HARRIS COUNTY TOLL ROAD AUTHORITY

ENTERPRISE FUND

A DEPARTMENT OF HARRIS COUNTY, TEXAS



BASIC FINANCIAL STATEMENTS

For The Fiscal Year Ended
February 28, 2022

Prepared By:
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Harris County Auditor

HARRIS COUNTY TOLL ROAD AUTHORITY

Toll Road Authority Enterprise Fund of Harris County, Texas

Financial Statements As of February 28, 2022 and for the Year Then Ended and Independent Auditor's Report

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED FEBRUARY 28, 2022

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TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
BASIC FINANCIAL STATEMENTS
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INTRODUCTORY SECTION

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HARRIS COUNTY AUDITOR

August 25, 2022

Honorable District Judges of Harris County, Honorable Members of the Harris County Commissioners Court, and Citizens of Harris County, Texas

The Harris County Auditor's Office (the "Auditor's Office") is pleased to present the Basic Financial Statements of the Harris County Toll Road Authority Enterprise Fund (the "Authority"), a department of Harris County, Texas (the "County") for the fiscal year ended February 28, 2022. This report is submitted in accordance with Section 114.025 of the Texas Local Government Code and was prepared by the staff of the County Auditor's Office. The Basic Financial Statements of the Authority includes all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities. The information and data contained herein are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the Authority in accordance with generally accepted accounting principles in the United States of America ("GAAP").

The Financial Statements consist of management's representations concerning the finances of the Authority, a department of the County, and 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 Authority 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 Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement.

The Authority's financial statements were audited by Deloitte & Touche LLP, an independent audit firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended February 28, 2022, are free of material misstatement. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements are fairly presented in conformity with GAAP in all material respects. The independent auditor's report is presented as the first component of the financial section of this report. Management's discussion and analysis (MD&A), which immediately follows the independent auditors' report, provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

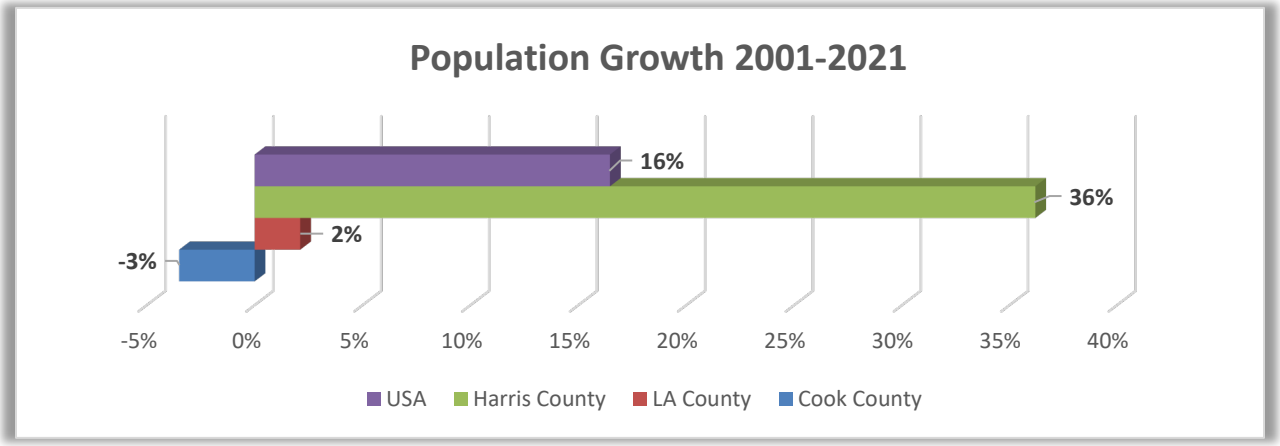
PROFILE OF THE AUTHORITY

History, Location, and Population

The Authority was established in 1983 by the Harris County Commissioners Court pursuant to Chapter 284 of the Texas Transportation Code. Also in 1983, Harris County voters authorized issuance of up to $900 million in bonds to construct, operate and maintain toll roads in Harris County.

The Authority operates and maintains the roadways listed below. The six-mile Tomball Tollway opened in 2015 along the State Highway 249 corridor between Spring Cypress Road and Farm to Market Road 2920. The Katy Managed Lanes extend 12 miles from State Highway 6 to Interstate 610. The Sam Houston Tollway is the second-most outer loop encompassing the City of Houston and surrounding areas within Harris County and spans a distance of approximately 70 miles. Harris County's 13 mile segment of the Westpark Tollway begins at Interstate 610 and extends to the County line and offering an alternative east-west corridor for West Houston residents. The Hardy Toll Road generally parallels Interstate 45 and spans approximately 21 miles with an additional 2 miles connecting it to George Bush Intercontinental Airport. The Fort Bend Parkway extension (Spur 90A) covers a distance of approximately 2 miles.

Harris County is located in the upper Gulf Coast in Southeast Texas approximately 50 miles from the Gulf of Mexico. The County's population has grown to an estimated 4.7 million residents. Harris County continues to be the nation's third largest county in terms of population and one of the fastest growing counties with 36% growth since 2001. Over a 20-year period, Harris County's population has grown more than twice as fast as the nation's population. This growth has created transportation challenges that the Authority is responding to by connecting communities and improving mobility through a commitment to excellence in the operation of a toll road system.



Authority Structure and Services

The Authority relies on charges from users of the toll road system to fund operations, debt service, and future projects.

The Authority is organized into multiple operating units, all of which report directly to the Executive Director, as follows: (i) Tolling Operations; (ii) Engineering & Construction; (iii) Public Affairs; (iv) Administration; (v) Finance; (vi) Operations & Facility Infrastructure; and (vii) Public Safety. The Authority is provided legal services by the County Attorney's Office and other support services, such as law enforcement and traffic incident management, by the County. As of February 28, 2022, the Authority currently has 890 employees of which 708 are full-time employees.

Budget Process

In accordance with Chapter 111 of the Texas Local Government Code, the County prepares and adopts an annual operating budget, which serves as a financial plan for the Authority for the new fiscal year beginning March 1. The County Auditor is responsible for the preparation of the annual estimate of available resources for the County (including the Authority) to be used in the preparation of the annual budget. The County budget (including the Authority's budget) may not exceed the available resources of the County funds as determined by the County Auditor. After adoption of the budget by

Commissioners Court, the County Auditor is responsible for ensuring the expenditures are made in compliance with budgeted appropriations. The level of budgetary control for the Toll Road Authority is at the fund level. Commissioners Court may also adopt supplemental budgets for the limited purposes of spending grant or aid money, for capital projects through the issuance of bonds, for intergovernmental contracts, and for new sources of revenue not anticipated at budget adoption. Encumbrance accounting is utilized to ensure effective budgetary control and accountability.

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Local Economy

Economic conditions have a direct impact on the County's revenues and demand for services. Harris County has experienced tremendous growth since the start of the 21st century with an expanding, diversified local economy that has outperformed most of the country. The energy business has played a large part in this growth, along with the relatively low cost of living, affordable housing, and an expanding transportation system.

The Houston region is designated as the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (MSA), and it comprises Harris County and eight other counties. The U.S. Bureau of Economic Analysis estimates metro Houston's Gross Domestic Product (GDP) at approximately $488.2 billion. Twenty-four companies on the 2021 Fortune 500 list are headquartered in Houston area. No single industry dominates Houston employment.

The current price of West Texas Intermediate (WTI) crude oil as of March 2022 is approximately $108 per barrel, which is an increase from March 2021 per the U.S. Energy Information Administration. Oil prices increased in the last year due to many factors in the economy.

The preliminary March 2022 unemployment rate (not seasonally adjusted) for the Houston MSA was 4.4% compared to the national average of 3.8%. The State's preliminary unemployment rate (not seasonally adjusted) for March 2022 was 4.4%. Both the Houston MSA and the State of Texas unemployment rates decreased from their March 2021 levels by 3.6% and 2.4%, respectively.

The Houston-The Woodlands-Sugar Land, Texas area had a Consumer Price Index (CPI) that was .1% lower than other large urban areas as calculated for February 2022 by the Bureau of Labor Statistics. The Houston area's lower CPI-Urban is due in part to a lower CPI for housing, fuel and utilities than other large urban areas.

Houston has one the world's busiest ports and an excellent airport system that are integral components of the regional economy. The Port of Houston is one of the largest ports in the world. The Port of Houston includes the Houston ship channel, which connects the Houston area terminals and the Gulf of Mexico, and is the location of one of the world's largest petrochemical complexes. The Houston Airport System includes three airports and has nonstop flights from Houston to more than 190 destinations and six continents. The airport system served over 46.5 million passengers in the 12 months ending February 2022, and is recognized worldwide as a key global gateway with strong connectivity to Latin America.

Per the Multiple Listing Service of the Houston Association of Realtors, sales of single-family homes increased 4.1 percent in March of 2022 versus March of 2021. March 2022 marked the highest single-family average price of all time for the Houston area. Even with rising interest rates and record low supply of homes across the Greater Houston area, the buyer demand has consistently outpaced the supply and kept the real estate market in positive territory.

Financial Policies and Long-Term Financial Planning

The County will continue to focus on building a strong balance sheet to maintain both financial stability and current high bond ratings, as well as allocating resources to "be prepared" for floods, hurricanes, or similar unexpected events. The County has sufficient resources to cover current expenditures.

Key elements in maintaining the County's financial strength and high bond rating are the County's management of investments and debt (including the investments and debt of the Authority). The Harris County Investment Policy, including investment strategies, is reviewed and approved at least annually by Commissioners Court. Additional information regarding the County's investment and debt management has been included in Note 2 of the notes to the Authority's financial statements, Deposits and Investments, and Note 7 of the notes to the Authority's financial statements, Long-Term Liabilities.

Risk management and self-insurance with stop-loss policies (as applicable) for medical, workers' compensation, and property continue to be effective. Various actuarial studies are periodically performed to aid in liability calculation, as well as financial planning.

The County provides retirement for all of its employees (excluding temporary employees) through the Texas County and District Retirement System (TCDRS). The County's net pension asset at February 28, 2022, was $253,423,134, which includes the Authority's net pension asset of $8,333,301. The County currently provides a postemployment healthcare plan; the net ending obligation for this postemployment healthcare plan was $3,922,333,666, at February 28, 2022, which includes $169,902,366 for the Authority. Additional information regarding the County's retirement plan and postemployment healthcare plan is located in Notes 8 and 9 of the notes to the Authority's financial statements.

Major Initiatives

The Authority is implementing a strategic plan to chart a roadmap for the future of the agency with three main areas of focus; a framework for resiliency and sustainability programming; the conversion of the County's toll road system to all-electronic tolling, and long-range capital planning which advances projects in line with Commissioners Court's overall vision for transportation for the County.

ACKNOWLEDGMENTS

The timely completion of this report could not have been achieved without the dedicated efforts of the Auditor's Office and the professional services provided by our independent auditor, Deloitte & Touche LLP. I wish to express my gratitude to Commissioners Court, District Judges, and other County officials and departments for their interest and support in planning and conducting the financial affairs of the Authority in a responsible and professional manner.

REQUEST FOR INFORMATION

This financial report is designed to provide an overview of the Authority's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report should be addressed to the County Auditor's Office, 1001 Preston, Suite 800, Houston, Texas 77002. Additional financial information is provided on the County Auditor's webpage, which can be accessed from the County's website, www.co.harris.tx.us.

Michael Post, CPA, MBA
County Auditor

FINANCIAL SECTION

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Independent Auditor's Report

County Judge Lina Hidalgo
and Members of Commissioners
Court of Harris County, Texas:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Toll Road Authority (the "Authority" or "Toll Road") Enterprise Fund of Harris County, Texas (the "County"), as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the Toll Road's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Toll Road as of February 28, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section and Other Information sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

August 25, 2022

This section of the Toll Road Authority Enterprise Fund of Harris County financial statements presents management's discussion and analysis ("MD&A") of the financial performance of the Harris County Toll Road Authority ("Authority") during the fiscal year ended February 28, 2022.

The Authority is an enterprise fund of Harris County, Texas (the "County") and is included in the County's financial statements. This analysis presents information about the Authority and its operations and activities only and is not intended to provide information about the entire County. Please read this section in conjunction with the financial statements and related footnotes following this section.

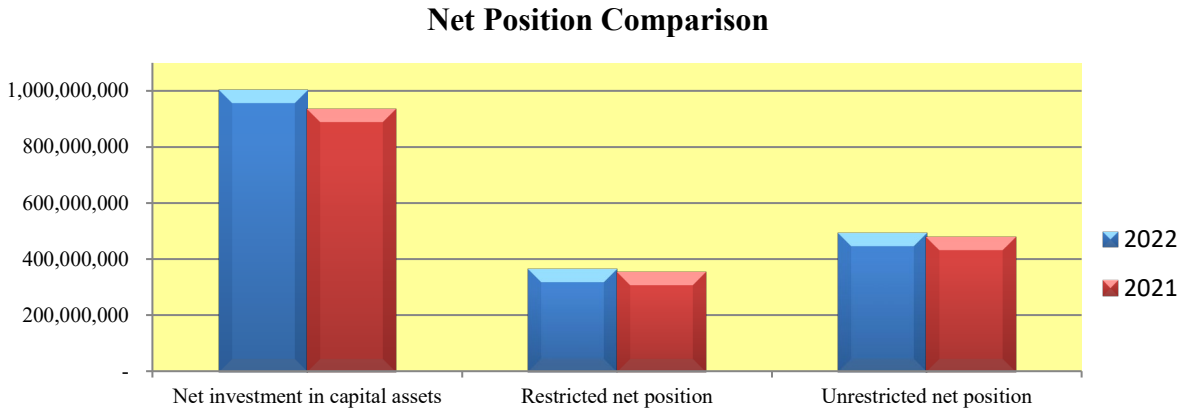
FINANCIAL HIGHLIGHTS

- Total net position is comprised of the following:

  (1) Net investment in capital assets of $1,000,541,401, includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. This category of net position increased $66,230,497 from the previous year, primarily due to various ongoing construction projects throughout the County related to the Authority.

  (2) Net position of $365,350,510 is restricted by constraints imposed from outside the Authority such as debt obligations, laws, or regulations. Restricted net position increased by $11,497,354 from the prior year primarily due to the refunding and defeasance of certain outstanding bonds in debt service reserve.

  (3) Unrestricted net position of $492,277,863 represents the portion available to meet ongoing obligations of the Authority. Unrestricted net position increased $15,176,414 from the previous year.



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of 1) Financial Statements and 2) Notes to the Basic Financial Statements.

Financial Statements for the Authority include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. Since the Authority is an enterprise fund, its financial statements are presented with a flow of economic resources measurement focus and use the accrual basis of accounting. Funds are a self-balancing set of accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to account for resources that are segregated for specific purposes in accordance with special regulations, restrictions, or limitations. The Authority is used to account for the acquisition, operation and maintenance of toll roads within Harris County.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found beginning on page 18 of this report.

FINANCIAL ANALYSIS

The total net position of the Authority as of February 28, 2022 was $1,858,169,774 and $1,765,265,509 as of February 28, 2021. Revenues exceeded expenses and transfers out, increasing net position by $92,904,265 from last year.

Harris County Toll Road Authority Enterprise Fund
Condensed Statement of Net Position
February 28, 2022 and February 28, 2021
(Amounts in thousands)

	2022	2021
Current assets	$ 1,080,255	$ 1,199,536
Capital assets, net	3,262,193	3,190,173
Other non-current assets	318,116	339,491
Total assets	4,660,564	4,729,200
Deferred outflows of resources	152,453	164,781
Current liabilities	320,221	390,781
Non-current liabilities	2,604,313	2,682,858
Total liabilities	2,924,534	3,073,639
Deferred inflows of resources	30,313	55,076
Net position:		
Net investment in capital assets	1,000,542	934,311
Restricted	365,350	353,853
Unrestricted	492,278	477,101
Total net position	$ 1,858,170	$ 1,765,265

The largest portion of the Authority's current fiscal year net position is net investment in capital assets. The remaining balance of the Authority's current fiscal year net position represents unrestricted, which is used for the ongoing operations of the Authority, and restricted net position, which is subject to external restrictions on how it may be used. The Authority's restricted net position is for capital projects, debt service, and operating reserve per debt covenant.

The following table reflects how the Authority's net position changed during the year:

Harris County Toll Road Authority Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position
(In Thousands)
For the Years Ended February 28, 2022 and February 28, 2021

	2022	2021
Revenues:		
Operating revenues:		
Toll revenue	$ 808,932	$ 551,278
Nonoperating Revenues:		
Investment income	3,290	11,028
Lease income	9	9
Miscellaneous income	2,572	1,159
Gain on disposal of capital assets	56	23
Total revenues	814,859	563,497
Expenses:		
Operating Expenses:		
Salaries	74,372	84,323
Materials and supplies	26,143	16,627
Services and fees	164,091	143,149
Utilities	3,268	2,444
Transportation and travel	3,639	2,637
Depreciation and amortization	109,661	76,551
Nonoperating Expenses:		
Interest expense	83,303	73,770
Debt service fees	35	2,937
Amortization expense	3,487	4,056
Total expenses	467,999	406,494
Income before transfers	346,860	157,003
Contributions		
Transfers out	(253,955)	(545,148)
Change in net position	92,905	(388,145)
Net position - beginning	1,765,265	2,153,410
Net position - ending	$ 1,858,170	$ 1,765,265

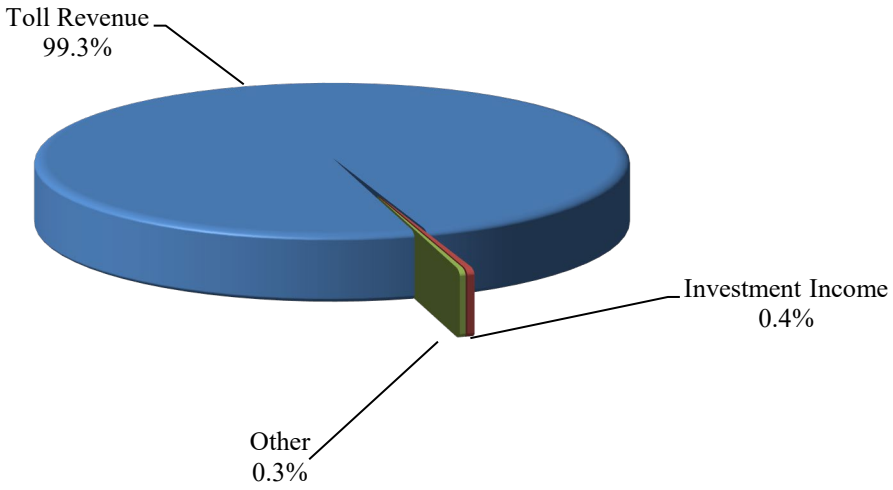
Revenues

Total revenues for fiscal year 2022 were $814,858,284 an increase of $251,361,428 compared to the previous fiscal year. Revenues for fiscal year 2021 were $563,496,856. The COVID-19 pandemic had a significant impact in revenues for fiscal year 2021, as displayed in Schedule 1 (Traffic Count Table) of the Other Information (unaudited) section. In addition, by order of Commissioners Court, Harris County tolls were waived from March 24, 2020 at 11:45 a.m. through April 29, 2020 at 6:00 a.m. These waivers further contributed to the lower revenues for fiscal year 2021. As the pandemic subsided in fiscal year 2022, the traffic count increased; thus the total revenues also increased for fiscal year 2022.

The largest revenue source is toll revenue of $808,931,881 or 99.3% of total revenues. This revenue category increased $257,653,835 from fiscal year 2021. The main driver for the increase is due to the increase in travel demand in fiscal year 2022. The largest increases were noted at Sam Houston Tollway – North ($39.0M) and Sam Houston Tollway – South ($37.3M). An overall increase of $251M on revenues displays the greater travel demand realized in Harris County.

Investment income for fiscal year 2022 totaled $3,289,821 and comprises 0.4% of total revenues. This revenue source decreased by $7,738,592 compared to fiscal year 2021 revenue of $11,028,413, due to a decrease in interest earned from investments. Other revenues totaled $2,636,582 or slightly more than 0.3% of total revenues. Other revenues include lease revenue of $8,640, gain on disposal of capital assets of $56,208 and miscellaneous revenue of $2,571,734 for reimbursements and recovery of revenue losses.

REVENUES BY SOURCE
Year ended February 28, 2022



Expenses

For fiscal year ended February 28, 2022, expenses totaled $467,999,104 an increase of $61,506,171 compared to the prior fiscal year. In fiscal year 2021, expenses totaled $406,492,933.

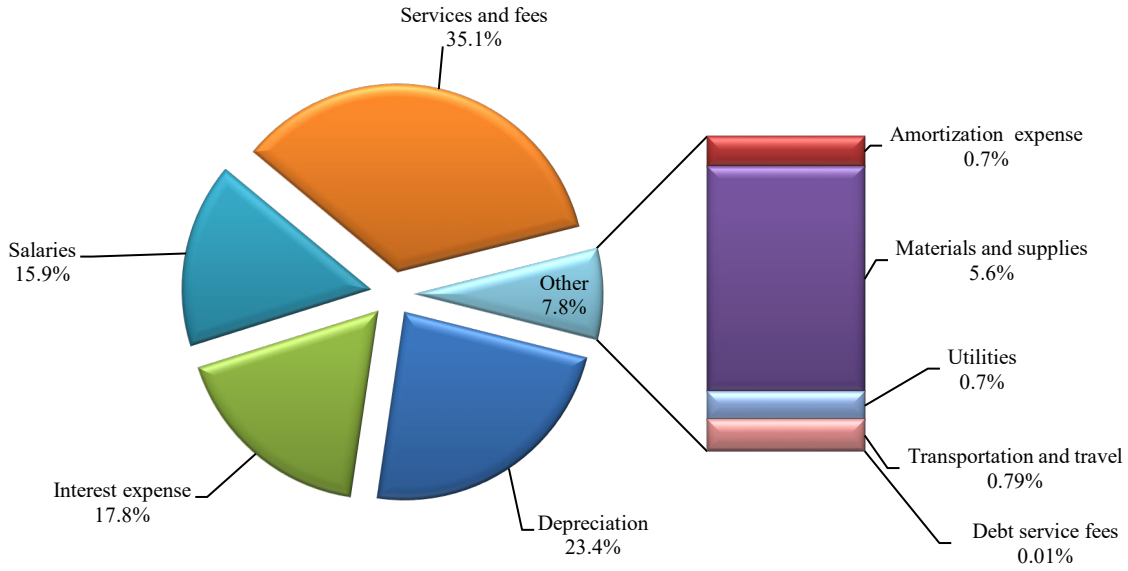
Services and fees of $164,090,917 is the largest expense category and is 35.1% of total expenses. This is an increase of $20,941,774 from prior year and is primarily due to an increase in service contracts related to the Toll Road's effort in transitioning to a cashless environment and an all-electronic tolling plan.

Interest expense of $83,303,263 is one of the Authority's largest expense categories and is 17.8% of total expenses. Interest expense reflects the interest and fees incurred on outstanding debt balances and activities during the year.

Salaries expense of $74,372,273 or 15.9% of total expenses decreased by $9,950,504 from fiscal year 2021 due to a decrease in staffing headcount.

The remaining 31.2% of expenses represent depreciation (23.4%), amortization expense (0.7%), and other expenses (7.1%) and consists of outlays relative to materials and supplies, utilities, transportation and travel, debt service fees and loss on disposal of capital assets. All of these expense categories are necessary for the operation of the toll road.

EXPENSES
Year Ended February 28, 2022



Transfers

Transfers out in the amount of $253,954,915 consisted of transfers of surplus revenue of the Authority, including the annual mobility transfer, approved by Commissioners Court in accordance with the existing Authority bond indenture and Section 284.0031, Transportation Code, to pay or finance costs of roads, streets, highways, or other related facilities that are not part of the Authority's toll road system.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority's capital assets net of depreciation as of February 28, 2022 and February 28, 2021, amounted to $3,262,193,624 and $3,190,173,053, respectively. These capital assets include land, construction in progress, intangibles, buildings, equipment, and infrastructure. The Authority's capital assets, net of accumulated depreciation/amortization increased $72,020,571 from fiscal year 2021.

	Balance February 28, 2022	Balance February 28, 2021
Land	$ 381,983,971	$ 381,348,553
Easement	1,989,062	1,978,624
Construction in progress	1,452,590,266	1,627,038,252
License agreement	237,500,000	237,500,000
Land improvements	18,865,805	18,865,805
Infrastructure	2,956,613,884	2,607,255,599
Other tangible assets	8,937,074	8,937,074
Buildings	20,728,052	20,728,052
Equipment	66,111,921	73,008,442
	5,145,320,035	4,976,660,401
Less: Accumulated depreciation/amortization	(1,883,126,411)	(1,786,487,348)
Totals	$ 3,262,193,624	$ 3,190,173,053

For further information regarding capital assets, see Note 6 to the financial statements.

Long-term liabilities

At the end of the fiscal year, the balance of the Authority's total outstanding long-term liabilities was $2,695,707,597. Refer to Note 7 to the financial statements for further detail on the Authority's long-term liabilities.

	Outstanding at February 28, 2022	Outstanding at February 28, 2021
Bonds payable	$ 2,484,999,345	$ 2,618,447,158
Compensatory time payable	1,507,512	1,364,110
Net OPEB liability	169,902,366	148,055,587
Hedging derivative instruments	39,298,374	-
Net pension liability	-	25,706,453
Pollution remediation obligation	-	333,000
Totals	$ 2,695,707,597	$ 2,793,906,308

The Authority has a continuing goal to upgrade or maintain the Authority's debt rating. The bond rating services of Moody's Investor's Service, Inc., Standard & Poor's Ratings Services, and Fitch IBCA, Inc. have assigned the Authority long term bond ratings of Aa2, and AA, respectively, for First Lien Bonds and Aa1, AA-, and AA, respectively, for the Senior Lien Revenue Bonds.

In the current fiscal year, the net pension liability changed to a net pension asset. See Note 8 and Note 9 to the financial statements for further information on the County's Net Pension Liability/Asset and Net OPEB Liability.

ECONOMIC FACTORS

- Harris County has a vibrant and diverse economy driven largely by the region's energy industry, international export and import shipping through the Port of Houston, two major airports, the Medical Center, and a variety of other industries. These other industries primarily include banking, technology, construction, manufacturing, and education.

- The Houston region has experienced dramatic changes in its population size and composition over the last few decades, and these trends are expected to continue. In the 2010 US Census, the Houston region had 5.8 million residents and 2.7 million jobs. According to a forecast provided by the Houston Galveston Area Council, population in the Metro Houston area will add 3.8 million people by 2040. That is an increase of 66 percent over thirty years, or a 1.5 percent growth each year. Similarly for jobs, the region is expected to create an additional 1.5 million jobs. These underlying factors drive strong demand for transportation infrastructure in the region.

- METRO, a regional transit authority, currently operates an extensive bus and rail fleet serving Harris County and the City of Houston. METRO also offers "park-and-ride" services, which include free automobile parking at suburban METRO lots and bus service to and from Houston's various employment centers. METRO's High Occupancy Toll ("HOT") lanes and expanded rail service provide some additional alternatives to the Toll Road System.

Major Construction Projects by the Authority:

The Authority continues to move forward with projects authorized by Commissioners Court including the Hardy Toll Road Downtown Connector, the Ship Channel Bridge, the widening of portions of the Sam Houston Tollway, and completion of the Tomball Tollway.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 1001 Preston, Suite 800, Houston, Texas 77002, or visit the County's website at www.co.harris.tx.us.

BASIC FINANCIAL STATEMENTS

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
STATEMENT OF NET POSITION
FEBRUARY 28, 2022

ASSETS	
Current assets:	
Cash and cash equivalents	$ 490,058,266
Investments	507,251,708
Receivables, net	41,516
Accrued interest receivable	1,849,723
Other receivables, net	75,264,502
Prepaids and other assets	1,068,076
Inventories	4,720,881
Total current assets	1,080,254,672
Non-current assets:	
Restricted cash and cash equivalents	71,175,088
Restricted investments	238,576,992
Notes receivable	32,296
Net pension asset - restricted	8,331,301
Capital Assets:	
Land and construction in progress	1,836,563,299
License agreement, net of amortization	163,566,250
Other capital assets, net of depreciation	1,262,064,075
Total non-current assets	3,580,309,301
Total assets	4,660,563,973
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refundings	55,296,226
Pension contributions after measurement date	934,035
Changes of pension assumptions	9,626,687
Changes of OPEB assumptions and difference between expected and actual experience	47,297,547
Unamortized costs on swap liability	39,298,374
Total deferred outflows of resources	152,452,869
LIABILITIES	
Current liabilities:	
Vouchers payable	62,591,758
Accrued payroll and compensatory time	5,481,660
Retainage payable	39,231,396
Customer deposits	159,531
Due to primary government	8,613,154
Due to other governmental units	26,953,287
Unearned revenue	85,795,989
Current portion of long-term liabilities	91,394,743
Total current liabilities	320,221,518
Non-current liabilities:	
Bonds payable	2,396,660,505
Compensatory time payable	757,609
Net OPEB liability	167,596,366
Hedging derivative instruments	39,298,374
Total non-current liabilities	2,604,312,854
Total liabilities	2,924,534,372
DEFERRED INFLOWS OF RESOURCES	
Difference in expected and actual pension experience and earnings	30,312,696
Total deferred inflows of resources	30,312,696
NET POSITION	
Net investment in capital assets	1,000,541,401
Restricted for capital projects	15,854,577
Restricted for debt service	275,032,678
Restricted for bond covenant and other purposes	74,463,255
Unrestricted	492,277,863
Total net position	$ 1,858,169,774

See notes to the financial statements.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED FEBRUARY 28, 2022

OPERATING REVENUE		
Toll revenue	$	808,931,881
Total operating revenue		808,931,881
OPERATING EXPENSES		
Salaries		74,372,273
Materials and supplies		26,143,034
Services and fees		164,090,917
Utilities		3,267,504
Transportation, travel, and other administration		3,639,195
Depreciation and amortization		109,661,004
Total operating expenses		381,173,927
Operating income		427,757,954
NONOPERATING REVENUES		
Investment income		3,289,821
Lease income		8,640
Miscellaneous income		2,571,734
Gain on disposal of capital assets, net		56,208
Total nonoperating revenues		5,926,403
NONOPERATING EXPENSES		
Interest expense		83,303,263
Debt service fees		34,537
Amortization expense		3,487,377
Total nonoperating expenses		86,825,177
Income before transfers		346,859,180
Transfers out		(253,954,915)
Change in net position		92,904,265
Net position, beginning of year		1,765,265,509
Net position, end of year	$	1,858,169,774

See notes to the financial statements.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 28, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	786,592,048
Payments to employees for salaries and benefits		(63,065,458)
Payments to suppliers and providers		(233,402,119)
Payments to other governmental units		(11,315,311)
Receipts from other sources		2,571,734
Net cash provided by operating activities		481,380,894
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds		(253,954,915)
Net cash used for noncapital financing activities		(253,954,915)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from lease of capital assets		6,669
Acquisition and construction of capital assets		(189,681,364)
Proceeds from sale of capital assets		188,794
Principal paid on capital debt		(104,160,000)
Interest paid on capital debt		(102,267,521)
Debt service fees		(34,537)
Net cash used for capital and related financing activities		(395,947,959)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments		(519,987,081)
Proceeds from sale and maturity of investments		390,437,907
Interest on investments		(2,386,200)
Net cash used in investing activities		(131,935,374)
Net decrease in cash and cash equivalents		(300,457,354)
Cash and cash equivalents, beginning		861,690,708
Cash and cash equivalents, ending	$	561,233,354
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	427,757,954
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation and amortization expenses		109,661,004
Other nonoperating revenues		2,571,734
(Increase) in accounts receivable		(5,792)
(Increase) in other receivables		(28,057,963)
Decrease in due from primary government		3,758
(Increase) in prepaid items		(467,227)
Decrease in inventories		2,294,114
Decrease in pension deferred outflow		3,190,744
(Increase) in OPEB deferred outflow		(2,492,027)
Increase in vouchers payable		9,048,103
(Decrease) in accrued payroll		(21,844)
Increase in retainage payable		268,822
(Decrease) in due to primary government		(47,409,039)
(Decrease) in due to other governmental units		(11,315,311)
Increase in customer deposits		75
Increase in unearned revenue		5,723,847
Increase in compensated absences		143,402
(Decrease) in net pension liability/Asset		(34,037,754)
Increase in OPEB liability		21,846,779
Increase in pension deferred inflows		22,677,515
Total adjustments		53,622,940
Net cash provided by operating activities	$	481,380,894
Noncash operating, capital and related financing and investing activities:		
Decrease in fair value of hedging derivatives	$	8,142,490
Decrease in fair value of investments		(4,633,923)
Purchases of capital assets on account		7,201,203

See notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Harris County Toll Road Authority (the "Authority" or "Toll Road") was created by Harris County, Texas, (the "County") by order of the Harris County Commissioners Court on September 22, 1983, with the Commissioners Court designated as the governing body and the operating board of the Authority. The Authority is a department and fund of the County and is charged with overseeing the acquisition, construction, improvement, operation and maintenance of the County toll road facilities (the "Toll Road Project"). The Commissioners Court has full oversight responsibility for the Authority, and the Toll Road Project is an integral part of the County's financial statements. Construction of the Hardy Toll Road, the Sam Houston Tollway, Westpark Tollway, Fort Bend Parkway extension (Spur 90A), Tomball Tollway, and acquisition of the Jesse H. Jones Toll Bridge, now referred to as the "Sam Houston Ship Channel Bridge" (the "Toll Roads") have been financed with a combination of unlimited tax and subordinate lien revenue bonds and senior lien revenue bonds. When all of the debt service, as discussed in Note 7, has been paid or provided for in a trust fund, the Toll Roads will become a part of the State of Texas Highway System.

Implementation of New Standards - In the current year, the Authority implemented the following standards issued by the Governmental Accounting Standards Board ("GASB"):

> GASB Statement No. 98, The Annual Comprehensive Financial Report – ("GASB 98"), establishes the term annual comprehensive financial report and its acronym ACFR, but does not otherwise establish new accounting and financial reporting requirements. The implementation of GASB 98 has no impact on the Authority's financial statements.

Basis of Presentation and Measurement Focus- The accompanying basic financial statements have been prepared on the full accrual basis of accounting as prescribed by the GASB. Full accrual accounting uses a flow of economic resources measurement focus.

The basic financial statements of the Authority consist of Management's Discussion and Analysis ("MD&A"), Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and Notes to the Financial Statements.

Enterprise Fund – Revenues are recognized in the period earned. The Authority's operating revenues are derived from charges to users of the Toll Roads in the County. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources to the extent they are needed.

Expenses are recognized in the period incurred. The Authority's operating expenses consist primarily of direct charges attributable to the operations of the Authority, including depreciation. Interest expense and other similar charges not directly related to the Authority's operations are reported as non-operating expenses.

Deposits and Investments – Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date of 90 days or less from date of purchase. All investments are recorded at fair value or amortized cost based upon quoted market prices as of the Authority's fiscal year end, with the difference between the purchase price and market price being recorded as investment income/loss.

Restricted Assets and Restricted Net Position– Certain assets of the Authority are required to be segregated under terms of various bond indentures. These assets are legally restricted for certain purposes, including operations and maintenance, debt service and construction. The Authority purchased surety policies to satisfy certain reserve fund requirements. During the fiscal year ended February 28, 2022, the Authority was in compliance with these covenants.

In the financial statements, restricted net position is reported for amounts that are externally restricted by 1) creditors (e.g. bond covenants), grantors, contributors, or laws and regulations of other governments or 2) law through constitutional provision or enabling legislation.

Inventories – Inventory is stated at the lower of cost or market value, using the first-in, first-out method. EZ tags are recorded as inventory based on the number of tags by type (sticker, license plate, or motorcycle) as of February 28, 2022 multiplied by the cost per tag type.

Capital Assets – Capital assets include land, construction in progress, intangibles, buildings, equipment and infrastructure that are used in the Authority's operations and benefit more than a single fiscal year. Infrastructure assets are long-lived assets that are generally stationary in nature and can typically be preserved for a significantly greater number of years than other capital assets. Infrastructure assets of the Authority include roads, bridges, sewers and right-of-way.

Capital assets of the Authority are defined as assets with individual costs of $5,000 or more and estimated useful lives in excess of one year. Exceptions to the $5,000 capitalization threshold are as follows: all land and easements over $1 are capitalized. Purchased software greater than $100,000 is capitalized and internally developed software greater than $1,000,000 is capitalized. The threshold for capitalizing buildings is $100,000 and the threshold for infrastructure ranges from $25,000 to $250,000, depending on the asset.

All capital assets are stated at historical cost or estimated fair value at the date of purchase. Donated fixed assets are stated at their estimated acquisition value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset ranging from 3 to 45 years. Infrastructure is depreciated over a 30-year useful life. Equipment is depreciated over 3 to 20 years, depending on the type. Buildings are depreciated over 45 years. Amortization of the intangible license agreement is based upon the revenues received and will continue until the license in fully amortized.

Harris County (acting through the Harris County Toll Road Authority) entered into a tri-party agreement in March 2003 with the Texas Department of Transportation ("TxDOT") and Federal Highway Administration to participate in the reconstruction of a portion of the IH10 Katy Freeway. Under this agreement, the Authority funded $237.5 million for the license to the real property for the right to operate a toll facility known as the Katy Tollway (Managed Lanes) and paid an additional $12.5 million for the design and construction, and other allowable expenses related to such toll facility.

In April 2012, the County approved a memorandum of understanding with TxDOT (the "MOU") that contained a general outline regarding the development, funding, construction, operation and maintenance of various transportation projects in the region, including proposed toll projects along US 290 and SH 288 and Grand Parkway toll segments being constructed by TxDOT. The County's responsibilities were further clarified in subsequent correspondence between the parties in March 2018 and June 2019. As a result of the MOU and subsequent negotiations with TxDOT, the County agreed to contribute an aggregate of $400 million in Project revenues, in multiple installments over the span of several years, to assist in the funding of certain TxDOT projects in the region, including the reconstruction of the US 290 corridor, frontage road and watershed improvements along SH 249, and interchange improvements at SH 249 and the Grand Parkway and SH 225 and Beltway 8.

The County also agreed to waive its primacy development rights for certain toll projects in the region, including a proposed toll project along US 290 that was ultimately removed from the corridor reconstruction plans and the northern segment of a toll project in the SH 288 corridor that was ultimately financed and constructed by a private developer pursuant to a TxDOT comprehensive development agreement. In addition to agreeing to fund certain Medical Center related infrastructure in connection with the County's waiver of primacy on the SH 288 toll project, TxDOT agreed that the County could provide tolling services on TxDOT's tolled segments of the Grand Parkway, subject to a mutually agreeable fee.

The County and TxDOT have had intermittent discussions about terms for a Grand Parkway tolling services agreement but to date have been unable to reach final agreement.

Premiums (Discounts) on Bonds Payable - Premiums (discounts) on bonds payable are amortized using the effective interest method over the term of the bonds.

Risk Management - The Authority's risk-of-loss exposures include exposure to liability and accidental loss of real and personal property as well as human resources. Toll Road operations involve a variety of high-risk activities including, but not limited to, cash collections, construction and maintenance activities. The County's Office of Risk Management is responsible for identifying, evaluating and managing the Authority's risk in order to reduce the exposure from liability and accidental loss of property and human resources. The Authority is treated as a County department by the County's Risk Management Office and is assessed premiums and charges similar to those assessed to other County departments.

The Authority is covered by the Harris County workers' compensation program. The County is self-insured for workers' compensation medical and indemnity payments. Claims adjusting services are provided by a third-party administrative claims adjusting service. Interfund premiums on workers' compensation are determined by position class code, at actuarially determined rates.

The County has excess insurance coverage for employer's liability. No claims settled during the last three fiscal years have exceeded this coverage.

Through the County, the Authority provides medical, dental, vision and basic life and disability insurance to eligible employees. The Authority pays the full cost of employee coverage and 50% of the cost of dependent premiums. The disability insurance will pay up to 50% of an employee's salary for two years with an employee option to extend the benefits period to age 65 and increase the percentage to 60%.

The Authority's group insurance premiums, as well as employee payroll deductions for premiums for dependents and optional coverage, are paid into the County's Health Insurance Management Fund, which in turn makes disbursements to contracted insurance providers based upon monthly enrollment and premium calculations.

Billings to the Authority for property insurance, professional liability insurance and crime and fidelity policies are handled through the County's Risk Management Fund as are payments to the insurance carriers. Claim payments made up to the deductible limit are expensed by the Authority when paid by the Risk Management Fund. Payments for the Authority's general, vehicle and property damage liability claims, for which the County is self-insured, are made through the Risk Management Fund and billed to the Authority.

Compensated Absences - Accumulated compensatory absences are recorded as an expense and liability as the benefit accrues for the employee.

Regular employees accrue 13 days of sick leave per year. Sick leave benefits are recognized as they are used by the employees. Employees may accumulate up to 720 hours of sick leave. Unused sick leave benefits are not paid at termination. Employees accrue from 3.08 to 7.7 hours of vacation per pay period depending on years of service and may accumulate a maximum of 280 hours of vacation benefits. Upon termination, employees are paid the balance of unused vacation benefits.

Non-exempt employees earn compensatory time at one and one-half times their worked hours in excess of 40 hours per week. Non-exempt employees may accrue up to 240 hours of compensatory time. Compensatory time in excess of the 240 hour maximum is paid at the regular rate of pay on the current pay period. Upon termination, non-exempt employees will be paid for any compensatory time balances.

Exempt employees earn compensatory time at a rate of one times their worked hours in excess of 40 hours a week. Exempt employees can accumulate up to 240 hours of compensatory time. Upon termination, exempt employees are paid one-half of the compensatory time earned at the wage rate at time of termination.

Statement of Cash Flows – All highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and therefore, will not be recognized as an outflow of resources (expense) until that time. The Authority's deferred outflows, when applicable, consist of deferred charge on refundings, unamortized costs on swap liability, pension contributions after measurement date, the differences in projected and actual earnings on pension assets, and changes in pension and OPEB assumptions. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The pension contributions after measurement date are deferred and recognized in the following fiscal year. The differences in projected and actual earnings on pension assets are amortized over a closed five year period. Pension and OPEB assumption changes are recognized over the average remaining service life for all members.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and therefore, will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Authority's deferred inflows, when applicable, consist of the changes in fair value of the Toll Road's hedging derivative instruments that are applicable to future reporting periods and differences in expected and actual pension experience which are amortized over the average of the expected remaining service lives of all employees that are provided with pension benefits through the pension plan (active employees and inactive employees).

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. DEPOSITS AND INVESTMENTS

Deposits: Chapter 2257 of the Texas Government Code is known as the Public Funds Collateral Act. This act provides guidelines for the amount of collateral that is required to secure the deposit of public funds. Federal Depository Insurance (FDIC) is available for funds deposited at a financial institution up to a maximum of $250,000 each for demand deposits, time and savings deposits, and deposits pursuant to indenture. The Public Funds Collateral Act requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of FDIC insurance available.

The custodial credit risk for deposits is the risk that the Authority will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or collateralized. As of February 28, 2022, the balance per various financial institutions was $443,537,794. The Authority's deposits are not exposed to custodial credit risk since all deposits are either covered by FDIC insurance or an irrevocable standby letter of credit with the Federal Home Loan Bank, in accordance with the Public Funds Collateral Act.

Investments: Chapter 2256 of the Texas Government Code is known as the Public Funds Investment Act. This act authorizes Harris County to invest its funds pursuant to a written investment policy which primarily emphasizes the safety of principal and liquidity, and addresses investment diversification, yield, and maturity.

The Harris County Investment policy is reviewed and approved annually by Commissioners Court. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity by fund type, and the maximum weighted average maturity of the overall portfolio. Guidelines for diversification and risk tolerance are also detailed within the policy. Additionally, the policy includes specific investment strategies for fund groups that address each group's investment options and describes the priorities for suitable investments.

AUTHORIZED INVESTMENTS

Funds of Harris County (including Authority funds) may be invested as authorized by the Public Funds Investment Act which is located in Chapter 2256 of the Texas Government Code. Allowable investments include:

1. Direct obligations of the United States, its agencies and instrumentalities.

2. Other obligations, the principal and interest of which are unconditionally guaranteed, insured or backed by the full faith and credit of the State of Texas, the United States, or any obligation fully guaranteed or fully insured by the FDIC.

3. Direct obligations of the State of Texas or its agencies provided the agency has the same debt rating as the State of Texas.

4. Obligations of states, agencies, counties, cities, and other political subdivisions located in the United States, rated not less than A, or its equivalent, by a nationally recognized investment rating firm.

5. Fully insured or collateralized certificates of deposit/share certificates issued by state and national banks, or a savings bank, a state or federal credit union (having its main or branch office in Texas) guaranteed or insured by the FDIC or its successor; and secured by obligations in number 1 above. In addition to the County's authority to invest funds in certificates of deposit and share certificates as stated above, made in accordance with the following conditions is an authorized investment under Texas Gov't. Code Section 2256.010(b): (1) the funds are invested by the County through a clearing broker registered with the Securities and Exchange Commission (SEC) and operating pursuant to SEC rule 15c3-3 (17 C.F.R. Section 240.15c3-3) with its main office or branch office in Texas and selected from a list adopted by the County as required by Section 2256.025; or a depository institution that has its main office or a branch office in this state and that is selected by the County; (2) the broker or the depository institution selected by the County arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the County; (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; (4) the broker or depository institution selected by the County acts as custodian for the County with respect to the certificates of deposit issued for the account of the County.

6. Fully collateralized repurchase agreements, provided the County has on file a signed Master Repurchase Agreement detailing eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, and conditions for agreement termination. The repurchase agreement must have a defined termination date and be secured by obligations in number 1 above. It is required that the securities purchased as part of the repurchase agreement must be assigned to the County, held in the

County's name, and deposited at the time the investment is made with the County's custodian or with a third-party approved by the County. Securities purchased as part of a repurchase agreement shall be marked-to-market no less than weekly. All repurchase agreements must be conducted through a primary government securities dealer as defined by the Federal Reserve or a financial institution doing business in Texas. Maturities shall be limited to 90 days. The 90-day limit may be exceeded in the case of flexible repurchase agreements ("flex repos") provided the investment type is specifically authorized within individual bond ordinances and final maturity does not exceed the anticipated spending schedule of bond proceeds.

7. Securities lending programs if the loan is fully collateralized, including accrued income, by securities described in Texas Gov't. Code, Section 2256.009, by irrevocable bank letters of credit issued by a bank under the laws of the United States or any other state, continuously rated not less than A by at least one nationally recognized investment rating firm, or by cash invested in accordance with the Investment Act. Securities held as collateral must be pledged to the investing entity, held in the investing entity's name, and deposited at the time the investment is made. A loan must be placed through a primary government securities dealer or a financial institution doing business in Texas. A loan must allow for termination at any time and must have a term of one year or less.

8. Commercial paper with a stated maturity of 270 days or less from the date of issuance, rated A-1 or P-1 or an equivalent rating by at least two nationally recognized agencies, and not under review for possible downgrade at the time of purchase.

9. Local government investment pools with a dollar weighted average maturity of 60 days or less, approved through resolution of Commissioners Court to provide services to the County, continuously rated no lower than AAA or equivalent by at least one nationally recognized rating service. The County may not invest an amount that exceeds 10 percent of the total assets of any one local government investment pool. On a monthly basis, the Investment Officer shall review a list of securities held in the portfolio of any pool in which County funds are being held. To be eligible to receive funds from and invest funds on behalf of the County an investment pool must furnish to the Investment Officer or other authorized representative an offering circular or other similar disclosure instrument that contains information required by Tex. Gov't. Code Sec. 2256.016. Investments will be made in a local government investment pool only after a thorough investigation of the pool and review by the Finance Committee.

10. A Securities and Exchange Commission (SEC) registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less. Furthermore, it must be rated not less than AAA or equivalent by at least one nationally recognized rating service and the County must be provided with a prospectus and other information required by the SEC Act of 1934 or the Investment Company Act of 1940. The County may not invest an amount that exceeds 10 percent of the total assets of any one fund. Investments will be made in a money market mutual fund only after a thorough investigation of the fund and review by the Finance Committee.

11. Interest-bearing banking deposits that are guaranteed or insured by: (A) the Federal Deposit Insurance Corporation or its successor; or (B) the National Credit Union Share Insurance Fund or its successor; and interest-bearing banking deposits other than described above if: (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in Texas that the County selects from a list of its governing body or designated investment committee adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in Texas that the County selects; (B) the broker or depository institution selected as described above arranges for the deposit of the funds in one or more federally insured depository institutions, regardless of where located, for the County's account; (C) the full amount of the principal and accrued interest of the deposits is insured by the United States or an instrumentality of the United States; and (D) the County appoints as

the custodian of the bank deposits issued for the County's account: (i) the depository institution selected as described above; (ii) an entity described by Section 2257.041(d); or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).

Summary of Cash and Investments

The Authority's cash and investments are stated at fair value or amortized cost. The following is a summary of the Authority's cash and investments at February 28, 2022.

	Totals
Cash and Cash Equivalents	$ 490,058,266
Investments	507,251,708
Restricted Cash and Cash Equivalents	71,175,088
Restricted Investments	238,576,992
Total Cash and Investments	$1,307,062,054

The table below indicates the fair value and maturity value of the Authority's investments as of February 28, 2022, summarized by security type. Also demonstrated are the percentages of the total portfolio, the weighted average modified duration in years, and the credit ratings for each summarized security type.

Security	Fair Value	Percentage of Portfolio	Maturity Amount	Weighted Avg Modified Duration (Years)	Credit Rating S&P/ Moody's
US Agency Notes					
FFCB	$ 88,302,325	6.85%	$ 88,585,000	0.0161	Aaa
FFCB	12,000,900	0.93%	12,000,000	0.0000	AA+/Aaa
FHLB	82,245,715	6.38%	82,415,000	0.0617	AA+
FNMA	1,970,958	0.15%	2,000,000	0.0000	AA+/Aaa
Total US Agency Notes	184,519,898		185,000,000		
Commercial Paper					
TMCC-Disc	14,977,204	1.16%	15,000,000	0.0016	A1+/P1
Total Commercial Paper	14,977,204		15,000,000		
Local Governments					
ASCENSION PARISH LA SCH DIST GO	1,525,000	0.12%	1,525,000	0.0000	AA
AUSTIN ISD TX UT GO *ESG*	7,751,880	0.60%	7,520,000	0.0023	Aaa
BLACK HAWK CO IA UT GO	1,319,445	0.10%	1,315,000	0.0003	Aa2
BOZEMAN MT UT GO	512,453	0.04%	510,000	0.0001	Aa1
BURLINGTON CO NJ GO	877,126	0.07%	875,000	0.0000	AA/Aa1
COLUMBUS OH	6,570,867	0.51%	6,385,000	0.0073	AAA/Aaa
COMAL ISD TX UT GO	2,470,936	0.19%	2,350,000	0.0004	AAA/Aaa
CONROE ISD TX UT GO	2,509,008	0.19%	2,395,000	0.0016	AAA/Aaa
DALLAS AREA RAPID TRANS TX REV	995,480	0.08%	1,000,000	0.0006	Aa2
DALLAS ISD TX UT GO	10,387,000	0.81%	10,000,000	0.0077	AAA/Aaa
FRISCO TX ISD UT GO	509,885	0.04%	500,000	0.0004	AAA/Aaa
GREENSBORO NC	1,926,758	0.15%	1,915,000	0.0004	AAA/Aa1

Security	Fair Value	Percentage of Portfolio	Maturity Amount	Weighted Avg Modified Duration (Years)	Credit Rating S&P/ Moody's
IOWA CITY IA GO	501,850	0.04%	500,000	0.0001	Aaa
IOWA ST WESTERN COMM CLG UT G	835,426	0.06%	835,000	0.0002	Aa1
LAMAR ISD TX UT GO	2,054,950	0.16%	2,000,000	0.0012	AAA/Aaa
LAURENS CO GA SCH DIST UT GO *E	750,000	0.06%	750,000	0.0000	Aa1
LONGPORT NJ UT GO	361,789	0.03%	360,000	0.0001	AA+
MARYLAND ST DEPT OF TRANS REV	30,026,674	2.33%	29,110,000	0.0059	AAA/Aa1
METRO COUNCIL MINNEAPOLIS MN	14,633,288	1.14%	14,545,000	0.0277	AAA/Aa1
NEW BERLIN SCH DIST WI	300,000	0.02%	300,000	0.0000	Aa2
NEW JERSEY ST HSG & MTG FIN AGY	3,008,230	0.23%	3,000,000	0.0006	Aaa
NEW YORK ST DORM AUTH REV	9,999,300	0.78%	10,000,000	0.0003	AA+
NUECES CO TX LT GO	743,790	0.06%	750,000	0.0006	AA/Aa2
PALM BEACH CO FL REV	30,738,011	2.39%	31,045,000	0.0274	AAA/Aa1
ROUND ROCK ISD TX	2,416,794	0.19%	2,375,000	0.0003	Aaa
ST LOUIS CO MN UT GO	1,085,202	0.08%	1,075,000	0.0006	AA+
SOUTHWEST ISD TX UT GO *ESG*	806,941	0.06%	780,000	0.0012	AAA
STATE OF MAINE GO	1,047,481	0.08%	1,065,000	0.0018	AA/Aa2
STATE OF TX GO SER 21B	7,697,040	0.60%	7,800,000	0.0047	AAA
TRIBOROUGH NY BRIDGE REV SER C	7,536,131	0.58%	7,185,000	0.0035	AA+
Trinity River TX Authority	2,087,290	0.16%	2,050,000	0.0007	AAA
TULSA OK ISD 1 UT GO *ESG*	2,565,000	0.20%	2,565,000	0.0000	AA
UNIV OF CALIFORNIA REVS	4,936,850	0.38%	5,000,000	0.0046	AA/Aa2
WACO ISD TX *ESG*	1,054,955	0.08%	1,100,000	0.0020	Aaa
WILLIAMSON CO TX LT GO	495,630	0.04%	500,000	0.0004	AAA
Total Local Governments	163,038,460		160,980,000		
US Treasury Bills and Bonds					
US Treasury Bills	21,930,456	1.70%	22,000,000	0.0003	AA+/Aaa
US Treasury Bonds	118,560,635	9.20%	118,000,000	0.0020	AA+/Aaa
Total US Treasury Bills & Bonds	140,491,091		140,000,000		
US Treasury Notes					
US Treasury Notes	240,671,254	18.69%	242,200,000	0.0146	AA+/Aaa
Total US Treasury Notes	240,671,254		242,200,000		
Money Market Funds					
LOGIC Pool	28,696,832	2.23%	28,696,832	N/A	AAAm
Lone Star Pool	18,094,998	1.40%	18,094,998	N/A	AAAm
Lone Star (GOV) Pool	16,335	0.00%	16,335	N/A	AAAm
Texas Class Pool	60,516,083	4.70%	60,516,083	N/A	AAAm
TRA - Cadence (DDA)	9,303,347	0.72%	9,303,347	N/A	NA
TRA - Cadence (MMF)	361,262,120	28.04%	361,262,120	N/A	NA
MMF - TRA Trust DSR (BNYM)	66,907,190	5.19%	66,907,190	N/A	NA
MMF - TRA Trust Invesco	82,409	0.01%	82,409	N/A	NA
Total Money Market Funds	544,879,314		544,879,314		
Total Investments & Cash Equivalents	1,288,577,221	100.00%	$ 1,288,059,314		
Demand and Time Deposits	18,484,833				
Total Cash & Investments	$ 1,307,062,054				

Fair Value Measurements

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

As of February 28, 2022, the County has the recurring fair value measurements for U.S. Agency Notes, Commercial Paper, Local Governments and U.S. Treasury Notes, Bills and Bonds totaling $743,697,907, all of which are valued using quoted prices for similar assets in active markets (Level 2 inputs). The Money Market Funds through External Investment Pools totaling $544,879,314 have been valued at amortized cost or fair value in accordance with GASB No. 79. The recorded position of the pool for Texas CLASS is measured at net asset value to approximate fair value, which is designed to approximate the share value; however, the net asset value is not guaranteed or insured. For investment pools shown, TRA-Cadence Money Market Fund and Invesco portfolios have been valued at fair value using Level 2 inputs. The Lone Star and LOGIC are valued at amortized cost, which approximates fair value. TRA- Demand Deposit Account at Cadence preserves cash and liquidity and is considered cash value.

RISK DISCLOSURES

Interest Rate Risk: All investments carry the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by matching cash flows from maturities so that a portion of the portfolio is maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

According to the County investment policy, no more than 50% of the portfolio, excluding those investments held for construction/capital projects, special revenue, flood control, proprietary and enterprise, Public Improvement Contingency, District Clerk Registry, County Clerk Registry, and bond reserves may be invested beyond three years. Additionally at least 15% of the portfolio, excluding those investments held for future major capital expenditures, debt service payments, bond fund reserve accounts, and capitalized interest funds, shall be invested in overnight instruments or in marketable securities which can be sold to raise cash within one day's notice. Overall, the average maturity of the portfolio, with the previous exceptions, shall not exceed three years. As of February 28, 2022, the Authority was in compliance with all of these guidelines to manage interest rate risk.

Credit Risk and Concentration of Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County mitigates these risks by emphasizing the importance of a diversified portfolio. All funds must be sufficiently diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In particular, no more than 25% of the overall portfolio may be invested in time deposits, including certificates of deposit, of a single issuer. Concentration by issuer for other investment instruments is not specifically addressed in the investment policy. However, the policy does specify that acceptable investment instruments must have high quality credit ratings and, consequently, risk is minimal.

The County's investment policy establishes minimum acceptable credit ratings for certain investment instruments. Securities of states, agencies, counties, cities and other political subdivisions must be rated as to investment quality by a nationally recognized investment rating firm as A or its equivalent. Money market

mutual funds and public funds investment pools must be rated AAA or its equivalent by at least one nationally recognized rating firm.

Custodial Credit Risk: Investments are exposed to custodial credit risk if the investments are uninsured, are not registered in the County's name and are held by the counterparty. In the event of the failure of the counterparty, the County may not be able to recover the value of its investments that are held by the counterparty. As of February 28, 2022, all of the Authority's investments are held in the County's name.

Foreign Currency Risk: Foreign currency risk is the risk that fluctuations in the exchange rate will adversely affect the value of investments denominated in a currency other than the US dollar. The County Investment Policy does not list securities denominated in a foreign currency among the authorized investment instruments. Consequently, the Authority is not exposed to foreign currency risk.

FUND INVESTMENT CONSIDERATIONS

The Investment Policy outlines specific investment strategies for each fund or group of funds identified on the Harris County and Authority's financial statements. The three investment strategies employed by Harris County are the Matching Approach, the Barbell Approach and the Laddered Approach. The Matching Approach is an investment method that matches maturing investments with disbursements. Matching requires an accurate forecast of disbursement requirements. The Barbell Approach is an investment method where maturities are concentrated at two points, one at the short end of the investment horizon and the other at the long end. The Laddered Approach is an investment method that positions maturities that occur in regular intervals, providing a known stream of cash. The investment strategies and maturity criteria are outlined in the following table.

Fund Type	Investment Strategy	Maximum Maturity Per Policy (Years)	Maturity Amount	Average Remaining Years To Maturity
Toll Road Project Funds	Matching/Barbell/Laddered	6	$ 52,000,000	0.84
Toll Road Debt Service	Matching/Barbell/Laddered	6	629,130,000	1.27
Toll Road Renewal/Replacement	Matching/Barbell/Laddered	6	62,050,000	1.90
Money Market Mutual Funds	N/A	N/A	544,879,314	N/A
			$ 1,288,059,314	

Note: Money Market Mutual Funds are excluded from the various fund types, which may affect the average remaining days to maturity.

3. OTHER RECEIVABLES AND UNEARNED REVENUE

Other receivables as of February 28, 2022 are comprised of credit card receivables and toll violations for EZ tag collections. The other receivables amount of $75,264,502 is reported net of allowance for doubtful accounts of $531,210,583.

Proprietary funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the Authority reported $85,795,989 in unearned EZ tag revenues.

4. NOTES RECEIVABLE

Notes receivable as of February 28, 2022 are comprised of the following:

	Outstanding March 1, 2021	Issued	Receipts	Outstanding February 28, 2022
Sam Houston Race Park	$ 30,325	$ 1,971	$ -	$ 32,296
Notes receivable	$ 30,325	$ 1,971	$ -	$ 32,296

5. PREPAIDS AND OTHER ASSETS

Other assets as of February 28, 2022 are comprised of the following:

Prepaid surety expense	$ 54,752
Prepaid office expenses	1,013,324
Total	$ 1,068,076

6. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2022 was as follows:

	Balance March 1, 2021	Additions	Deletions	Transfers	Balance February 28, 2022
Land	$ 381,348,553	$ 635,418	$ -	$ -	$ 381,983,971
Easement	1,978,624	10,438	-	-	1,989,062
Construction in progress	1,627,038,252	174,910,299	-	(349,358,285)	1,452,590,266
Total capital assets not depreciated	2,010,365,429	175,556,155	-	(349,358,285)	1,836,563,299
License agreement	237,500,000	-	-	-	237,500,000
Land improvements	18,865,805	-	-	-	18,865,805
Infrastructure	2,607,255,599	-	-	349,358,285	2,956,613,884
Other tangible assets	8,937,074	-	-	-	8,937,074
Buildings	20,728,052	-	-	-	20,728,052
Equipment	73,008,442	6,258,006	(13,154,527)	-	66,111,921
	2,966,294,972	6,258,006	(13,154,527)	349,358,285	3,308,756,736
Less accumulated depreciation/amortization for:					
License agreement	(66,428,750)	(7,505,000)	-	-	(73,933,750)
Land improvements	(8,553,001)	(943,460)	-	-	(9,496,461)
Infrastructure	(1,637,595,157)	(95,684,664)	-	-	(1,733,279,821)
Other tangible assets	(8,603,989)	(19,690)	-	-	(8,623,679)
Buildings	(5,029,253)	(454,646)	-	-	(5,483,899)
Equipment	(60,277,198)	(5,053,544)	13,021,941	-	(52,308,801)
	(1,786,487,348)	(109,661,004)	13,021,941	-	(1,883,126,411)
Total capital assets being depreciated, net	1,179,807,624	(103,402,998)	(132,586)	-	1,425,630,325
Total capital assets, net	$ 3,190,173,053	$ 72,153,157	$ (132,586)	$ -	$ 3,262,193,624

7. LONG-TERM LIABILITIES

The Authority has financed the Toll Road Projects with a combination of unlimited tax and subordinate lien revenue bonds, senior and first lien revenue bonds, and commercial paper. The proceeds from such bonds, including the interest earned thereon, are being used to finance the construction costs, the related debt service, and a portion of the maintenance and operating expenses.

Changes in the Authority's Long-Term Liabilities for fiscal year 2021-22 were as follows:

	Outstanding March 1, 2021	Issued/ Increased	Paid/ Decreased	Outstanding February 28, 2022	Due Within One Year
Senior Lien Revenue Bonds	$ 1,670,505,000	$ -	$ (31,655,000)	$ 1,638,850,000	$ 57,080,000
Senior Lien Revenue Bonds (Private Placement)	48,230,000	-	(48,230,000)	-	-
First Lien Revenue Bonds	424,925,000	-	(4,830,000)	420,095,000	6,955,000
Tax Bonds	191,020,000	-	(19,445,000)	171,575,000	20,240,000
Total Bond Principal	2,334,680,000	-	(104,160,000)	2,230,520,000	84,275,000
Unamortized Premium, Senior Revenue Bonds	179,858,927	-	(19,436,386)	160,422,541	-
Unamortized Premium, First Revenue Bonds	92,302,429	-	(7,008,169)	85,294,260	-
Unamortized Premium, Tax Bonds	5,509,157	-	(810,453)	4,698,704	-
Accrued Interest Payable	6,096,645	100,234,716	(102,267,521)	4,063,840	4,063,840
Total Bonds Payable	2,618,447,158	100,234,716	(233,682,529)	2,484,999,345	88,338,840
Compensatory Time Payable	1,364,110	1,327,849	(1,184,447)	1,507,512	749,903
Net OPEB Liability	148,055,587	21,846,779	-	169,902,366	2,306,000
Net Pension Liability	25,706,453	-	(25,706,453)	-	-
Hedging derivative instruments	-	39,298,374	-	39,298,374	-
Pollution Remediation Obligation	333,000	-	(333,000)	-	-
Totals - Toll Road Fund Liabilities	$ 2,793,906,308	$ 162,707,718	$ (260,906,429)	$ 2,695,707,597	$ 91,394,743

A. Outstanding Bonded Debt – February 28, 2022 – Pertinent Information by Issue

Issue	Original Issue Amount	Interest Rate Range %	Term Issue	Maturity Range	Outstanding Balance February 28, 2022
Senior Lien Revenue Bonds					
Refunding Series 2007B	$ 145,570,000	Floating	2007	2034-2036	$ 145,570,000
Refunding Series 2012C	252,845,000	4.00-5.00	2012	2013-2033	229,695,000
Refunding Series 2015B	161,575,000	5.00	2015	2020-2036	153,325,000
Refunding Series 2016A	530,105,000	2.75-5.00	2016	2019-2047	514,265,000
Refunding Series 2018A	559,900,000	4.00-5.00	2018	2019-2048	516,245,000
Refunding Series 2019A	90,255,000	3.00-5.00	2019	2020-2049	79,750,000
Total Principal Senior Lien Revenue Bonds					1,638,850,000
Unamortized Premiums and Discounts					160,422,541
Total Senior Lien Revenue Bonds					$ 1,799,272,541
First Lien Revenue Bonds					
Refunding Series 2021	$ 424,925,000	3.00-5.00	2021	2021-2050	$ 420,095,000
Total Principal First Lien Revenue Bonds					420,095,000
Unamortized Premiums and Discounts					85,294,260
Total First Lien Revenue Bonds					$ 505,389,260
Unlimited Tax and Subordinate Lien Bonds (Tax Bonds)					
Refunding Series 1997	$ 150,395,000	5.125	1997	2014-2024	$ 26,005,000
Refunding Series 2007C	321,745,000	5.25	2007	2014-2033	145,570,000
Total Principal Tax Bonds					171,575,000
Unamortized Premiums and Discounts					4,698,704
Total Tax Bonds					$ 176,273,704

B. Covenants and Conditions

The Senior Lien Revenue Bonds and First Lien Revenue Bonds are payable from operating revenues generated from the Toll Roads. The Tax Bonds are secured by and payable from a pledge of the County's unlimited ad valorem taxing power and are also secured by a pledge of and lien on the revenues of the Toll Roads, subordinate to the lien of the Senior Lien Revenue Bonds and First Lien Revenue Bonds. The Authority has covenanted to assess a maintenance tax to pay project expenses if revenues, after paying debt service, are insufficient. The Authority also has covenanted to collect tolls to produce revenues at the beginning of the third fiscal year following completion of the Toll Roads equal to at least 1.25 times the aggregate debt service on all Senior Lien Revenue Bonds and First Lien Revenue Bonds accruing in such fiscal year. The 1.25 revenue coverage covenant went into effect during fiscal year 1994. The revenue coverage ratio was 4.46 as of February 28, 2022.

C. Debt Service Requirements

Total interest expense was $83,303,263 for the fiscal year. The following are the debt service requirements for bonds payable:

Year	Principal	Interest	Total
2023	$ 84,275,000	$ 101,807,216	$ 186,082,216
2024	88,015,000	97,459,347	185,474,347
2025	91,935,000	92,919,378	184,854,378
2026	86,470,000	88,423,406	174,893,406
2027	88,790,000	84,036,706	172,826,706
2028-2032	505,565,000	348,047,662	853,612,662
2033-2037	546,100,000	212,559,791	758,659,791
2038-2042	278,210,000	125,109,425	403,319,425
2043-2047	293,715,000	64,704,250	358,419,250
2048-2051	167,445,000	9,828,425	177,273,425
	$ 2,230,520,000	$ 1,224,895,606	$ 3,455,415,606

D. Unissued Authorized Bonds

In an election held on September 13, 1983, the voters of the County endorsed using toll roads to alleviate the County's traffic problems by authorizing the County to issue up to $900,000,000 of bonds secured by a pledged of its unlimited ad valorem taxing power. As of February 28, 2022, the unissued authorized bonds for the toll road project are $15,148,000.

E. Defeasance of Debt

In prior years, the Authority has defeased certain bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. As of February 28, 2022, the outstanding principal balance of these defeased bonds was $1,806,070,000.

F. Debt Issuances

On March 1, 2021, the County released $3,500,000 in US Treasury note pledged to Citibank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On March 1, 2021, the County released $2,500,000 in US Treasury note pledged to JP Morgan Chase Bank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On April 6, 2021, the County released $12,500,000 in US Treasury note pledged to Citibank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On April 6, 2021, the County pledged an additional $12,500,000 in US Treasury bill to Citibank to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the Series 2007B bonds.

On April 6, 2021, the County released $1,000,000 in US Treasury note pledged to JP Morgan Chase Bank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On July 8, 2021, the County pledged an additional $1,000,000 in US Treasury note to JP Morgan Chase Bank to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the Series 2007B bonds.

On July 20, 2021, the County pledged an additional $1,000,000 in US Treasury note to JP Morgan Chase Bank to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the Series 2007B bonds.

On October 25, 2021, the County released $1,500,000 in US Treasury note pledged to JP Morgan Chase Bank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On January 20, 2022, the County released $10,900,000 in US Treasury note pledged to JP Morgan Chase Bank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On January 20, 2022, the County pledged an additional $9,000,000 in US Treasury note to JP Morgan Chase Bank to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the Series 2007B bonds.

On February 24, 2022, the County released $12,500,000 in US Treasury bill pledged to Citibank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On February 24, 2022, the County pledged an additional $12,500,000 in US Treasury bill to Citibank to cover the collateral threshold shortfall on the $72,785,000 interest rate swap for the Series 2007B bonds.

G. Commercial Paper

In addition to the outstanding long-term debt of the Toll Road Authority ("Toll Road"), the Commissioners Court has established a commercial paper program secured by and payable from Toll Road revenues. In 2017, Commissioners Court authorized two additional commercial paper programs, for $200 million each, designated as Harris County Toll Road Senior Lien Revenue Commercial Paper Notes, Series E-1 and Series E-2 respectively ("Series E-1 and E-2 Notes") to finance capital projects of the Toll Road. On May 31, 2021 Series E-2 was subsequently terminated. On May 2, 2022, Series E-1 was also terminated. Commissioners Court authorized a new commercial paper program in 2022, for $200 million, designated as the Harris County Toll Road System First Lien Revenue Commercial Paper Notes, Series K, to finance capital projects of the Toll Road. As of February 28, 2022, Toll Road has no outstanding commercial paper.

The Toll Road entered into a Revolving Reimbursement Agreement (the "Series E-1 Letter of Credit") with Landesbank Hessen-Thuringen Girozentrale, acting through its New York Branch, (together with its successors and assigns, the "Bank"), whereby the Bank supports the Series E-1 Notes by issuing a letter of credit in the original stated amount of $214,794,521 (representing an amount supporting the total aggregate principal amount of $200,000,000 plus an amount equal to 270 days' interest on such principal amount at the rate per annum of ten percent (10%) computed on the basis of a 365 day year) for the timely payment of the principal of and interest on the Series E-1 Notes at maturity. The Series E-1 Letter of Credit expired May 2,

2022. For this reimbursement agreement the Authority will be assessed a fee of .25% per annum on the stated amount of the letter of credit. The Authority also agrees to pay the Bank a non-refundable drawing fee equal to $300 for each drawing under the letter of credit (not to exceed $2,100 in the aggregate for any calendar year). If converted to a term loan, each term loan will be repaid in equal semi-annual installments (each such installment referred to as "Principal Payment"), such Principal Payments to be made on the conversion date and each date occurring every six months thereafter until paid in full.

The Toll Road entered into a Letter of Credit Reimbursement Agreement (the "Series K Letter of Credit") with PNC Bank, National Association, whereby the Bank supports the Series K Notes by issuing a letter of credit in the original stated amount of $214,794,521 (representing an amount supporting the total aggregate principal amount of $200,000,000 plus $14,794,521 which is 270 days' accrued interest on such principal amount at the rate of ten percent (10%) per annum computed on a 365 day basis) for the timely payment of the principal of and interest on the Series K Notes at maturity. The Series K Letter of Credit expires April 22, 2025. For this reimbursement agreement the Authority will be assessed a fee of 0.25% per annum on the stated amount of the letter of credit. The Authority also agrees to pay the Bank a non-refundable drawing fee of $350 for each drawing under the letter of credit. If converted to a term loan, the principal amount of each term loan will be paid in twelve (12) substantially equal quarterly installments on each Amortization Payment Date, commencing with the first such installment on the Term Loan Commencement Date.

DEBT SERVICE TO MATURITY-COMMERCIAL PAPER

As of February 28, 2022, the Authority had no outstanding principal balance on the commercial paper lines of credit.

H. Arbitrage Rebate Liability

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local government bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due and remit the amount due at least every five years. There were no arbitrage rebate payments made during fiscal year 2021. As of February 28, 2022, there were no liabilities for arbitrage rebate on governmental debt and no liabilities for arbitrage rebate on enterprise debt. The Debt Service Funds have typically been used to liquidate arbitrage liabilities in previous years.

I. Interest Rate Swap

The County entered an interest rate swap with Citibank, N.A., New York, and JP Morgan Chase Bank, National Association, relating to the Toll Road Senior Lien Revenue Refunding Bonds, Series 2007B. The purpose of the swaps was to create a fixed cost of funds on certain maturities of the related bonds that is lower than the fixed cost achievable in the cash bond market.

Harris County Toll Road Authority	Citibank-Senior Lien Revenue Refunding Bonds, Series 2007B	JP Morgan Chase-Senior Lien Revenue Refunding Bonds, Series 2007B
Trade Date:	May 22, 2007	May 22, 2007
Effective Date:	June 14, 2007	June 14, 2007
Termination Date:	February 15, 2035	February 15, 2035
Initial Notional Amount: (a)	$72,785,000	$72,785,000
Current Notional Amount:	$72,785,000	$72,785,000
Authority Pays Fixed:	4.398%	4.398%
Counterparty Pays Floating:	67% of 3 Month LIBOR + .67%	67% of 3 Month LIBOR + .67%

Payment Dates:	The 15th day of February, May, August and November	The 15th day of February, May, August and November
Collateral Threshold: (b)	(15,000,000)	(15,000,000)
Fair Value as of 02/28/22:	($19,649,187)	($19,649,187)
Collateral Pledged:	$12,500,000 (c)	$9,000,000 (d)

(a) The notional amount for the swaps amortizes to match the outstanding bond.
(b) Collateral threshold represents the maximum exposure that the counterparty is required to accept without a pledge of collateral. The difference between the fair value and the collateral threshold must be covered by County collateral. The maximum collateral threshold ceiling is $67,000,000.
(c) The County pledged a $12.5 million US Treasury note with a $50,000,000 par, at .055% to Citibank as collateral under the terms of the swap agreements related to the Toll Road Senior Revenue Refunding Bonds, Series 2007B.
(d) The County pledged approximately $9.0 million US Treasury note with a $40,000,000 par at .125% to JP Morgan as collateral under the terms of the swap agreements related to the Toll Road Senior Lien Revenue Refunding Bonds, Series 2007B.

Fair Value: Swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair value was calculated using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions and based on accepted industry standards and methodologies. The County's over-the-counter interest rate swaps are valued using Level 2 inputs and the value of the swaps includes non-performance risk considerations.

Summary of GASB 53 Effectiveness Testing:

Harris County Toll Road Authority	Citibank-Senior Lien Revenue Refunding Bonds, Series 2007B	JP Morgan Chase-Senior Lien Revenue Refunding Bonds, Series 2007B
Derivative Instrument	Interest Rate Swap	Interest Rate Swap
Hedge Type	Cash Flow Hedge	Cash Flow Hedge
Method of Effectiveness Testing	Consistent Critical Terms	Consistent Critical Terms
Result of Effectiveness Testing	Effective	Effective

Risks:

Harris County Toll Road Authority	Citibank-Senior Lien Revenue Refunding Bonds, Series 2007B	JP Morgan Chase-Senior Lien Revenue Refunding Bonds, Series 2007B
Credit Risk: Credit Ratings Moody's, S&P, and Fitch	Aa3, A+, and A+	Aa2, A+, and AA
Interest Rate Risk – risk that changes of rates in the bond market will negatively affect the cash flow to the County in a SWAP transaction.	Citi Bank NA pays 67% of 3 month LIBOR + 67bp, while the County pays a fixed rate of 4.398%.	JP Morgan Chase Bank NA pays 67% of 3 month LIBOR + 67bp, while the County pays a fixed rate of 4.398%.

Termination Risk – risk that the SWAP must be terminated prior to its stated final cash flow.	The exposure to the County is $19,649,187, which is based on a fair value calculation.	The exposure to the County is $19,649,187, which is based on a fair value calculation.

J. Subsequent Debt Related Activity

On March 24, 2022, the County released $3,000,000 in US Treasury note pledged to JP Morgan Chase Bank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On April 12, 2022, the County released $2,300,000 in US Treasury note pledged to JP Morgan Chase Bank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On June 10, 2022, the County released $1,000,000 in US Treasury note pledged to JP Morgan Chase Bank as collateral on the $72,785,000 interest rate swap for the Series 2007B bonds.

On June 21, 2022, the County issued $194,030,000 in Toll Road First Lien Revenue Refunding Bonds, Series 2022A, to refund the County's outstanding Toll Road Senior Lien Revenue Bonds, Series 2012C and to pay cost of such issuance. The annual interest rate is 5.00%. The issuance had a premium of $30,322,620. The interest accrues semiannually and the bonds mature in 2033. The refunding resulted in savings of $41,364,200 due to a decrease in cash flow requirements and had an economic gain of $35,313,389.

8. RETIREMENT PLAN

Plan Description. Harris County provides retirement, disability, and survivor benefits for all of its employees (excluding temporary) through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). This is accounted for as an agent multiple employer defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS in the aggregate issues an annual comprehensive financial report on a calendar year basis. The annual report is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or the website at www.TCDRS.org.

Harris County's pension plan includes Toll Road and three other participating employers. Toll Road Authority has reported its participation in the Harris County plan as a cost sharing employer. The Harris County plan is allocated to participating employers based upon contributions. The Authority's allocated share was 3.22%.

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

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest and employer-financed monetary credits. The level of these monetary credits is adopted by Commissioners Court, within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be

adequately financed by the employer's commitment to contribute. By law, employee accounts earn 7% interest. 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. The County's current match is 225%.

Employees Covered by Benefit Terms. At the measurement date, the following employees were covered by the benefit terms of the Harris County plan:

	12/31/20	12/31/21
Inactive employees or beneficiaries currently receiving benefits	9,753	10,196
Inactive employees entitled but not yet receiving benefits	9,346	9,800
Active employees	19,401	19,921
Total	38,500	39,917

Contributions. The County has elected the annually determined contribution rate ("ADCR") plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually as of December 31, two years prior to the end of the fiscal year in which contributions are reported. The County contributed using an actuarially determined rate of 15.1% of covered payroll for the months of the calendar year 2020, 2021 and the first 2 months of 2022.

The contribution rate payable by the employee members for 2021 and 2022 is 7% as adopted by Commissioners Court. The employee contribution rate and the employer contribution rate may be changed by Commissioners Court, within the options available in the TCDRS Act.

Actuarial Assumptions. For the County's fiscal year ending February 28, 2022, the net pension (asset)/liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of that date.

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	4.7%
Investment rate of return (Investment rate of return is gross of administrative expenses)	7.6%

The County has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic under GASB No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion, and longevity component that on average approximates 1.7% per year for a career employee.

Mortality rates for depositing members were based on the Pub-2010 General Retirees Table for males and females as appropriate. Service retirees, beneficiaries, and non-depositing members were based on Pub-

2010 General Retirees Amount-Weighted Mortality for males and females as appropriate. Disabled retirees were based on Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and females as appropriate.

The actuarial cost method was Entry Age Normal, as required by GASB No. 68. The actuarial assumptions used in the December 31, 2021 valuation for the County were developed from an actuarial experience investigation of TCDRS over the years 2017-2020, except where required to be different by GASB No. 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The numbers shown are based on January 2022 information for a 10 year time horizon and are re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2021 and reviewed annually for continued compliance with relevant standards of practice.

The following target asset allocation was adopted by the TCDRS board in March 2021. The geometric real rate of return is net of inflation, assumed at 2.6%.

Asset Class	Target Allocation	Geometric Real Rate of Return
US Equities	11.50%	3.80%
Global Equities	2.50%	4.10%
International Equities - Developed	5.00%	3.80%
International Equities - Emerging	6.00%	43.00%
Investment-Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	1.77%
Direct Lending	16.00%	6.25%
Distressed Debt	4.00%	4.50%
REIT Equities	2.00%	3.10%
Master Limited Partnerships (MLPs)	2.00%	3.85%
Private Real Estate Partnerships	6.00%	5.10%
Private Equity	25.00%	6.80%
Hedge Funds	6.00%	1.55%
Cash Equivalents	2.00%	-1.05%
	100.00%	

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

1. TCDRS has a funding policy where the unfunded actuarial accrued liability ("UAAL") shall be amortized as a level percent of pay over 20-year layered periods.
2. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.

3. The County's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

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

Changes in Net Pension Liability/(Asset) (amounts in thousands):

	Harris County		
	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2020	$7,669,725	$6,926,061	$743,664
Changes for the year:			
Service cost	199,137	-	199,137
Interest on total pension liability	583,779	-	583,779
Effect of economic/demographic gains or losses	(8,769)	-	(8,769)
Effect of assumptions changes or inputs	4,607	-	4,607
Refund of contributions	(14,058)	(14,058)	-
Benefit payments	(368,054)	(368,054)	-
Administrative expenses	-	(4,504)	4,504
Member contributions	-	88,129	(88,129)
Net investment income	-	1,509,284	(1,509,284)
Employer contributions	-	189,304	(189,304)
Other	-	(1,049)	1,049
Balances as of December 31, 2021	$ 8,066,367	$ 8,325,113	$ (258,746)

The net pension liability allocated to the Authority at February 28, 2021 was $25,706,453 and the allocated pension asset at February 28, 2022 was $8,331,301 respectively and the County contributions for the same period were $6,319,736 and $6,095,363 respectively. The decrease in net pension liability was mainly due to an increase in net investment income compared to the prior year.

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

Harris County:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	$9,142,862	$8,066,367	$7,163,755
Fiduciary net position	8,325,113	8,325,113	8,325,113
Net pension (asset)/liability	$ 817,749	$ (258,746)	$ (1,161,358)

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

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions. For the measurement period ending December 31, 2021, the County recognized pension income of $21,096,086, the Authority's share was $1,155,821 as of February 28, 2022; the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts in thousands):

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 10,841	$ 18,187
Changes of assumptions	-	298,977
Net difference between projected and actual earnings	948,771	-
Contributions made subsequent to the measurement date	-	29,645
	$ 959,612	$ 346,809

Toll Road Authority's Allocation:	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 349	$ 586
Changes of assumptions	-	9,627
Net difference between projected and actual earnings	30,549	-
Contributions made subsequent to the measurement date	-	934
	$ 30,898	$ 11,147

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

County		Toll Road	
Year ended December 31:		Year ended December 31:	
2022	$ (128,953)	2022	$ (4,187)
2023	(242,945)	2023	(7,697)
2024	(148,866)	2024	(4,865)
2025	(121,684)	2025	(3,936)
2026	-	2026	0
	$ (642,448)		$ (20,685)

Payable to the Pension Plan. At February 28, 2022, the County reported a payable of $22,224,064 for the outstanding amount of contributions to the pension plan.

The above information includes four participating employers to the agent multiple employer defined benefit pension plan. One of the employers, Community Supervision ("CS") is not considered a department or a component unit of the County. The net pension liability for CS at February 28, 2021 is $18,473,747 and net pension asset for February 28, 2022 is $5,639,902.

The deferred inflows and outflows reported for CS at February 28, 2022 were (amounts in thousands):

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 236	$ 396
Changes of assumptions	-	6,517
Net difference between projected and actual earnings	20,680	-
Contributions made subsequent to the measurement date	-	624
	$ 20,916	$ 7,537

For the measurement period ended December 31, 2021, CS recognized pension income of $1,857,701.

The Required Supplementary Information ("RSI") following the notes to the financial statements contains: the schedule of changes in the County's net pension (asset)/liability and related ratios, and the schedule of County contributions.

9. OTHER POSTEMPLOYMENT BENEFITS

THE PLAN:

Plan Description
Harris County administers an agent multiple-employer defined benefit postemployment healthcare plan that covers retired employees of participating governmental entities. The employers in the plan are: Harris County, Flood Control District, Toll Road Authority, Juvenile Board, Community Supervision, and Emergency 911. The plan provides medical, dental, vision, and basic life insurance benefits to plan members. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. Harris County's defined OPEB plan is not considered a trust.

Benefits Provided
The County maintains the same healthcare plans for its retirees as for its active employees, except for the "Base Healthy Actions", and "Plus Healthy Actions" plans. The County's contribution depends on age and years of service with the County at the time of retirement. Employees of Harris County are eligible to retire from the County either: (i) upon being vested with 8 years of creditable Texas County and District Retirement System (TCDRS) service and reaching age 60, or (ii) upon satisfying the "Rule of 75" (age plus vested service equals at least 75.)

As a separate Harris County requirement for eligibility for retiree healthcare benefit contributions, after March 1, 2002 an employee's age plus Harris County service must equal 75 with a minimum of 10 years of County service in order to receive 100% of the County contribution for retiree and dependent coverage.

Retirees whose age plus Harris County service equals 70 but less than 75 are required to pay 20% of the County contribution for retiree and dependent coverage. Employees who retire and whose age plus Harris

County service is less than 70 are required to pay 50% of the County contribution for retiree and dependent coverage.

In addition, there are other scenarios where employees may retire using other creditable service such as time from other retirement systems, reinstated service, or disability retirement and still qualify for partial County healthcare contributions. For retirements after March 1, 2002, retirees are required to have a minimum of 4 consecutive years of County service while covered under the County's medical plan immediately prior to retirement to be eligible for County healthcare contributions.

The level of the County's contribution varies by age at retirement and years of service completed according to the following schedule:

Years of Service	0-3	4-7	8	9	10+
Less then 70 Points	0%	50%	50%	50%	50%
70-74 Points	0%	50%	80%	80%	80%
75 Points or More	0%	50%	80%	80%	100%

Harris County only pays 50% of the dependent premium if: 1) the dependent was insured at least one year before the employee retired; and 2) if the retiree qualifies for 100% contribution. If an employee retires paying a portion of their own premium (i.e., 20%) then they would pay a proportionately higher premium for their dependents.

Changes pursuant to Commissioners Court Order dated September 26, 2006:

1. Current retirees are grandfathered under the contribution rule under which they retired;
2. Employees who were eligible to retire by February 28, 2011 are grandfathered under the rule they would have been entitled to had they retired as of that date;
3. All other employees must have age plus service of at least 80 points or be at least age 65 and have at least 10 years of creditable County service to receive 100% of the County approved contribution for retiree and dependent coverage. They must also pay a contribution for retiree healthcare prior to Medicare eligibility as determined by the Commissioners Court each year. In 2016, Commissioners Court approved this amount to be $100; and
4. Employees hired after February 28, 2007 must pay a monthly contribution for retiree healthcare as determined by the Commissioners Court each year. The Court's policy also required this group of retirees to pay the full premiums (for both retiree and dependents) for all coverages.

Retiree Healthcare Contribution Policy Update dated October 3, 2011:

Beginning March 1, 2012, retiree-paid premiums for the medical/prescription plans are greater for non-Medicare retirees than for retirees with Medicare, and a new tier was added (retiree plus child and retiree plus spouse now have separate rates).

Retiree Healthcare Contribution Policy Update dated February 14, 2017:

Effective March 1, 2017, employees hired after February 28, 2007 are entitled to retiree healthcare contributions upon reaching eligibility. They must have age plus creditable County service of at least 80 points or be at least age 65 and have at least 10 years of creditable County service to receive 100% of the County contribution for retiree and dependent coverage. They must also pay a monthly contribution of $100 for retiree healthcare.

Retiree Healthcare Contribution Policy Update dated October 23, 2018:
The following contribution rules are effective March 1, 2019.

Current retirees are "grandfathered" under the contribution rule they retired under.

Employees hired prior to March 1, 2007 have to attain a combination of age plus a minimum of 10 years of non-forfeited Harris County/TCDRS service equal to 80 or be at least age 65 or Medicare age, with a minimum of 10 years of non-forfeited Harris County/TCDRS service to receive the approved County contribution for retiree and dependent healthcare coverage.

Employees hired after March 1, 2007 have to attain a combination of age plus a minimum of 20 years of non-forfeited Harris County/TCDRS service equal to 80 or be at least age 65 or Medicare age, with a minimum of 15 years of non-forfeited Harris County/TCDRS service to receive the approved County contribution for retiree and dependent healthcare coverage.

All employees will be required to have had continuous employment as a Regular employee or to have been covered under the Harris County medical plan as an Active Employee for four consecutive years prior to retirement to be eligible for any County premium contribution. When calculating whether the retiree meets this requirement, the following absences are included: 1) Qualified leave of absence (LOA) only if the person elected COBRA coverage during the LOA; (2) Approved Military Leave; and (3) A break in service of no more than four months only if the person elected COBRA coverage.

Effective March 1, 2019, employees who have fully repurchased previously forfeited Harris County/TCDRS service are allowed to have that service included towards eligibility for County retiree healthcare contributions. Repurchased amounts must be the minimum of what the employee had withdrew from their account at the time of separation. Partial repayments of previously forfeited service are eligible if made prior to October 23, 2018.

Grandfathered employees are those who were retired or eligible to retire under the existing rules as of February 28, 2011. It was assumed that an additional contribution for non-grandfathered, under age 65 retirees would be a minimum of the Federal Medicare Part B premium at the beginning of the plan year. In 2016 Commissioners Court approved this amount to be $100.

The County has reserved the right to amend its benefits (including required contributions) at any time.

Plan Membership
At March 1, 2020, the most recent valuation date, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	5,652
Active plan members	17,223
	22,875

Contributions
Local Government Code Section 157.102 assigns to Commissioners Court the authority to establish and amend contribution requirements of the plan members and the participating employers.

Net OPEB Liability
The County's Total OPEB Liability was measured as of February 28, 2022 was determined by an actuarial valuation as of March 1, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	No assets held in an irrevocable trust as of the measurement date.
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent wage inflation plus TCDRS merit scale
Inflation rate	2.75 percent
Healthcare cost trend rate	5.60 percent for 2022, 5.40 percent for 2023, 5.20 percent for 2024-2069, and 4.00 percent for 2070 and later years.
Preretirement Mortality	2020 TCDRS Mortality
Postretirement Mortality	2020 TCDRS Mortality

Actuarial assumptions used in the March 1, 2020 valuation were based on a review of plan experience during the period March 1, 2018 to February 29, 2020.

Discount Rate

For OPEB Plans That Are Not Administered through Trusts That Meet the Criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the County's Total OPEB liability is based on the following information:

Reporting Date	Measurement Date	Fidelity GO AA 20 Years Municipal Index	Discount Rate
February 28, 2021	February 28, 2021	2.50%	2.50%
February 28, 2022	February 28, 2022	2.37%	2.25%

Schedule of Changes in Net OPEB Liability (March 1, 2021 to February 28, 2022)

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances as of March 1, 2021	$ 3,495,063,625	$ -	$ 3,495,063,625
Changes for the year:			
Service cost	209,842,719	-	209,842,719
Interest	91,781,504	-	91,781,504
Difference between expected and actual	-	-	-
Contributions – employer	-	67,710,324	(67,710,324)
Changes of assumptions	215,788,647	-	215,788,647
Benefit payments (i)	(67,710,324)	(67,710,324)	-
Balances as of February 28, 2022	$ 3,944,766,171	$ -	$ 3,944,766,171

(i) Includes $67,710,324 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of $0.

There was a large increase in the net OPEB liability mainly due to the increase in the changes of assumptions and service cost. This increase was due to the municipal bond index rates decreasing from fiscal year 2021 to fiscal year 2022.

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

Harris County:	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	$ 4,736,172,197	$ 3,944,766,171	$ 3,317,304,332

Toll Road	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability	$ 204,470,271	$ 169,902,366	$ 142,547,334

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates. The following presents the Total OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Harris County:	1% Decrease[a]	Trend Rate	1% Increase[b]
Total OPEB liability	$ 3,159,543,963	$ 3,944,766,171	$ 5,003,467,926

Toll Road:	1% Decrease[a]	Trend Rate	1% Increase[b]
Total OPEB liability	$ 135,514,911	$ 169,902,366	$ 216,334,763

[a] 4.60 percent for 2022, 4.40 percent for 2023, 4.20 percent for 2024-2069, and 3.00 percent for 2070 and later years.

[b] 6.60 percent for 2022, 6.40 percent for 2023, 6.20 percent for 2024-2069, and 5.00 percent for 2070 and later years.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At February 28, 2022, the County's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ -	$ 66,645,723
Changes in assumptions or other inputs	-	975,803,622
Total	$ -	$ 1,042,449,345

Toll Road's Allocation:	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ -	$ 3,023,820
Changes in assumptions or other inputs	-	44,273,727
Total	$ -	$ 47,297,547

Amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Harris County		Toll Road	
Year ended February 28/29:		Year ended February 28/29:	
2023	164,299,705	2023	7,454,533
2024	164,299,705	2024	7,454,533
2025	164,299,705	2025	7,454,533
2026	164,299,705	2026	7,454,533
2027	164,299,705	2027	7,454,533
2028	121,143,068	2028	5,496,449
2029	77,986,425	2029	3,538,365
2030	21,821,327	2030	990,068
	$ 1,042,449,345		$ 47,297,547

The above information includes five participating employers to the agent multiple employer defined benefit postemployment healthcare plan. Two of the employers, Community Supervision ("CS") and Emergency 911 ("911") are not considered departments or component units of the County. The net OPEB liability for CS and 911 at February 28, 2022 is $22,432,506.

The deferred inflows and outflows reported for CS and 911 at February 28, 2022 were:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ -	$ 321,653
Changes in assumptions or other inputs	-	4,709,525
Total	$ -	$ 5,031,178

Additional Disclosures

Texas Local Government Code, Chapter 175 allows 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 ("Continuation Coverage") 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. The County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same and this is not a practice the County participates in. 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.

GASB Statement No. 75 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. Accordingly, information and amounts presented in the County's Annual Comprehensive 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 the OPEB benefit.

10. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The Authority is committed under various contracts in connection with the construction of Authority facilities, buildings, and roads of $288,288,772.

Litigation and Claims

The Authority is involved in lawsuits and other claims in the ordinary course of operations. Although the outcome of such pending lawsuits and other claims are not presently determinable, management of the Authority believes that the resolution of these matters is not expected to have a materially adverse effect on the financial condition of the Authority. There are several civil cases that have resulted in settlements, consent decrees or are expected to have financial impact on the Authority in subsequent fiscal years.

Pollution Remediation

The Authority is subject to numerous Federal, State and Local environmental laws and regulations. GAAP established standards for the accounting and reporting of obligations incurred to address current or potential detrimental effects of existing pollution. The Authority recorded in the financial statements pollution remediation liability of $0.

METRO Agreement

An amended agreement between METRO and the County related to the Westpark Corridor was approved by Commissioners Court on May 7, 2013. Per this agreement the County is obligated to reimburse METRO for certain increased project costs if incurred. The County's liability to METRO under the agreement shall not exceed the cap of $41 million and the escalation thereof. Ad valorem taxes are irrevocably pledged to the payment.

11. TRANSFERS AND ADVANCES

Transfers out in the amount of $254.0 million for fiscal year ended February 28, 2022 which consisted of transfers of surplus revenue of the HCTRA toll road system, including the annual mobility transfer, approved by Commissioners Court in accordance with the existing bond indenture and Section 284.0031, Transportation Code, to pay or finance costs of roads, streets, highways, or other related facilities that are not part of the Authority's toll road system.

12. REVENUE LEASES

Operating Leases

The Authority was the lessor in a lease for signage. In the current year, there was lease revenue recognized in the amount of $8,640.

13. RECENT ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 87, *Leases* ("GASB 87"), requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB 87 will be implemented by the County in fiscal year 2023 and the impact has not yet been determined.

GASB Statement No. 91, *Conduit Debt Obligations* – ("GASB 91"), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 will be implemented by the County as of the year ended September 30, 2022 and the impact has not yet been determined.

GASB Statement No. 92, *Omnibus 2020* – ("GASB 92"), The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Except what was implemented as of February 28, 2021, GASB 92 will be implemented by the County as of the year ended September 30, 2022 and the impact has not yet been determined.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* – ("GASB 93"), Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB 93 will be implemented by the County as of the year ended September 30, 2022 and the impact has not yet been determined.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – ("GASB 94"), the primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. GASB 94 will be implemented by the County in fiscal year September 30, 2023 and the impact has not yet been determined.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*– ("GASB 96"), This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. GASB 96 will be implemented by the County in fiscal year ending September 30, 2023 and the impact has not yet been determined.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* – ("GASB 97"), The primary objectives of this

Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Except what was implemented as of February 28, 2021, GASB 97 will be implemented by the County as of the year ended September 30, 2022 and the impact has not yet been determined.

GASB Statement No. 99, *Omnibus 2022* – ("GASB 99"), objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. GASB 99 related to PPP's and SBITA's will be implemented by the County in the fiscal year ending September 30, 2023 and the requirements guarantees and reporting of derivative instruments will be implemented by the County in the fiscal year ending September 30, 2024 and the impact has not yet been determined.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statements No. 62* – ("GASB 100"), The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB 100 will be implemented by the County as of the year ended September 30, 2024 and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* – ("GASB 101"), The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB 101 will be implemented by the County as of the year ended September 30, 2025 and the impact has not yet been determined.

14. SUBSEQUENT EVENTS

In January 2021, Commissioners Court approved changing the fiscal year for Harris County and the Harris County Flood Control District from a fiscal year ending February 28/29 to a fiscal year ending September 30, with the transition to begin in calendar year 2022. This change necessitates a seven-month stub reporting period. Accordingly, Harris County, the Harris County Flood Control District and the Authority's next financial reporting period will be for the seven-months ending September 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
A DEPARTMENT OF HARRIS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Amounts in thousands)

	Year Ended February 28/29			
	2019	2020	2021	2022
TOTAL OPEB LIABILITY				
Service cost	$ 79,163	$ 81,736	$ 251,727	$ 209,843
Interest cost	70,460	74,038	69,221	91,781
Difference between expected and actual experience	-	-	85,687	-
Effect of assumption changes or inputs	-	733,663	397,977	215,789
Benefit payments	(55,161)	(58,457)	(62,087)	(67,710)
Net change in total OPEB liability	94,462	830,980	742,525	449,703
Total OPEB liability, beginning	1,827,096	1,921,558	2,752,538	3,495,063
Total OPEB liability, ending (a)	$ 1,921,558	$ 2,752,538	$ 3,495,063	$ 3,944,766
FIDUCIARY NET POSITION				
Employer contributions	$ 55,161	$ 58,457	$ 62,087	$ 67,710
Benefit payments	(55,161)	(58,457)	(62,087)	(67,710)
Net change in fiduciary net position	-	-	-	-
Fiduciary net position, beginning	-	-	-	-
Fiduciary net position, ending (b)	$ -	$ -	$ -	$ -
Net OPEB liability, ending = (a) - (b)	$ 1,921,558	$ 2,752,538	$ 3,495,063	$ 3,944,766
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 1,042,892	$ 1,112,112	$ 1,164,474	$ 1,195,886
Net OPEB liability as a % of covered payroll	184.25%	247.51%	300.14%	329.86%

Notes to schedule

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

The above schedule represents Harris County's Net OPEB Liability as a whole.

The County implemented GASB 75 in fiscal year 2019. Information prior to fiscal year 2019 is not available; therefore, ten years of data will accumulate over time.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX MEASUREMENT YEARS
(Amounts in thousands)

	Year Ended December 31						
	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service cost	$ 131,567	$ 149,334	$ 146,841	$ 148,122	$ 151,462	$ 163,444	$ 199,137
Interest on total pension liability	411,525	437,989	468,982	496,916	524,085	553,564	583,779
Effect of plan changes	(28,883)	-	-	-	-	-	-
Effect of assumption changes or inputs	51,149	-	10,614	-	-	440,283	4,607
Effect of economic/demographic gains	(7,458)	(27,493)	(6,851)	(8,053)	11,006	19,026	(8,769)
Benefit payments/refunds of contributions	(220,100)	(238,220)	(263,941)	(288,552)	(321,909)	(347,776)	(382,113)
Net change in total pension liability	337,800	321,610	355,645	348,433	364,644	$ 828,541	$ 396,641
Total pension liability, beginning	5,113,052	5,450,852	5,772,462	6,128,107	6,476,540	6,841,184	7,669,725
Total pension liability, ending (a)	$ 5,450,852	$ 5,772,462	$ 6,128,107	$ 6,476,540	$ 6,841,184	$ 7,669,725	$ 8,066,366
FIDUCIARY NET POSITION							
Employer contributions	$ 132,346	$ 136,391	$ 142,896	$ 149,663	$ 167,499	$ 182,824	$ 189,304
Member contributions	66,878	68,371	71,869	72,343	77,914	85,012	88,129
Investment income net of investment expenses	(30,646)	349,499	733,526	(107,132)	908,411	656,508	1,509,284
Benefit payments/refunds of contributions	(220,100)	(238,220)	(263,941)	(288,552)	(321,909)	(347,776)	(382,113)
Administrative expenses	(3,419)	(3,799)	(3,797)	(4,443)	(4,844)	(5,068)	(4,504)
Other	363	(7,961)	(605)	(1,386)	(1,750)	(1,963)	(1,049)
Net change in fiduciary net position	(54,578)	304,281	679,948	(179,507)	825,321	569,537	1,399,051
Fiduciary net position, beginning	4,781,059	4,726,481	5,030,762	5,710,710	5,531,203	6,356,524	6,926,061
Fiduciary net position, ending (b)	$ 4,726,481	$ 5,030,762	$ 5,710,710	$ 5,531,203	$ 6,356,524	$ 6,926,061	$ 8,325,112
Net pension liability/(asset), ending = (a) - (b)	$ 724,371	$ 741,700	$ 417,397	$ 945,337	$ 484,660	$ 743,664	$ (258,746)
Fiduciary net position as a % of total pension liability	86.71%	87.15%	93.19%	85.40%	92.92%	90.30%	103.21%
Pension covered payroll	$ 953,501	$ 974,217	$ 1,020,708	$ 1,032,142	$ 1,110,437	$ 1,211,895	$ 1,255,581
Net pension liability/(asset) as a % of covered payroll	75.97%	76.13%	40.89%	91.59%	43.65%	61.36%	-20.61%
Toll Road's Portion:							
Allocated share	3.655%	3.551%	3.761%	3.687%	3.547%	3.457%	3.220%
Employer contribution	$ 4,836,751	$ 4,843,872	$ 5,374,391	$ 5,517,510	$ 5,940,756	6,319,736	6,095,363
Net pension liability/(asset), ending	$ 26,473,095	$ 26,341,183	$ 15,698,382	$ 34,851,024	$ 17,189,553	25,706,453	(8,331,301)

Note: The County implemented GASB 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available; ten years of data will accumulate over time.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
February 28, 2022

Year Ended February 28/29	Actuarially Determined Contribution (1)	Actual Employer Contribution (1)	Contribution Deficiency (Excess)	Pensionable Covered Payroll (2)	Actual Contribution as a % of Covered Payroll
2013	83,215,181	83,215,181	-	779,898,383	10.7%
2014	92,818,576	98,731,288	(5,912,712)	840,350,352	11.7%
2015	106,802,688	110,837,562	(4,034,874)	871,490,916	12.7%
2016	132,345,738	128,702,142	3,643,596	925,999,776	13.9%
2017	132,006,399	137,799,357	(5,792,958)	984,281,203	14.0%
2018	140,449,509	143,768,463	(3,318,954)	1,021,330,992	14.1%
2019	148,112,422	152,053,334	(3,940,912)	1,041,771,836	14.6%
2020	157,570,971	169,342,839	(11,771,868)	1,121,475,025	15.1%
2021	180,814,784	185,368,474	(4,553,690)	1,227,928,655	15.1%
2022	189,304,375	190,456,110	(1,151,735)	1,261,574,010	15.1%

Toll Road is an enterprise fund of the County and is included in the above table. The following table contains Toll Road specific information:

Year Ended February 28/29	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	3,970,459	4,112,878	(142,419)	32,340,485	12.7%
2016	4,836,615	4,696,207	140,408	33,788,248	13.9%
2017	4,843,872	4,905,697	(61,825)	35,040,708	14.0%
2018	5,374,391	5,410,071	(35,680)	38,434,810	14.1%
2019	5,517,510	5,562,930	(45,420)	38,120,469	14.6%
2020	5,940,756	5,994,354	(53,598)	39,711,011	15.1%
2021	6,319,736	6,330,209	(10,473)	41,922,038	15.1%
2022	6,095,363	6,101,690	(6,327)	40,412,464	15.1%

Additional years for the Toll Road Authority will be added as they become available.

(1) TCDRS calculated actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

(2) Payroll is calculated based on contributions as reported to TCDRS for the fiscal year.

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18.5 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset valuation method	5-year smoothed market

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
February 28, 2022

Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.50%, net of investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: Employer contributions reflect that the member contribution rate was increased to 7%. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule.

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


HARRIS COUNTY
TEXAS

OTHER INFORMATION

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
Traffic Count Table
For the Fiscal Years Ended February 28/29
Schedule 1
(Unaudited)

Component/Segment (a)	2018	2019	2020	2021 (c)	2022
Hardy Toll Road-North	23,661,347	25,954,394	27,133,093	17,482,032	25,733,847
Hardy Toll Road-South	27,997,532	30,394,189	31,349,380	18,020,039	28,151,054
Sam Houston Tollway-South	80,160,824	84,072,730	84,766,812	70,947,261	87,856,146
Sam Houston Tollway-Central	64,033,070	65,579,347	65,432,094	53,118,468	66,203,205
Sam Houston Tollway-North	78,570,993	83,394,523	84,882,096	71,793,756	86,962,566
Sam Houston Ship Channel Bridge	19,752,143	20,535,981	20,618,900	17,197,670	21,346,309
Sam Houston Tollway-North/East	27,231,577	29,897,740	31,693,019	28,650,612	36,018,557
Sam Houston Tollway-East	28,911,425	30,340,844	29,845,978	24,725,798	30,745,492
Sam Houston Tollway-South/East	34,911,415	37,488,978	38,340,883	34,045,308	43,184,077
Sam Houston Tollway-South/West	44,167,107	47,493,405	49,058,170	42,486,196	52,861,714
Westpark Tollway	53,849,498	55,024,767	55,040,590	43,279,703	59,716,443
Fort Bend Parkway Extension (Spur 90A)	4,950,818	5,508,510	5,799,850	4,377,608	5,492,986
Katy Managed Lanes (b)	34,747,966	35,262,441	33,174,279	15,361,123	28,610,665
Tomball Tollway	17,653,728	18,992,828	19,989,976	19,783,085	26,589,442
Total	540,599,443	569,940,677	577,125,120	461,268,659	599,472,503

(a) Some transactions occurred during toll waiver periods as approved by Commissioners Court.
(b) Katy Managed Lanes include High Occupancy Vehicle non-toll transactions.
(c) The significant decrease from 2020 to 2021 is due to the COVID-19 pandemic impact.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
Toll Rate Schedule
Schedule 2
(Unaudited)

Toll Rate Schedule Effective as of September 12, 2015

	Cash/Attended/Automatic Coin Machine Lanes [a]	EZ TAG Lanes [b]
Two Axle Vehicles		
Sam Houston Tollway and Hardy Toll Road Plazas	$ 1.00 - 1.75	$ 0.50 - 1.50
Sam Houston Ship Channel Bridge	N/A	$1.50
Westpark Tollway	N/A	$ 0.40 - 1.50
Fort Bend Parkway Extension (Spur 90A)	$1.75	$1.50
Katy Managed Lanes	N/A	$ 0.30 - 3.20
Tomball Tollway [c]	N/A	$ 0.50 - 1.50
Three to Six Axle Vehicles		
Sam Houston Tollway and Hardy Toll Road Plazas	$ 1.25 - 8.75	$ 1.25 - 8.75
Sam Houston Ship Channel Bridge	N/A	$ 3.50 - 8.75
Westpark Tollway	N/A	$ 1.00 - 8.75
Fort Bend Parkway Extension (Spur 90A)	N/A	$ 3.50 - 8.75
Katy Managed Lanes	N/A	$7.00
Tomball Tollway [c]	N/A	$ 1.25 - 8.75

(a) This column consolidates the columns "Attended Lanes" and "Exact Change Lanes" in previously published versions of Schedule 2.

(b) These rates do not include amounts charged for toll violations.

(c) In September 2019, the Tomball Tollway Phase 2 opened up two new ramps with toll rates that conformed with rates approved by Commissioners Court on July30, 219 that conformed with rates established on existong sections

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
Toll Road Selected Financial Information
For the Fiscal Years Ended February 28/29
Schedule 3
(Unaudited)

	2018 (Restated)	2019	2020	2021	2022
Operating Revenues					
Toll revenues	$ 740,272,353	$ 828,453,739	$ 854,849,072	$ 551,278,046	$ 808,931,881
Intergovernmental revenues	-	1,403,438	-	-	-
Total Operating Revenues	740,272,353	829,857,177	854,849,072	551,278,046	808,931,881
Operating Expenses					
Salaries	97,121,258	70,363,249	73,982,379	84,322,777	74,372,273
Materials and supplies	19,098,352	17,767,336	13,044,999	16,626,507	26,143,034
Services and fees	125,440,763	143,268,214	159,654,875	143,149,145	164,090,917
Utilities	3,241,369	3,184,914	3,157,418	2,443,633	3,267,504
Transportation and travel	4,843,908	5,361,808	5,432,970	2,636,579	3,639,196
Depreciation	104,186,939	94,687,285	91,575,141	76,551,284	109,661,003
Total Operating Expenses	353,932,589	334,632,806	346,847,782	325,729,925	381,173,927
Income from Operations	386,339,764	495,224,371	508,001,290	225,548,121	427,757,954
Nonoperating Revenues					
Investment income	13,472,769	35,980,673	41,977,195	11,028,413	3,289,821
Lease revenues	18,900	19,260	12,915	8,640	8,640
Miscellaneous Income	1,060,384	2,210,729	4,311,958	1,158,968	2,571,734
Gain on disposal of capital assets	-	-	-	22,789	56,208
Total Nonoperating Revenues	14,552,053	38,210,662	46,302,068	12,218,810	5,926,403
Nonoperating Expenses					
Interest expense	69,830,904	81,292,582	80,383,865	73,769,602	83,303,263
Bond Issuance Costs	3,403,805	68,216	696,525	2,937,367	34,537
Amortization expense	4,568,131	4,346,946	4,055,218	4,056,039	3,487,377
Other nonoperating expenses	1,006,771	2,106,007	6,106,568	-	-
Total Nonoperating Expenses	78,809,611	87,813,751	91,242,176	80,763,008	86,825,177
Net Income Before Contributions and Transfers Out	322,082,206	445,621,282	463,061,182	157,003,923	346,859,180
Transfers Out (a)	(127,615,000)	(135,000,000)	(136,866,977)	(545,148,289)	(253,954,915)
Change in Net Position	$ 194,467,206	$ 310,621,282	$ 326,194,205	$(388,144,366)	$ 92,904,265

(a) Commissioners Court annually authorizes the transfer of Harris County Toll Road Authority net income for funding of County thoroughfares that enhance traffic flow to current and proposed toll facilities and to increase mobility.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
Historical Toll Road Operating Results and Coverages
Schedule 4
(Unaudited)

Fiscal Year Ended	Project Revenues	(a) Other Earnings	Debt Service Senior & 1st Lien Revenue Bonds (c)	Coverage Ratio On Senior & 1st Lien Revenue Bonds	(b) O & M Expenses	Revenues Available For Unlimited Subordinate Lien Tax Bonds	Debt Service Tax Bonds	Coverage Ratio On Unlimited Subordinate Lien Tax Bonds
2013	560,079,182	27,721,804	139,230,673	4.222	126,516,150	322,054,163	84,627,966	3.806
2014	609,965,677	5,293,713	147,728,476	4.165	136,373,150	331,157,764	73,812,290	4.486
2015	688,920,884	20,493,426	141,159,484	5.026	154,740,075	413,514,751	82,855,667	4.991
2016	759,275,927	18,979,897	142,199,571	5.473	203,809,584	432,246,669	58,516,811	7.387
2017	774,025,958	26,195,433	148,479,580	5.389	215,238,531	436,503,280	42,799,012	10.199
2018	740,272,353	14,522,053	148,108,962	5.096	184,590,613	422,094,831	41,737,732	10.113
2019	828,453,739	37,403,371	162,106,225	5.341	208,141,566	495,609,319	41,187,050	12.033
2020	854,849,072	41,990,110	158,131,539	5.671	226,793,851	511,913,792	40,622,562	12.602
2021	551,278,046	11,037,053	156,572,551	3.591	226,169,213	179,573,335	40,049,775	4.484
2022	808,931,881	5,926,403	182,769,421	4.458	241,622,422	390,466,441	28,930,612	13.497

(a) Total investment income less interest revenue from the Office Building. Includes lease revenue income and intergovernmental income.

(b) O&M expenses are from TRA Operations and Maintenance funds.

(c) The Debt Service Senior Lien Revenue amount for fiscal years 2013-2015 has been restated to include swap interest and certain other interest payments that were not previously included, to reflect debt service as defined in the bond indentures.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
Revenues by Toll Road Components/Segments
For the Fiscal Years Ended February 28/29
Schedule 5
(Unaudited)

Component/Segment (a)	**2018**	**2019**	**2020**	**2021**	**2022**
Hardy Toll Road-North	$ 31,570,462	$ 39,120,204	$ 40,617,925	$ 24,849,542	$ 40,482,057
Hardy Toll Road-South (b)	34,312,141	41,896,623	42,946,953	23,854,633	41,476,186
Sam Houston Tollway-South	103,138,124	115,451,242	115,747,311	83,248,148	120,574,460
Sam Houston Tollway-Central	88,779,628	98,646,087	97,750,459	70,099,960	101,735,211
Sam Houston Tollway-North	105,575,595	121,075,315	122,846,069	90,148,025	129,143,357
Sam Houston Ship Channel Bridge	29,670,371	35,094,205	33,894,005	26,771,401	39,015,609
Sam Houston Tollway-East	39,478,531	45,340,402	44,351,041	32,271,153	46,928,255
Sam Houston Tollway-South/East	49,722,616	55,996,513	56,880,435	43,726,878	65,054,773
Sam Houston Tollway-South/West	56,530,097	64,949,329	66,470,743	48,895,404	72,607,308
Sam Houston Tollway-North/East	33,099,803	40,774,066	41,792,403	34,141,237	49,348,796
Westpark Tollway	58,408,950	65,204,981	66,271,270	47,193,811	73,466,948
Fort Bend Parkway Extension (Spur 90A)	6,577,661	7,998,962	8,273,271	5,707,999	8,149,768
Katy Managed Lanes	20,406,431	22,487,976	20,736,704	8,867,781	18,648,110
Tomball Tollway	22,799,853	28,327,267	29,046,504	25,223,306	37,611,849
Administration (c)	44,878,302	26,172,098	42,324,975	(33,242,723)	(67,179,469)
IOP-BancPass	926,500	9,206	-	-	-
IOP-CTRMA	(166,879)	249,762	1,012,457	783,391	1,407,012
IOP-Fort Bend County	(568,718)	4,414,336	4,657,515	3,580,328	4,751,940
IOP-KTA	(177,924)	251,434	34,808	31,769	44,123
IOP-MCTRA	6,387	194,924	91,210	784,863	1,228,090
IOP-METRO	25,594	667,998	647,665	160,008	357,013
IOP-NTTA	3,658,770	945,938	4,247,555	3,300,657	4,880,037
IOP-TTA	11,620,058	13,184,871	14,161,252	10,407,622	15,601,249
IOP-OTA	-	-	46,542	51,538	88,696
IOP - BCTRA	-	-	-	114,515	794,878
IOP - BTG	-	-	-	306,799	2,715,625
Total	$ 740,272,353	$ 828,453,739	$ 854,849,072	$ 551,278,046	$ 808,931,881

(a) IOP toll revenue is accounted for in the respective Toll Road Toll Plaza for each IOP Agency during FY 2018-FY2022. IOP toll revenue and IOP fee revenues are attributable to the Toll Interoperability Program, pursuant to various agreements.

(b) Includes toll revenues collected for the Airport Connector.

(c) During the COVID-19 emergency declaration, administrative fees associated to violations were waived and no related revenue was generated. This line consists of allowance for uncollectible accounts on toll violation (VEC) revenue administrative fees (excluding tolls), EZ tag sales fees, and other miscellaneous revenues.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
Toll Road Bonds Debt Service Requirements
Schedule 6
(Unaudited)

Fiscal	Total Toll Road Unlimited Tax & Subordinate Lien Revenue Bonds			Total Toll Road Senior & 1st Lien Revenue Bonds			Total Toll Road Bonds Debt Service		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	$ 20,240,000	$ 8,449,022	$ 28,689,022	$ 64,035,000	$ 93,358,194	$ 157,393,194	$ 84,275,000	$ 101,807,216	$ 186,082,216
2024	20,700,000	7,384,903	28,084,903	67,315,000	90,074,444	157,389,444	88,015,000	97,459,347	185,474,347
2025	21,165,000	6,297,059	27,462,059	70,770,000	86,622,319	157,392,319	91,935,000	92,919,378	184,854,378
2026	12,070,000	5,430,338	17,500,338	74,400,000	82,993,069	157,393,069	86,470,000	88,423,407	174,893,407
2027	12,090,000	4,796,138	16,886,138	76,700,000	79,240,569	155,940,569	88,790,000	84,036,707	172,826,707
2028	12,115,000	4,160,756	16,275,756	79,800,000	75,353,069	155,153,069	91,915,000	79,513,825	171,428,825
2029	12,135,000	3,524,194	15,659,194	83,895,000	71,260,694	155,155,694	96,030,000	74,784,888	170,814,888
2030	12,160,000	2,886,450	15,046,450	88,195,000	66,958,444	155,153,444	100,355,000	69,844,894	170,199,894
2031	12,185,000	2,247,394	14,432,394	92,715,000	62,435,694	155,150,694	104,900,000	64,683,088	169,583,088
2032	12,210,000	1,607,025	13,817,025	100,155,000	57,613,944	157,768,944	112,365,000	59,220,969	171,585,969
2033	12,240,000	965,213	13,205,213	105,295,000	52,477,694	157,772,694	117,535,000	53,442,907	170,977,907
2034	12,265,000	321,956	12,586,956	110,475,000	47,293,419	157,768,419	122,740,000	47,615,375	170,355,375
2035	-	-	-	115,645,000	42,125,942	157,770,942	115,645,000	42,125,942	157,770,942
2036	-	-	-	120,860,000	36,910,469	157,770,469	120,860,000	36,910,469	157,770,469
2037	-	-	-	69,320,000	32,465,100	101,785,100	69,320,000	32,465,100	101,785,100
2038	-	-	-	60,660,000	29,724,325	90,384,325	60,660,000	29,724,325	90,384,325
2039	-	-	-	63,035,000	27,360,575	90,395,575	63,035,000	27,360,575	90,395,575
2040	-	-	-	52,005,000	25,009,275	77,014,275	52,005,000	25,009,275	77,014,275
2041	-	-	-	53,970,000	22,669,800	76,639,800	53,970,000	22,669,800	76,639,800
2042	-	-	-	48,540,000	20,345,450	68,885,450	48,540,000	20,345,450	68,885,450
2043	-	-	-	53,995,000	17,982,050	71,977,050	53,995,000	17,982,050	71,977,050
2044	-	-	-	56,360,000	15,460,825	71,820,825	56,360,000	15,460,825	71,820,825
2045	-	-	-	58,715,000	12,947,775	71,662,775	58,715,000	12,947,775	71,662,775
2046	-	-	-	61,155,000	10,447,125	71,602,125	61,155,000	10,447,125	71,602,125
2047	-	-	-	63,490,000	7,866,475	71,356,475	63,490,000	7,866,475	71,356,475
2048	-	-	-	65,990,000	5,204,725	71,194,725	65,990,000	5,204,725	71,194,725
2049	-	-	-	52,695,000	2,832,025	55,527,025	52,695,000	2,832,025	55,527,025
2050	-	-	-	25,325,000	1,350,025	26,675,025	25,325,000	1,350,025	26,675,025
2051	-	-	-	23,435,000	441,650	23,876,650	23,435,000	441,650	23,876,650
Total	$ 171,575,000	$ 48,070,448	$ 219,645,448	$ 2,058,945,000	$ 1,176,825,164	$ 3,235,770,164	$ 2,230,520,000	$ 1,224,895,612	$ 3,455,415,612

TOLL ROAD AUTHORITY ENTERPRISE FUND
OF HARRIS COUNTY, TEXAS
OUTSTANDING TOLL ROAD TAX BONDS
Schedule 7
(Unaudited)

The Series 1997 and Series 2007C Tax Bonds are collectively referred to as the "Toll Road Tax Bonds".

Issue	Date Issued	Outstanding Principal Amount at February 28, 2022
Harris County, Texas, Toll Road Unlimited Tax and Subordinate Lien Revenue Bonds, Series, 1997	August 1997	$ 26,005,000
Harris County, Texas, Toll Road Unlimited Tax and Subordinate Lien Revenue Refunding Bonds, Series, 2007C	August 2007	$ 145,570,000
TOTAL		$ 171,575,000

TOLL ROAD AUTHORITY ENTERPRISE FUND
OF HARRIS COUNTY, TEXAS
OUTSTANDING TOLL ROAD SENIOR & FIRST LIEN REVENUE BONDS
Schedule 8
(Unaudited)

The Series 2007B, Series 2012B, Series 2012C, Series 2015B, Series 2016A, Series 2018A, and Series 2019A are referred to as the "Senior Lien Revenue Bonds". The Series 2021 are referred to as the "First Lien Revenue Bonds".

Issue	Outstanding Principal Amount at February 28, 2022
Harris County, Texas, Toll Road Senior Lien Revenue Refunding Bonds Series 2007B	145,570,000
Harris County, Texas, Toll Road Senior Lien Revenue Refunding Bonds Series 2012B	-
Refunding Bonds Series 2012C	229,695,000
Harris County, Texas, Toll Road Senior Lien Revenue Refunding Bonds Series 2015B	153,325,000
Harris County, Texas, Toll Road Senior Lien Revenue Refunding Bonds Series 2016A	514,265,000
Harris County, Texas, Toll Road Senior Lien Revenue Refunding Bonds Series 2018A	516,245,000
Harris County, Texas, Toll Road Senior Lien Revenue Refunding Bonds Series 2019A	79,750,000
Harris County, Texas, Toll Road First Lien Revenue Refunding Bonds Series 2021	420,095,000
TOTAL	$ 2,058,945,000

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
OPERATING FUNDS BUDGET FOR THE COUNTY'S PERIOD ENDING 9/30/2022
Schedule 9
(Unaudited)

On February 8, 2022 the Commissioners Court adopted the budget for the County for the period ending 9/30/2022. The Short Fiscal Year budget included appropriations for some capital projects, which are financed from current revenues. The following is a summary of the period ending 9/30/2022 budget for the County's Current Operating Fund:

Cash Balance as of March 1, 2022	$ 1,474,473,749
Estimated Revenues:	
Ad Valorem and Miscellaneous Taxes	73,138,923
Charges for Services	162,019,250
Fines and Forfeitures	7,539,471
Intergovernmental Revenues	37,371,638
Interest	2,865,085
Other	23,257,868
Total Cash and Estimated Revenues	$ 1,780,665,984
Appropriations:	
Current Operating Expenses	$ 1,728,039,423
Capital Outlay:	
Roads	22,495,284
Parks	30,131,277
Total Appropriations	$ 1,780,665,984

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
COUNTY CAPITAL PROJECTS FUNDS BUDGETING
Schedule 10
(Unaudited)

County Capital Projects Funds are used in projects including construction of roads, office and court buildings, jails, juvenile home facilities, parks and libraries. Cash and investments on hand in the Capital Projects Funds at February 28, 2022 derived from the sale of bonds and other sources and the investment income (except investment income may be used for debt service) thereon, are designated to be spent over a period of several years for the following purposes:

Roads	$	157,613,596
Permanent Improvements		6,501,084
Flood Control		149,305,473
Total	$	313,420,153

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
COUNTY ASSESSED VALUES AND TAX RATES
(EXCEPT FLOOD CONTROL DISTRICT)
LAST TEN FISCAL YEARS
Schedule 11
(Unaudited)
(amounts in thousands)

Fiscal Year	Real Property	Personal Property	Less Exemptions (a)	Total Taxable Assessed Value	M&O Tax Rate	Debt Service Tax Rate	Total County Tax Rate
2013	$ 324,827,229	$ 57,313,966	$ 91,639,208	$ 290,501,987	0.33271	0.06750	0.40021
2014	347,626,720	62,743,816	93,848,695	316,521,841	0.34547	0.06908	0.41455
2015	384,362,133	65,476,453	99,412,873	350,425,713	0.34547	0.07184	0.41731
2016	425,362,614	74,298,323	108,139,145	391,521,792	0.34547	0.07376	0.41923
2017	465,761,511	71,377,390	115,700,039	421,438,862	0.34500	0.07156	0.41656
2018	486,039,747	67,481,606	117,128,669	436,392,684	0.34500	0.07301	0.41801
2019	506,160,004	69,574,097	127,319,737	448,414,364	0.35000	0.06858	0.41858
2020	545,499,934	72,456,577	135,755,513	482,200,998	0.34174	0.06539	0.40713
2021	580,139,657	72,974,712	148,263,829	504,850,540	0.34028	0.05088	0.39116
2022	606,314,651	67,781,102	156,340,901	517,754,852	0.33500	0.04193	0.37693

(a) The majority of exemptions are made up of the optional 20% homestead property exemption. In addition, persons 65 years of age or older or disabled receive an exemption up to a maximum individual amount of $229,000.

Source: Harris County Appraisal District.

Note: Property in the County must be revalued every three years. Property is assessed at market value; therefore, the taxable values are equal to market value less applicable exemptions. Tax rates are per $100 of assessed value.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
COUNTY TAX LEVIES AND COLLECTIONS
(EXCEPT FLOOD CONTROL DISTRICT)
LAST TEN FISCAL YEARS
Schedule 12
(Unaudited)
(amounts in thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Adjusted Levy as of End of Current Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 1,160,905	$ 1,150,781	$ 1,100,588	94.8%	$ 48,329	$ 1,148,917	99.8%
2014	1,308,910	1,292,578	1,247,389	95.3%	43,235	1,290,624	99.8
2015	1,459,066	1,439,810	1,390,628	95.3%	46,104	1,436,732	99.8
2016	1,637,031	1,621,349	1,554,734	95.0%	62,864	1,617,598	99.8
2017	1,754,007	1,714,112	1,663,289	94.8%	47,121	1,710,410	99.8
2018	1,822,187	1,788,250	1,723,979	94.6%	59,597	1,783,576	99.7
2019	1,876,068	1,842,253	1,787,008	95.3%	49,658	1,836,666	99.7
2020	1,961,756	1,922,542	1,867,058	95.2%	44,017	1,911,075	99.4
2021	1,972,700	1,935,900	1,838,347	93.2%	75,891	1,914,238	98.9
2022	1,951,928	1,951,928	1,853,156	94.9%	-	1,853,156	94.9

* For reporting purposes refunds associated with a prior year are netted against the prior year collections.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts in thousands)
Schedule 13
(Unaudited)

	2022			2013		
Taxpayers	2021 Valuations (a)	Rank	Percentage of Total 2021 Taxable Valuation (b)	2012 Valuations (c)	Rank	Percentage of Total 2012 Taxable Valuation (c)
Centerpoint Energy Inc	$ 4,164,243	1	0.80%	$ 2,458,242	2	0.85%
Exxon Mobil Corp	3,915,202	2	0.76	3,049,210	1	1.05
Chevron Chemical Company	3,272,176	3	0.63	1,805,850	4	0.62
Equistar Chemicals LP	2,004,318	4	0.39	1,032,142	9	0.36
Shell Oil Co	1,634,341	5	0.32	2,146,430	3	0.74
Enterprise	1,198,256	6	0.23			
Lyondell Chemical	1,080,178	7	0.21	825,232	10	0.28
Palmetto TransOceanic LLC	1,012,329	8	0.20			
Walmart	949,463	9	0.18	815,969	11	0.28
Phillips 66 Company	861,332	10	0.17			
Liberty Property	844,577	11	0.16			
HEB Grocery Co LP	833,438	12	0.16			
OilTanking Houston	745,843	13	0.14			
Kinder Morgan	721,789	14	0.14			
One Two Three Allen Center	718,399	15	0.14			
Hines Interests Ltd Partnership				1,393,328	5	0.48
Crescent Real Estate				1,222,765	6	0.42
National Oilwell Inc				1,202,593	7	0.41
Hewlett Packard Company				1,128,141	8	0.39
Houston Refining				762,242	12	0.26
AT&T Mobility LLC				758,853	13	0.26
Halliburton Company				678,610	14	0.23
Valero Energy Corporation				571,888	15	0.20
Total	$ 23,955,884		4.63%	$ 19,851,495		6.83%

Source: Harris County Appraisal District.

(a) Amounts shown for these taxpayers do not include taxable valuations, which may be substantial, attributable to certain subsidiaries and affiliates which are not grouped on the tax rolls with the taxpayers shown.

(b) Based on the County's total taxable value as of February 28, 2022.

(c) Based on the County's total taxable value as of February 28, 2013.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
COUNTY TAX DEBT OUTSTANDING
Schedule 14
(Unaudited)

	County's Total Outstanding Tax Debt (a)
Limited Tax Debt	$ 804,462,125
Unlimited Tax Debt	530,775,000
Flood Control	347,755,000
Toll Road Tax Bonds	171,575,000
Total	$ 1,854,567,125
Less: Toll Road Tax Bonds	(171,575,000)
Total (Approximately 0.26% of 2021 Assessed Value)	$ 1,682,992,125

(a) Excluding Flood Control District debt of $584,900,000 paid for by the District's ad valorem tax revenues. Amounts expressed at gross value, not considering unamortized premium or discount or accretion of capital appreciation bonds.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
COUNTY HISTORICAL TAX DEBT OUTSTANDING
Schedule 15
(Unaudited)

The following table sets forth the County's ad valorem tax debt outstanding, as of the end of the Fiscal years 2013-14 through 2021-2022.

Fiscal Year	County's Debt Outstanding (a) (thousands)	Taxable Value (b) (thousands)	Outstanding as a Percentage of Taxable Value	Estimated Population (c)	Debt Outstanding Per Capita
2013	$ 2,825,047	$ 290,501,987	0.97	4,253,700	$ 664
2014	2,713,804	316,521,841	0.86	4,336,853	626
2015	2,765,888	350,425,713	0.79	4,441,370	623
2016	2,759,388	391,521,792	0.70	4,538,028	608
2017	2,606,518	421,438,862	0.62	4,589,928	568
2018	2,484,769	436,392,684	0.57	4,652,980	534
2019	2,299,408	448,414,364	0.51	4,698,619	489
2020	2,105,487	482,200,998	0.44	4,713,325	447
2021	1,863,677	504,850,540	0.37	4,746,600	393
2022	1,307,364	517,754,852	0.25	4,728,030	277

(a) Includes debt paid for by the County's ad valorem tax revenues.

(b) Taxable values are net of exemptions and abatements. Property is assessed at 100% of appraised value.

(c) Source: Bureau of the Census.

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
SCHEDULE OF COUNTY-WIDE AD VALOREM TAX DEBT SERVICE REQUIREMENTS
SCHEDULE 16
(Unaudited)
(amounts in thousands)

Fiscal	Limited Tax Debt			Unlimited Tax Debt			Toll Road Unlimited Tax & Subordinate Lien Revenue Bonds			Flood Control (a)			Total County-Wide Tax Debt		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	70,305	35,906	106,211	41,080	25,749	66,829	20,240	8,449	28,689	40,695	42,548	83,243	172,320	112,652	284,972
2024	55,781	45,062	100,843	31,230	23,528	54,758	20,700	7,385	28,085	44,275	38,964	83,239	151,986	114,939	266,925
2025	80,092	43,072	123,164	49,380	22,003	71,383	21,165	6,297	27,462	46,015	36,813	82,828	196,652	108,185	304,837
2026	48,459	39,568	88,027	50,845	19,571	70,416	12,070	5,430	17,500	50,675	34,973	85,648	162,049	99,542	261,591
2027	60,210	25,016	85,226	51,225	17,029	68,254	12,090	4,796	16,886	52,675	32,551	85,226	176,200	79,392	255,592
2028	61,465	21,983	83,448	51,640	14,468	66,108	12,115	4,161	16,276	54,245	29,918	84,163	179,465	70,530	249,995
2029	42,740	33,311	76,051	52,190	11,886	64,076	12,135	3,524	15,659	55,985	27,205	83,190	163,050	75,926	238,976
2030	37,420	16,945	54,365	42,345	9,276	51,621	12,160	2,887	15,047	55,780	24,406	80,186	147,705	53,514	201,219
2031	39,125	15,050	54,175	40,245	7,159	47,404	12,185	2,247	14,432	43,855	21,617	65,472	135,410	46,073	181,483
2032	40,895	13,103	53,998	40,875	5,147	46,022	12,210	1,607	13,817	28,260	19,763	48,023	122,240	39,620	161,860
2033	38,545	11,070	49,615	16,815	3,163	19,978	12,240	965	13,205	29,670	18,350	48,020	97,270	33,548	130,818
2034	17,570	9,698	27,268	17,645	2,340	19,985	12,265	322	12,587	31,065	16,960	48,025	78,545	29,320	107,865
2035	18,420	8,849	27,269	18,505	1,476	19,981	-	-	-	32,420	15,603	48,023	69,345	25,928	95,273
2036	19,310	7,960	27,270	1,990	570	2,560	-	-	-	33,840	14,186	48,026	55,140	22,716	77,856
2037	18,385	7,026	25,411	2,030	530	2,560	-	-	-	35,200	12,833	48,033	55,615	20,389	76,004
2038	19,225	6,182	25,407	2,070	490	2,560	-	-	-	36,605	11,425	48,030	57,900	18,097	75,997
2039	20,100	5,322	25,422	2,110	448	2,558	-	-	-	38,070	9,960	48,030	60,280	15,730	76,010
2040	20,990	4,423	25,413	2,150	406	2,556	-	-	-	39,465	8,558	48,023	62,605	13,387	75,992
2041	21,895	3,516	25,411	2,195	363	2,558	-	-	-	25,580	7,104	32,684	49,670	10,983	60,653
2042	12,760	2,570	15,330	2,240	317	2,557	-	-	-	26,350	6,337	32,687	41,350	9,224	50,574
2043	13,195	2,137	15,332	2,290	269	2,559	-	-	-	27,270	5,414	32,684	42,755	7,820	50,575
2044	13,620	1,713	15,333	2,340	218	2,558	-	-	-	28,385	4,298	32,683	44,345	6,229	50,574
2045	9,910	1,221	11,131	2,395	165	2,560	-	-	-	29,550	3,137	32,687	41,855	4,523	46,378
2046	10,255	879	11,134	2,445	111	2,556	-	-	-	30,760	1,927	32,687	43,460	2,917	46,377
2047	7,540	525	8,065	2,500	56	2,556	-	-	-	15,965	668	16,633	26,005	1,249	27,254
2048	6,250	250	6,500	-	-	-	-	-	-	-	-	-	6,250	250	6,500
Total	804,462	362,357	1,166,819	530,775	166,738	697,513	171,575	48,070	219,645	932,655	445,518	1,378,173	2,439,467	1,022,683	3,462,150

(a) Includes Flood Control District debt paid for by the District's ad valorem tax revenues and debt paid for by the County's ad valorem tax revenues as a result of refunded commercial paper.

TOLL ROAD AUTHORITY ENTERPRISE FUND
OF HARRIS COUNTY, TEXAS
COUNTY-WIDE AUTHORIZED BUT UNISSUED BONDS
Schedule 17
(Unaudited)
(Amounts in Thousands)

As of February 28, 2022, the following County-wide ad valorem tax bonds authorized by the voters at elections held in September 1983, November 1999, November 2007, November 2015, and August 2018 remain unissued.

The Table reflects the County's use of voted authority when it issues general obligation commercial paper notes pursuant to its Series B (parks and libraries), Series C (roads and bridges), Series D (parks and libraries) and Series D-3 (roads and bridges) programs.

County Ad Valorem Tax Bonds		
Limited Tax:		
Civil Justice Center	$ 33,000	
Parks	39,181	
Forensic Lab	5,180	
Family Law Center	70,000	
Total Limited Tax Bonds		$ 147,361
Unlimited Tax:		
Road Bonds	619,880	
Total Unlimited Tax Bonds		619,880
Combination Unlimited Tax and Revenue:		
Toll Roads	15,148	
Total Unlimited Tax and Revenue Bonds		15,148
Harris County Flood Control District Limited Tax Bonds		1,952,000
Total Harris County Ad Valorem Tax Bonds		2,734,389
Total Authorized but Unissued Bonds		$2,734,389

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
COUNTY GENERAL FUND BALANCES
LAST TEN FISCAL YEARS (modified accrual basis of accounting)
Schedule 18
(amounts in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Harris County General Fund:										
Nonspendable	$ 4,463	$ 5,134	$ 6,805	$ 7,958	$ 8,733	$ 8,406	$ 9,325	$ 13,053	$ 5,193	$ 6,702
Restricted	347,309	429,372	462,289	530,903	546,614	512,963	532,074	533,152	994,738	781,834
Committed	2,847	2,508	-	-	-	-	-	-	-	73,236
Assigned	24,013	14,622	16,833	27,856	23,822	50,988	40,139	31,299	27,414	56,832
Unassigned	189,799	355,857	549,705	782,372	1,008,332	1,162,835	1,287,968	1,473,158	1,379,658	1,297,205
Total General Fund	$ 568,431	$ 807,493	$ 1,035,632	$ 1,349,089	$ 1,587,501	$ 1,735,192	$ 1,869,506	$ 2,050,662	$ 2,407,003	$ 2,215,809

TOLL ROAD AUTHORITY ENTERPRISE FUND OF HARRIS COUNTY, TEXAS
FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Schedule 19
(Unaudited)

	Full-time Equivalent Employees as of February 28/29									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Administration of Justice	8,723	9,290	9,625	9,768	9,824	10,275	10,181	10,909	11,194	11,115
Parks	675	700	805	867	892	913	924	899	613	587
County Administration	2,957	3,021	3,166	3,280	3,406	3,460	3,481	3,054	3,222	3,331
Health and Human Services	1,326	1,334	1,369	1,432	1,450	1,488	1,487	1,622	1,582	1,653
Flood Control	290	300	291	287	293	290	316	325	331	347
Tax Administration	340	349	348	368	353	368	365	418	382	377
Roads and Bridges	536	550	448	451	563	568	542	659	489	364

Note: (1) As of February 28, 2022, it is estimated that approximately 3,742 of the County's employees were members of various labor organizations, some of which are unions affiliated with the AFL-CIO. The County does not maintain collective bargaining agreements with any unions.

(2) This schedule represents the number of County employees at the end of each fiscal year.