% and 28.9% of gross pre-65 costs, respectively. Retirements effective on or after October 1, 2005, pre-65 retiree contributions will be based on years of service at retirement, according to the chart below:

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

The rates are set annually by the Commissioners Court based on the combination of premiums and prior year costs of the self-funded portion of the plan. The plan is funded on a pay-as-you-go basis. For the year ended, September 30, 2011, the County contributed \$6,220,563, while the retirees' contributions were \$2,285,737 for a total contribution of \$8,509,300. Total contributions included actual medical claims paid as well as, premiums for certain other insurances.

### Annual OPEB Cost

For 2011, the County's annual OPEB cost (expense) was \$28,352,373 for the postemployment healthcare plan. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

Annual required contribution	\$ 28,459,378
Add interest on net OPEB obligation	1,952,714
Less adjustment to annual required contribution	<u>(2,059,719)</u>
Annual OPEB cost	28,352,373
Less contributions made	<u>(6,220,563)</u>
Change in Net OPEB obligation	22,131,810
Net OPEB Obligation beginning of the year	<u>43,393,655</u>
Net OPEB Obligation end of the year	<u><u>\$ 65,525,465</u></u>

### Tarrant County Trend Information

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2009	\$ 15,191,238	\$ 3,960,551	26.07%	\$ 22,708,464
2010	26,343,662	5,658,470	21.48%	43,393,655
2011	28,352,373	6,220,563	21.94%	65,525,465

### Funded Status and Funding Progress

The funded status of the plan as of October 1, 2009 was as follows (amounts in thousands):

#### Schedule of Funding

Actuarial accrued liability (AAL)	\$ 229,319
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	229,319
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	213,182
Unfunded actuarial accrued liability (UAAL) as a percentage of covered payroll	107.57%

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

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are made on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed

to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In order to perform the valuation, it was necessary for the County and the actuary to make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare trend and interest rates.

In the October 1, 2009 actuarial valuation, a 4.5% discount rate was used along with an investment rate of return of 4.5%, inflation rate of 4.5% and projected salary increases of 2.0%. The 2009 health care cost trends were assumed to be 9.5%, reducing 0.5% each year, reaching 5.5% in the year 2017 and after.

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

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

### **Medical Reimbursements**

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

### **Additional Disclosures**

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

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

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

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

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

## **TCHD**

### **a. Plan Description**

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

The plan does not issue a stand-alone financial report. However, an annual actuarial valuation report is available from TCHD or HealthShare/THA. The report may be obtained by writing HealthShare/THA at P.O. Box 679010, Austin, Texas 78768-9010.

### **b. Funding Policy**

The Board of Managers of TCHD has sole authority to establish or amend the obligations to contribute to the plan by participants or the employer. TCHD is not subject to any explicit legal or contractual contribution rate. Plan members are required to annually contribute 1% of their compensation. Effective October 1, 2006 participation in the pension plan became mandatory for full-time employees completing one year of service on or after October 1, 2006. An amendment effective October 1, 2011 will make plan participation voluntary for employees hired after that date.

TCHD makes annual contributions, which are actuarially determined as a level percentage of total participant compensation less the projected employee contributions in accordance with the Entry Age Normal (EAN) actuarial funding method. Under the EAN method, TCHD contribution rate is set equal to 6.5 percent of total participant compensation beginning with the current fiscal year until a future actuarial valuation shows that: (a) actuarial value of assets equals or exceeds the EAN accrued liability, which will cause a reduction to the employer contribution rate or (b) the implicit amortization period of the unfunded EAN accrued liability at the current contribution rate exceeds 30 year, which would be remediated by an increase in the employer contribution rate. The employer contributions were 6.5% of estimated participant compensation for the plan year ended September 30, 2011. The costs of administering the plan are paid by the plan and are considered in the determination of the employer contribution rate.

### **c. Annual Pension Cost**

For the fiscal year ended September 30, 2011, TCHD's annual pension cost was \$12,652,000. These cost were equal to the annual required contributions determined in the October 1, 2010 actuarial valuation. There is no existing net pension obligation.

The required contributions for the plan year ended September 30, 2011 were based on the results of the actuarial valuation as of October 1, 2010 using the EAN actuarial funding method and were in compliance with the GASB Statement No. 27 parameters. The actuarial assumptions included: (a) an 8% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 8% per year varying by attained age; both (a) and (b) reflect an inflation component of 4%. The assumptions did not include any post-retirement benefit increases. The actuarial value of plan assets was determined using a five-year smoothed market value method.

### Three Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$ 9,646,748	100%	\$ -
2010	11,205,667	100%	-
2011	12,652,413	100%	-

### Schedule of Funding Progress Unaudited Required Supplemental Information (amounts in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Plan Assets Less than AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Plan Assets Less than AAL as a Percent of Covered Payroll</u>
10/1/2008	\$ 79,788	\$ 97,125	\$ (17,337)	82.1%	\$ 139,484	-12.4%
10/1/2009	89,497	113,781	(24,284)	78.7%	172,395	-14.1%

#### d. Other Benefit Plans

TCHD has an IRC Section 401(a) plan that includes an employer match calculated as 50% of an employee's contribution up to 4% of pay. The contributions for the employer match on the plan were approximately \$3,831,000 for the year ended September 30, 2011.

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.

TCHD has a Governmental Excess Benefit Arrangement Plan for executives approved by the Board. This plan is to provide participants in the defined benefit plan that portion of a participant's benefits that would otherwise be payable under the terms of the defined benefit plan except for the limitations on benefits imposed by Section 415(b) of the IRC. As of September 30, 2011, there were no benefits due under this plan.

#### MHMRTC

MHMRTC maintains a defined contribution money purchase pension plan under code section 401(a) of the Internal Revenue Code identified as the Tarrant County Mental Health Mental Retardation Money Purchase Plan. Participation in the plan is available to full-time employees who have completed one year



of service and contribute 5% of compensation to the plan. MHMRTC contributes 8% of employee compensation on behalf of participating employees. The plan is administered by ICMA Retirement Corporation. Participants begin to vest in the employer's contribution at the completion of one year of service with 100% vesting occurring after five years (20% per year). Forfeited contributions are held in a separate account and can be used to reduce future contributions.

Amounts contributed are invested in various investments, including equity securities, mutual funds, and cash management funds. For the year ended August 31, 2011, covered payroll was approximately \$27,721,300 total payroll, excluding temporary service personnel, was approximately \$55,006,335. The required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years are as follows:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 1,941,748	\$ 1,222,738	100%
2010	1,995,662	1,326,916	100%
2011	2,163,960	1,386,065	100%

## 12. COMMITMENTS AND CONTINGENCIES

### Commitments

The County has no material future operating lease commitments. Total rental expense incurred for the County for fiscal 2011 was \$2,488,074.

MHMRTC is obligated under capital leases for certain equipment as of August 31, 2011. The gross amount of assets acquired by capital leases included in the balance sheet is \$1,839,210.

During 2011, operating lease payments by MHMRTC were \$1,762,368. 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, 2011 are as follows (in thousands):

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2012	\$ 1,631
2013	1,251
2014	999
2015	164
Total minimum lease payment	<u>\$ 4,045</u>

### Contingencies

#### **County**

The County participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Such compliance audits of these programs for the periods ended September 30, 2011 have not yet been completed. Accordingly, the County's compliance with applicable grant or contract requirements will be established at some future date. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, and, accordingly, no accrual has been made for them, as management believes these to be immaterial.

The County is party to lawsuits and claims in the ordinary course of operation. The possible losses of these lawsuits could range from \$1 to \$7 million. County management has accrued for an estimate of losses for such claims in the accompanying basic financial statements. County management believes the outcome of these legal matters would not have a material adverse effect on the County's financial position.

The County is self-insured for workers' compensation, automobile bodily injury and property damage, comprehensive general liability and all self-insured retentions for existing policies. It is the opinion of County management that the amounts accrued at September 30, 2011 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

## **TCHD**

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

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

## **MHMRTC**

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

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

## **13. SELF-INSURANCE PROGRAMS**

### **County**

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

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

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

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

Workers Compensation Fund – accounts for workers compensation claims.

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

	<u>Coverage</u>	<u>Deductible</u>	
Buildings	\$ 400,000,000	\$ 250,000	for windstorm related claims
		50,000	for other perils
Boilers and machinery	400,000,000	10,000	
Scheduled heavy equipment	20,000,000	15,000	
Scheduled equipment	33,000,000	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 \$2,500 to \$750,000 with a deductible of \$500 to \$10,000.

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

During fiscal year 2011, the County purchased an excess workers compensation policy with a \$1,000,000 per occurrence retention.

Beginning in fiscal 1994, the County elected to self-insure a portion of the employee/retiree group health care program. Specifically, employees and retirees are offered options for group health coverage, some of which provide an insured coverage based on fixed premiums while others are self insured programs. The self insured options are re-insured to prevent extraordinary or catastrophic losses. Dental coverage is offered with one option being a self-insured indemnity plan, and all other options being fixed premium Dental Maintenance Organization plans. At September 30, 2011, 3,500 and 3,268 employees participate in health care coverage and dental coverage, respectively.

For the year ended September 30, 2011 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, 2011.

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>2010</u>	<u>2011</u>
Beginning liability	\$ 9,627	\$ 8,111
New claims/adjustments	3,426	3,604
Claims paid/adjustments	(3,426)	(3,604)
Other - change in estimate	(1,516)	(205)
Ending liability	<u>\$ 8,111</u>	<u>\$ 7,906</u>
Amount due within 1 year	\$ 3,526	\$ 3,604

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

#### **TCHD**

*Medical Malpractice and General Liability Risks:* TCHD is self-insured for medical malpractice and general liability claims. TCHD's maximum liability for professional and general liability claims as a governmental unit under the Tort Claims Act is generally \$100,000 per individual and \$300,000 per occurrence.

Losses from asserted and unasserted claims identified in TCHD's incident reporting system are accrued based on estimates that incorporate TCHD's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. It is reasonably possible that TCHD's estimate of losses will change by a material amount in the near term.

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

	<u>2010</u>	<u>2011</u>
Balance, beginning of year	\$ 1,333	\$ 1,211
Current year claims incurred and changes in estimates for claims incurred in prior years	(14)	(54)
Claims and expenses paid	<u>(108)</u>	<u>(51)</u>
Balance, end of year	<u>\$ 1,211</u>	<u>\$ 1,106</u>

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

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

	<u>2010</u>	<u>2011</u>
Balance, beginning of year	\$ 4,870	\$ 4,250
Current year claims incurred and changes in estimates for claims incurred in prior years	37,224	35,273
Claims and expenses paid	<u>(37,844)</u>	<u>(35,223)</u>
Balance, end of year	<u>\$ 4,250</u>	<u>\$ 4,300</u>

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

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

	<u>2010</u>	<u>2011</u>
Balance, beginning of year	\$ 3,110	\$ 2,101
Current year claims incurred and changes in estimates for claims incurred in prior years	321	537
Claims and expenses paid	<u>(1,330)</u>	<u>(869)</u>
Balance, end of year	<u>\$ 2,101</u>	<u>\$ 1,769</u>

## MHMRTC

Effective September 1, 2007, MHMRTC established a self-insurance plan for employee health benefits. MHMRTC purchases commercial stop-loss coverage for medical claims in excess of \$85,000 per plan participant, per policy period. Settled claims have not exceeded insurance coverage for the fiscal year. Liabilities for health benefits are calculated considering known claims and estimates of future claims based on the lag time for medical claims. MHMRTC accounts for this activity in an internal service fund. This internal service fund reflects a claims liability in the amount of \$942,055 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:

	<u>2010</u>	<u>2011</u>
Beginning liability	\$ 1,102	\$ 710
Expenses incurred	6,545	8,974
Expenses paid	<u>(6,937)</u>	<u>(8,742)</u>
Ending liability	<u>\$ 710</u>	<u>\$ 942</u>

## POLLUTION REMEDIATION OBLIGATIONS -TCHD

TCHD owns a building containing asbestos and other potential environmental issues that meet the criteria for "obligating events" and disclosure under GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This vacant property was acquired by TCHD for the purpose of eventually constructing new facility space and TCHD believes it has obligated itself to remediate the environmental hazards and, therefore, has incurred pollution remediation obligations (PRO).

Changes in TCHD's PRO liability are capitalized as a component of capital assets. TCHD's PRO liability is measured based on the current cost of expected remediation activities and is adjusted as changes in the cost of remediation occur. The following table summarizes the change in the PRO for the last two years (in thousands):

	<u>2010</u>	<u>2011</u>
PRO, beginning of year	\$ 3,551	\$ 3,464
Changes in estimated remediation costs	<u>(87)</u>	<u>(627)</u>
PRO, end of year	<u>\$ 3,464</u>	<u>\$ 2,837</u>

## 14. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2011 (in thousands):

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable	\$ 4,619	\$ 672	\$ -	\$ -	\$ 49	\$ 5,340
Restricted:						
General government	-	-	-	-	11,522	11,522
Public safety	-	-	-	-	1,745	1,745
Judicial	-	-	-	-	1,865	1,865
Community services	-	-	-	-	2,189	2,189
Capital projects	-	-	-	167,796	-	167,796
				<u>167,796</u>	<u>17,321</u>	<u>185,117</u>
Committed:						
General government	151	-	-	-	473	624
Public safety	45	-	-	-	143	188
Transportation	-	15,743	-	-	-	15,743
Judicial	96	-	-	-	672	768
Community services	-	-	-	-	638	638
Capital projects	-	-	-	48,978	-	48,978
Debt service	-	-	1,482	-	-	1,482
	<u>292</u>	<u>15,743</u>	<u>1,482</u>	<u>48,978</u>	<u>1,926</u>	<u>68,421</u>
Assigned:						
General government	17,639	-	-	-	-	17,639
Public safety	173	-	-	-	-	173
Judicial	51	-	-	-	-	51
Community services	5	-	-	-	3,730	3,735
	<u>17,868</u>				<u>3,730</u>	<u>21,598</u>
Unassigned	36,642	-	-	-	-	36,642
<b>Total Fund Balance</b>	<u><b>\$ 59,421</b></u>	<u><b>\$ 16,415</b></u>	<u><b>\$ 1,482</b></u>	<u><b>\$ 216,774</b></u>	<u><b>\$ 23,026</b></u>	<u><b>\$ 317,118</b></u>

## 15. TAX INCREMENT FINANCING AGREEMENTS

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

The City of Richland Hills TIF #1 – Baker Boulevard, which participates at a 75% contribution rate, beginning fiscal year 2011, incurred a taxable value decrement. No taxes were forgone.

On January 11, 2011, the County entered into an agreement to participate in City of Euless TIF #3 – Glade Parks. The County will participate at 75% of the County’s Tax Increment each year during the first fifteen years, beginning with the tax year 2011, and 50% of the County’s Tax Increment each year during the remaining ten years beginning with the tax year 2026.

On May 17, 2011, the County entered into an Interlocal Agreement with the City of Grapevine for the refund, on an annual basis, of the County’s contribution to the TIF District No. 1. The refund beginning with the tax year 2010 totaled \$624,922.

On August 23, 2011, the Fort Worth City Council approved the adoption of an ordinance to terminate City of Fort Worth TIF #11, Southwest Parkway, and return all the contributions to the participating entities. Tarrant County received \$44,013.24 on August 30, 2011.

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

<u>Name</u>	<u>Percentage Committed</u>	<u>Taxes Forgone During 2011</u>
City of Arlington #1 (maintenance and operation rate only)	100%	\$ 117
City of Arlington #4	75%	241
City of Arlington #5	70%	56
City of Arlington #6	75%	103
City of Benbrook #1	100%	144
City of Colleyville #1	100%	641
City of Fort Worth #3	100%	598
City of Fort Worth #4	100%	558
City of Fort Worth #6	100%	103
City of Fort Worth #7	80%	359
City of Fort Worth #8	80%	393
City of Fort Worth #9	80%	449
City of Fort Worth #10	70%	56
City of Fort Worth #12	100%	31
City of Fort Worth #13	80%	-
City of Grand Prairie #2	75%	289
City of Grand Prairie #3	75%	1,008
City of Grapevine #1	100%	30
City of Keller #1	66.20%	194
City of Mansfield #1	30%	49
City of North Richland Hills #1	100%	6
City of North Richland Hills #2	100%	610
City of Southlake #1	100%	742
Total taxes forgone		<u>\$ 6,777</u>

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**REQUIRED SUPPLEMENTARY**  
**INFORMATION**



TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 278,663	\$ 278,663	\$ 280,268	\$ 1,605
Licenses and permits	935	935	851	(84)
Fees of office	36,117	36,117	39,116	2,999
Intergovernmental	15,769	15,769	17,449	1,680
Investment income	1,452	1,452	1,323	(129)
Other revenues	12,118	12,118	10,886	(1,232)
Transfers	701	701	722	21
<b>Total Revenues</b>	<b>\$ 345,755</b>	<b>\$ 345,755</b>	<b>\$ 350,615</b>	<b>\$ 4,860</b>
<b>EXPENDITURES:</b>				
County Judge	\$ 861	\$ 861	\$ 771	\$ 90
County Administrator	1,747	1,747	1,590	157
Non-Departmental	62,347	62,311	36,923	25,388
Auditor	5,671	5,671	5,468	203
Budget/Risk Management	582	582	497	85
Tax Assessor / Collector	12,405	12,405	12,018	387
Elections Administration	4,654	4,654	4,440	214
Information Technology	30,156	30,141	28,210	1,931
Human Resources	2,520	2,520	2,397	123
Purchasing	1,892	1,892	1,825	67
Facilities	3,780	3,790	3,650	140
Sheriff	36,109	36,062	34,455	1,607
Sheriff - Confinement	67,490	67,490	64,555	2,935
Constable Precinct 1	1,097	1,091	1,054	37
Constable Precinct 2	943	958	943	15
Constable Precinct 3	995	1,002	992	10
Constable Precinct 4	763	764	757	7
Constable Precinct 5	635	635	633	2
Constable Precinct 6	770	772	768	4
Constable Precinct 7	892	909	909	-
Constable Precinct 8	914	917	840	77
Medical Examiner	7,246	7,246	7,119	127
Fire Marshal	340	340	339	1
Community Supervision	16	16	10	6
Juvenile Services	19,302	19,302	18,175	1,127
Pretrial Services	1,183	1,183	1,147	36
Buildings	20,092	20,084	18,643	1,441
17TH District Court	313	246	242	4
48TH District Court	243	243	241	2
67TH District Court	227	228	228	-
96TH District Court	233	233	225	8
141ST District Court	230	230	228	2
153RD District Court	236	236	233	3
236TH District Court	252	252	247	5
342ND District Court	231	232	190	42
348TH District Court	221	221	220	1
352ND District Court	238	240	239	1
Criminal District Court 1	1,136	1,116	1,098	18
Criminal District Court 2	1,163	1,241	1,225	16
Criminal District Court 3	1,277	1,187	1,166	21
Criminal District Court 4	1,153	1,153	1,084	69
213TH District Court	1,136	1,352	1,335	17

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
297TH District Court	\$ 1,349	\$ 1,349	\$ 1,327	\$ 22
371ST District Court	1,307	1,391	1,372	19
372ND District Court	1,133	1,159	1,156	3
396TH District Court	1,294	1,480	1,477	3
432ND District Court	1,014	1,602	1,593	9
Magistrate Court	777	777	765	12
231ST District Court	574	574	572	2
233RD District Court	533	536	533	3
322ND District Court	549	565	558	7
323RD District Court	2,919	2,946	2,937	9
324TH District Court	648	708	700	8
325TH District Court	577	577	574	3
360TH District Court	560	545	542	3
Special Judges	355	350	270	80
Criminal District Court Support System	792	801	762	39
Grand Jury	135	127	120	7
Criminal Attorney Appointment	512	512	499	13
Criminal Mental Health Court	176	176	135	41
County Court at Law #1	393	393	379	14
County Court at Law #2	384	384	382	2
County Court at Law #3	404	408	400	8
County Criminal Court #1	675	712	699	13
County Criminal Court #2	500	502	490	12
County Criminal Court #3	622	689	663	26
County Criminal Court #4	593	615	600	15
County Criminal Court #5	1,083	1,168	1,159	9
County Criminal Court #6	559	579	570	9
County Criminal Court #7	614	661	652	9
County Criminal Court #8	606	635	627	8
County Criminal Court #9	589	638	628	10
County Criminal Court #10	571	548	499	49
Probate Court 1	1,716	1,686	1,626	60
Probate Court 2	1,621	1,621	1,588	33
Justice of the Peace Pct. 1	618	618	591	27
Justice of the Peace Pct. 2	603	603	591	12
Justice of the Peace Pct. 3	562	562	555	7
Justice of the Peace Pct. 4	597	597	591	6
Justice of the Peace Pct. 5	383	383	370	13
Justice of the Peace Pct. 6	459	460	453	7
Justice of the Peace Pct. 7	606	606	554	52
Justice of the Peace Pct. 8	507	507	482	25
District Attorney	33,982	33,980	33,057	923
District Clerk	9,031	9,031	8,780	251
County Clerk	9,008	9,008	8,628	380
Domestic Relations	6,338	6,338	6,123	215
Jury Services	2,133	2,133	1,943	190
Courts / Judiciary	2,341	998	511	487
Human Services	5,193	5,193	3,733	1,460
Child Protective Services	2,097	2,097	2,011	86
Public Assistance	206	206	206	-
TX Cooperative Extension	763	763	656	107
Veterans Services	353	353	350	3
Historical Commission	97	97	85	12
<b>Total Expenditures</b>	<b>\$ 395,702</b>	<b>\$ 395,702</b>	<b>\$ 354,453</b>	<b>\$ 41,249</b>

TARRANT COUNTY, TEXAS

BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Fees of office	18,340	18,340	19,520	1,180
Intergovernmental	34	34	34	-
Investment income	45	45	46	1
Other revenues	52	52	113	61
Transfers	<u>6,767</u>	<u>6,767</u>	<u>10,767</u>	<u>4,000</u>
Total Revenues	\$ 25,238	\$ 25,238	\$ 30,481	\$ 5,243
EXPENDITURES:				
Buildings	\$ 37	\$ 44	\$ 44	\$ -
Commissioner Precinct 1	6,561	6,561	5,499	1,062
Commissioner Precinct 2	4,097	4,097	3,585	512
Commissioner Precinct 3	4,767	4,767	4,216	551
Commissioner Precinct 4	6,388	6,463	6,076	387
Right of Way	4,424	4,424	2,136	2,288
Transportation	2,335	2,332	2,182	150
Road and Bridge Non-Departmental	<u>1,267</u>	<u>1,188</u>	<u>538</u>	<u>650</u>
Total Expenditures	\$ 29,876	\$ 29,876	\$ 24,276	\$ 5,600

## TARRANT COUNTY, TEXAS

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2011

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#### **1. Budgets and Budgetary Accounting**

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

- Departmental annual budget requests are submitted by the department head to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin October 1.
- The County Auditor prepares an estimate of available resources for the upcoming fiscal year.
- The County Budget Officer prepares the proposed annual operating budget to be presented to the Commissioners Court for their consideration. The budget represents the financial plan for the new fiscal year.
- Public hearings are held on the proposed budget.
- The Commissioners Court must adopt an annual operating budget by a majority vote of the Commissioners Court before September 30. To support the budget, property taxes are assessed on October 1, creating a legal enforceable claim. The adopted budget must be balanced; that is, available resources must be sufficient to support annual appropriations.
- The legal level of budgetary control is 10 categorical levels within each department. Commissioners Court may legally amend the budget. Management must seek approval of Commissioners Court to transfer appropriations between categories even within the same department.
- A separate budget report detailed to the legal level of control is available upon request. The detailed budget report has “sub-funds” and contains more detail than the budget information provided within this report.
- Annual appropriated budgets are legally adopted for all funds except TCHFC, TCIDC and Grants Fund. The budget is prepared utilizing a modified cash basis of accounting, as allowed by state statutes. Beginning fund balance is budgeted as revenue, as required by state statutes.
- Unencumbered appropriations lapse at year-end for all funds.
- The financial statements are prepared in accordance with GAAP and, accordingly, there are differences between the amounts reported as revenues and expenditures in the financial statements and the amounts reflected in the budgetary comparison schedule.
- Supplemental appropriations were made for certain funds and may only be budgeted at only one level.

## 2. Reconciliation to Fund Statements

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

	<b>General Fund</b>	<b>Road and Bridge</b>
<b>Revenues</b>		
Budgetary Basis	\$ 350,615	\$ 30,481
Transfers in	(722)	(10,767)
Market value adjustment for securities not budget relevant	(73)	-
Accrued in prior years, received in 2011	(613)	-
	<hr/>	<hr/>
Revenues on modified accrual (GAAP) basis	349,207	19,714
<b>Expenditures</b>		
Budgetary Basis	354,453	24,276
Transfers out	(26,389)	-
Incurred in prior years, paid in 2011	2,293	2,121
Incurred during 2011, payable in future years	(1,241)	(937)
Prepaid & Inventory adjustments not budget relevant	(22)	204
	<hr/>	<hr/>
Expenditures on modified accrual (GAAP) basis	329,094	25,664
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>	<b>(25,667)</b>	<b>10,767</b>
	<hr/>	<hr/>
<b>Changes in Fund Balance</b>	<b>\$ (5,554)</b>	<b>\$ 4,817</b>
	<hr/>	<hr/>

A separate budget report detailed to the legal level of control is available upon request. The detailed budget report has "sub-funds" and contains more detail than the budget information provided within this report.

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

**RETIREMENT PLAN FOR THE EMPLOYEES OF THE COUNTY**

(Amounts in thousands)

(UNAUDITED)

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
2009	12/31/2008	\$ 560,548	\$ 691,605	\$ 131,058	81.05%	\$ 217,545	60.24%
2010	12/31/2009	619,335	750,089	130,754	82.57%	236,684	55.24%
2011	12/31/2010	653,885	804,632	150,747	81.27%	233,330	64.61%

**OTHER POSTEMPLOYMENT BENEFITS PLAN**

(Amounts in thousands)

(UNAUDITED)

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
2008	10/1/2007	\$ -	\$ 141,223	\$ 141,223	0.00%	\$ 201,064	70.24%
2010	10/1/2009	-	229,319	229,319	0.00%	213,182	107.57%

Note: This is the second year of actuarial values in the implementation of GASB 45, which requires 3 years of data in this table. Additional years will be added to the disclosure as they become available. The most recent actuarial valuation was 10/1/2009.

**NONMAJOR GOVERNMENTAL FUNDS**

**TARRANT COUNTY, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
FUND DESCRIPTIONS**

**LAW LIBRARY FUND**

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

**RECORDS PRESERVATION & AUTOMATION FUNDS**

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

**EDUCATION FUND**

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

**PUBLIC HEALTH CONTRACT**

The Tarrant County Hospital District provides funding for the operation of the Tarrant County Health Department in an effort to aggregate the cost of health service to Tarrant County residents. These funds are restricted.

**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 committed by the Commissioners Court.

**SHERIFF CONTRACTS**

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

**MISCELLANEOUS CONTRACTS**

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

**COURT DESIGNATED FUNDS**

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

**VEHICLE INVENTORY TAX FUND**

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

**CONSUMER HEALTH FUND**

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



#### HOUSING FINANCE CORPORATION

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

#### INDUSTRIAL DEVELOPMENT CORPORATION

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



TARRANT COUNTY, TEXAS

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2011 (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	\$ 650	\$ 9,356	\$ 133	\$ 1,851	\$ 2,329
Other receivables, net of allowance for uncollectibles	7	46	-	-	3
Supplies and prepaid items	-	6	-	15	12
<b>TOTAL ASSETS</b>	<b><u>\$ 657</u></b>	<b><u>\$ 9,408</u></b>	<b><u>\$ 133</u></b>	<b><u>\$ 1,866</u></b>	<b><u>\$ 2,344</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 87	\$ 95	\$ 2	\$ 78	\$ 36
Other liabilities	12	71	-	245	2,262
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b><u>99</u></b>	<b><u>166</u></b>	<b><u>2</u></b>	<b><u>323</u></b>	<b><u>2,298</u></b>
<b>FUND BALANCES</b>					
Nonspendable	-	6	-	15	12
Restricted for:					
General government	-	8,639	-	-	-
Public safety	-	-	100	-	-
Judicial	46	455	31	-	-
Community services	410	-	-	1,077	-
Committed to:					
General government	-	135	-	-	-
Public safety	-	-	-	-	-
Judicial	10	7	-	-	34
Community services	92	-	-	451	-
Assigned to:					
Community services	-	-	-	-	-
<b>Total fund balances</b>	<b><u>558</u></b>	<b><u>9,242</u></b>	<b><u>131</u></b>	<b><u>1,543</u></b>	<b><u>46</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 657</u></b>	<b><u>\$ 9,408</u></b>	<b><u>\$ 133</u></b>	<b><u>\$ 1,866</u></b>	<b><u>\$ 2,344</u></b>

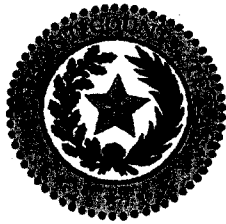
<u>Sheriff Contracts</u>	<u>Miscellaneous Contracts</u>	<u>Court Designated Funds</u>	<u>Vehicle Inventory Tax</u>	<u>Consumer Health</u>	<u>Housing Finance Corporation</u>	<u>Industrial Development Corporation</u>	<u>Total</u>
\$ 1,771	\$ 2,748	\$ 1,876	\$ 440	\$ 546	\$ 3,728	\$ 68	\$ 25,496
30	1,130	5	-	-	-	-	1,221
16	-	-	-	-	-	-	49
<u>\$ 1,817</u>	<u>\$ 3,878</u>	<u>\$ 1,881</u>	<u>\$ 440</u>	<u>\$ 546</u>	<u>\$ 3,728</u>	<u>\$ 68</u>	<u>\$ 26,766</u>
\$ 18	\$ 128	\$ 26	\$ 86	\$ -	\$ -	\$ -	\$ 556
18	200	6	2	21	66	-	2,903
-	281	-	-	-	-	-	281
<u>36</u>	<u>609</u>	<u>32</u>	<u>88</u>	<u>21</u>	<u>66</u>		<u>3,740</u>
16	-	-	-	-	-	-	49
-	1,871	660	352	-	-	-	11,522
1,633	12	-	-	-	-	-	1,745
-	311	1,022	-	-	-	-	1,865
-	218	-	-	484	-	-	2,189
-	288	50	-	-	-	-	473
132	11	-	-	-	-	-	143
-	504	117	-	-	-	-	672
-	54	-	-	41	-	-	638
-	-	-	-	-	3,662	68	3,730
<u>1,781</u>	<u>3,269</u>	<u>1,849</u>	<u>352</u>	<u>525</u>	<u>3,662</u>	<u>68</u>	<u>23,026</u>
<u>\$ 1,817</u>	<u>\$ 3,878</u>	<u>\$ 1,881</u>	<u>\$ 440</u>	<u>\$ 546</u>	<u>\$ 3,728</u>	<u>\$ 68</u>	<u>\$ 26,766</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fees of office	1,205	4,919	18	1,090	91
Intergovernmental	-	-	92	8,873	-
Investment income	2	30	-	8	-
Other revenues	28	5	-	2	1,415
Total revenues	1,235	4,954	110	9,973	1,506
EXPENDITURES:					
Current:					
General government	-	2,707	-	232	-
Public safety	-	-	45	-	-
Judicial	159	294	30	-	2,051
Community services	1,110	-	-	10,201	-
Capital outlay	-	350	-	90	60
Total expenditures	1,269	3,351	75	10,523	2,111
Excess (deficiency) of revenues over (under) expenditures	(34)	1,603	35	(550)	(605)
OTHER FINANCING SOURCES (USES) -					
Transfers in	-	-	-	-	695
Transfers out	-	(1,000)	-	-	(91)
Total other financing sources (uses)	-	(1,000)	-	-	604
Change in fund balance	(34)	603	35	(550)	(1)
FUND BALANCES, beginning of year	592	8,639	96	2,093	47
FUND BALANCES, end of year	\$ 558	\$ 9,242	\$ 131	\$ 1,543	\$ 46

<u>Sheriff Contracts</u>	<u>Miscellaneous Contracts</u>	<u>Court Designated Funds</u>	<u>Vehicle Inventory Tax</u>	<u>Consumer Health</u>	<u>Housing Finance Corporation</u>	<u>Industrial Development Corporation</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 33	\$ -	\$ -	\$ -	\$ 33
-	-	1,628	18	741	-	-	9,710
-	3,890	197	-	-	-	-	13,052
5	10	6	1	2	328	1	393
<u>1,873</u>	<u>805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397</u>	<u>-</u>	<u>4,525</u>
1,878	4,705	1,831	52	743	725	1	27,713
-	3,678	390	160	-	-	-	7,167
905	122	-	-	-	-	-	1,072
-	1,685	447	-	-	-	-	4,666
-	354	-	-	719	533	7	12,924
<u>125</u>	<u>104</u>	<u>18</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756</u>
1,030	5,943	855	169	719	533	7	26,585
848	(1,238)	976	(117)	24	192	(6)	1,128
-	872	-	-	-	-	-	1,567
<u>-</u>	<u>-</u>	<u>(631)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,722)</u>
-	872	(631)	-	-	-	-	(155)
848	(366)	345	(117)	24	192	(6)	973
<u>933</u>	<u>3,635</u>	<u>1,504</u>	<u>469</u>	<u>501</u>	<u>3,470</u>	<u>74</u>	<u>22,053</u>
<u>\$ 1,781</u>	<u>\$ 3,269</u>	<u>\$ 1,849</u>	<u>\$ 352</u>	<u>\$ 525</u>	<u>\$ 3,662</u>	<u>\$ 68</u>	<u>\$ 23,026</u>



**BUDGETARY COMPLIANCE**



TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) -DEBT SERVICE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

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	Debt Service Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Taxes	\$ 35,864	\$ 35,864	\$ 35,903	\$ 39
Investment income	75	75	52	(23)
Transfers	-	-	300	300
Total Revenues	<u>\$ 35,939</u>	<u>\$ 35,939</u>	<u>\$ 36,255</u>	<u>\$ 316</u>
EXPENDITURES:				
Debt service	<u>\$ 37,897</u>	<u>\$ 37,897</u>	<u>\$ 36,384</u>	<u>\$ 1,513</u>
Total Expenditures	<u>\$ 37,897</u>	<u>\$ 37,897</u>	<u>\$ 36,384</u>	<u>\$ 1,513</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 394	\$ 394	\$ 394	\$ -
Investment income	1,483	1,037	940	(97)
Other revenues	-	95	1,621	1,526
Transfers	15,926	15,926	15,926	-
<b>Total Revenues</b>	<b>\$ 17,803</b>	<b>\$ 17,452</b>	<b>\$ 18,881</b>	<b>\$ 1,429</b>
<b>EXPENDITURES:</b>				
County Administrator	\$ 10	\$ 10	\$ 10	\$ -
Non-Departmental	13,647	12,882	802	12,080
Auditor	-	1	1	-
Tax Assessor/Collector	29	30	30	-
Information Technology	6,629	6,629	4,644	1,985
Human Resources	-	1	1	-
Purchasing	7	7	7	-
Facilities	59	56	56	-
Sheriff	224	224	216	8
Sheriff - Confinement	117	117	112	5
Constable Precinct 3	-	3	3	-
Constable Precinct 5	2	2	2	-
Constable Precinct 7	1	1	-	1
Medical Examiner	38	38	34	4
Community Supervision	9	9	9	-
Juvenile Services	32	23	23	-
Pretrial Services	8	7	7	-
Buildings	106,211	106,680	10,956	95,724
17TH District Court	2	2	1	1
Criminal District Court 1	1	1	1	-
Criminal District Court 3	-	2	2	-
325TH District Court	-	3	3	-
360TH District Court	1	1	-	1
County Court at Law #1	-	1	1	-
County Court at Law #2	1	1	-	1
County Court at Law #3	-	2	2	-
County Criminal Court #2	-	2	2	-
County Criminal Court #5	1	2	1	1
County Criminal Court #10	-	1	1	-
Probate Court 1	-	2	2	-
Probate Court 2	1	1	1	-
Justice of the Peace Pct. 1	1	1	-	1
Justice of the Peace Pct. 2	6	6	6	-
Justice of the Peace Pct. 4	-	1	1	-
Justice of the Peace Pct. 6	-	1	1	-
District Attorney	42	38	38	-
District Clerk	5	5	5	-
Domestic Relations	7	8	8	-
Jury Services	-	5	4	1
Courts / Judiciary	49	24	-	24
Commissioner Precinct 1	386	423	296	127

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	<u>Capital Projects</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Commissioner Precinct 2	\$ 142	\$ 168	\$ 28	\$ 140
Commissioner Precinct 3	532	560	91	469
Commissioner Precinct 4	701	704	163	541
Right of Way	3,629	3,632	1,182	2,450
Transportation	<u>63,320</u>	<u>66,719</u>	<u>28,592</u>	<u>38,127</u>
 Total Expenditures	 \$ 195,850	 \$ 199,036	 \$ 47,345	 \$ 151,691

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	<u>Law Library</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 1,198	\$ 1,198	\$ 1,205	\$ 7
Investment income	3	3	2	(1)
Other revenues	29	29	28	(1)
Total Revenues	<u>\$ 1,230</u>	<u>\$ 1,230</u>	<u>\$ 1,235</u>	<u>\$ 5</u>
EXPENDITURES:				
Law Library	\$ 1,667	\$ 1,640	\$ 1,117	\$ 523
Judicial Law Library	175	175	161	14
Total Expenditures	<u>\$ 1,842</u>	<u>\$ 1,815</u>	<u>\$ 1,278</u>	<u>\$ 537</u>

	<u>Records Preservation and Automation</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 4,651	\$ 4,651	\$ 4,919	\$ 268
Investment income	53	53	30	(23)
Other revenues	-	-	5	5
Total Revenues	<u>\$ 4,704</u>	<u>\$ 4,704</u>	<u>\$ 4,954</u>	<u>\$ 250</u>
EXPENDITURES:				
Information Technology	\$ 709	\$ 709	\$ 478	\$ 231
Buildings	-	300	273	27
District Clerk	788	788	275	513
County Clerk	11,233	10,933	3,456	7,477
Total Expenditures	<u>\$ 12,730</u>	<u>\$ 12,730</u>	<u>\$ 4,482</u>	<u>\$ 8,248</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Education			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 16	\$ 16	\$ 17	\$ 1
Intergovernmental	-	92	92	-
Total Revenues	\$ 16	\$ 108	\$ 109	\$ 1
EXPENDITURES:				
Sheriff	\$ 63	\$ 142	\$ 48	\$ 94
Sheriff-Confinement	3	3	-	3
Constable Precinct 1	1	3	1	2
Constable Precinct 2	-	1	1	-
Constable Precinct 3	1	2	-	2
Constable Precinct 4	10	12	2	10
Constable Precinct 5	-	1	1	-
Constable Precinct 6	2	3	-	3
Constable Precinct 7	2	3	1	2
Constable Precinct 8	4	5	2	3
Probate Court 1	8	8	8	-
Probate Court 2	9	9	9	-
District Attorney	4	8	1	7
Total Expenditures	\$ 107	\$ 200	\$ 74	\$ 126

	Public Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,166	\$ 1,166	\$ 1,090	\$ (76)
Intergovernmental	8,867	8,867	8,873	6
Investment income	8	8	8	-
Other	-	-	2	2
Total Revenues	\$ 10,041	\$ 10,041	\$ 9,973	\$ (68)
EXPENDITURES:				
Buildings	\$ 245	\$ 245	\$ 232	\$ 13
Public Health	11,450	11,711	10,222	1,489
Total Expenditures	\$ 11,695	\$ 11,956	\$ 10,454	\$ 1,502

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	<u>District Attorney</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 109	\$ 109	\$ 91	\$ (18)
Investment income	1	1	-	(1)
Other revenues	1,066	1,436	1,416	(20)
Transfer	900	900	695	(205)
Total Revenues	<u>\$ 2,076</u>	<u>\$ 2,446</u>	<u>\$ 2,202</u>	<u>\$ (244)</u>
EXPENDITURES:				
District Attorney	<u>\$ 2,076</u>	<u>\$ 2,446</u>	<u>\$ 2,206</u>	<u>\$ 240</u>
Total Expenditures	<u>\$ 2,076</u>	<u>\$ 2,446</u>	<u>\$ 2,206</u>	<u>\$ 240</u>

	<u>Sheriff Contracts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Investment income	\$ 4	\$ 4	\$ 5	\$ 1
Other revenues	960	1,157	1,873	716
Total Revenues	<u>\$ 964</u>	<u>\$ 1,161</u>	<u>\$ 1,878</u>	<u>\$ 717</u>
EXPENDITURES:				
Sheriff	\$ 393	\$ 589	\$ 158	\$ 431
Sheriff - Confinement	1,450	1,450	880	570
Total Expenditures	<u>\$ 1,843</u>	<u>\$ 2,039</u>	<u>\$ 1,038</u>	<u>\$ 1,001</u>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	Miscellaneous Contracts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 957	\$ 5,271	\$ 4,045	\$ (1,226)
Investment income	11	13	10	(3)
Other revenues	488	745	805	60
Transfer	3,640	680	872	192
<b>Total Revenues</b>	<b>\$ 5,096</b>	<b>\$ 6,709</b>	<b>\$ 5,732</b>	<b>\$ (977)</b>
<b>EXPENDITURES:</b>				
County Administrator	\$ 189	\$ 189	\$ 189	\$ -
Non-Departmental	28	29	29	-
Elections Administration	509	4,763	3,021	1,742
Self Insurance	1,584	1,518	445	1,073
Sheriff	2	2	-	2
Medical Examiner	26	26	15	11
Fire Marshal	75	75	73	2
Community Supervision	-	40	33	7
Juvenile Services	1,180	1,180	832	348
Criminal District Court Support System	32	26	-	26
District Attorney	746	705	661	44
Domestic Relations	10	10	10	-
Public Health	53	53	18	35
Human Services	143	389	323	66
Child Protective Services	566	675	186	489
Public Assistance	61	61	15	46
Historical Commission	66	66	1	65
Peace Officers Memorial Monument	20	20	-	20
Right of Way	3,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 8,290</b>	<b>\$ 9,827</b>	<b>\$ 5,851</b>	<b>\$ 3,976</b>

TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	<u>Court Designated</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>				
Fees of office	\$ 1,547	\$ 1,571	\$ 1,628	\$ 57
Intergovernmental	140	140	197	57
Investment income	8	8	6	(2)
<b>Total Revenues</b>	<b>\$ 1,695</b>	<b>\$ 1,719</b>	<b>\$ 1,831</b>	<b>\$ 112</b>
<b>EXPENDITURES:</b>				
Non Departmental	\$ 1,993	\$ 2,016	\$ 1,021	\$ 995
Information Technology	145	145	12	133
323rd District Court	298	298	109	189
Appeals Court	338	338	187	151
Criminal District Court Support System	163	163	-	163
Probate Court 1	149	149	75	74
Probate Court 2	100	100	83	17
District Clerk	3	3	-	3
<b>Total Expenditures</b>	<b>\$ 3,189</b>	<b>\$ 3,212</b>	<b>\$ 1,487</b>	<b>\$ 1,725</b>

	<u>Vehicle Inventory Tax</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 26	\$ 26	\$ 34	\$ 8
Fees of office	10	10	18	8
Investment income	3	3	2	(1)
<b>Total Revenues</b>	<b>\$ 39</b>	<b>\$ 39</b>	<b>\$ 54</b>	<b>\$ 15</b>
<b>EXPENDITURES:</b>				
Tax Assessor/Collector	\$ 508	\$ 508	\$ 171	\$ 337
<b>Total Expenditures</b>	<b>\$ 508</b>	<b>\$ 508</b>	<b>\$ 171</b>	<b>\$ 337</b>



TARRANT COUNTY, TEXAS

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

---

	<u>Consumer Health</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Fees of office	\$ 692	\$ 692	\$ 742	\$ 50
Investment income	<u>3</u>	<u>3</u>	<u>2</u>	<u>(1)</u>
Total Revenues	\$ 695	\$ 695	\$ 744	\$ 49
EXPENDITURES:				
Public Health	<u>\$ 1,179</u>	<u>\$ 1,179</u>	<u>\$ 719</u>	<u>\$ 460</u>
Total Expenditures	\$ 1,179	\$ 1,179	\$ 719	\$ 460



**INTERNAL SERVICE FUNDS**

**TARRANT COUNTY, TEXAS  
INTERNAL SERVICE FUNDS  
FUND DESCRIPTIONS**

**EMPLOYEE BENEFITS FUND**

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

**SELF INSURANCE FUNDS**

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

**WORKERS' COMPENSATION FUND**

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

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

---

<u>ASSETS</u>	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
Current assets:				
Cash and cash equivalents	\$ 8,725	\$ 4,638	\$ 3,112	\$ 16,475
Other receivables, net of allowance for uncollectibles	1,266	11	-	1,277
Supplies and prepaid items	139	-	-	139
Total current assets	<u>10,130</u>	<u>4,649</u>	<u>3,112</u>	<u>17,891</u>
 <u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	935	6	66	1,007
Other liabilities	3,433	372	3,232	7,037
Deferred revenue	21	-	-	21
Total current liabilities	<u>4,389</u>	<u>378</u>	<u>3,298</u>	<u>8,065</u>
Noncurrent liabilities:				
Other noncurrent liabilities	-	103	4,199	4,302
Total noncurrent liabilities	<u>-</u>	<u>103</u>	<u>4,199</u>	<u>4,302</u>
Total liabilities	<u>4,389</u>	<u>481</u>	<u>7,497</u>	<u>12,367</u>
 <u>NET ASSETS</u>				
Unrestricted	<u>5,741</u>	<u>4,168</u>	<u>(4,385)</u>	<u>5,524</u>
Total net assets (deficit)	<u>\$ 5,741</u>	<u>\$ 4,168</u>	<u>\$ (4,385)</u>	<u>\$ 5,524</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

---

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
OPERATING REVENUES:				
User fees	\$ 14,588	\$ -	\$ -	\$ 14,588
County contributions	46,516	-	1,922	48,438
Other revenues	<u>3,221</u>	<u>113</u>	<u>270</u>	<u>3,604</u>
Total operating revenues	64,325	113	2,192	66,630
OPERATING EXPENSES:				
Building and equipment	1	103	-	104
Self insurance claims	54,067	65	3,200	57,332
Insurance premiums	5,805	-	-	5,805
Other expenses	<u>3,099</u>	<u>60</u>	<u>187</u>	<u>3,346</u>
Total operating expenses	<u>62,972</u>	<u>228</u>	<u>3,387</u>	<u>66,587</u>
Operating income (loss)	1,353	(115)	(1,195)	43
NONOPERATING REVENUES :				
Investment income	<u>30</u>	<u>17</u>	<u>13</u>	<u>60</u>
Income (loss) before transfers	1,383	(98)	(1,182)	103
Transfers out	<u>(285)</u>	<u>-</u>	<u>-</u>	<u>(285)</u>
Change in net assets	1,098	(98)	(1,182)	(182)
Total net assets (deficit)-beginning	<u>4,643</u>	<u>4,266</u>	<u>(3,203)</u>	<u>5,706</u>
Total net assets (deficit)-ending	<u>\$ 5,741</u>	<u>\$ 4,168</u>	<u>\$ (4,385)</u>	<u>\$ 5,524</u>

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	<u>Employee Benefits</u>	<u>Self Insurance</u>	<u>Workers Compensation</u>	<u>Total</u>
<b>OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 63,550	\$ 109	\$ 2,212	\$ 65,871
Payments on behalf of employees	<u>(65,810)</u>	<u>(349)</u>	<u>(3,533)</u>	<u>(69,692)</u>
Net cash flows provided by (used in) operating activities	(2,260)	(240)	(1,321)	(3,821)
<b>INVESTING ACTIVITIES:</b>				
Investment income, net	30	17	13	60
<b>NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers out	<u>(285)</u>	<u>-</u>	<u>-</u>	<u>(285)</u>
Net cash flows used in noncapital financing activities	<u>(285)</u>	<u>-</u>	<u>-</u>	<u>(285)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,515)	(223)	(1,308)	(4,046)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>11,240</u>	<u>4,861</u>	<u>4,420</u>	<u>20,521</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 8,725</u>	<u>\$ 4,638</u>	<u>\$ 3,112</u>	<u>\$ 16,475</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Income (loss) from operations	\$ 1,353	\$ (115)	\$ (1,195)	\$ 43
Changes in assets and liabilities:				
Supplies and prepaid items	(139)	-	-	(139)
Other receivables	(777)	(4)	20	(761)
Accounts payable	(4,010)	(23)	(39)	(4,072)
Other liabilities	1,311	(98)	(107)	1,106
Deferred revenue	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Net cash flows provided by (used in) operating activities	<u>\$ (2,260)</u>	<u>\$ (240)</u>	<u>\$ (1,321)</u>	<u>\$ (3,821)</u>

**FIDUCIARY FUNDS**



**TARRANT COUNTY, TEXAS  
FIDUCIARY FUNDS  
FUND DESCRIPTIONS**

**PAYROLL CLEARING FUND**

This fund was established to account for the routine receipts and disbursements associated with the payroll process.

**FEE OFFICE FUND**

This fund was established to account for the monies still in the custody of the several fee officers of the County that have not been remitted to the County Treasury, including "trust funds".

TARRANT COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

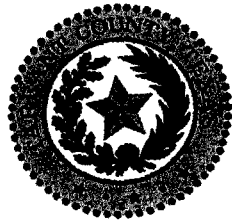
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<u>ASSETS</u>	<u>Payroll Clearing</u>	<u>Fee Office</u>	<u>Total</u>
Current assets:			
Cash, cash equivalents, and investments	\$ 3,307	\$ 33,383	\$ 36,690
Other receivables	14	135,365	135,379
Restricted asset	-	76,695	76,695
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,321</u>	<u>\$ 245,443</u>	<u>\$ 248,764</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 5	\$ -	\$ 5
Due to third parties	3,316	245,443	248,759
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>\$ 3,321</u>	<u>\$ 245,443</u>	<u>\$ 248,764</u>

TARRANT COUNTY, TEXAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITES - AGENCY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (AMOUNTS IN THOUSANDS)

	October 1, 2010	Additions	Deletions	Balance September 30, 2011
<b>PAYROLL CLEARING:</b>				
Cash, cash equivalents, and investments	\$ 3,290	\$ 107,975	\$ 107,958	\$ 3,307
Other receivables	11	80	77	14
	<u>\$ 3,301</u>	<u>\$ 108,055</u>	<u>\$ 108,035</u>	<u>\$ 3,321</u>
Accounts payable	\$ 5	-	-	\$ 5
Due to third parties	3,296	108,055	108,035	3,316
	<u>\$ 3,301</u>	<u>\$ 108,055</u>	<u>\$ 108,035</u>	<u>\$ 3,321</u>
<b>FEE OFFICE:</b>				
Cash, cash equivalents, and investments	\$ 30,001	\$ 3,317,551	\$ 3,314,169	\$ 33,383
Other receivables	137,043	2,529,340	2,531,018	135,365
Restricted assets	44,057	103,956	71,318	76,695
	<u>\$ 211,101</u>	<u>\$ 5,950,847</u>	<u>\$ 5,916,505</u>	<u>\$ 245,443</u>
Accounts payable		\$ 191	\$ 191	\$ -
Due to third parties	\$ 211,101	5,950,656	5,916,314	245,443
	<u>\$ 211,101</u>	<u>\$ 5,950,847</u>	<u>\$ 5,916,505</u>	<u>\$ 245,443</u>
<b>TOTAL:</b>				
Cash, cash equivalents, and investments	\$ 33,291	\$ 3,425,526	\$ 3,422,127	\$ 36,690
Other receivables	137,054	2,529,420	2,531,095	135,379
Restricted assets	44,057	103,956	71,318	76,695
	<u>\$ 214,402</u>	<u>\$ 6,058,902</u>	<u>\$ 6,024,540</u>	<u>\$ 248,764</u>
Accounts payable	\$ 5	\$ 191	\$ 191	\$ 5
Due to third parties	214,397	6,058,711	6,024,349	248,759
	<u>\$ 214,402</u>	<u>\$ 6,058,902</u>	<u>\$ 6,024,540</u>	<u>\$ 248,764</u>



**STATISTICAL SECTION**

**TARRANT COUNTY, TEXAS  
STATISTICAL SECTION**

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

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	<b>104</b>
<p>These schedules contain trend information to aid in understanding how the County's financial performance and well being have changed over time.</p> <p>The first three schedules relate to government wide; the remaining schedules relate to fund information.</p>	
<b>REVENUE CAPACITY</b>	<b>114</b>
<p>These schedules contain information to aid in assessing the factors affecting the County's ability to generate its property taxes, its most significant local revenue source.</p>	
<b>DEBT CAPACITY</b>	<b>120</b>
<p>These schedules present information to aid in assessing the County's current debt levels and its ability to issue additional debt in the future.</p>	
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	<b>128</b>
<p>These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.</p>	
<b>OPERATING INFORMATION</b>	<b>130</b>
<p>These schedules contain information about the County's operations and resources to aid in understanding how the County's financial information relates to the services the County provides and the activities it performs.</p>	

**TARRANT COUNTY, TEXAS**  
**NET ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Accrual basis of accounting - Unaudited)  
(Amounts in thousands)

	<b>FISCAL YEAR</b>				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 89,274	\$ 108,534	\$ 134,092	\$ 151,544	\$ 180,820
Restricted	-	-	-	-	-
Unrestricted	71,450	75,000	73,027	83,180	90,495
Total governmental activities net assets	<u>\$ 160,724</u>	<u>\$ 183,534</u>	<u>\$ 207,119</u>	<u>\$ 234,724</u>	<u>\$ 271,315</u>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 1,945	\$ 1,861	\$ 1,861	\$ 1,793	\$ 5,800
Unrestricted	615	823	680	458	(1,955)
Total business-type activities net assets	<u>\$ 2,560</u>	<u>\$ 2,684</u>	<u>\$ 2,541</u>	<u>\$ 2,251</u>	<u>\$ 3,845</u>
<b>Primary government:</b>					
Invested in capital assets, net of related debt	\$ 91,219	\$ 110,395	\$ 135,953	\$ 153,337	\$ 186,620
Restricted	-	-	-	-	-
Unrestricted	72,065	75,823	73,707	83,638	88,540
Total primary government net assets	<u>\$ 163,284</u>	<u>\$ 186,218</u>	<u>\$ 209,660</u>	<u>\$ 236,975</u>	<u>\$ 275,160</u>

**TABLE I**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 195,824	\$ 185,168	\$ 200,501	\$ 236,273	\$ 224,257
-	-	-	15,784	16,507
114,985	147,789	144,382	84,830	66,016
<u>\$ 310,809</u>	<u>\$ 332,957</u>	<u>\$ 344,883</u>	<u>\$ 336,887</u>	<u>\$ 306,780</u>
\$ 5,501	\$ 5,229	\$ 5,560	\$ 5,282	\$ 5,645
(1,835)	340	(16)	481	988
<u>\$ 3,666</u>	<u>\$ 5,569</u>	<u>\$ 5,544</u>	<u>\$ 5,763</u>	<u>\$ 6,633</u>
\$ 201,325	\$ 190,397	\$ 206,061	\$ 241,555	\$ 229,902
-	-	-	15,784	16,507
113,150	148,129	144,366	85,311	67,004
<u>\$ 314,475</u>	<u>\$ 338,526</u>	<u>\$ 350,427</u>	<u>\$ 342,650</u>	<u>\$ 313,413</u>



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

	FISCAL YEAR				
	2002	2003	2004	2005	2006
<b>Expenses</b>					
Governmental activities:					
General government	\$ 58,366	\$ 66,121	\$ 86,469	\$ 87,645	\$ 104,005
Public safety	103,211	107,910	77,318	84,147	91,152
Transportation support	17,821	21,725	20,913	25,107	28,734
Judicial	80,944	80,201	115,010	112,173	118,003
Community services	59,669	62,217	58,123	55,320	62,192
Interest and fiscal charges	5,842	7,313	7,061	7,677	6,853
Total governmental activities expenses	<u>325,853</u>	<u>345,487</u>	<u>364,894</u>	<u>372,069</u>	<u>410,939</u>
Business-type activities:					
Resource Connection	2,393	2,666	2,854	2,929	2,793
Total primary government expenses	<u>328,246</u>	<u>348,153</u>	<u>367,748</u>	<u>374,998</u>	<u>413,732</u>
<b>Program Revenues (1)</b>					
Governmental activities:					
Fees, Fines, and Charges for Services	78,219	76,379	87,817	86,263	93,164
Operating Grants and Contributions	60,236	64,744	60,003	54,155	59,803
Capital Grants and Contributions	-	2,626	-	2,959	16,909
Total governmental activities program revenues	<u>138,455</u>	<u>143,749</u>	<u>147,820</u>	<u>143,377</u>	<u>169,876</u>
Business-type activities:					
Resource Connection	2,496	2,780	2,701	2,625	4,375
Total primary government program revenues	<u>140,951</u>	<u>146,529</u>	<u>150,521</u>	<u>146,002</u>	<u>174,251</u>
<b>Net (Expenses)/Revenue</b>					
Governmental activities	(187,398)	(201,738)	(217,074)	(228,692)	(241,063)
Business-type activities	103	114	(153)	(304)	1,582
Total primary government net expenses	<u>\$ (187,295)</u>	<u>\$ (201,624)</u>	<u>\$ (217,227)</u>	<u>\$ (228,996)</u>	<u>\$ (239,481)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes	\$ 199,295	\$ 216,118	\$ 231,288	\$ 243,775	\$ 260,572
Alcoholic beverage and bingo taxes	-	4,000	4,835	5,197	5,652
Unrestricted investment earnings	3,176	2,285	2,315	5,265	9,368
Miscellaneous	10,354	2,145	2,221	2,060	2,062
Total governmental activities	<u>212,825</u>	<u>224,548</u>	<u>240,659</u>	<u>256,297</u>	<u>277,654</u>
Business-type activities:					
Unrestricted investment earnings	9	10	10	14	12
Miscellaneous	36	-	-	-	-
Total business-type activities	<u>45</u>	<u>10</u>	<u>10</u>	<u>14</u>	<u>12</u>
Total primary government	<u>212,870</u>	<u>224,558</u>	<u>240,669</u>	<u>256,311</u>	<u>277,666</u>
<b>Changes in Net Assets</b>					
Governmental activities	25,427	22,810	23,585	27,605	36,591
Business-type activities	148	124	(143)	(290)	1,594
Total primary government	<u>\$ 25,575</u>	<u>\$ 22,934</u>	<u>\$ 23,442</u>	<u>\$ 27,315</u>	<u>\$ 38,185</u>

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

TABLE II

2007	2008	2009	2010	2011
\$ 105,708	\$ 119,234	\$ 132,725	\$ 126,700	\$ 124,555
99,860	109,282	111,314	118,807	120,881
33,753	42,741	44,690	42,121	54,329
124,066	137,287	142,450	150,002	150,841
62,437	72,088	78,814	91,269	84,066
9,529	11,751	14,966	14,612	15,108
<u>435,353</u>	<u>492,383</u>	<u>524,959</u>	<u>543,511</u>	<u>549,780</u>
2,854	3,077	3,138	3,048	3,024
<u>438,207</u>	<u>495,460</u>	<u>528,097</u>	<u>546,559</u>	<u>552,804</u>
98,334	104,965	103,120	103,510	110,503
62,090	76,291	89,858	90,914	77,519
7,512	6,740	3,597	1,566	3,339
<u>167,936</u>	<u>187,996</u>	<u>196,575</u>	<u>195,990</u>	<u>191,361</u>
2,662	4,940	2,923	2,880	2,745
<u>170,598</u>	<u>192,936</u>	<u>199,498</u>	<u>198,870</u>	<u>194,106</u>
(267,417)	(304,387)	(328,384)	(347,521)	(358,419)
(192)	1,863	(215)	(168)	(279)
<u>\$ (267,609)</u>	<u>\$ (302,524)</u>	<u>\$ (328,599)</u>	<u>\$ (347,689)</u>	<u>\$ (358,698)</u>
\$ 282,491	\$ 303,474	\$ 321,868	\$ 327,566	\$ 315,441
6,154	6,023	6,819	7,217	7,646
15,834	12,287	8,937	2,090	2,098
2,432	4,751	2,686	2,652	3,127
<u>306,911</u>	<u>326,535</u>	<u>340,310</u>	<u>339,525</u>	<u>328,312</u>
13	40	45	16	10
-	-	145	371	1,139
<u>13</u>	<u>40</u>	<u>190</u>	<u>387</u>	<u>1,149</u>
306,924	326,575	340,500	339,912	329,461
39,494	22,148	11,926	(7,996)	(30,107)
(179)	1,903	(25)	219	870
<u>\$ 39,315</u>	<u>\$ 24,051</u>	<u>\$ 11,901</u>	<u>\$ (7,777)</u>	<u>\$ (29,237)</u>

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

Function/Program	FISCAL YEAR				
	2002	2003	2004	2005	2006
<b>Fees, Fines, and Charges for Services</b>					
<b>Governmental:</b>					
General government	\$ 10,127	\$ 11,558	\$ 54,960	\$ 42,440	\$ 47,244
Public safety	8,865	6,588	4,883	7,825	3,375
Transportation support	23,826	23,625	1,608	-	-
Judicial	26,035	26,061	17,404	26,007	30,030
Community services	9,366	8,547	8,962	9,991	12,515
Total Governmental	78,219	76,379	87,817	86,263	93,164
<b>Business-type</b>	2,496	2,646	2,701	2,625	2,404
Total Fees, Fines and Charges for Service	<u>\$ 80,715</u>	<u>\$ 79,025</u>	<u>\$ 90,518</u>	<u>\$ 88,888</u>	<u>\$ 95,568</u>
<b>Operating Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 627	\$ 24	\$ 4,748	\$ 1,309	\$ 1,322
Public safety	12,096	12,559	1,984	1,177	1,358
Transportation support	3,274	-	-	-	-
Judicial	44,239	3,711	9,698	11,319	10,647
Community services	-	48,450	43,573	40,350	46,476
Total Governmental	60,236	64,744	60,003	54,155	59,803
Total Operating Grants and Contributions	<u>\$ 60,236</u>	<u>\$ 64,744</u>	<u>\$ 60,003</u>	<u>\$ 54,155</u>	<u>\$ 59,803</u>
<b>Capital Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ -	\$ -	\$ -	\$ 3	\$ 5,971
Public safety	-	-	-	1,191	534
Transportation support	-	2,626	-	1,547	10,384
Judicial	-	-	-	218	20
Community services	-	-	-	-	-
Total Governmental	-	2,626	-	2,959	16,909
<b>Business-type</b>	-	134	-	-	1,971
Total Capital Grants and Contributions	<u>\$ -</u>	<u>\$ 2,760</u>	<u>\$ -</u>	<u>\$ 2,959</u>	<u>\$ 18,880</u>
<b>Total Program Revenues</b>					
<b>Governmental:</b>					
General government	\$ 10,754	\$ 11,582	\$ 59,708	\$ 43,752	\$ 54,537
Public safety	20,961	19,147	6,867	10,193	5,267
Transportation support	27,100	26,251	1,608	1,547	10,384
Judicial	70,274	29,772	27,102	37,326	40,677
Community services	9,366	56,997	52,535	50,341	58,991
Total Governmental	138,455	143,749	147,820	143,159	169,856
<b>Business-type</b>	2,496	2,780	2,701	2,625	4,375
<b>Total Program Revenues</b>	<u>\$ 140,951</u>	<u>\$ 146,529</u>	<u>\$ 150,521</u>	<u>\$ 145,784</u>	<u>\$ 174,231</u>

TABLE III

2007	2008	2009	2010	2011
\$ 50,630	\$ 53,905	\$ 51,847	\$ 49,983	\$ 51,078
4,293	4,532	3,052	3,607	5,274
-	-	-	-	-
31,446	33,104	33,352	35,005	39,104
11,965	13,424	14,869	14,915	15,047
98,334	104,965	103,120	103,510	110,503
2,662	4,940	2,923	2,880	2,745
<u>\$ 100,996</u>	<u>\$ 109,905</u>	<u>\$ 106,043</u>	<u>\$ 106,390</u>	<u>\$ 113,248</u>
\$ 2,076	\$ 7,443	\$ 15,709	\$ 7,961	\$ 744
2,630	3,707	3,435	3,308	3,359
33	49	30	75	33
12,126	12,579	12,061	11,968	12,094
45,225	52,513	58,623	67,602	61,289
62,090	76,291	89,858	90,914	77,519
<u>\$ 62,090</u>	<u>\$ 76,291</u>	<u>\$ 89,858</u>	<u>\$ 90,914</u>	<u>\$ 77,519</u>
\$ 2,074	\$ -	\$ 1,326	\$ 302	\$ 2,163
237	136	61	195	593
4,744	6,597	2,001	173	446
457	7	4	477	76
-	-	205	419	61
7,512	6,740	3,597	1,566	3,339
-	-	-	-	-
<u>\$ 7,512</u>	<u>\$ 6,740</u>	<u>\$ 3,597</u>	<u>\$ 1,566</u>	<u>\$ 3,339</u>
\$ 54,780	\$ 61,348	\$ 68,882	\$ 58,246	\$ 53,985
7,160	8,375	6,548	7,110	9,226
4,777	6,646	2,031	248	479
43,572	45,683	45,417	47,450	51,274
57,190	65,937	73,697	82,936	76,397
167,479	187,989	196,575	195,990	191,361
2,662	4,940	2,923	2,880	2,745
<u>\$ 170,141</u>	<u>\$ 192,929</u>	<u>\$ 199,498</u>	<u>\$ 198,870</u>	<u>\$ 194,106</u>

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

	<b>FISCAL YEAR</b>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Fund</b>					
Reserved:					
For encumbrances	\$ 1,306	\$ 1,675	\$ 2,012	\$ 1,604	\$ 3,667
For supplies and prepaid items	700	814	732	825	794
For long-term receivable	8,880	8,880	7,605	7,120	6,630
Unreserved	35,436	22,917	31,231	38,201	41,708
Nonspendable	N/A	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A	N/A
<b>Total General fund</b>	<u>\$ 46,322</u>	<u>\$ 34,286</u>	<u>\$ 41,580</u>	<u>\$ 47,750</u>	<u>\$ 52,799</u>
<b>All Other Governmental Funds</b>					
Reserved:					
For debt service	\$ 1,066	\$ 1,564	\$ 1,621	\$ 2,092	\$ 1,739
For capital projects	37,798	39,431	36,507	31,107	120,068
For encumbrances	6,713	4,944	15,474	10,903	7,191
For supplies and prepaid items	735	732	977	1,011	819
For long-term receivable	-	2,694	2,499	2,299	2,099
Unreserved, reported in:					
Special revenue funds	21,066	21,704	23,084	20,148	25,584
Nonspendable	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A
<b>Total all other governmental funds</b>	<u>\$ 67,378</u>	<u>\$ 71,069</u>	<u>\$ 80,162</u>	<u>\$ 67,560</u>	<u>\$ 157,500</u>

(1) The County implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Prior year amounts have not been restated for the implementation of Statement 54.

N/A-Not applicable

TABLE IV

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>
\$	1,549	\$ 2,995	\$ 2,743	\$ 3,401	N/A
	865	761	800	878	N/A
	6,115	5,570	4,995	4,390	N/A
	44,975	38,347	39,802	56,306	N/A
	N/A	N/A	N/A	N/A	\$ 4,619
	N/A	N/A	N/A	N/A	292
	N/A	N/A	N/A	N/A	17,868
	N/A	N/A	N/A	N/A	36,642
<u>\$</u>	<u>53,504</u>	<u>\$ 47,673</u>	<u>\$ 48,340</u>	<u>\$ 64,975</u>	<u>\$ 59,421</u>
\$	1,020	\$ 492	\$ 895	\$ 1,611	N/A
	159,179	243,413	238,905	178,068	N/A
	19,482	47,394	41,657	129,155	N/A
	1,289	825	1,073	961	N/A
	2,099	2,099	2,099	2,099	N/A
	31,261	27,761	23,774	28,072	N/A
	N/A	N/A	N/A	N/A	\$ 721
	N/A	N/A	N/A	N/A	185,117
	N/A	N/A	N/A	N/A	68,129
	N/A	N/A	N/A	N/A	3,730
<u>\$</u>	<u>214,330</u>	<u>\$ 321,984</u>	<u>\$ 308,403</u>	<u>\$ 339,966</u>	<u>\$ 257,697</u>

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

	FISCAL YEAR				
	2002	2003	2004	2005	2006
<b>Revenues:</b>					
Taxes	\$ 199,797	\$ 215,337	\$ 230,833	\$ 244,560	\$ 260,357
Licenses and permits	749	597	627	588	723
Fees of office	54,006	57,171	58,980	60,529	67,853
Intergovernmental	77,271	78,308	76,853	72,274	85,597
Investment income	3,630	2,755	2,315	5,265	9,368
Other revenues	14,699	13,435	14,871	15,081	13,101
<b>Total revenues</b>	<b>350,152</b>	<b>367,603</b>	<b>384,479</b>	<b>398,297</b>	<b>436,999</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	50,049	58,761	73,018	73,783	81,601
Public safety	97,936	106,954	78,098	81,721	88,307
Transportation support	17,233	18,890	18,387	23,583	24,194
Judicial	75,983	79,229	109,903	111,827	116,480
Community services	55,874	58,868	53,481	51,787	58,398
Capital outlay	63,509	34,533	52,199	46,873	38,782
<b>Debt service:</b>					
Principal payments	24,495	22,215	22,090	19,970	20,825
Interest and fiscal charges	5,482	7,593	6,840	7,275	6,430
Bond issuance costs	-	-	-	163	-
<b>Total expenditures</b>	<b>390,561</b>	<b>387,043</b>	<b>414,016</b>	<b>416,982</b>	<b>435,017</b>
Excess (deficiency) of revenues over (under) expenditures	(40,409)	(19,440)	(29,537)	(18,685)	1,982
<b>Other Financing Sources (Uses):</b>					
Transfers in	12,701	22,811	8,231	19,066	24,339
Transfers out	(12,325)	(23,716)	(8,165)	(18,998)	(24,664)
Issuance of debt	71,915	12,000	59,550	12,045	89,990
Premium on new debt	-	-	1,433	1,675	3,342
Discount on new debt	-	-	-	-	-
Refunding bonds issued	19,531	-	-	39,870	-
Premium on refunding bonds	-	-	-	-	-
Discount on refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	(19,383)	-	(15,125)	(41,405)	-
<b>Total other financing sources (uses)</b>	<b>72,439</b>	<b>11,095</b>	<b>45,924</b>	<b>12,253</b>	<b>93,007</b>
<b>Change in fund balance</b>	<b>\$ 32,030</b>	<b>\$ (8,345)</b>	<b>\$ 16,387</b>	<b>\$ (6,432)</b>	<b>\$ 94,989</b>
 Debt Service as a percentage of noncapital expenditures	 9.0%	 8.4%	 7.9%	 7.3%	 6.6%

TABLE V

2007	2008	2009	2010	2011
\$ 283,255	\$ 299,894	\$ 320,593	\$ 327,003	\$ 316,206
804	793	903	1,159	851
72,136	74,607	70,615	66,743	69,515
83,485	100,006	117,658	119,163	107,945
15,834	12,287	8,937	2,090	2,098
16,677	17,567	17,407	17,288	18,509
472,191	505,154	536,113	533,446	515,124
85,970	98,866	111,307	105,412	98,733
96,449	102,676	105,151	107,190	109,744
22,210	29,376	28,734	21,313	22,936
122,612	132,500	138,962	140,845	143,531
58,740	66,138	73,164	83,369	77,230
48,385	49,077	52,908	53,037	114,674
23,795	25,905	24,285	21,185	20,420
9,368	11,469	15,048	15,207	15,964
-	-	-	254	-
467,529	516,007	549,559	547,812	603,232
4,662	(10,853)	(13,446)	(14,366)	(88,108)
34,078	42,951	35,194	23,305	30,031
(35,087)	(42,606)	(34,662)	(23,009)	(29,746)
52,510	107,480	-	55,315	-
1,372	5,422	-	7,196	-
-	(571)	-	(300)	-
-	-	-	14,730	-
-	-	-	2,363	-
-	-	-	(78)	-
-	-	-	(16,958)	-
52,873	112,676	532	62,564	285
\$ 57,535	\$ 101,823	\$ (12,914)	\$ 48,198	\$ (87,823)
7.6%	7.7%	7.6%	7.1%	6.9%



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

<b>Tarrant County Direct Rates</b>				
<b>Fiscal Year</b>	<b>Operating Fund</b>	<b>Debt Service Fund</b>	<b>Tarrant County Hospital District</b>	<b>Total Direct Rate</b>
2002	\$ 0.235486	\$ 0.039299	\$ 0.234070	\$ 0.508855
2003	0.237419	0.035081	0.232400	0.504900
2004	0.241757	0.030743	0.235397	0.507897
2005	0.244048	0.028452	0.235397	0.507897
2006	0.245376	0.027124	0.235997	0.508497
2007	0.241664	0.029836	0.235397	0.506897
2008	0.234866	0.031634	0.230397	0.496897
2009	0.232187	0.031813	0.227897	0.491897
2010	0.234823	0.029177	0.227897	0.491897
2011	0.234621	0.029379	0.227897	0.491897

Note: Section 26.05 of the Property Tax Code provides that the governing body of a taxing unit is required to adopt the annual tax rate for the unit before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, and a failure to adopt a tax rate by such required date will result in the tax rate for the taxing unit for the tax year to be the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. Furthermore, Section 26.05 provides the Commissioners Court may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the County's website if the County owns, operates or controls an internet website and public notice be given by television if the County has free access to a television channel) and the Commissioners Court has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate, the qualified voters of the County by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

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

Source of rates: Tarrant Appraisal District

**TABLE VI**

<b>Overlapping Rates (1)</b>				
<b>Tarrant County College District</b>	<b>Tarrant County Regional Water District</b>	<b>Tarrant County Fresh Water Supply</b>	<b>Emergency Service District</b>	
\$ 0.106410	\$ 0.020000	\$ 0.218000	\$ 0.080000	
0.139380	0.020000	0.218000	0.100000	
0.139380	0.020000	0.218000	0.080000	
0.139380	0.020000	0.218000	0.070000	
0.139380	0.020000	-	0.069350	
0.139380	0.020000	-	0.069000	
0.139380	0.020000	-	0.064000	
0.137960	0.020000	-	0.064000	
0.137670	0.020000	-	0.064000	
0.137640	0.020000	-	0.064000	

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

**TABLE VII**

<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 (1)</b>
2002	\$ 74,375,104	\$ 18,593,776	\$ 19,910,671	\$ 73,058,209	\$ 0.508855
2003	82,784,242	16,955,809	20,560,234	79,179,817	0.504900
2004	88,648,803	16,885,486	20,533,188	85,001,101	0.507897
2005	92,876,831	17,690,825	20,967,656	89,600,000	0.507897
2006	97,462,235	18,564,235	19,896,195	96,130,275	0.508497
2007	108,005,011	20,280,725	23,149,967	105,135,769	0.506897
2008	116,141,002	22,316,843	24,527,707	113,930,138	0.496897
2009	123,575,202	25,016,550	25,133,830	123,457,922	0.491897
2010	126,395,312	26,776,981	26,927,226	126,245,067	0.491897
2011	122,408,926	24,737,656	26,185,517	120,961,065	0.491897

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

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

Source: Tarrant Appraisal District

**TARRANT COUNTY, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)  
(Amounts in thousands)**

**TABLE VIII**

Taxpayer	FISCAL YEAR					
	2011			2002		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 903,048	1	0.75%			
Chesapeake Operating	512,027	2	0.42			
Devon Energy Food Co.	497,669	3	0.41			
Bell Helicopter Textron	441,750	4	0.37			
Walmart Real Estate Bus. Trust	392,756	5	0.32			
American Airlines /Amr Egle Hol	379,219	6	0.31	\$ 948,742	1	1.30%
Southwestern Bell	348,419	7	0.29	543,713	3	0.74
Encana Oil & Gas (USA) Inc.	311,070	8	0.26			
XTO Energy Inc.	295,565	9	0.24			
Opryland Hotel	247,782	10	0.20			
Texas Utilities Electric				875,022	2	1.20
Albertson, Inc.				276,447	4	0.38
Textron, Inc.				222,732	5	0.30
General Motors Corp.				183,543	6	0.25
Delta Airlines, Inc.				169,331	7	0.23
Grapevine Mills Ltd. Partnership				165,361	8	0.23
Alcon Laboratories Inc.				156,414	9	0.21
Radio Shack, Inc.				136,623	10	0.19
	<u>\$ 4,329,305</u>		<u>3.43%</u>	<u>\$ 3,677,928</u>		<u>5.03%</u>

Source: Tarrant Appraisal District

**TARRANT COUNTY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
(Amounts in thousands)

<b>Fiscal Year Ended September 30</b>	<b>Taxes Levied Within the Fiscal Year of the Levy</b>	<b>Adjustments to Levy in Subsequent Years</b>	<b>Adjusted Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>
				<b>Amount</b>	<b>Percentage of Levy</b>	
2002	\$ 200,753	\$ (124)	\$ 200,629	\$ 196,253	97.76%	\$ 3,605
2003	215,766	(193)	215,573	211,528	98.04%	3,405
2004	231,628	(44)	231,584	227,468	98.20%	3,443
2005	244,160	(370)	243,790	239,933	98.27%	3,177
2006	261,955	(326)	261,629	257,648	98.36%	3,313
2007	285,433	(703)	284,730	280,951	98.43%	3,040
2008	303,624	(146)	303,478	299,681	98.70%	2,880
2009	325,929	(351)	325,578	321,181	98.54%	3,050
2010	333,272	(559)	332,713	328,774	98.65%	1,864
2011	319,354	-	319,354	315,758	98.87%	-

Source: Tarrant County Tax Office and Tarrant Appraisal District

<b>Total Collections</b>		
<b>Amount</b>	<b>Percentage of Levy</b>	
\$ 199,858	99.62%	
214,933	99.70%	
230,911	99.71%	
243,110	99.72%	
260,961	99.74%	
283,991	99.74%	
302,561	99.70%	
324,231	99.59%	
330,638	99.38%	
315,758	98.87%	

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

TABLE X

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates Of Obligation</b>	<b>Limited Tax Refunding</b>	<b>Taxable Tax Notes</b>	<b>Non-Taxable Tax Notes</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
2002	\$ 44,215	\$ 51,425	\$ 39,460	\$ 28,315	\$ -	\$ 163,415	0.35	109.67
2003	42,790	37,150	32,945	28,315	12,000	153,200	0.31	98.58
2004	41,240	22,940	59,120	28,315	24,000	175,615	0.34	110.51
2005	27,405	14,210	91,650	-	33,775	167,040	0.30	101.67
2006	107,750	7,880	83,445	-	37,130	236,205	0.38	138.76
2007	155,290	4,015	75,465	-	30,150	264,920	0.39	151.81
2008	256,390	-	68,610	-	21,495	346,495	0.50	194.64
2009	245,185	-	64,460	-	12,565	322,210	0.45	178.24
2010	219,225	-	130,315	-	5,930	355,470	0.50 (2)	196.64
2011	209,525	-	123,810	-	1,715	335,050	0.47 (2)	184.31

Note: All debt is related to government activities. 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 2009





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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates Of Obligation</b>	<b>Limited Tax Refunding</b>	<b>Taxable Tax Notes</b>	<b>Non-Taxable Tax Notes</b>	<b>Total Primary Government</b>	<b>Less: Amount Available In Debt Service Fund</b>	<b>Total</b>
2002	\$ 44,215	\$ 51,425	\$ 39,460	\$ 28,315	\$ -	\$ 163,415	\$ 1,066	\$ 162,349
2003	42,790	37,150	32,945	28,315	12,000	153,200	1,564	151,636
2004	41,240	22,940	59,120	28,315	24,000	175,615	1,621	173,994
2005	27,405	14,210	91,650	-	33,775	167,040	2,092	164,948
2006	107,750	7,880	83,445	-	37,130	236,205	1,739	234,466
2007	155,290	4,015	75,465	-	30,150	264,920	1,020	263,900
2008	256,390	-	68,610	-	21,495	346,495	492	346,003
2009	245,185	-	64,460	-	12,565	322,210	895	321,315
2010	219,225	-	130,315	-	5,930	355,470	1,611	353,859
2011	209,525	-	123,810	-	1,715	335,050	1,482	333,568

Note: All debt is related to government activities. 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 VI for property value data
- (2) See Schedule of Demographic and Economic Statistics Table XIV for personal income and population data

<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
0.22%	\$ 108.96
0.19%	97.58
0.20%	109.49
0.18%	100.40
0.24%	137.74
0.25%	151.23
0.30%	194.37
0.26%	177.74
0.28%	195.61
0.28%	183.50

**TARRANT COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of September 30, 2011**  
**(Unaudited)**  
**(Amounts in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt 9/30/2011</u>
Debt repaid with property taxes:			
Special Districts:			
Tarrant County College District	\$ 29,780	100.00%	\$ 29,780
County Line Special District:			
Trophy Club Municipal Utility District #1	7,469	28.87%	2,156
Cities:			
Arlington	316,735	100.00%	316,735
Bedford	61,170	100.00%	61,170
Benbrook	12,300	100.00%	12,300
Colleyville	16,805	100.00%	16,805
Crowley	27,090	99.38%	26,922
Dalworthington Gardens	1,400	100.00%	1,400
Eules	44,730	100.00%	44,730
Everman	2,100	100.00%	2,100
Forest Hill	10,695	100.00%	10,695
Fort Worth	690,205	97.32%	671,708
Haltom City	59,040	100.00%	59,040
Haslet	5,635	100.00%	5,635
Hurst	54,255	100.00%	54,255
Keller	97,939	100.00%	97,939
Kennedale	18,320	100.00%	18,320
Lake Worth	21,535	100.00%	21,535
North Richland Hills	92,645	100.00%	92,645
Pantego	575	100.00%	575
Richland Hills	9,165	100.00%	9,165
Saginaw	21,230	100.00%	21,230
Sansom Park	2,000	100.00%	2,000
Watauga	22,880	100.00%	22,880
Westlake	22,315	97.87%	21,840
Westover Hills	65	100.00%	65
White Settlement	16,130	100.00%	16,130
County Line Cities:			
Azle	9,730	82.09%	7,987
Burlleson	112,045	22.74%	25,479
Grand Prairie	235,915	47.61%	112,319
Grapevine	119,533	98.41%	117,632
Mansfield	102,595	93.77%	96,203
Southlake	158,245	97.73%	154,653

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

TABLE XII

<u>Governmental Unit (cont'd)</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt 9/30/2011</u>
School Districts:			
Arlington Independent School District	\$ 477,462	100.00%	\$ 477,462
Birdville Independent School District	227,200	100.00%	227,200
Carroll Independent School District	249,710	100.00%	249,710
Castleberry Independent School District	48,955	100.00%	48,955
Eagle Mountain Saginaw Independent School District	576,742	100.00%	576,742
Everman Independent School District	59,910	100.00%	59,910
Fort Worth Independent School District	755,735	100.00%	755,735
Hurst Euless Bedford Independent School District	323,967	100.00%	323,967
Keller Independent School District	712,857	100.00%	712,857
Kennedale Independent School District	47,925	100.00%	47,925
Lake Worth Independent School District	76,540	100.00%	76,540
White Settlement Independent School District	172,973	100.00%	172,973
County Line School Districts:			
Aledo Independent School District	147,197	4.53%	6,668
Azle Independent School District	22,460	63.62%	14,289
Burleson Independent School District	315,003	35.89%	113,055
Crowley Independent School District	307,404	98.56%	302,977
Godley Independent School District	34,235	6.49%	2,222
Grapevine Colleyville Independent School District	348,753	93.00%	324,340
Mansfield Independent School District	694,428	93.70%	650,679
Northwest Independent School District	603,947	43.70%	263,925
Sub-total Overlapping Debt			<u>7,562,159</u>
Tarrant County (direct debt)	335,050	100.00%	335,050
Tarrant County Hospital District (direct debt)	27,160	100.00%	27,160
Total Direct and Overlapping Debt			<u>\$ 7,924,369</u>

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

	<b>FISCAL YEAR</b>				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Debt Limit	\$ 3,652,910	\$ 3,652,910	\$ 4,250,055	\$ 4,480,000	\$ 4,806,514
Total net debt applicable to limit	<u>162,349</u>	<u>151,636</u>	<u>173,994</u>	<u>164,948</u>	<u>234,466</u>
Legal debt margin	<u>\$ 3,490,561</u>	<u>\$ 3,501,274</u>	<u>\$ 4,076,061</u>	<u>\$ 4,315,052</u>	<u>\$ 4,572,048</u>
Total net debt applicable to the limit as a percentage of debt limit	4.44%	4.15%	4.09%	3.68%	4.88%

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

**TABLE XIII**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 5,256,788	\$ 5,696,507	\$ 6,172,896	\$ 6,312,253	\$ 6,048,053
263,900	346,003	321,315	353,859	333,568
<u>\$ 4,992,888</u>	<u>\$ 5,350,504</u>	<u>\$ 5,851,581</u>	<u>\$ 5,958,394</u>	<u>\$ 5,714,485</u>
5.02%	6.07%	5.21%	5.61%	5.52%

**Legal Debt Margin Calculation (1) for Fiscal Year 2011**

Assessed value	\$ 120,961,065
Debt Limit (5% of total assessed value)	6,048,053
Debt applicable to limit:	
Total General Bonded debt	335,050
Less: Amount available in Debt Service Fund	<u>(1,482)</u>
Total net debt applicable to limit	<u>333,568</u>
Legal debt margin	<u>\$ 5,714,485</u>

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

**TABLE XIV**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (Amounts in thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>Unemployment Rate (3)</b>	<b>Public School Enrollment (4)</b>
2002	1,490,000	\$ 46,629,550	\$ 31,295	6.2%	279,561
2003	1,554,000	49,052,010	31,565	6.5	288,999
2004	1,589,200	52,022,462	32,735	5.7	295,194
2005	1,642,950	56,312,111	34,275	5.0	300,688
2006	1,702,250	62,373,845	36,642	4.6	312,524
2007	1,745,050	67,250,737	38,538	4.3	318,324
2008	1,780,150	69,279,878	38,918	5.1	323,703
2009	1,807,750	71,189,195	39,380	8.2	323,703
2010	1,809,034	NA	NA	7.9	336,266
2011	1,817,840	NA	NA	8.3	342,813

**Data Sources:**

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

NA-Not available

**TARRANT COUNTY, TEXAS  
TEN PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**TABLE XV**

<u>Employer</u>	<u>2011 (1)</u>			<u>2002 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total Tarrant County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total Tarrant County Employment</u>
AMRCorp./American Airlines	22,169	1	2.62%	28,500	1	3.20%
Texas Health Resources	18,866	2	2.23	13,100	3	1.47
Lockheed Martin Aeronautics Company	14,988	3	1.77	16,800	2	1.88
NAS Fort Worth JRB	11,350	4	1.34			
Fort Worth Independent School District	11,000	5	1.30	9,930	4	1.11
Arlington Independent School District	8,126	6	0.96	8,000	5	0.90
University of Texas at Arlington	6,239	7	0.74			
City of Fort Worth	6,195	8	0.73	5,740	7	0.64
JPS Health Network	4,872	9	0.58			
Cook Children's Health Care System	4,826	10	0.57			
Bell Helicopter-Textron				5,749	6	0.64
Tarrant County				4,197	8	0.47
Harris Hospital				3,900	9	0.44
Radio Shack Corp.				3,545	10	0.40

**Data Sources:**

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

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



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

Function	<b>Full-Time Equivalent Employees as of September 30</b>				
	<b>2002</b>	<b>2003 (1)</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Governmental activities:</b>					
General government	603	696	646	660	661
Public safety	1,719	1,327	1,359	1,343	1,372
Transportation	215	195	195	195	197
Judicial	962	1,290	1,239	1,247	1,255
Community services	554	489	446	446	444
<b>Business-type activities</b>					
Resource Connection	23	21	20	20	18
<b>Total full-time equivalent employees</b>	<b>4,076</b>	<b>4,018</b>	<b>3,905</b>	<b>3,911</b>	<b>3,947</b>

(1) Classification methodology changed in fiscal year 2003, prior statistics have not been restated.

Source: Tarrant County Budget Office

TABLE XVI

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
681	701	735	734	731
1,439	1,441	1,440	1,409	1,403
199	199	203	203	200
1,289	1,314	1,330	1,343	1,333
442	477	483	509	510
<u>18</u>	<u>18</u>	<u>18</u>	<u>13</u>	<u>13</u>
<u>4,068</u>	<u>4,150</u>	<u>4,209</u>	<u>4,211</u>	<u>4,190</u>

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

FUNCTION	FISCAL YEAR			
	2002	2003	2004	2005
<b>District Clerk</b>				
Civil court cases filed	5,929	7,268	6,012	6,427
Criminal court cases filed	13,571	15,215	16,371	16,529
Family court cases filed (Attorney General cases)	7,960	7,874	8,407	10,822
Family court cases filed (Non-Attorney General cases)	15,138	14,992	14,933	14,137
Juvenile court cases filed	3,514	3,312	3,577	3,521
Tax foreclosure cases filed	2,504	3,177	3,460	2,521
Passport applications accepted	7,619	7,365	9,406	9,690
<b>County Clerk</b>				
County court at law cases filed	6,964	6,912	7,780	9,083
Mental health cases filed	1,268	1,312	1,436	1,585
Probate cases filed	3,913	3,648	3,896	3,772
Birth certificates issued	13,045	13,343	13,824	15,036
Marriage licenses issued	14,265	13,702	14,141	13,601
<b>Justice of the Peace (all precincts)</b>				
Traffic cases	15,788	14,384	14,808	17,123
Non-traffic cases	7,063	5,906	6,144	7,451
Small claims cases	3,591	3,543	3,591	3,354
Forcible entry & detainer cases	16,805	18,580	19,833	21,492
Other	3,370	3,918	3,499	4,028
<b>Sheriff</b>				
Prisoner bed days in county jail	1,057,109	1,219,881	1,271,394	1,232,776
<b>Public Health (1)</b>				
Chronic disease prevention, average monthly caseload	NA	NA	554	543
Notifiable diseases reported	NA	NA	3,264	3,477
Food establishment inspections	NA	NA	4,763	5,157
Sexually transmitted disease clinic visits	NA	NA	7,169	7,442
Milk and dairy tests	NA	NA	19,603	20,673
Tuberculosis DOT/DOPT doses administered	NA	NA	20,573	21,417
Women, infants & children visits and immunizations	NA	NA	581,051	606,976
<b>Tax Assessor/Collector</b>				
Tax accounts collected	585,090	602,094	621,693	641,074
Contracts with entities for tax collection	51	52	52	52
<b>Transportation</b>				
Miles of roads maintained in un-incorporated areas	NA	378	374	451
Inter-local contracts executed/performed	NA	NA	59	80
Square yards of right of way	NA	12,288,910	12,180,657	12,604,433
<b>Human Services</b>				
Rent vouchers issued	2,846	2,877	2,580	2,044
Utility vouchers issued	5,282	7,229	8,670	14,016
Food/hygiene vouchers issued	3,666	3,607	3,729	3,291

Source: Various County departments

NA-Not available

TABLE XVII

2006	2007	2008	2009	2010	2011
6,678	6,363	6,491	7,906	7,437	7,556
16,290	18,705	17,371	17,013	15,674	15,507
11,526	12,525	15,024	12,551	12,776	12,958
14,332	14,530	15,468	15,219	15,478	15,045
3,163	3,156	2,950	2,717	2,431	1,687
3,435	4,179	4,174	4,001	3,906	4,820
12,005	18,625	17,194	13,932	13,510	13,249
10,013	11,001	9,593	9,480	9,468	9,981
1,922	2,226	2,192	2,599	2,653	2,841
3,721	3,788	3,887	3,672	3,988	3,875
15,881	17,169	15,740	40,771	44,266	42,591
14,015	14,196	13,396	12,708	13,533	13,397
10,762	11,791	11,809	8,883	8,616	8,286
7,541	7,917	8,353	8,235	6,691	6,788
3,229	3,159	3,539	3,693	3,242	2,988
23,886	25,109	25,999	26,656	28,445	29,230
5,613	6,569	13,023	10,107	9,831	9,637
1,248,639	1,260,588	1,264,725	1,231,751	1,179,111	1,252,502
464	492	544	1,710	1,590	1,091
3,841	5,405	5,990	5,091	4,319	5,619
5,249	5,430	4,706	5,435	5,661	5,228
7,343	7,190	8,226	7,289	6,638	6,142
24,184	25,834	23,218	21,671	20,649	21,637
22,047	23,222	21,688	17,645	18,342	22,749
612,968	624,493	673,445	685,010	741,208	702,749
659,911	659,911	676,757	706,300	763,957	807,229
52	53	53	54	54	57
394	405	423	422	417	409
53	61	67	70	66	68
13,186,763	13,779,805	14,441,830	14,422,252	14,392,994	14,071,312
1,659	1,445	1,541	1,676	1,398	1,209
14,262	12,758	11,565	10,571	10,763	7,214
2,267	2,399	1,790	2,199	1,836	872

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

	<b>FISCAL YEAR</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>General Government</b>				
Number of buildings				
Subcourthouses	8	8	8	8
Courts buildings	5	5	5	6
Other	15	15	16	18
Building square footage	2,604,082	2,604,082	2,606,082	2,864,019
Subcourthouses	245,111	245,111	245,111	245,111
Courts buildings	922,352	922,352	922,352	1,180,289
Other	1,436,619	1,436,619	1,438,619	1,438,619
<b>Public Safety</b>				
Number of jails	4	4	4	4
Building square footage	906,204	906,204	906,204	906,204
Number of patrol vehicles	81	82	85	88
<b>Transportation</b>				
Miles of roads in un-incorporated areas	NA	378	374	451
Square yards of right of way	NA	12,288,910	12,180,657	12,604,433
Number of heavy equipment	NA	166	201	210
Number of vehicles	NA	461	466	463
<b>Judicial</b>				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
<b>Community Services</b>				
Public Health vehicles	30	30	33	35
<b>Resource Connection</b>				
Number of buildings	15	15	15	15
Building square footage	348,464	348,464	348,464	348,464

Source: Tarrant County Facilities Office

NA-Not available

**TABLE XVIII**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
8	8	9	9	9	9
6	6	6	6	6	6
18	17	17	16	16	16
2,915,381	2,903,068	2,976,068	2,937,619	2,955,001	3,060,459
245,111	245,111	318,111	318,111	317,962	363,420
1,180,289	1,180,289	1,180,289	1,180,289	1,179,968	1,179,968
1,489,981	1,477,668	1,477,668	1,439,219	1,457,071	1,517,071
4	4	4	4	4	4
906,204	907,736	907,736	907,736	907,823	907,823
93	98	97	98	102	102
394	405	423	422	417	409
13,186,763	13,779,805	14,441,830	14,422,252	14,392,994	14,071,312
220	245	247	254	250	249
492	445	450	506	461	465
124,770	124,770	124,770	124,770	124,770	124,770
36	37	37	38	41	43
15	15	15	15	15	15
348,464	348,464	348,464	348,464	348,464	348,464

