Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas

Independent Auditor's Report and Financial Statements

September 30, 2024 and 2023



Parkland

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
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September 30, 2024 and 2023

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Independent Auditor's Report

The Board of Managers
Dallas County Hospital District
d/b/a Parkland Health
Dallas, Texas

Opinions

We have audited the financial statements of the business-type activities, the aggregate discretely presented component units and the fiduciary activities of Dallas County Hospital District d/b/a Parkland Health (Parkland), collectively a component unit of Dallas County, Texas, as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Parkland's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Parkland, the aggregate discretely presented component units, and the fiduciary activities of Parkland, as of September 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Parkland Foundation, a discretely presented component unit of Parkland, which represents 8.9% and 11.8% of the total assets, 26.0% and 36.2% of the net position and 1.5% and 1.3% of the operating revenues of the aggregate discretely presented component units as of and for the years ended September 30, 2024 and 2023, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Parkland Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits 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 Parkland, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Parkland's ability to continue as a going concern for 12 months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Parkland'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 Parkland's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents 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.

Forvis Mazars, LLP

Dallas, Texas
February 3, 2025

Introduction

Our discussion and analysis of Parkland Health (Parkland) financial performance (excluding affiliates) provides an overview of the financial activities for the fiscal years that ended on September 30, 2024 (FY24), 2023 (FY23) and 2022 (FY22). Please use in conjunction with Parkland's basic financial statements.

Quality, Safety, Outcomes & Efficiencies

- Recognitions & Awards
    - Parkland received *U.S. News & World Report*'s recognition as a "Best Regional Hospital for Equitable Access." This new U.S. News designation recognizes hospitals that excel in quality and provide substantial access to care to socioeconomically disadvantaged patients. The hospital is one of just a few dozen medical centers in the country that U.S. News honored with this recognition in June 2024.
    - In a region as large as North Texas, combating worsening health outcomes for mothers and their babies requires more than just medical expertise—it takes a community effort. The Parkland Healthy Start Program is a prime example that when it comes to nurturing families, it truly takes a village. The Parkland program is a federally funded initiative designed to address the many challenges faced by expecting and new mothers and fathers in the Dallas area. With a goal of reducing disparities in maternal and infant health, the program provides comprehensive services that extend beyond traditional healthcare. For more than three decades, experts at Parkland have been focused on reducing infant mortality and improving health outcomes for women before, during and after a pregnancy. Now in its 30th year, the Parkland Healthy Start Program is expanding its reach to serve 33 ZIP Codes within Dallas County.
    - Parkland Health earned The Joint Commission's Sustainable Healthcare Certification (SHC) by prioritizing environmental sustainability through decarbonization efforts. The certification demonstrates Parkland's achievement in establishing structure, rigor and accountability to accelerate these efforts. Parkland was recognized for its accomplishments in greenhouse gas reductions in the categories of energy, waste, and desflurane. This award follows comprehensive assessments of the health system's practices, engagement of cross-departmental teams, and implementation of innovative strategies that not only align with its commitment to environmental stewardship but also enhance the quality-of-care Parkland provides.
    - Vic Summers, Parkland Senior Vice President & Chief Audit Executive, was named Outstanding Internal Auditor by *D CEO* at their 2024 Financial Executive Awards. His contributions to risk management and direct oversight of the audit team have helped grow Parkland Health over his more than 35 years of service.

Financial Highlights

- Parkland bonds have a Moody's rating of Aa2 and S&P rating of AA in 2024.

Financial Analysis

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position:

These statements report information about Parkland's resources and its activities that describe the financial results of the fiscal years presented, and Parkland's financial position at the end of each year.

Net position is the difference between assets, deferred inflows and outflows, and liabilities. Over time, increases or decreases in Parkland's net position are one indicator of whether Parkland's financial health is improving or deteriorating. Other non-financial factors, such as changes in Parkland's patient base; measures of the quality of services provided; and local, state, and federal economic factors are also considered.

Table 1: Summary Statement of Net Position

	2024	2023	Dollar Change	Percentage Change
Assets				
Current assets	$ 1,510,756	$ 1,500,567	$ 10,189	0.7%
Capital assets, net	1,572,906	1,600,915	(28,009)	-1.7%
Lease assets, net	32,086	37,497	(5,411)	-14.4%
Subscription assets, net	31,931	22,743	9,188	40.4%
Noncurrent assets and deferred outflows of resources	815,052	711,202	103,850	14.6%
Total assets and deferred outflows of resources	$ 3,962,731	$ 3,872,924	$ 89,807	2.3%
Liabilities				
Long-term debt outstanding	$ 545,657	$ 564,365	$ (18,708)	-3.3%
Lease liabilities	37,454	42,350	(4,896)	-11.6%
Subscription liabilities	22,036	10,213	11,823	115.8%
Other liabilities and deferred inflows of resources	1,193,859	1,233,478	(39,619)	-3.2%
Total liabilities and deferred inflows of resources	1,799,006	1,850,406	(51,400)	-2.8%
Net Position				
Net investment in capital assets	1,025,609	1,039,255	(13,646)	-1.3%
Restricted	242	1,693	(1,451)	-85.7%
Unrestricted	1,137,874	981,570	156,304	15.9%
Total net position	2,163,725	2,022,518	141,207	7.0%
Total liabilities, deferred inflows of resources and net position	$ 3,962,731	$ 3,872,924	$ 89,807	2.3%

	2023	2022	Dollar Change	Percentage Change
Assets				
Current assets	$ 1,500,567	$ 1,490,129	$ 10,438	0.7%
Capital assets, net	1,600,915	1,623,222	(22,307)	-1.4%
Lease assets, net	37,497	41,049	(3,552)	-8.7%
Subcription assets, net	22,743	50,430	(27,687)	-54.9%
Noncurrent assets and deferred outflows of resources	711,202	353,459	357,743	101.2%
Total assets and deferred outflows of resources	$ 3,872,924	$ 3,558,289	$ 314,635	8.8%
Liabilities				
Long-term debt outstanding	$ 564,365	$ 584,024	$ (19,659)	-3.4%
Lease liabilities	42,350	45,465	(3,115)	-6.9%
Subscription liabilities	10,213	38,213	(28,000)	-73.3%
Other liabilities and deferred inflows of resources	1,233,478	989,353	244,125	24.7%
Total liabilities and deferred inflows of resources	1,850,406	1,657,055	193,351	11.7%
Net Position				
Net investment in capital assets	1,039,255	1,029,855	9,400	0.9%
Restricted	1,693	2,588	(895)	-34.6%
Unrestricted	981,570	868,791	112,779	13.0%
Total net position	2,022,518	1,901,234	121,284	6.4%
Total liabilities, deferred inflows of resources and net position	$ 3,872,924	$ 3,558,289	$ 314,635	8.8%

Overall, total assets and deferred outflows of resources increased 2.3% from 2023 to 2024 and increased 8.8% from 2022 to 2023.

- Subscription assets, net increased $9,188 or 40.4% from 2023 to 2024 as a result of new software contracts entered into by Parkland in 2024. Lease assets, net decreased $5,411 or 14.4% due to lease terms ending in 2024 which were not renewed. Subscription assets, net decreased $27,687 or 54.9% from 2022 to 2023 as a result of a significant number of contracts ending in 2023 and

therefore being fully amortized. Lease assets, net decreased $3,552 or 8.7% due to lease terms ending in 2023 which were not renewed.

- Noncurrent assets and deferred outflows of resources increased $103,850 or 14.6% from 2023 to 2024 primarily due to an increase in long-term investments ($128,093 or 60%). Noncurrent assets and deferred outflows of resources increased $357,743 or 101.2% from 2022 to 2023 due to an increase in amounts internally designated for capital purchases after 2024 ($207,705 or 1,389.3%) and in an increase in deferred outflows of resources associated with pension ($131,335 or 93.7%).
- Liabilities and deferred inflows of resources decreased $51,400 or 2.8% from 2023 to 2024 due to the decrease in lease liabilities as a result of lease terms ending in 2024 which were not renewed. Liabilities and deferred inflows of resources increased $193,351 or 11.7% from 2022 to 2023 primarily due to changes in the net pension liability and related deferred inflows of resources described more fully in *Note 7*.

Table 2: Summary of Revenues, Expenses and Changes in Net Position

	2024	2023	2022
Operating revenues:			
Net patient services	$ 1,487,648	$ 1,344,189	$ 1,275,141
Government programs	586,174	635,879	643,599
Other	278,289	260,975	218,210
Total operating revenues	2,352,111	2,241,043	2,136,950
Operating expenses:			
Salaries, wages, and benefits	1,737,180	1,716,160	1,516,493
Purchased medical services	325,387	315,944	284,646
Supplies and other	577,066	542,705	507,500
Pharmaceuticals	374,386	312,709	286,227
Depreciation and amortization	121,347	120,366	120,355
Total operating expenses	3,135,366	3,007,884	2,715,221
Operating loss	(783,255)	(766,841)	(578,271)
Nonoperating revenues and expenses, net	924,325	885,426	811,290
Capital contributions	137	2,699	2,481
Change in net position	141,207	121,284	235,500
Net position – beginning of year	2,022,518	1,901,234	1,665,734
Net position – end of year	$ 2,163,725	$ 2,022,518	$ 1,901,234

Overall, operating revenues increased 5.0% from 2023 to 2024 and 4.9% from 2022 to 2023.

- Net patient services revenue increased 10.7% and 5.4% during the years ended September 30, 2024 and 2023, respectively, due to increase in volumes and increased Medicaid reimbursement through the Comprehensive Hospital Increase Reimbursement Program (CHIRP), discussed more fully in *Note 1*.
- Government program revenue decreased $49,705 or 7.8% from 2023 to 2024 due to 1115 Transformation Waiver uncompensated care reimbursement. Government program revenue decreased $7,720 or 1.2% from 2022 to 2023.
- Other operating revenues increased $17,314 or 6.6% from 2023 to 2024 and increased $42,765 or 19.6% from 2022 to 2023. The changes in both years were due primarily to an increase in revenue generated from Parkland's replacement drug program.

Operating expenses increased $127,482 or 4.2% from 2023 to 2024 and $292,663 or 10.8% from 2022 to 2023.

- Salaries, wages, and benefits increased $21,020 or 1.2% from 2023 to 2024 and $199,667 or 13.2% from 2022 to 2023 primarily due to increase in labor rates and contract labor driven by staffing constraints during both years.
- Purchased medical services increased $9,443 or 3% from 2023 to 2024 and $31,298 or 11% from 2022 to 2023 due to a progressing increase in patient volumes to pre-pandemic volumes and the associated increase in the costs of caring for unfunded and underfunded patients.
- Pharmaceuticals increased $61,677 or 19.74% between 2023 to 2024 and $26,482 or 9.3% between 2022 to 2023 primarily due to increased pricing from vendors and supply chains challenges.

Overall, Parkland's operating loss increased $16,414 or 2.1% from 2023 to 2024 and increased $188,570 or 32.6% from 2022 to 2023 due to the items mentioned above. As the only public hospital in Dallas, Parkland receives ad valorem tax revenues to subsidize the cost of services provided to uninsured patients who qualify for tax-supported care. Although the expenses incurred to provide these services are recognized as operating expenses, accounting principles generally accepted in the United States of America (GAAP) require that ad valorem tax revenues be reported as nonoperating revenues.

Nonoperating revenues and expenses increased $38,899 or 4.4% from 2023 to 2024. This change was primarily driven by changes in grants and contributions and investment income. In 2024, grants and contributions increased $15,970 and investment income increased $35,139. Nonoperating revenues and expenses increased $74,136 or 9.1% from 2022 to 2023. This change was primarily driven by changes in ad valorem tax revenues and investment income. In 2023, ad valorem tax revenues increased $49,188 and investment income increased $72,337.

Hospital Patient Volumes

Patient volumes at Parkland are measured on an inpatient and outpatient basis. Changes in volumes for the years ending September 30, are as follows:

	2024	2023	Change	Percentage Change
Inpatient discharges	37,221	36,162	1,059	2.9%
Emergency services visits	250,796	246,944	3,852	1.6%
Outpatient visits	1,231,618	1,171,784	59,834	5.1%

	2023	2022	Change	Percentage Change
Inpatient discharges	36,162	33,793	2,369	7.0%
Emergency services visits	246,944	235,435	11,509	4.9%
Outpatient visits	1,171,784	1,213,316	(41,532)	-3.4%

Table 3: Capital and Lease Assets

At the end of fiscal years 2024 and 2023, Parkland had $1.64 billion and $1.66 billion, respectively, in capital, lease, and subscription assets, net of accumulated depreciation and amortization, as detailed in the notes to the financial statements. The components of Parkland's capital, lease, and subscription assets are as follows:

	2024	2023	Dollar Change	Percentage Change
Capital Assets				
Buildings	$ 1,694,810	$ 1,682,946	$ 11,864	0.7%
Construction in progress	42,355	27,681	14,674	53.0%
Land and improvements	142,482	142,482	-	0.0%
Equipment	953,110	923,912	29,198	3.2%
	2,832,757	2,777,021	55,736	2.0%
Lease Assets				
Buildings	55,312	54,372	940	1.7%
Subcription Assets	59,319	77,053	(17,734)	-23.0%
Accumulated depreciation and amortization	(1,310,465)	(1,247,291)	(63,174)	5.1%
Capital, lease, and subscription assets, net	$ 1,636,923	$ 1,661,155	$ (24,232)	-1.5%

	2023	2022	Dollar Change	Percentage Change
Capital Assets				
Buildings	$ 1,682,946	$ 1,673,270	$ 9,676	0.6%
Construction in progress	27,681	23,162	4,519	19.5%
Land and improvements	142,482	142,482	-	0.0%
Equipment	923,912	876,670	47,242	5.4%
	2,777,021	2,715,584	61,437	2.3%
Lease Assets				
Buildings	54,372	51,569	2,803	5.4%
Subcription Assets	77,053	78,225	(1,172)	-1.5%
Accumulated depreciation and amortization	(1,247,291)	(1,130,677)	(116,614)	10.3%
Capital, lease, and subscription assets, net	$ 1,661,155	$ 1,714,701	$ (53,546)	-3.1%

Overall, capital, lease, and subscription assets, net, decreased 1.5% from 2023 to 2024. Capital, lease and subscription assets, net, decreased 3.1% from 2022 to 2023.

Table 4: Debt Financing

Bond - financed debt decreased $18.7 million due to principal payments made in 2024 and the amortization of premiums. No new debt was issued in 2024 or 2023.

(Amounts in thousands)

	2024	2023	2022
Taxable Series 2009C Bonds	$ 390,605	$ 405,790	$ 409,205
Tax Exempt 2013 Bonds, including premium	-	-	1,275
Tax Exempt 2019 Bonds, including premium	155,051	158,575	173,544
	$ 545,656	$ 564,365	$ 584,024

Economic Factors

Parkland's Board of Managers and management continue to monitor and consider many factors that have direct or indirect impact on future operations. These include:

- Dallas County's population growth, including growth in the number of uninsured that fall under Parkland's mission;
- Federal and state government funding programs, including Medicare, Medicaid, the 1115 Transformation Waiver, disproportionate share, and other supplemental Medicaid funding programs such as CHIRP HARP.

Significant Financial Practices

Parkland has adopted financial practices designed to maintain its creditworthiness and to position Parkland to carry out its constitutionally defined mission of providing health care to the residents of Dallas County, as well as its fiduciary responsibility to the taxpayers of Dallas County. Those practices are as follows:

- **Assets Limited To Use**
  The Board of Managers sets aside funds for both long-term stability and capital improvements.

- **Monthly Financial Reporting**
  The Board of Managers meets monthly and reviews the financial statements from the prior month. This information is presented to show actual monthly and year-to-date revenues and expenses compared to budget and the prior year. Management provides explanations for significant variances.

- **Pay-As-You-Go Capital Funding**
  Historically, Parkland has maintained the practice of funding capital items under a pay-as-you-go process. In November 2008, Dallas County voters approved the necessary tax increase to issue bonds to partially fund the new Parkland Hospital. In September 2009, Parkland issued $705 million in voter-approved bonds for use in the construction of a new Parkland Hospital. In December 2013, Parkland issued an additional $38.3 million in bonds for continued construction costs for the new Parkland Hospital. Except for the construction of the new hospital campus, Parkland has continued its practice of pay-as-you-go capital funding for routine capital expenditures.

- **Budget Process**
  The operating and capital budgets are proposed by Parkland management and endorsed by the Board of Managers. Final approval is obtained from the Dallas County Commissioners Court. The budgets remain in effect for the entire fiscal year.

Contacting Parkland's Financial Management

This financial report is designed to provide our taxpayers, creditors, patients, and suppliers with a general overview of Parkland's finances and to show Parkland's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact:

By Mail:
Parkland Health
5200 Harry Hines
Dallas, Texas 75235
Attention: Richard Humphrey, Executive Vice President and Chief Financial Officer

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Statements of Net Position
September 30, 2024 and 2023
(In Thousands)

	2024				2023			
		Discretely Presented Component Units				Discretely Presented Component Units		
ASSETS	**Parkland Health**	**Parkland Community Health Plan, Inc. 12/31/23**	**Parkland Center for Clinical Innovation**	**Parkland Foundation**	**Parkland Health**	**Parkland Community Health Plan, Inc. 12/31/22**	**Parkland Center for Clinical Innovation**	**Parkland Foundation**
Current Assets								
Cash and cash equivalents	$ 746,126	$ 243,464	$ -	$ 32,166	$ 538,663	$ 111,593	$ -	$ 26,612
Restricted cash	12,884	-	-	-	35,997	-	-	-
Short-term investments	202,712	-	-	8,623	256,572	-	-	6,307
Assets limited to use	114,570	-	-	-	39,800	-	-	-
Ad valorem taxes receivable, less allowance for uncollectible taxes of $24,696 in 2024 and $23,332 in 2023	6,107	-	-	-	4,953	-	-	-
Patient accounts receivable, less allowance for uncollectible accounts $417,595 in 2024 and $437,282 in 2023	223,962	55,653	-	-	198,512	50,550	-	-
Due from affiliates	5,312	-	-	-	7,891	-	-	-
Due from third-party reimbursement programs	4,555	-	-	-	30,651	-	-	-
Government programs receivable	68,008	-	-	-	280,765	-	-	-
Other receivables	51,029	8,512	652	1,984	31,598	8,256	498	2,526
Inventories and other assets	75,491	-	89	107	75,165	-	132	34
Total Current Assets	1,510,756	307,629	741	42,880	1,500,567	170,399	630	35,479
Capital assets, net	1,572,906	-	3,944	-	1,600,915	-	5,327	-
Lease assets, net	32,086	-	362	-	37,497	-	455	-
Subscription assets, net	31,931	-	75	-	22,743	-	155	-
Leases receivable	4,009	-	-	-	4,251	-	-	-
Long-term investments	340,887	165,435	660	2,533	212,794	115,790	-	2,266
Assets limited to use	209,413	-	-	-	222,655	-	-	-
Other noncurrent assets	36,568	-	52	1,118	-	-	389	1,384
Total Assets	3,738,556	473,064	5,834	46,531	3,601,422	286,189	6,956	39,129
Deferred Outflows of Resources - Pension Related	224,175	-	-	-	271,502	-	-	-
Total Assets & Deferred Outflows of Resources	$ 3,962,731	$ 473,064	$ 5,834	$ 46,531	$ 3,872,924	$ 286,189	$ 6,956	$ 39,129

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Statements of Net Position
September 30, 2024 and 2023
(In Thousands)

(Continued)

	2024				2023			
		Discretely Presented Component Units				Discretely Presented Component Units		
LIABILITIES AND NET POSITION	**Parkland Health**	**Parkland Community Health Plan, Inc. 12/31/23**	**Parkland Center for Clinical Innovation**	**Parkland Foundation**	**Parkland Health**	**Parkland Community Health Plan, Inc. 12/31/22**	**Parkland Center for Clinical Innovation**	**Parkland Foundation**
Current Liabilities								
Accounts payable and accrued expenses	$ 386,964	$ 306,302	$ 1,345	$ 88	$ 380,115	$ 180,807	$ 1,402	$ 39
Due to affiliates	-	7,009	28,829	2,303	-	10,945	25,264	1,017
Government programs liability	31,455	-	-	-	27,933	-	-	-
Intergovernmental transfer obligation	12,884	-	-	-	35,997	-	-	-
Current portion long term debt	16,375	-	-	-	15,835	-	-	-
Current portion of lease liabilities	6,509	-	89	-	6,002	-	112	-
Current portion of subscription liabilities	15,202	-	51	-	7,877	-	60	-
Interest payable	4,675	-	-	-	4,362	-	-	-
Other current liabilities	25,075	-	315	484	26,318	-	262	1,926
Total Current Liabilities	499,139	313,311	30,629	2,875	504,439	191,752	27,100	2,982
Net pension liability	694,955	-	-	-	731,441	-	-	-
Other noncurrent liabilities	25,406	-	-	-	20,815	-	-	-
Due to affiliates, noncurrent	-	-	10,308	-	-	-	9,768	-
Long term debt	529,282	-	-	-	548,530	-	-	-
Lease liabilities, noncurrent	30,945	-	527	-	36,348	-	617	-
Subscription liabilities, noncurrent	6,834	-	-	-	2,336	-	52	-
Total Liabilities	1,786,561	313,311	41,464	2,875	1,843,909	191,752	37,537	2,982
Deferred Inflows of Resources								
Pension related	8,679	-	-	-	2,456	-	-	-
Leases	3,766	-	-	-	4,041	-	-	-
Total Deferred Inflows of Resources	12,445	-	-	-	6,497	-	-	-
Total Liabilities & Deferred Inflows of Resources	1,799,006	313,311	41,464	2,875	1,850,406	191,752	37,537	2,982
Net Position								
Net investment in capital assets	1,025,609	-	(6,491)		1,039,255	-	(3,856)	-
Restricted	242	-	-	39,445	1,693	-	-	32,590
Unrestricted	1,137,874	159,753	(29,139)	4,211	981,570	94,437	(26,725)	3,557
Total Net Position	2,163,725	159,753	(35,630)	43,656	2,022,518	94,437	(30,581)	36,147
Total Liabilities and Net Position	$ 3,962,731	$ 473,064	$ 5,834	$ 46,531	$ 3,872,924	$ 286,189	$ 6,956	$ 39,129

See Notes to Financial Statements

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Statements of Revenues, Expenses and Changes in Net Position
Years Ended September 30, 2024 and 2023
(In Thousands)

	2024				2023			
		Discretely Presented Component Units				Discretely Presented Component Units		
	Parkland Health	Parkland Community Health Plan, Inc. 12/31/23	Parkland Center for Clinical Innovation	Parkland Foundation	Parkland Health	Parkland Community Health Plan, Inc. 12/31/22	Parkland Center for Clinical Innovation	Parkland Foundation
Operating Revenues								
Net patient services	$ 1,487,648	$ -	$ -	$ -	$ 1,344,189	$ -	$ -	$ -
Government programs	586,174	-	-	-	635,879	-	-	-
Premiums	-	1,136,350	-	-	-	1,086,450	-	-
Other	278,289	-	7,220	16,970	260,975	-	7,258	14,489
Total operating revenues	2,352,111	1,136,350	7,220	16,970	2,241,043	1,086,450	7,258	14,489
Operating Expenses								
Salaries, wages, and benefits	1,737,180	-	9,047	-	1,716,160	-	8,581	-
Purchased medical services	325,387	-	-	-	315,944	-	-	-
Supplies and other	577,066	113,749	1,996	13,148	542,705	110,996	2,065	15,505
Pharmaceuticals	374,386	-	-	-	312,709	-	-	-
Depreciation and amortization	121,347	-	2,242	-	120,366	-	3,216	-
Claims	-	996,859	-	-	-	1,025,116	-	-
Total operating expenses	3,135,366	1,110,608	13,285	13,148	3,007,884	1,136,112	13,862	15,505
Operating Income (Loss)	(783,255)	25,742	(6,065)	3,822	(766,841)	(49,662)	(6,604)	(1,016)
Nonoperating Revenues (Expenses)								
Ad valorem tax support	816,393	-	-	-	806,924	-	-	-
Gain (loss) on sale of assets	28	-	401	-	(230)	-	-	-
Grants and contributions	52,045	-	1,197	-	36,075	-	1,631	-
Build America Bonds subsidy and investment income	106,580	16,767	-	3,236	71,441	881	-	1,907
Interest expense	(27,914)	-	(582)	-	(28,784)	-	(530)	-
Other nonoperating revenue and expense	(22,807)	22,807	-	-	-	-	-	-
Total nonoperating revenues and expenses	924,325	39,574	1,016	3,236	885,426	881	1,101	1,907
Net Income (Loss) Before Capital Contributions	141,070	65,316	(5,049)	7,058	118,585	(48,781)	(5,503)	891
Capital contributions	137	-	-	451	2,699	-	-	307
Change in Net Position	141,207	65,316	(5,049)	7,509	121,284	(48,781)	(5,503)	1,198
Net position – beginning of year	2,022,518	94,437	(30,581)	36,147	1,901,234	143,218	(25,078)	34,949
Net position – end of year	$ 2,163,725	$ 159,753	$ (35,630)	$ 43,656	$ 2,022,518	$ 94,437	$ (30,581)	$ 36,147

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Statements of Cash Flows
Years Ended September 30, 2024 and 2023
(In Thousands)

	2024	2023
Cash Flows from Operating Activities		
Receipts from third-party payors and patients	$ 1,489,057	$ 1,309,143
Payments to suppliers	(1,315,479)	(1,156,803)
Payments to employees	(1,719,261)	(1,642,852)
Other receipts	268,780	256,476
Gross receipts from Local Provider Participation Fund	444,057	428,389
Gross payments for Local Provider Participation Fund	(470,322)	(452,992)
Receipts from government programs	803,094	721,128
Net cash used in operating activities	(500,074)	(537,511)
Cash Flow from Noncapital Financing Activities		
Ad valorem taxes	779,042	768,340
Grants and contributions	52,572	34,757
Other payments	(22,807)	-
Net cash provided by noncapital financing activities	808,807	803,097
Cash Flows from Capital and Related Financing Activities		
Receipt of property taxes for debt service	36,197	37,132
Capital contributions	137	2,699
Purchases of capital assets	(59,144)	(63,253)
Proceeds from sale of capital assets	125	314
Interest paid on long-term debt, lease liabilities and subscription liabilities	(30,474)	(32,752)
Principal payments on long-term debt	(15,835)	(16,410)
Principal payments made on lease liabilities	(5,836)	(8,445)
Principal payments made on subscription liabilities	(24,850)	(29,182)
Principal payments received on leases receivable	242	628
Build America Bond subsidy	7,457	7,547
Net cash used in capital and related financing activities	(91,981)	(101,722)
Cash Flows from Investing Activities		
Interest received	82,520	61,674
Investments:		
Purchases	(654,246)	(1,194,172)
Maturities	542,778	1,018,871
Change in designated assets	(4,905)	835
Net cash used in investing activities	(33,853)	(112,792)
Increase in Cash and Cash Equivalents	182,899	51,072
Cash and Cash Equivalents, Beginning of Year	576,353	525,281
Cash and Cash Equivalents, End of Year	$ 759,252	$ 576,353

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Statements of Cash Flows **(Continued)**
Years Ended September 30, 2024 and 2023
(In Thousands)

	2024	2023
Reconciliation of Operating Loss to		
Net Cash Used in Operating Activities		
Operating loss	$ (783,255)	$ (766,841)
Depreciation and amortization	121,347	120,366
Provision for amounts due from affiliate	1,266	2,810
Change in operating assets and liabilities:		
Patient accounts receivable	(25,450)	(21,519)
Other receivables, inventories and other assets	(60,338)	(46,602)
Due to/from affiliates	1,313	(1,379)
Accounts payable and accrued expenses	5,644	54,770
Third-party reimbursement and other government obligations	219,262	52,127
Other current liabilities	(1,243)	1,435
Deferred outflows - pension	47,327	(131,335)
Net pension liability	(36,486)	347,183
Deferred inflows - pension	6,223	(154,058)
Deferred inflows - leases	(275)	352
Other noncurrent liabilities	4,591	5,180
Net cash used in operating activities	$ (500,074)	$ (537,511)
Supplemental Cash Flows Information		
Unpaid purchases of capital assets in accounts payable and accrued expenses	$ 6,177	$ 4,972
Lease obligations incurred for lease assets	$ 940	$ 5,330
Subscription liabilities incurred for subscription assets	$ 36,673	$ 1,182
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents listed on the statements of net position	$ 746,126	$ 538,663
Restricted cash listed on the statements of net position	12,884	35,997
Cash and cash equivalents included in assets limited as to use	242	1,693
	$ 759,252	$ 576,353

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Statements of Fiduciary Net Position
Dallas County Hospital District Retirement Income Plan
September 30, 2024 and 2023
(In Thousands)

	2024	2023
ASSETS		
Investments:		
Cash and cash equivalents	$ 13,815	$ 19,662
Domestic equities	598,480	489,231
Non-U.S. equities	332,073	287,070
Emerging market equities	68,961	48,613
Domestic fixed income	470,861	381,620
Non-U.S. fixed income	26,360	23,274
Real estate	154,691	178,832
Total investments	1,665,241	1,428,302
Receivables:		
Accrued interest and dividends	2,718	2,099
Investments sold but not settled	21	4
Total receivables	2,739	2,103
Total assets	$ 1,667,980	$ 1,430,405
LIABILITIES		
Accrued administrative expenses	$ 589	$ 509
Investments purchased but not settled	2,259	3,211
Total liabilities	$ 2,848	$ 3,720
Net Position Restricted for Pensions	**$ 1,665,132**	**$ 1,426,685**

Refer to the audited financial statements for the **Dallas County Hospital District Retirement Income Plan** which has a December 31 fiscal year-end at www.parklandhospital.com.

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Statements Changes in Fiduciary Net Position
Dallas County Hospital District Retirement Income Plan
September 30, 2024 and 2023
(In Thousands)

	2024	2023
Additions		
Contributions:		
Employer contributions	$ 83,701	$ 74,800
Employee contributions	61,227	53,924
Total contributions	144,928	128,724
Investment earnings (losses):		
Net appreciation (depreciation) in fair value of investments	159,404	(235,686)
Interest	11,879	8,989
Dividends	5,321	4,531
Other	2,058	1,969
Investment management expense	(3,486)	(3,362)
Net investment earnings	175,176	(223,559)
Total additions	320,104	(94,835)
Deductions		
Benefit payments to participants	68,970	63,258
Refunds to former participants	12,413	14,103
Administrative expenses and other	274	250
Total deductions	81,657	77,611
Net Increase (Decrease) in Plan Net Position	238,447	(172,446)
Net Position Restricted for Net Pensions:		
Beginning of year	1,426,685	1,599,131
End of year	**$ 1,665,132**	**$ 1,426,685**

Refer to the audited financial statements for the **Dallas County Hospital District Retirement Income Plan** which has a December 31 fiscal year-end at www.parklandhospital.com.

Note 1. Organization and Significant Accounting Policies

Organization

The Dallas County Hospital District, d/b/a Parkland Health (Parkland), is a political subdivision of the state of Texas (State), and is a discretely presented component unit of Dallas County, Texas. Components of the Dallas County Hospital District are Parkland Health (Parkland); the Parkland Community Health Plan, Inc. (Health Plan); the Parkland Foundation (Foundation); and Parkland Center for Clinical Innovation (PCCI). As an essential government function of Dallas County, Parkland is generally exempt from federal income taxes under Section 115 of the Internal Revenue Code. However, Parkland is subject to federal income tax on any unrelated business taxable income. Parkland also holds dual status as a 501(c)(3) organization. During 2024 and 2023, all income was related to essential government functions. Parkland, PCCI, and the Foundation have fiscal years ending September 30. The Health Plan's fiscal year ends December 31.

Parkland operates 744 inpatient beds, 97 neonatal beds, numerous outpatient clinics, and an emergency department. Parkland also operates the Community Oriented Primary Care clinics and Acute Response Clinics in the community. Additionally, Parkland serves as the major teaching hospital for the UT Southwestern Medical Center at Dallas (UT Southwestern) in accordance with an affiliation agreement effective September 1, 2006. Parkland also manages the Dallas County Jail health system. The Dallas County Jail is the ninth largest jail in the nation with an average population of 6,404 inmates in 2024.

Parkland acquired the licenses and operations of twelve nursing homes in February 2015, seventeen nursing homes in April 2018, and seven nursing homes in September 2019. One home exited the program in September 2019. Two additional nursing homes were acquired effective May 1, 2020. The arrangement improves the continuity of care for Parkland's patients by allowing Parkland to track their nursing home care. The arrangement also gives uninsured patients easier access to nursing home beds, rather than extended stays at Parkland. Each nursing home is eligible to receive supplemental Medicaid funding with Parkland holding the operating licenses. The Texas Legislature approved the collaboration between nursing homes and public hospitals in 2013 as the state shifted its Medicaid nursing home program into managed care.

The members of Parkland's Board of Managers are appointed by the Dallas County Commissioners Court. Dallas County taxpayers provide ad valorem tax revenues to Parkland, but Dallas County does not hold title to any of Parkland's assets and does not have any rights to Parkland's surpluses. The Dallas County Commissioners Court approves Parkland's tax rate and annual budget.

The Foundation is a nonprofit corporation organized in Texas in 1985, to support and benefit Parkland exclusively. It is an organization as described in Section 501(c)(3) of the Code. The Foundation's mission is to secure substantial financial resources that advance the clinical, educational, and research endeavors of Parkland. Because these resources can only be used by, or for the benefit of Parkland, the Foundation is considered a component unit of Parkland. In addition, because Parkland is entitled to these economic resources and they are significant to Parkland, and there is no corporate member of the Foundation, the Foundation is discretely presented in Parkland's financial statements.

Financial statements for the Foundation can be obtained from the Parkland Foundation, 1341 W. Mockingbird, Suite 1100E, Dallas, Texas 75247, ATTN: President and Chief Executive Officer.

The Health Plan is a nonprofit corporation organized in Texas in 1995 and is reported as a component unit of Parkland because its Board of Directors is appointed by Parkland's Board of Managers and Parkland can impose its will on the Health Plan. It is discretely presented because its board is not substantively the same as Parkland's board, it does not provide services entirely, or almost entirely, for the benefit of Parkland, nor does it have any outstanding debt that is expected to be repaid by Parkland. It is an organization as described in Section 501(c)(4) of the Code. The Health Plan participates in the Texas Medicaid Managed Care Programs including the State of Texas Access Reform (STAR) program and the Children's Health Insurance Program (CHIP). These two programs comprised approximately 95% of premium revenue for the Health Plan for the years ended December 31, 2023 and 2022. All income of the Health Plan was related business income. Financial statements for the Health Plan can be obtained from Parkland Community Health Plan, 1341 W. Mockingbird, Suite 1150E, Dallas, Texas 75247, ATTN: Executive Director.

PCCI is a nonprofit research and development corporation organized in Texas in 2012. It is an organization as described in Section 501(c)(3) of the Code. PCCI is included in Parkland's financial statements because its Board of Directors is appointed by Parkland's Board of Managers and Parkland can impose its will on PCCI. It does not provide services entirely, or almost entirely, for the benefit of Parkland, nor does it have any outstanding debt that is expected to be repaid by Parkland. Financial statements for PCCI can be obtained from Parkland Center for Clinical Innovation, 8435 N. Stemmons Freeway, Suite 1150, Dallas, Texas 75247, ATTN: Director of Finance.

Parkland maintains the Dallas County Hospital District Retirement Income Plan (the Plan) a single-employer defined benefit pension plan. The Plan is administered by Parkland and is fiscally dependent on Parkland. The Plan is reported as a fiduciary fund in the statements and has a December 31, fiscal year-end. For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value or amortized cost. Separate financial statements of the Plan are available at www.ParklandHospital.com.

Principles of Reporting

The financial statements include the accounts of Parkland, the Health Plan, the Foundation and PCCI, as described above.

The following are transactions between Parkland and its component units:

Parkland provides certain administrative services to the Health Plan. The Health Plan pays Parkland a management fee, which is recorded as an expense for the Health Plan. The management fee revenue of $2.4 million for both the years ended 2024 and 2023 is based on Parkland's fiscal year end.

Parkland supports the Foundation by employment of all individuals performing the daily business functions of the Foundation and payments for goods and services. These costs are recognized as in-kind contributions and expenses in the Foundation's financial statements. In addition, in fiscal year 2024 and 2023, the Foundation made contributions to Parkland of $137 thousand and $2.7 million, respectively, in support of construction of the new health clinic adjacent to the hospital. These amounts were recorded in capital contributions in the statements of revenues, expenses and changes in net position. The Foundation made other contributions to Parkland of $5.7 and $7.5 million in 2024 and 2023, respectively. These contributions are recorded in grants and contributions in the statements of revenues, expenses and changes in net position.

Parkland supports PCCI by funding payments for operating expenses. In addition, in 2013, Parkland sold intellectual property associated with PCCI's software system to PCCI for $4.5 million plus accrued interest. The amounts due to Parkland by PCCI for both the intellectual property and operations, net of allowance, was $2.3 million and $0 as of September 30, 2024 and 2023, respectively.

In accordance with GASB Statement No. 84, the assets and net position of the Plan are presented separately from those of Parkland. The Plan is used to account for assets held in trust for the benefit of the employees of the System for the defined benefit pension plan. The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions to the Plan are recognized when due. Benefits are recognized when due and payable in accordance with the terms of the Plan.

Unless otherwise noted, the following footnotes do not include the Foundation, the Health Plan, PCCI or the Plan.

Significant Accounting Policies

Net position is classified into three components: invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets — This component of net position consists of capital assets, lease assets, and subscription assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any subscription liabilities, bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Unspent related debt proceeds are excluded from the calculation of net investment in capital assets.

Restricted — This component of net position consists of those assets whose use is restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or laws through constitutional provisions or enabling legislation.

Unrestricted — This component of net position consists of those assets that do not meet the definition of "restricted" or "net investment in capital assets."

Parkland uses the accrual method of accounting, whereby revenues are recognized in the accounting period when services are rendered and expenses are recognized when incurred.

Parkland is considered a governmental organization and is subject to the pronouncements of the Governmental Accounting Standards Board (GASB).

Statements of Revenues, Expenses and Changes in Net Position

For purposes of financial statement presentation, operating revenues include those generated from direct patient care and related support services. Nonoperating revenues consist of those revenues that are related to financing and investing types of activities and result from nonexchange transactions or investment income. When an expenditure is incurred for the purposes for which there are both restricted and unrestricted net position available, it is Parkland's policy to apply those expenditures to restricted net position, to the extent that such are available, and then to unrestricted net position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and 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 those estimates.

Parkland Foundation Net Position

Upon receipt, contributions, grants, and other revenue restricted by donors for specific purposes are recorded to the appropriate restricted net asset class. Restricted net assets are generally recognized as additions to unrestricted net position only to the extent that qualifying expenditures are incurred. Pledges received with substantial contingencies are not reflected in the statements of net position until the contingencies have been fulfilled.

Cash, Cash Equivalents, and Investments

Parkland considers all highly liquid investments with original maturities of less than 90 days at date of purchase to be cash equivalents. Cash and cash equivalents include demand deposits and investments in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool sponsored by the Texas Comptroller of Public Accounts and managed by Federated Investors. Additional cash and cash equivalents are kept in AAA-rated Securities and Exchange Commission-registered money market mutual funds. All Parkland demand deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities pledged to Parkland and held in safekeeping at a third-party bank on behalf of Parkland's depository institution.

Statutes give Parkland the authority to invest in obligations of the United States, as well as direct obligations of the State and other obligations guaranteed or insured by the State or the United States. The following investments are also acceptable: obligations of states, agencies, counties, or cities of any state that have been rated not less than "A" or its equivalent by a nationally recognized ratings firm, and certificates of deposit guaranteed, insured, or secured by approved investments.

Other authorized investments include prime commercial paper; Securities and Exchange Commission-registered, no-load money market mutual funds whose assets consist exclusively of approved investments; and approved local government investment pools.

Investments (including those in assets limited to use) at September 30, 2024 and 2023 are reported at fair value based on quoted market prices with realized and unrealized gains and losses included in Build America Bonds Subsidy and investment income (loss) in the statements of revenues, expenses, and changes in net position. TexPool investments are stated at cost. Obligations of the United States government with maturity dates in excess of one year that are not expected to be traded within one year are reported as long-term investments in the accompanying statements of net position.

Receivables and Payables

The carrying amount of receivables and payables is reported in the statements of net position at approximate fair value due to the short maturity of these instruments. Lease receivables are initially measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectable amounts.

Inventories

Inventories are stated at the lower of cost (determined on an average-cost basis) or market.

Capital Assets

Capital assets are recorded at cost or, if donated, acquisition value at the date of receipt. Costs of major renewals and betterments that extend useful lives are capitalized, while maintenance and repairs are charged to current operations. Assets with a purchase price of $5,000 or more are capitalized and assets with a purchase price of less than $5,000 are expensed. Disposals are removed at carrying cost, less accumulated depreciation and amortization, with any resulting gain or loss included in other nonoperating revenue or expense. Depreciation and amortization is recorded on the straight-line method over the estimated useful lives of the assets. Estimated useful lives for buildings and land improvements are 10 to 40 years and for equipment 3 to 20 years.

Parkland evaluates long-lived assets regularly for impairment under the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* (GASB 42). If circumstances suggest that assets may be impaired, an assessment of recoverability is performed prior to any write-down of assets. If an asset's estimated fair value is below its carrying value an impairment is recorded. There was no impairment recognized in 2024 or 2023.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Parkland only recognizes lease assets related to lease arrangements with more than $5,000 of payments over the lease term.

Subscription Assets

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

Assets Limited to Use

Resources are also set aside for board-designated purposes or self-insurance arrangements. It has been the general practice of Parkland, due to the timing of cash flows, to temporarily use board designated funds to fund operating activities.

Deferred Outflows of Resources and Deferred Inflows of Resources

Parkland reports the consumption of net position and the acquisition of net position that is attributable to future reporting periods as deferred outflows of resources and deferred inflows of resources, respectively, in a separate section of its statement of net position.

Uncompensated Care

Parkland provides services to uninsured patients who qualify for tax-supported care. The program is called Parkland Financial Assistance and is designed for Dallas County indigent patients with family incomes up to 250% of the federal poverty level and no third-party coverage, such as Medicaid, Medicare, or commercial insurance. Parkland recognized ad valorem tax revenues of approximately $816.4 million and $806.9 million in 2024 and 2023, respectively, to fund services for qualified patients and debt service obligations.

Parkland also provides services to patients who are Dallas County residents and have incomes that exceed the limit for tax-supported health care or whose income cannot be determined. Although these patients are uninsured, they do not qualify for tax-supported health care and are classified as self-pay. Certain of these patients are medically indigent. Additionally, certain of these patients have limited financial resources and are unable to pay for the services received, while others may be able to pay for some or all services received but are unwilling to do so.

Management estimates the cost of uncompensated health care by applying a ratio of overall costs to gross charges, applied to the gross uncompensated charges, which includes services provided to Medicaid beneficiaries, the uninsured and patients enrolled in other indigent programs. During the year ended September 30, 2024, the estimated cost of uncompensated care was approximately $1,415 million, of which approximately $895 million was charity care. For the year ended September 30, 2023, the estimated cost of uncompensated care was approximately $1,499 million, of which approximately $757 million was charity care.

Ad Valorem Taxes

Parkland received approximately 25% and 26% of its total revenues from ad valorem taxes in 2024 and 2023, respectively. Parkland's ad valorem taxes receivable are net of an allowance for uncollectible taxes of approximately $24.7 million and $23.3 million as of September 30, 2024 and 2023, respectively.

Current taxes are collected beginning in October of each year and become delinquent after January 31. Ad valorem tax revenue is recognized in the year for which taxes are levied. A schedule of ad valorem taxes follows:

Fiscal Year	Tax Base	Tax (per $100) Valuation	Net Tax Revenue (1)	Cost of Uncompensated Care	Cost of Uncompensated Care Over Tax
2023	$ 344,765,603	$ 0.220	$ 806,924	$ 1,499,371	$ 692,447
2024	376,185,375	0.212	816,393	1,415,483	599,090

(1) Net tax revenue includes adjustments for actual collection performance.

Disproportionate Share

The disproportionate share program is a supplemental reimbursement program for hospitals that provide a significant portion of Medicaid and indigent care services. Under program guidelines, Parkland may use the funds to benefit the indigent in either current or future periods. Parkland recognizes all funds received under the program as operating revenue in the applicable year, and any amounts relating to that year that are not yet received are included in other receivables in the accompanying statements of net position. There is no guarantee that this program will continue into future years. Total revenue recognized related to the disproportionate share program was $55.2 million and $99.4 million in 2024 and 2023, respectively. Any differences between amounts accrued at the end of the prior reporting period are included in the statements of revenues, expenses, and changes in net position in the year those differences become known. Government programs revenues were increased by $8.6 million in 2024 and $1.8 million in 2023 as a result of recognition of those differences.

1115 Transformation Waiver Funds

The 1115 Transformation Waiver began October 1, 2011. Under this waiver, the former Upper Payment Limit (UPL) programs were discontinued in favor of a reimbursement methodology that balances payment for uncompensated care costs (UC) with the need to improve quality of care for Texas recipients using Delivery System Reform Incentive Payments (DSRIP) funds. The program divides the state into 20 Regional Health Partnerships (RHPs), creating an environment where regional collaboration is essential to earn available monies. Parkland serves as an "anchor" hospital (administrative lead) for one of these regions.

On April 22, 2022, CMS approved an extension of the Waiver through September 30, 2030. The extension provides for the continuation of the UC Pool. The DSRIP program ended on September 30, 2021 and was not extended under the Waiver extension. Revenue recognized related to the 1115 Waiver was approximately $271.5 million and $345.3 million in 2024 and 2023, respectively, which is recognized as a component of government programs revenue in the statements of revenues, expenses and changes in net position. CMS has approved an expansion of directed payment programs, which transitions participating hospitals away from the DSRIP program, which are discussed more fully below.

Parkland receives supplemental payments through the Public Hospital Medicaid Graduate Medical Education (GME) program. The GME program provides reimbursement to support teaching hospitals that operate approved medical residency training programs in recognition of the higher costs incurred by teaching hospitals. Revenue recognized related to the GME program was approximately $25.8 million and $25.2 million in 2024 and 2023, respectively, and is recognized as a component of government programs revenue in the statements of revenues, expenses and changes in net position.

In 2022, Parkland began participating in the Public Hospital Augmented Reimbursement Program (HARP). HARP is a statewide supplemental program that provides Medicaid payments to certain hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service patients. The program serves as a financial transition for providers historically participating in the DSRIP program and provides additional funding to participating hospitals to assist in offsetting the cost hospitals incur while providing Medicaid services. HARP revenue was approximately $186.7 million and $124.4 million in 2024 and 2023, respectively, and is recognized as a component of government programs revenue in the statements of revenues, expenses and changes in net position.

In 2022, Parkland also began participating in the Texas Incentives for Physicians and Professional Services Program (TIPPS). TIPPS is a directed payment program for certain physician practice groups providing health care services to children and adults enrolled in the STAR, STAR+PLUS, and STAR Kids Medicaid managed care programs. Eligible physician practice groups include health-related institutions (HRIs), indirect medical education physician practice groups affiliated with hospitals and other physician practice groups. TIPPS revenue was approximately $22.6 million and $2.2 million in 2024 and 2023, respectively, and is recognized as a component of government programs revenue in the statements of revenues, expenses and changes in net position.

Parkland is also a participant in the Network Access Improvement Program (NAIP). NAIP aims to increase the availability and effectiveness of primary care for Medicaid beneficiaries by providing incentive payments to participating HRIs. Participation is voluntary and requires HRIs to create a proposal in partnership with a managed care organization (MCO). When the proposal is approved by HHSC, the costs associated with the incentive payments are added to the monthly capitation rates paid to the MCO and the MCOs are responsible for making payments to the HRIs, such as Parkland. This program runs through 2027. Revenue recognized related to NAIP was approximately $24.3 million and $34.2 million in 2024 and 2023, respectively, and is recognized as a component of other operating revenue in the statements of revenues, expenses and changes in net position.

Revenue recognized from these programs described above involve a considerable amount of judgment and are subject to audit and final reconciliation by HHSC. Parkland estimates amounts expected to be repaid based upon historical experience and existing facts and circumstances related to the supplemental funding programs. Any differences between final settlements and amounts accrued at the end of the prior reporting period are included in the statements of revenues, expenses, and changes in net position in the year those differences become known. Government programs revenues were increased by approximately $14.9 million and $33.6 million in 2024 and 2023, respectively, as a result of recognition of those differences.

Parkland also participates in the Comprehensive Hospital Increased Reimbursement Program (CHIRP), which added a quality component to the Uniform Hospital Rate Increase Program (UHRIP), a directed payment program that ended on August 31, 2021. Participating hospitals may opt into this second component. Under CHIRP, HHSC directs managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. CHIRP requires annual approval by CMS and has been approved through August 31, 2025. Revenue from UHRIP and CHIRP are recognized as a component of net patient services revenue in the statements of revenues, expenses and changes in net position.

The programs described above are subject to review and scrutiny by both the Texas Legislature and CMS, and the programs could be modified or terminated based on new legislation or regulation in future periods. The funding Parkland has historically received from these programs is not representative of funding to be received in future years.

Local Provider Participation Fund

During 2017, a Local Provider Participation Fund (LPPF) was created in Dallas County. Parkland acts as the administrator of the LPPF by assessment and collection of mandatory payments from hospitals in Dallas County. These payments are to be used to fund intergovernmental transfers representing the state's share of supplemental Medicaid funding programs.

During 2024, Parkland collected $444.1 million from the LPPF in mandatory payments and made intergovernmental transfers of approximately $470.3 million. During 2023, Parkland collected approximately $428.4 million from the LPPF in mandatory payments and made intergovernmental transfers of approximately $453.0 million. At September 30, 2024 and 2023, Parkland held approximately $12.9 million and $36.0 million, respectively, in mandatory payments.

Net Patient Services Revenue

Parkland has agreements with third-party payors that provide for reimbursement to Parkland at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between Parkland's established rates for services and the amounts reimbursed by third-party payors. Parkland's more significant third-party payors are the Medicare and Medicaid programs, which accounted for gross charges of approximately 16.0% and 21.0%, respectively, in 2024 and 16.0% and 25.1%, respectively, in 2023.

Allowances for uncollectible amounts are estimated using historical experience, current trends and policy information, aged account balances, and a collectability analysis. Net patient services revenue in the accompanying statements of revenues, expenses and changes in net position is net of contractual adjustments and bad debt provisions totaling approximately $8.4 billion and $7.9 billion for the years ended September 30, 2024 and 2023, respectively.

In accordance with provisions of the Medicare and Medicaid programs, inpatient services to Medicare and Medicaid beneficiaries are paid at prospectively determined rates per discharge based on a patient classification system utilizing clinical, diagnostic, and other factors. Medicare outpatient services are reimbursed on a prospective basis through ambulatory payment classifications, which are based on clinical resources used in performing the procedure. Medicaid outpatient services are paid based on the lower of reasonable costs or customary charges, a fee schedule, or blended rates. For certain costs, as defined by the Medicare program, including kidney acquisition and medical education, additional reimbursement is provided based on cost pass-through payments and the cost report.

Cost-reimbursable items are reimbursed to Parkland at a tentative rate, with final settlement determined after submission of annual cost reports by Parkland, which are subject to audit by the administrative contractors prior to final settlement. Any differences between final audited settlements and amounts accrued at the end of the prior reporting period are included currently in the statements of revenues, expenses, and changes in net position as an adjustment to the appropriate allowance account. Such adjustments increased net patient services revenue by $10.9 million and $11.4 million in 2024 and 2023, respectively. Parkland's cost reports have generally been audited and settled by the administrative contractors through 2019 for Medicare and 2018 for Medicaid. Cost reports for both programs are subject to certain re-openings and appeals as per federal and state regulations.

Premium Revenues

The Health Plan's premium revenues are recognized in the period in which the members of the Health Plan are entitled to receive health care services. Premiums collected in advance are deferred. Revenues for delivery supplemental payments received for Medicaid-eligible births under the Health Plan are recognized based on claims information from Texas hospitals and information from the State and include estimates for incurred, but unreported births at year-end.

Grant Revenue

Grant revenues are recognized in the period in which expenditures related to the grant are incurred or the period in which grant funds become available.

Build America Bond Interest Subsidy

Parkland issued taxable Build America Bonds (BAB) in 2009. Under the BAB program, the U.S. Treasury pays 35% of the interest payments as a subsidy to the issuer. Parkland records the interest subsidy received or receivable from the U.S. Treasury as nonoperating revenue when Parkland has met all of the eligibility criteria to receive the subsidy. Parkland recorded approximately $7.5 million of nonoperating revenue in 2024 and $7.5 million in 2023, for the BAB interest subsidy.

The BAB subsidy was reduced by 5.7% in both 2024 and 2023 as part of the federal sequestration spending reductions.

Compensated Absences

Parkland accrues an estimated liability for compensated absences as they are earned by employees based on Parkland's policy. Parkland's liability related to compensated absences was $61.6 million for 2024 and $56.0 million for 2023 and is recorded in the financial statements in accounts payable and accrued expenses.

Pharmaceutical Costs

Parkland participates in replacement pharmaceutical programs on behalf of patients who enroll and meet eligibility requirements of these programs.

Risk Management

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

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

Note 2. Deposits and Investments

As of September 30, 2024 and 2023, Parkland had deposits and investments as follows (in thousands):

	2024		2023	
Description	**Fair Value**	**Weighted-Average Days to Maturity**	**Fair Value**	**Weighted-Average Days to Maturity**
Bank deposits	$ 13,817	N/A	$ 6,885	N/A
Texpool deposits	721,926	1	561,067	1
Money market funds	23,509	1	8,401	1
Commercial paper	144,321	82	120,533	95
FNMA	57,864	2,553	62,242	2,725
FHLB	221,101	784	241,284	692
FHLMC	84,117	1,178	119,621	1,047
FFCB	169,165	1,431	74,640	623
U.S. Treasury	151,757	585	105,863	476
Municipal bonds	39,015	1,071	5,945	836
	$ 1,626,592		$ 1,306,481	

Description on Statements of Net Position

	2024	2023
Cash, restricted cash and cash equivalents	$ 759,010	$ 574,660
Assets limited to use		
Current portion	114,570	39,800
Noncurrent portion	209,413	222,655
Investments		
Short-term	202,712	256,572
Long-term	340,887	212,794
	$ 1,626,592	$ 1,306,481

Investment Maturities

	2024	2023
One year or less	$ 338,979	$ 303,080
After one through five years	413,489	401,255
After five through ten years	126,387	22,188
After ten years	11,994	12,006
	$ 890,849	$ 738,529

Estimated fair values have been determined by Parkland using appropriate valuation methodologies by third parties, quoted market prices and information available to management as of September 30, 2024 and 2023. The investments are recorded at fair value with the exception of TexPool deposits which are recorded at amortized cost. Parkland adjusts the carrying value of financial instruments classified as assets to reflect their estimated fair value. Cash and cash equivalents included in assets limited to use were $242 thousand and $1.7 million as of September 30, 2024 and 2023, respectively.

Parkland categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 are quoted prices in an active market for identical assets; Level 2 are significant other observable inputs; and Level 3 are significant unobservable inputs (Parkland does not value any of its investments using Level 3 inputs).

The following is a summary of the hierarchy of the fair value of investments of Parkland as of September 30, 2024 and 2023:

	2024 Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. Treasury securities	$ 151,757	$ -	$ 151,757
U.S. Government agency obligations	73,295	458,952	532,247
Money market funds	23,509	-	23,509
Commercial paper	-	144,321	144,321
Municipal bonds	-	39,015	39,015
Total investments and cash equivalents by fair value level	$ 248,561	$ 642,288	$ 890,849

	2023 Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. Treasury securities	$ 105,863	$ -	$ 105,863
U.S. Government agency obligations	151,795	345,992	497,787
Money market funds	8,401	-	8,401
Commercial paper	-	120,533	120,533
Municipal bonds	-	5,945	5,945
Total investments and cash equivalents by fair value level	$ 266,059	$ 472,470	$ 738,529

These amounts exclude investments in local government investment pools which are recorded at amortized cost. These investments total $721.9 million and $561.1 million as of September 30, 2024 and 2023, respectively.

Interest Rate Risk — Parkland invests in fixed-rate debt securities that primarily have average maturities of approximately one to five years. Interest rate risk is limited by the short-term nature of these investments.

Credit Risk — Parkland has a comprehensive investment policy that is designed to comply with state law and the *Texas Public Funds Investment Act*. The debt securities issued by Federal National Mortgage Association (FNMA), the Federal Home Loan Bank (FHLB) the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal Farm Credit Bank (FFCB) are rated AA+ by Standard & Poor's rating agency. TexPool's portfolio consists exclusively of U.S. government securities; repurchase agreements collateralized by U.S. government securities; and AAA-rated, no-load money market mutual funds. All bank deposits are collateralized by FDIC insurance and with securities pledged to Parkland held in safekeeping at a third-party bank on behalf of Parkland's depository institutions with the exception of $4.0 million of cash held at the individual nursing homes.

Concentration of Credit Risk — Per Parkland's investment policy, no more than 40% of the investment portfolio can be invested in any one issuer of U.S. government agencies and government-sponsored enterprises, including, but not limited to, the FNMA, the FHLB, the FHLMC and the FFCB. The largest percentage in any one issuer is invested with FHLMC at 13.6% and FHLB at 18.5% as of September 30, 2024 and 2023, respectively.

Custodial Credit Risk — Per Parkland's investment policy, all investments are held in Parkland's name in safekeeping at Parkland's trust or custodial institutions.

Investment Income

Investment income for the years ended September 30, 2024 and 2023, consisted of the following (in thousands):

	2024	2023
Investment income, including Realized gains and BAB Subsidy	$ 86,170	$ 69,870
Unrealized gain (loss) on investments	20,410	1,571
Total investment income	$ 106,580	$ 71,441

Note 3. Assets Limited to Use

Assets limited to use at September 30, 2024 and 2023, consist of the following funds which are all investments in TexPool and U.S. government-sponsored enterprises:

	2024	2023
Debt service	$ 241	$ 1,692
Designated for capital uses	314,613	251,877
Other designated	9,129	8,886
Total	323,983	262,455
Less current	(114,570)	(39,800)
Noncurrent	$ 209,413	$ 222,655

Debt service — Assets limited to use for debt service represent those assets related to the bond issues whose use is legally restricted.

Designated for capital acquisitions — Assets limited to use designated for capital acquisitions represent funds designated at the discretion of the Board of Managers for annual capital additions, as well as funding for a combination of renovations and new facilities.

Other designated — Other assets limited to use includes funds designated by the Board of Managers to fund Parkland's hospital professional liability program.

Note 4. Capital, Lease, and Subscription Assets

Capital assets activity for the years ended September 30, was:

	2024			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital Assets				
Land and improvements	$ 142,482	-	-	$ 142,482
Buildings	1,682,946	11,864	-	1,694,810
Equipment	923,912	32,380	(3,182)	953,110
Total capital assets	2,749,340	44,244	(3,182)	2,790,402
Less Accumulated Depreciation				
Land and improvements	(14,712)	(1,394)	-	(16,106)
Buildings	(366,228)	(46,077)	-	(412,305)
Equipment	(795,166)	(39,359)	3,085	(831,440)
Total accumulated depreciation	(1,176,106)	(86,830)	3,085	(1,259,851)
Net	1,573,234	(42,586)	(97)	1,530,551
Construction in progress	27,681	47,784	(33,110)	42,355
Capital Assets, Net	$ 1,600,915	$ 5,198	$ (33,207)	$ 1,572,906

	2023			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital Assets				
Land and improvements	142,482	$ -	$ -	$ 142,482
Buildings	1,673,270	26,979	(17,303)	1,682,946
Equipment	876,670	49,720	(2,478)	923,912
Total capital assets	2,692,422	76,699	(19,781)	2,749,340
Less Accumulated Depreciation				
Land and improvements	(13,318)	(1,394)	-	(14,712)
Buildings	(321,054)	(45,174)	-	(366,228)
Equipment	(757,990)	(39,996)	2,820	(795,166)
Total accumulated depreciation	(1,092,362)	(86,564)	2,820	(1,176,106)
Net	1,600,060	(9,865)	(16,961)	1,573,234
Construction in progress	23,162	65,033	(60,514)	27,681
Capital Assets, Net	$ 1,623,222	$ 55,168	$ (77,475)	$ 1,600,915

Lease assets activity for the years ended September 30, was:

	2024			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Buildings	$ 54,372	$ 940	$ -	$ 55,312
Less accumulated amortization	(16,875)	(6,351)	-	(23,226)
Lease Assets, Net	$ 37,497	$ (5,411)	$ -	$ 32,086

	2023			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Buildings	$ 51,569	$ 5,330	$ (2,527)	$ 54,372
Less accumulated amortization	(10,520)	(6,355)	-	(16,875)
Lease Assets, Net	$ 41,049	$ (1,025)	$ (2,527)	$ 37,497

Subscription assets activity for the years ended September 30, was:

	2024			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Subscription IT asset	$ 77,053	$ 36,673	$ (54,407)	$ 59,319
Less accumulated amortization	(54,310)	(27,485)	54,407	(27,388)
Subscription Assets, Net	$ 22,743	$ 9,188	$ -	$ 31,931

	2023			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Subscription IT asset	$ 78,225	$ 1,182	$ (2,354)	$ 77,053
Less accumulated amortization	(27,795)	(28,869)	2,354	(54,310)
Subscription Assets, Net	$ 50,430	$ (27,687)	$ -	$ 22,743

Note 5. Lease Receivable

Parkland leases building space and parking to various third-parties, the terms of which expire 2025 through 2088. Revenue recognized under lease contracts during the years ended September 30, 2024 and 2023, was $912 thousand and $667 thousand, respectively, which includes both lease revenue and interest.

Note 6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at September 30, 2024 and 2023, consist of the following:

	2024	2023
Accounts payable	$ 46,791	$ 40,404
Accrued expenses	211,962	212,355
Accrued payroll	109,130	94,468
Employee health care benefit liability	14,182	26,347
Other employee benefits	4,899	6,541
Total accounts payable and accrued expenses	$ 386,964	$ 380,115

The liabilities, described in the table below as of September 30, 2024 and 2023, are based on requirements that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities include estimates for both reported claims and incurred, but not reported claims. As a result of settled claims, the frequency of new claims, and other economic and social factors, claims liabilities are re-evaluated periodically.

	Balance at Beginning of Year	Current-Year Claims & Changes in Estimates	Claim Payments	Balance at End of Year
Hospital professional and general liability:				
2023	$ 12,024	$ (2,340)	$ (1,299)	$ 8,385
2024	8,385	3,565	(1,632)	10,318
Employee health care benefit liability:				
2023	$ 26,853	$ 173,883	$ (174,389)	$ 26,347
2024	26,347	194,909	(207,073)	14,183
Workers' compensation liability:				
2023	$ 5,209	$ 11,543	$ (2,411)	$ 14,341
2024	14,341	2,713	(2,313)	14,741

Hospital Professional and General Liability — Parkland is involved in certain legal actions and claims arising in the ordinary course of operations. Parkland records estimated self-insurance costs for medical malpractice and general liabilities as other current and other long-term liabilities. The estimated liability is reported in other long-term liabilities in the statements of net position.

Employee Health Care Benefit Liability — Parkland manages a self-insurance plan that provides for the payment of employee health claims. Parkland records estimated self-insurance costs for health claims as current liabilities. The amount of the estimated liability is derived from a claims modeling system. To obtain coverage, employees authorize payroll withholdings to pay the employee portion of contributions for individual and dependent coverage. Claims are paid by a third-party administrator acting on behalf of Parkland. The administrative contract between Parkland and the third-party administrator is renewable annually, and administrative fees are included in the contractual provisions. The employee health care benefit liability is reported in accounts payable and accrued expenses in the statements of net position.

Workers' Compensation Liability — Parkland maintains a self-insurance program for workers' compensation benefits, managed by a third-party administrator. Parkland records estimated self-insurance costs for workers' compensation as current liabilities. The amount provided for the estimated liability is based on settlement of claims. The estimated liability is reported in accounts payable and accrued expenses in the statements of net position.

Note 7. Retirement Plans

Defined Benefit Plan — Parkland maintains the Dallas County Hospital District Retirement Income Plan, a single-employer, defined benefit pension plan (Plan). The Plan participation as of January 1, 2024, includes 12,832 active participants, 4,812 inactive employees entitled to but not yet receiving benefits, 1,022 inactive employees with contributions owed, and 3,807 retirees and beneficiaries. The Plan is administered by the Board of Managers of Parkland. The annual payroll for employees covered by the Plan for the years ended December 31, 2023 and 2022, which is included in the actuarial valuation as of January 1, 2024 and 2023, respectively, was approximately $917.6 million and $792.7 million.

Effective January 1, 2018, employees were required to contribute 6.2% of their annual salaries to the Plan. Prior to this date, employees were required to contribute 5.5% of their annual salaries to the Plan. Parkland is required by the Plan to contribute the remaining amounts necessary to fund the Plan using actuarial methods.

Parkland's funding policy is to make periodic actuarially determined employer contributions in amounts designed to accumulate sufficient assets to pay benefits when due. The projected entry age normal method is used to determine both the funding and the pension benefit obligation.

The Plan's assets include investments reported at fair value. Investments in mutual funds, corporate equities, and fixed income securities are reported at fair value based on published market prices. Short-term money market funds are reported at cost, which approximates fair value. Investments in common collective trusts and hedge funds are reported at net asset value as a practical expedient for fair value.

Calculation of Money Weighted Rate of Return — The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long term expected rate of return.

Actuarial Methods and Assumptions

	2024	2023
Valuation date	January 1, 2024	January 1, 2023
Measurement date	December 31, 2023	December 31, 2022
Investment rate of return	6.00%	6.00%
Inflation	2.50%	2.50%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Closed, 20 years	Closed, 21 years
Amortization growth rate	4.00%	4.00%
Salary increases including inflation	Graded table	Graded table
Mortality	Separate rates using Pub-2010 Public General Mortality Tables by gender (amount-weighted) and 2024 Adj MP-2021 (generational with no adj during pandemic and long-term improvement capped at 0.78%).	Separate rates using Pub-2010 Public General Mortality Tables by gender (amount-weighted) and MP-2021 (generational with convergence to long term rate of 0.75% in 2037).

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate range of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Index	Current Allocation	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income (Agg)	Bloomberg Barclays Aggregate	30%	2.08%
US Large Cap Equity	S&P 500 TR USD	27%	3.80%
US Small & Mid Cap Equity	Russell 2500 TR USD	9%	3.97%
Non-US Equity	MSCI ACWI Ex USA NR USD	16%	5.80%
Non-US Small Cap Equity	MSCI EAFE Small Cap NR	4%	5.23%
Emerging Markets Equity	MSCI EM NR USD	4%	6.21%
Private Real Estate Property	NCREIF Property	10%	3.91%
Assumed Inflation - Mean		2.31%	2.30%
Portfolio Nominal Mean Return		7.42%	6.81%
Portfolio Standard Deviation of Annual Nominal Returns			11.66%
Long-Term Expected Rate of Return			6.00%

GASB 68 requires a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on Plan investments may be used to discount liabilities to the extent that the Plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. GASB 68 does allow for alternative evaluations of projected solvency.

The following circumstances justify an alternative evaluation of sufficiency for the Plan:

- Parkland has at least a five-year history of paying at least 100% of the actuarially determined contribution (previously termed the annual required contribution).
- The actuarially determined contribution is based on a closed amortization period, which means that payment of the actuarially determined contribution each year will bring the Plan to a 100% funded position by the end of the amortization period.
- The projections regarding future solvency assume that Plan assets earn the assumed rate of return and there are no future changes in the Plan provisions or actuarial methods and assumptions. Therefore, the projections will not reflect any adverse future experience which might impact the Plan's funded position.

Based on these circumstances, the detailed depletion date projections will show that the fiduciary net position is projected to be sufficient to cover benefit payments and administrative expenses.

Changes in the total pension liability, plan fiduciary net position and the net pension liability are:

	2024		
(in thousands)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances, beginning of year	$ 2,158,126	$ 1,426,685	$ 731,441
Changes for the year			
Service cost	80,332	-	80,332
Interest on total pension liability	131,902	-	131,902
Effect of economic/demographic gains or losses	82,722	-	82,722
Effect of assumptions changes or inputs	(11,612)	-	(11,612)
Contributions - employee	-	61,227	(61,227)
Contributions - employer	-	83,701	(83,701)
Net investment income	-	178,662	(178,662)
Benefit payments, including refunds of employee contributions	(81,383)	(81,383)	-
Administrative expenses	-	(3,760)	3,760
Net changes	201,961	238,447	(36,486)
Balances, end of year	$ 2,360,087	$ 1,665,132	$ 694,955

(in thousands)	2023 Total Pension Liability (a)	2023 Plan Fiduciary Net Position (b)	2023 Net Pension Liability (Asset) (a) - (b)
Balances, beginning of year	$ 1,984,069	$ 1,599,811	$ 384,258
Changes for the year			
Service cost	72,094	-	72,094
Interest on total pension liability	121,084	-	121,084
Effect of economic/demographic gains or losses	58,240	-	58,240
Effect of assumptions changes or inputs	-	-	-
Contributions - employee	-	53,925	(53,925)
Contributions - employer	-	74,800	(74,800)
Net investment income	-	(221,128)	221,128
Benefit payments, including refunds of employee contributions	(77,361)	(77,361)	-
Administrative expenses	-	(3,362)	3,362
Net changes	174,057	(173,126)	347,183
Balances, end of year	$ 2,158,126	$ 1,426,685	$ 731,441

Sensitivity Analysis — The following presents the net pension liability of Parkland, using the discount rate of 6.0%, as well as a calculation of the net pension liability if it were calculated using a discount rate that is one percentage point lower (5.0%) or one percentage point higher (7.0%) than the current rate.

September 30, 2024	**Decrease to 5.0%**	**Current Rate 6.0%**	**Increase to 7.0%**
Total pension liability	$ 2,705,546	$ 2,360,087	$ 2,077,436
Fiduciary net position	1,665,132	1,665,132	1,665,132
Net pension liability	1,040,414	694,955	412,304

During the years ended December 31, 2023 and 2022, $61.2 million and $53.9 million, respectively, of employee contributions were made in accordance with the contribution requirements described above. During the fiscal years ended September 30, 2024 and 2023, $63.6 million and $59.5 million, respectively, of employee contributions were made in accordance with the contribution requirements described above.

Parkland contributed approximately $83.7 million to the Plan during the year ended December 31, 2023, in accordance with contribution requirements determined by the January 1, 2023 actuarial valuation, including $14.0 million of surplus funding approved by the Board of Managers.

Parkland contributed approximately $74.8 million to the Plan during the year ended December 31, 2022, in accordance with contribution requirements determined by the January 1, 2022 actuarial valuation, including $14.0 million of surplus funding approved by the Board of Managers.

An additional $65.9 million was contributed between January 1, 2024 and September 30, 2024 and $60.7 million between January 1, 2023 and September 30, 2023. These amounts were recorded as a deferred outflows of resources at September 30, 2024 and 2023, respectively.

For the years ended September 30, 2024 and 2023, Parkland recognized pension expense of $105.9 million and $141.9 million, respectively. As of September 30, 2024 and 2023, the deferred inflows and outflows of resources are as follows:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 92,142	$ -
Changes of assumptions	2,043	8,679
Employer contributions subsequent to the measurement date	65,925	-
Net difference between projected and actual earnings on plan investments	64,065	-
	$ 224,175	$ 8,679

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 53,521	$ 70
Changes of assumptions	17,313	2,386
Employer contributions subsequent to the measurement date	60,745	-
Net difference between projected and actual earnings on plan investments	139,923	-
	$ 271,502	$ 2,456

At September 30, 2024 and 2023, Parkland reported approximately $65.9 million and $60.7 million, respectively, as deferred outflows of resources related to pensions resulting from Parkland contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at September 30, 2024 and 2023, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2024, related to pensions will be recognized in pension expense as follows:

Years Ending September 30,		
2025	$	50,238
2026		60,957
2027		56,635
2028		(18,259)
	$	149,571

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report is available on the Parkland website at ParklandHospital.com.

In 2023, the Board of Managers approved amending the Plan to end new entrants to the Plan effective January 1, 2024, with no change to the Plan for participants and beneficiaries of the Plan enrolled on or before December 31, 2023. Employees hired after December 31, 2023, are eligible to participate in a new defined contribution plan that was effective January 1, 2024.

Defined Contribution Plans — Parkland also maintains voluntary defined contribution plans covering all employees. The defined contribution plans include a 401(a), 403(b) and 457(b) plan, collectively the Supplemental Plans. The Supplemental Plans provisions and contribution requirements are established and may be amended by the Board of Managers. Eligible employees can choose to contribute up to 75% of their base salaries, subject to various terms of the Supplemental Plans and applicable tax laws. Parkland will match employees' contributions after one year of service 100%, up to 6% of their base salaries. Employees are fully vested at all times in their voluntary contributions, plus earnings thereon. Vesting in Parkland's matching contributions is based on years of service. After one year of service, employees begin vesting at the rate of 20% per year for five years. Should an employee terminate prior to vesting completely in Parkland's contributions, the unvested portion can be used to reduce Parkland's matching contributions in the aggregate.

Contributions for the year ended September 30, 2024, were approximately $40.9 million from Parkland and $92.6 million from employees. Contributions for the year ended September 30, 2023, were approximately $35.5 million from Parkland and $78.9 million from employees.

Note 8. Concentrations of Patient Accounts Receivable Credit Risk

Parkland grants credit without collateral to its patients, most of whom are Dallas County residents. The mix of receivables from patients and third-party payors, net of allowances for contractual adjustments and bad debts, as of September 30, 2024 and 2023, is as follows:

	2024		2023	
Medicaid	$ 73,368	33%	$ 55,315	28%
Medicare	78,597	35%	60,161	30%
Commercial insurance and other	70,799	32%	82,317	41%
Patients	1,198	0%	719	1%
Total	$ 223,962	100%	$ 198,512	100%

Note 9. Commitments and Contingencies

As a local governmental unit, Parkland is subject to the provisions of the Texas statute known as the Texas Tort Claims Act. Currently, Parkland's liability is limited under the Act to monetary damages in a maximum amount of $100,000 for each person, $300,000 for each single occurrence for bodily injury or death, and $100,000 for each single occurrence for injury to or destruction of property. These liability limitations apply to claims and lawsuits covered by the Texas Tort Claims Act and do not apply to other types of claims and lawsuits, including, among others, civil rights and employment related litigation.

As to litigation or other proceedings pending, or to its knowledge, threatened in any court, agency or other administrative body (either state or federal) that are not specifically disclosed in these footnotes, Parkland intends to vigorously defend these matters and pursue its counterclaims, if any. Furthermore, as to such matters Parkland is either currently unable to estimate the ultimate aggregate amount of monetary gain, loss or financial impact of these matters, or does not currently believe these proceedings will have a material adverse impact; provided, however, adverse resolution of these actions and counterclaims could have a material adverse effect on our business, financial condition or results of operations.

As of September 30, 2024, Parkland had construction commitments outstanding of $38.1 million related to various construction projects.

Note 10. Long-term Debt

Limited Tax Bonds — In 2009, Parkland issued three series of Dallas County Hospital District Limited Tax Bonds (Bonds), with a total principal amount of $705.0 million. The Tax-Exempt Series 2009A Bonds were issued with a total principal amount of $24.8 million and matured from August 15, 2015 – August 15, 2016. Taxable Series 2009B Bonds were issued with a total principal amount of $222.5 million and were refinanced on October 1, 2019 by issuing $191.4 million of Limited Tax Refunding, Series 2019 Bonds. The Taxable Series 2009C Bonds were issued with a total principal amount of $457.7 million, in accordance with provisions of the Build America Bond program and bear interest at fixed interest rates ranging from 4.1% to 5.6%. These bonds mature from August 15, 2020 through August 15, 2044. The Taxable Series 2009C Bonds are subject to make-whole redemption prior to maturity at any time, in whole or in part, at the option of Parkland, at the greater of *(i)* the issue price of the principal amount redeemed, or *(ii)* the sum of the present value of the remaining scheduled payments of principal and interest at the Treasury Rate plus 25 basis points plus accrued interest.

In 2013, Parkland issued $38.3 million of Limited Tax and Revenue Bonds. The Tax-Exempt Series 2013 Bonds bore interest at stated fixed interest rates between 4.0% and 5.0% and were to mature from August 15, 2020 to 2038, and were subject to redemption prior to maturity on August 15, 2023 or any date thereafter, in whole or in part, at the option of Parkland at the par amount plus any accrued interest. In August 2021, Parkland chose to defease in-substance the Tax-Exempt Series 2013 Bonds maturing on August 15, 2023 and after. The Tax-Exempt Series 2013 Bonds had an outstanding balance of $34.1 million at the time of defeasance. To defease the bonds maturing on August 15, 2023 and after, Parkland placed $34.4 million in escrow, which was used to redeem the Series 2013 bonds in 2023. The in-substance defeasance resulted in a loss on reacquired debt using existing resources of $2.3 million.

The Limited Tax Refunding, Series 2019 Bonds bear interest at stated fixed interest rates between 4.0% to 5.0% and mature from February 15, 2020 through August 15, 2034. The Series 2019 Bonds, with stated maturities on and after August 15, 2029, are subject to redemption prior to maturity on August 15, 2028 or on any date thereafter, in whole or in part, at the option of Parkland at the par amount plus any accrued interest. Payment of principal and interest on the Series 2019 and 2009C Bonds are supported by a levy of ad valorem tax revenue.

Payment of principal and interest on the Bonds is supported by ad valorem tax revenue and federal subsidies under the Build America Bond program. The Bonds are rated “AA-” by Standard & Poor’s and “Aa2” by Moody’s.

The following is a summary of long-term debt for the years ended September 30, 2024 and 2023:

	2024 Beginning Balance	Additions	Amortization	Reductions	2024 Ending Balance
Taxable Series 2009C Bonds	$ 405,790	$ -	$ -	$ (15,185)	$ 390,605
Tax-exempt 2019 Bonds	137,705	-	-	(650)	137,055
Tax-exempt 2019 Bonds premium	20,870	-	(2,874)	-	17,996
Total debt	$ 564,365	$ -	$ (2,874)	$ (15,835)	$ 545,656
Short-term debt					$ 16,375
Long-term debt					529,282
Total debt					$ 545,657

	2023 Beginning Balance	Additions	Amortization	Reductions	2023 Ending Balance
Taxable Series 2009C Bonds	$ 409,205	$ -	$ -	$ (3,415)	$ 405,790
Tax-exempt 2013 Bonds	1,260	-	-	(1,260)	-
Tax-exempt 2013 Bonds premium	15	-	(15)	-	-
Tax-exempt 2019 Bonds	149,440	-	-	(11,735)	137,705
Tax-exempt 2019 Bonds premium	24,104	-	(3,234)	-	20,870
Total debt	$ 584,024	$ -	$ (3,249)	$ (16,410)	$ 564,365

Short-term debt	$ 15,835
Long-term debt	548,530
Total debt	$ 564,365

Long-term debt maturities (including mandatory redemptions), interest payments, net of estimated subsidy, and total debt service at September 30, 2024 are as follows:

Years Ending September 30,	Principal Payments and Mandatory Redemptions	Interest Payments	BAB Interest Subsidy	Total Debt Service
2025	$ 16,375	$ 28,298	$ (7,201)	$ 37,472
2026	19,505	27,443	(6,944)	40,004
2027	17,780	26,405	(6,602)	37,583
2028	18,585	25,499	(6,531)	37,553
2029	19,430	112,479	(31,749)	100,160
2030-2034	110,640	82,967	(27,132)	166,475
2035-2039	148,095	40,217	(13,273)	175,039
2040-2044	177,251	2,138	(706)	178,683
Subtotal	527,661	345,445	(100,138)	772,969
Bond premium	35,552	-	-	35,552
Accumulated amortization	(17,556)	-	-	(17,556)
Total	$ 545,657	$ 345,445	$ (100,138)	$ 790,965

Total interest costs were $27.5 million for fiscal year 2024 and $28.8 million for fiscal year 2023.

Note 11. Lease Liabilities

Parkland leases medical office, warehouse and office space, the terms of which expire in various years through 2037. During the years ended September 30, 2024 and 2023, Parkland recognized approximately $36,045 and $33,869, respectively, of rental expense for variable payments, short-term and cancelable leases that are not included in the measurement of the lease liability.

The following is a summary of lease liability transactions for the years ended September 30, 2024 and 2023:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2024	$ 42,350	$ 940	$ 5,836	$ 37,454	$ 6,509
2023	$ 45,465	$ 5,330	$ 8,445	$ 42,350	$ 6,002

The 2023 deduction includes the removal of a lease liability related to a terminated lease contract totaling $2,938.

The following is a schedule by year of payments under the leases as of September 30, 2024:

Years Ending September 30,	Total to Be Paid	Principal	Interest
2025	$ 7,714	$ 6,509	$ 1,205
2026	7,398	6,430	968
2027	7,012	6,325	687
2028	7,043	6,544	499
2029	4,639	4,291	348
2030-2034	6,998	6,041	957
2035-2037	1,971	1,314	657
	$ 42,775	$ 37,454	$ 5,321

Note 12. Subscription Liabilities

Parkland has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2026. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. Parkland did not recognize any subscription expense for variable payments not previously included in the measurement of the subscription liability during the years ended September 30, 2024 and 2023.

The following is a summary of subscription liability transactions for the years ended September 30, 2024 and 2023:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2024	$ 10,213	$ 36,673	$ 24,850	$ 22,036	$ 15,202
2023	$ 38,213	$ 1,182	$ 29,182	$ 10,213	$ 7,877

The following is a schedule by year of payments under the SBITAs as of September 30, 2024:

Years Ending September 30,	Total to Be Paid	Principal	Interest
2025	$ 15,951	$ 15,202	$ 749
2026	6,626	6,535	91
2027	301	299	2
	$ 22,878	$ 22,036	$ 842

Note 13. Commitments

Pursuant to an Interlocal Cooperation, Operating and Lease-Purchase Agreement between Parkland and Dallas County Mental Health and Mental Retardation Center d/b/a Metrocare Services, Parkland has committed to fund $50 million in construction costs associated with a new facility to be operated by Metrocare Services to provide mental health and intellectual and development disability services. Metrocare will repay the funds advanced by Parkland over a 20-year period at an interest rate of 3%. Metrocare may repay the funds sooner at its discretion. As of September 30, 2024, Parkland has advanced $36,273 of funds to Metrocare and accrued $384 thousand of related interest. The loan and interest receivable are recorded as an other noncurrent asset on the accompanying statement of net position.

Note 14. Future Change in Accounting Principle – GASB Statement No. 101, *Compensated Absences* (GASB 101)

GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model. It defines compensated absences and requires that liabilities be recognized for leave for which employees may receive one or more: cash payments when the leave is used for time off; other cash payments, such as payment for unused leave upon termination of employment which includes voluntary resignation or retirement; or noncash settlements, such as conversion to defined benefit postemployment benefits. GASB 101 also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. GASB 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The changes adopted at transition to conform to the provisions of GASB 101, should be reported as a change in accounting principle in accordance with Statement No. 100, *Accounting Changes and Error Corrections,* including the related display and disclosure requirements.

Required Supplementary Information

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
(unaudited)
Years Ended September 30,
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 80,332	$ 72,094	$ 68,967	$ 65,820	$ 51,517	$ 47,055	$ 44,516	$ 41,024	$ 39,886	$ 37,881
Interest on total pension liability	131,902	121,084	112,920	106,382	102,108	95,249	89,044	83,216	78,296	72,677
Effect of plan changes	-	-	-	-	-	-	(4,577)	-	-	-
Effect of economic/demographic gains or (losses)	82,722	58,240	15,847	8,301	(1,105)	7,645	8,896	2,439	(2,122)	8,589
Effect of assumption changes or inputs	(11,612)	-	8,495	(8,557)	207,476	(1,022)	-	-	-	-
Benefit payments	(81,380)	(77,361)	(69,373)	(62,990)	(56,859)	(53,984)	(49,645)	(44,312)	(49,392)	(32,637)
Net change in total pension liability	201,964	174,057	136,856	108,956	303,137	94,943	88,234	82,367	66,668	86,510
Total pension liability, beginning	2,158,126	1,984,069	1,847,213	1,738,257	1,435,120	1,340,177	1,251,943	1,169,576	1,102,908	1,016,398
Total pension liability, ending (a)	$ 2,360,090	$ 2,158,126	$ 1,984,069	$ 1,847,213	$ 1,738,257	$ 1,435,120	$ 1,340,177	$ 1,251,943	$ 1,169,576	$ 1,102,908
Fiduciary net position										
Employer contributions	$ 83,701	$ 74,800	$ 72,500	$ 59,072	$ 46,700	$ 40,000	$ 27,915	$ 28,083	$ 24,500	$ 22,812
Employee contributions	61,227	53,925	50,396	47,987	46,107	44,223	38,686	30,270	29,471	27,378
Investment income net of investment expenses	178,662	(221,128)	174,667	160,402	192,482	(51,594)	130,137	55,203	(7,945)	43,705
Benefit payments	(81,383)	(77,361)	(69,373)	(62,990)	(56,859)	(53,984)	(49,645)	(44,312)	(49,392)	(32,637)
Administrative expenses	(3,760)	(3,362)	(3,653)	(2,918)	(2,743)	(2,655)	(3,803)	(1,881)	(2,047)	(2,020)
Net change in plan fiduciary net position	238,447	(173,126)	224,537	201,553	225,687	(24,010)	143,290	67,363	(5,413)	59,238
Fiduciary net position, beginning	1,426,685	1,599,811	1,375,274	1,173,721	948,034	972,044	828,754	761,391	766,804	707,566
Fiduciary net position, ending (b)	$ 1,665,132	$ 1,426,685	$ 1,599,811	$ 1,375,274	$ 1,173,721	$ 948,034	$ 972,044	$ 828,754	$ 761,391	$ 766,804
Net pension liability = (a) - (b)	$ 694,958	$ 731,441	$ 384,258	$ 471,939	$ 564,536	$ 487,086	$ 368,133	$ 423,189	$ 408,185	$ 336,104
Fiduciary net position as of % of total pension liability	70.55%	66.11%	80.63%	74.45%	67.52%	66.06%	72.53%	66.20%	65.10%	69.53%
Covered employee payroll	$ 917,566	$ 792,713	$ 721,279	$ 706,911	$ 685,520	$ 659,891	$ 632,669	$ 613,367	$ 574,215	$ 554,120
Net position liability as a % of covered payroll	75.74%	92.27%	53.27%	66.76%	82.35%	73.81%	58.19%	68.99%	71.09%	60.66%

Dallas County Hospital District
d/b/a Parkland Health
A Component Unit of Dallas County, Texas
Schedule of Employer Contributions
(unaudited)
Years Ended September 30,
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contributions in relation to the actuarially determined contributions	$ 83,701	$ 74,800	$ 72,500	$ 59,072	$ 46,700	$ 40,000	$ 27,915	$ 28,123	$ 24,500	$ 22,812
Actuarially determined contributions	70,598	60,775	59,916	59,072	37,005	28,827	27,915	28,083	24,540	22,812
Contribution surplus/deficit		$ (14,025)	$ 12,584	$ -	$ 9,695	$ 11,173	$ -	$ 40	$ (40)	$ -
Covered-employee payroll	$ 917,566	$ 792,713	$ 721,279	$ 706,911	$ 685,520	$ 659,891	$ 632,669	$ 613,367	$ 574,215	$ 554,120
Contributions as a percentage of covered-employee payroll	9.1%	9.4%	10.1%	8.4%	6.8%	6.1%	4.4%	4.6%	4.3%	4.1%

Notes to Schedule:

Valuation date:
Actuarially determined contribution rates are calculated as of January 1st one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contributions rates:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost
Amortization method	20 years, closed	30 years, closed	30 years, closed	30 years, closed	30 year, closed	30 year, closed	30 year, closed	30 year, closed	30 year, closed	30 year, closed
Asset valuation method	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	3.0%
Investment rate of return	6%, net of pension plan investment expense, including inflation	6%, net of pension plan investment expense, including inflation	6%, net of pension plan investment expense, including inflation	6%, net of pension plan investment expense, including inflation	6%, net of pension plan investment expense, including inflation	7%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation	7.50%, net of pension plan investment expense, including inflation	7.75%, net of pension plan investment expense, including inflation	8%, net of pension plan investment expense, including inflation
Retirement age	65	65	65	65	65	65	65	65	65	65
Mortality	Pub-2010 Public General and 2024 Adj MP-2021	Pub-2010 Public General and MP-2021	Pub-2010 Public General and MP-2021	Pub-2010 Public General and MP-2020	Pub-2010 Public General and MP-2019	Pub-2010 Public General and MP-2018	RP-2000, projected	RP-2000, projected	RP-2000, projected	RP-2000, projected