

**JOHNSON COUNTY, TEXAS**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2012

JOHNSON COUNTY, TEXAS  
JOHNSON COUNTY AUDITOR'S OFFICE  
#2 North Main Street  
Cleburne, Texas 76033



**JOHNSON COUNTY, TEXAS**  
*Comprehensive Annual Financial Report*  
 For the Year Ended September 30, 2012

**Table of Contents**

Page

**Introductory Section**

County Auditor's Letter of Transmittal.....	i-v
GFOA Certificate of Achievement.....	vi
Organizational Chart.....	vii
List of Principal Officials .....	viii

**Financial Section**

Independent Auditor's Report.....	1-2
Management's Discussion and Analysis .....	3-14
Basic Financial Statements:	
Government Wide Financial Statements:	
Exhibit 1    Statement of Net Assets.....	16
Exhibit 2    Statement of Activities .....	17
Fund Financial Statements:	
Exhibit 3    Balance Sheet - Governmental Funds.....	18-19
Exhibit 3R    Reconciliation of the Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Assets .....	20
Exhibit 4    Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	22-23
Exhibit 4R    Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to Governmental Activities Statement of Activities.....	24-25
Exhibit 5    Statement of Fiduciary Net Assets - Fiduciary Funds.....	26
Notes to the Financial Statements.....	27-58

**Required Supplementary Information**

Exhibit 6	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Major Special Revenue Fund (Road and Bridge Fund).....	60-61
Exhibit 7	Texas County & District Retirement System Schedule of Funding Progress - Last Three Years.....	62
	Notes to the Required Supplementary Information .....	63

**Combining and Individual Fund Statements and Schedules**

	Non-Major Governmental Funds Descriptions .....	66-70
Exhibit 8	Combining Balance Sheet - Nonmajor Governmental Funds.....	72-85
Exhibit 9	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	86-99
	Statements of Expenditures – Budget and Actual – By Function, Department and Legal Level of Budgetary Control:	
Exhibit 10	General Fund.....	100-108
Exhibit 11	Major Special Revenue Fund (Road and Bridge Fund).....	109
	Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
	Special Revenue Funds (Nonmajor):	
Exhibit 12	Lateral Road Fund.....	110
Exhibit 12	Right of Way Fund.....	111
Exhibit 12	Records Management and Preservation Fund.....	112
Exhibit 12	Records Archive - County Clerk Fund.....	113
Exhibit 12	Records Archive - District Clerk Fund.....	114
Exhibit 12	Court Records Preservation Fund.....	115
Exhibit 12	Justice of the Peace Technology Fund.....	116
Exhibit 12	Courthouse Security Fund.....	117
Exhibit 12	County/District Court Technology Fund .....	118

**JOHNSON COUNTY, TEXAS**

*Comprehensive Annual Financial Report*

For the Year Ended September 30, 2012

Table of Contents - Continued

Page

**Combining and Individual Fund Statements and Schedules - Continued**

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:

Special Revenue Funds (Nonmajor) - Continued

Exhibit 12	District Court Records Technology Fund .....	119
Exhibit 12	Justice Court Building Security Fund .....	120
Exhibit 12	Juvenile Justice Alternative Education Fund.....	121
Exhibit 12	Juvenile Probation Fees Fund.....	122
Exhibit 12	Juvenile Case Manager Fund .....	123
Exhibit 12	STOP Federal Forfeiture Fund.....	124
Exhibit 12	District Attorney Forfeiture Fund .....	125
Exhibit 12	Sheriff Forfeiture Fund.....	126
Exhibit 12	County Essential – Capital Murder Trial Fund .....	127
Exhibit 12	Law Library.....	128
Exhibit 12	Special Crimes Operations Fund .....	129
Exhibit 12	STOP Operations Fund.....	130
Exhibit 12	Pre-Trial Bond Supervision Fund .....	131
Exhibit 12	Indigent Health Care Fund .....	132
Exhibit 12	Indigent Defense Formula/Improvement Fund .....	133
Exhibit 12	Guardianship Fee Fund.....	134
Exhibit 12	Election Services Contract Fund.....	135
Exhibit 12	Texas Information and Notification Everyday (VINE) Grant Fund.....	136
Exhibit 12	Sexual Assault Prevention and Crisis Services Fund.....	137
Exhibit 12	911 Addressing Maintenance Contract Fund .....	138
Exhibit 12	State Criminal Alien Assistance Fund.....	139
Exhibit 12	Historical Society Account Fund.....	140

Schedules of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - Debt Service Funds (Nonmajor):

Exhibit 13	General Debt Service Fund .....	142
Exhibit 13	Equipment Interest and Sinking Fund .....	143
Exhibit 14	Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	144-146

Statistical Section

	Statistical Content Description .....	149
Table 1	Net Assets by Components .....	150-151
Table 2	Changes in Net Assets.....	152-153
Table 3	Fund Balances, Governmental Funds .....	154-155
Table 4	Changes in Fund Balances, Governmental Funds.....	156-157
Table 5	Assessed Value and Estimated Actual Value of Taxable Property.....	158-159
Table 6	Direct and Overlapping Property Tax Rates .....	160-161
Table 7	Principal Property Taxpayers .....	162
Table 8	Property Tax Levies and Collections.....	163
Table 9	Ratios of General Bonded Debt Outstanding .....	164
Table 10	Computation of Direct and Overlapping Debt.....	165
Table 11	Computation of Legal Debt Margin .....	166
Table 12	Demographic and Economic Statistics .....	167
Table 13	Principal Employers.....	168
Table 14	Full-time County Government Employees by Function .....	169
Table 15	Operating Indicators by Function .....	170-173
Table 16	Capital Assets Statistics by Function .....	174-175

**Table of Contents** - Continued

Page

**Federal and State Awards Section**

	Independent Auditor's Report -	
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters	
	Based on an Audit of Financial Statements Performed in Accordance with	
	<i>Government Auditing Standards</i> .....	179-180
	Independent Auditor's Report -	
	Report on Compliance with Requirements that Could Have a Direct and Material	
	Effect on Each Major Program and on Internal Control Over Compliance in	
	Accordance with OMB Circular A-133 .....	181-182
	Schedule of Findings and Questioned Costs .....	183
	Schedule of Status of Prior Findings.....	184
	Corrective Action Plan.....	185
Exhibit 14	Schedule of Expenditures of State Awards .....	186-187
	Notes on Accounting Policies for Federal and State Awards .....	188-189



## **INTRODUCTORY SECTION**





# JOHNSON COUNTY



## AUDITOR'S OFFICE

**J.R. Kirkpatrick**  
County Auditor

---

(817) 556-6305

#2 N. Main ~ Courthouse ~ Cleburne, Texas 76033

Fax (817) 556-6075

March 22, 2013

THE HONORABLE DISTRICT JUDGES AND  
THE HONORABLE COMMISSIONERS COURT:

Gentlemen:

In compliance with the statutory duties of the County Auditor as prescribed by Section 114.025 of the Local Government Code of the State of Texas, the Comprehensive Annual Financial Report of Johnson County, Texas, for the fiscal year ended September 30, 2012, is submitted herewith. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. This report has been prepared using generally accepted accounting principles and guidelines promulgated by the Governmental Accounting Standards Board. We have endeavored to conform substantially to the high standards of public financial reporting as recommended by the Government Finance Officers Association of the United States and Canada. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. Information related to this single audit, including the Schedule of Federal Financial Assistance, Findings and Recommendations, and the independent auditors' reports of the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

In developing the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The County Auditor's Office continually assesses its ability to ensure that adequate internal accounting controls are in place to safeguard assets and provide reasonable assurance of proper recording of financial transactions. With this goal, the internal audit function becomes a larger task each year, addressing the needs that change and growth dictate.

## **ECONOMIC CONDITION AND OUTLOOK**

Johnson County is strategically located in North Central Texas and is considered a part of the Fort Worth metropolitan area. Johnson County is a member of the North Central Texas Council of Governments which is comprised of sixteen counties. The area has experienced tremendous growth, which is expected to continue for several years due to the influence of Dallas and Fort Worth adjacent to our northern border.

Johnson County, like most of the state and nation, has seen a slight downturn in the business environment during the last couple of years but has begun to take a turn for the better this past year. The region has a varied manufacturing and industrial tax base that contributes to the relatively favorable unemployment rate. During the past few years the County has seen a decrease in gas exploration due to the declining price of natural gas. However, the royalty income, created by the original drilling activity and continued producing wells, is still boosting the economy, but has a lesser impact than it did a few years ago. The County's tax base has experienced two consecutive years of loss but it appears to be leveling out to a point where next year looks to have little or no loss. This downturn has been mostly attributed to the fall in the price of natural gas. However, Johnson County is well positioned, financially, with the above average fund balances it maintains; meaning the last couple of years has not created any unmanageable hardship. Moreover, Johnson County has continued to move forward with capital projects by using some of the very large fund balances we had. The County will continue to benefit from the effect of the metropolitan influence on population growth to the north due to its close proximity to Dallas and Fort Worth.

With the creation of the Johnson County Economic Development Commission (JCEDC) in September 1989, the County continues to be a competitive area for creating a favorable business climate. The Commission has a goal of attracting new business to the area, resulting in new jobs and significant increases to the tax rolls.

Population growth continues in Johnson County with significant residential growth in Cleburne, Burleson and other cities. Combined efforts of the cities and county government have proven to be effective in attracting industry as well. The downtown area of Cleburne benefits from aggressive tax incentives approved by the city and county. The renovation of the old multi-storied hotel in downtown Cleburne was completed and a privately-owned events center is under construction; further adding to the attraction of the business area of the county seat.

Very significant advances have been made with the State Highway 121 project. This highway will provide a much needed north-south route from our county seat to Fort Worth. Continued growth and urbanization in the Dallas-Fort Worth region, specifically, Johnson County, has resulted in the need for more efficient transportation systems to reduce current congestion and accommodate future traffic demand. The project received final approval in 2011 and construction of the project has an expected completion date of spring, 2014. It was determined that it will be a toll road with the North Texas Tollway Authority having responsibility for the project. NTTA projects are not a part of the state highway system and receive no direct tax funding. The highway will extend 27.6 miles from the Fort Worth central business district to U.S. Highway 67 in Cleburne. This project has been in the planning stages for decades and is now a reality. The economic impact to Johnson County is expected to be quite significant.

The County provides a full range of services authorized by statute. Such services include general governmental services such as recording and licensing, sustaining the District, County and Justice Court systems, maintaining public facilities, ensuring public safety, preserving public health and welfare, aiding conservation, and maintaining County roads and bridges.

## **MAJOR INITIATIVES**

Johnson County, because of its continued growth, is faced with many challenges in delivering services to its citizens, while maintaining a conservative financial approach. The Commissioners Court has been committed to meeting increasing needs for services and facilities. The following initiatives reflect the County's commitment to ensuring that its citizens are able to live and work in an enviable environment.

### **For the Year**

Johnson County has purchased all the land and buildings surrounding the Guinn Courts Building with the latest being the old high school gym. This action will ensure Johnson County will be able to address future justice administration needs, conveniently keeping all improvements within close proximity to the courts building. The County has started construction of a 32,422 square foot office building to accommodate the needs of additional personnel for the Johnson and Somervell County Community Supervision and Corrections Department.

Johnson County now has plans to renovate the old high school gym that was part of the purchase of school property. Until needed for the County's court system, the gym will be a fitness center for county employees as a result of a newly established and aggressive wellness program. The County expects to receive long-term benefits in the areas of healthcare costs and employee morale.

Johnson County has completed the construction of the jail expansion project which houses 96 additional prisoners. This was done in partnership with the jail management contractor in which the County contracts for day-to-day jail operations.

### **For the Future**

The growth experienced by the county requires our elected officials to be forward thinking to address issues before they become problems. As in most Texas counties, the need to accommodate the law enforcement and administration of justice functions is truly a challenge. To meet this challenge, Johnson County plans to see the completion of the Community Supervision and Corrections Department office building spring, 2013. Additionally, the construction of a new sub courthouse in Avarado has been approved. Construction is expected to begin in summer, 2014. This will give new and larger office and courtroom space that is much needed in that particular precinct.

Johnson County also expects to see the completion of four (4) communications towers. This is needed to greatly improve the communications of all emergency personnel by eliminating a lot of the communication "dead zones" now experienced.

## **FINANCIAL CONDITION**

**Current Condition.** Johnson County currently has large fund balances even though we have used cash for recent capital projects, which have been mentioned. The unencumbered General Fund balance has grown for several consecutive years and it was a prudent decision to use some cash to finance the projects. The County is still well-positioned to fund all services into the near future while maintaining a tax rate which is acceptable to taxpayers.

**Long Range Financial Planning.** Johnson County has a determination to manage growing fund balances in a conservative and judicious manner. Fund balances will continue to exceed the popular rules of thumb. The adopted tax rate consistently funds all services needed. In addition, the County includes a separate "Contingency" line-item in the budget which ensures that unexpected situations do not diminish our projected fund balances; keeping them at a healthy level. The County also established a fund that is considered for capital projects or other, large, one-time expenditures. From time to time, the County will transfer funds that represent some of the tax revenue derived from mineral properties into this fund. Throughout the year, all mineral royalty received is deposited into this unbudgeted, separate fund. However, for reporting purposes, it is considered part of the General Fund. With the knowledge that these revenues will fluctuate with the price of natural gas, the County will not use such funds for things which demand ongoing commitments such as additional personnel. Therefore, the significant fund balance in the General Fund will be used to avoid some future debt by using cash at times when, otherwise, issuing new debt would be the norm.

**Significant Financial Policy.** It is the policy of Johnson County to maintain an above-average fund balance as evidenced by the Fund Balance Policy adopted in 2011. One method used to accomplish this is by the segregation of revenue derived from mineral properties as described in the long range financial plan. This conservative practice will ensure that the County has adequate funding in future years which may bring further economic challenges beyond those which we currently face.

**Administration.** The officials having responsibility for the financial administration of the County are the County Judge and four County Commissioners (the "Commissioners Court"), the Tax Collector and the County Treasurer, all of whom are elected for four-year terms, and the County Auditor who is appointed for a two-year term by the State District Judges having jurisdiction within the County. The governing body of the County is the Commissioners Court. It has only those powers expressly granted to it by the legislature and powers necessarily implied from such grant. Among other things, it approves the County budget, determines the County tax rate, approves contracts in the name of the County, determines whether a proposition to issue bonds should be submitted to the voters, conducts official business of the County at designated meeting times, and appoints certain County officials.

The County Judge is the presiding officer of the Commissioners Court. Each Commissioner represents one of the four precincts into which the County is divided and is elected by the voters of his precinct. The County Commissioners supervise construction and maintenance of the County road systems as well as perform other administrative duties.

The Tax Assessor-Collector is responsible for collecting ad valorem taxes, certain State and County fees and other revenues. The office also contracts with other taxing entities to collect taxes for them. Therefore, money is saved by taxpayers since only one tax collection organization is needed; eliminating a costly duplication of effort.

The County Treasurer is the custodian of funds and has the sole authority to disburse funds for the County. This includes receiving and depositing all funds paid to the County.

The County Auditor is the chief financial officer of the County and is responsible for substantially all County financial and accounting control functions. The responsibilities of the County Auditor include those of accounting, auditing, accounts payable and financial operations. The County Auditor also determines the type, terms, and amounts of investments of County funds. The Commissioners Court designated the County Auditor as the Investment Officer and has adopted an investment policy in compliance with the Public Funds Investment Act.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

## OTHER INFORMATION

**Independent Audit** The County's financial statements have been audited by Kennemer, Masters and Lunsford, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Johnson County, Texas financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

**Awards** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Johnson County for its comprehensive annual financial report for fiscal year ended September 30, 2011. This was the twenty-first consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments** The production of this report is attributable to the dedication and work of the County Auditor's Office staff and Kennemer, Masters and Lunsford, L.L.C, our independent auditor.

In closing, I would like to thank all Johnson County Elected Officials, Department Heads and their staff for their cooperation and leadership in conducting the financial affairs of the County. A special thanks is extended to my staff that worked so diligently throughout the year.

Respectfully submitted,

J. R. Kirkpatrick  
Johnson County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Johnson County  
Texas

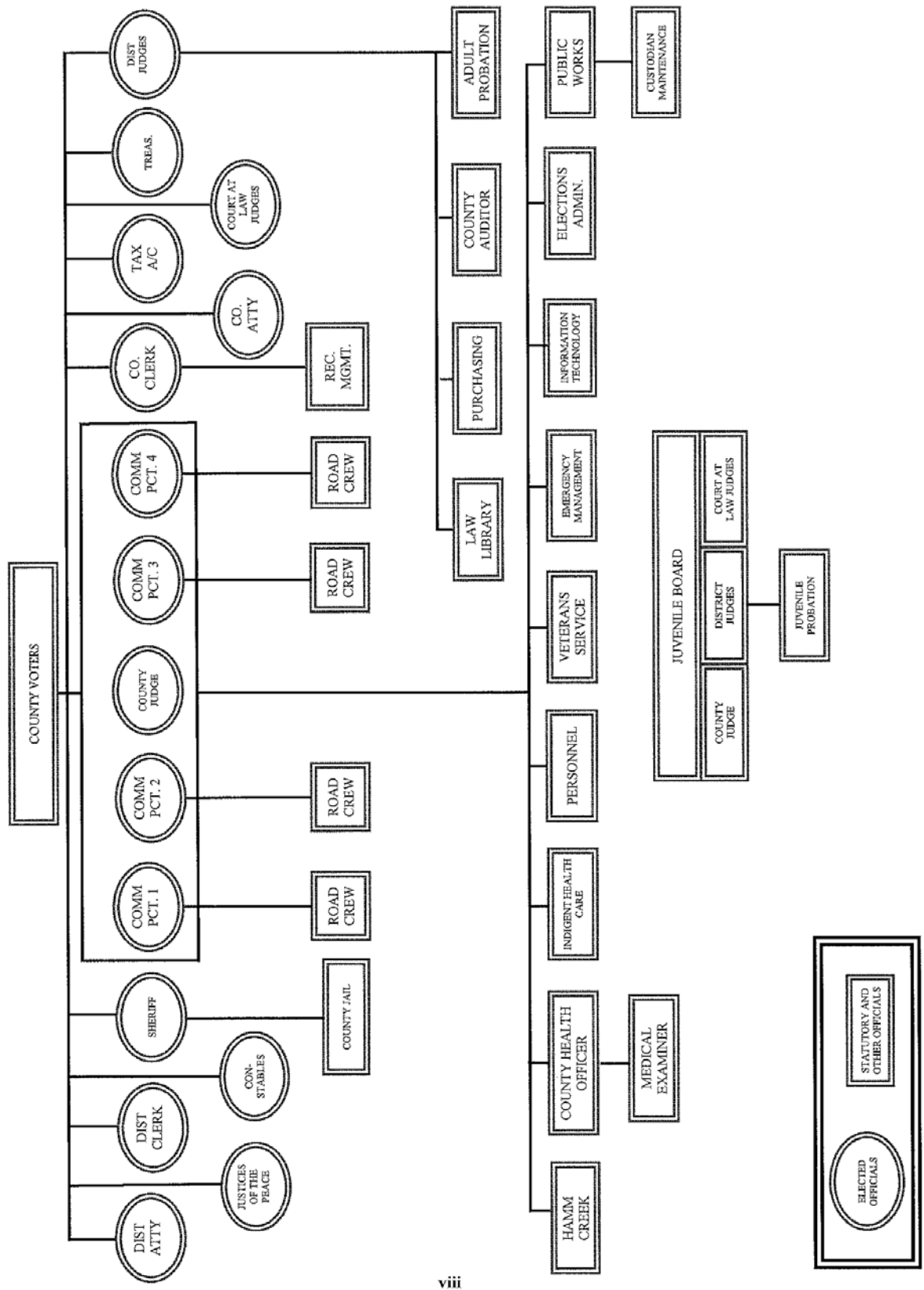
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

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



*Christopher P. Morrell*  
President

*Jeffrey R. Emer*  
Executive Director



**JOHNSON COUNTY, TEXAS**

**PRINCIPAL OFFICIALS**

**COMMISSIONERS COURT**

COUNTY JUDGE

Roger Harmon

COUNTY COMMISSIONERS

Precinct 1

Rick Bailey

Precinct 2

Kenny Howell

Precinct 3

Jerry Stringer

Precinct 4

Don Beeson

**JUDICIAL**

DISTRICT JUDGE

18<sup>th</sup> Judicial District

John E. Neill

249<sup>th</sup> Judicial District

Wayne Bridewell

413<sup>th</sup> Judicial District

William C. Bosworth, Jr.

COUNTY COURT-AT-LAW I

Robert B. Mayfield, III

COUNTY COURT-AT-LAW II

Jerry D. Webber

JUSTICE OF THE PEACE

Precinct 1

Ronald R. McBroom

Precinct 2

Jeff Monk

Precinct 3

Pat Jacobs

Precinct 4

John Bekkelund

**LAW ENFORCEMENT AND LEGAL**

DISTRICT ATTORNEY

Dale Hanna

COUNTY ATTORNEY

Bill Moore

SHERIFF

Bob Alford

CONSTABLES

Precinct 1

Bill Pierce

Precinct 2

Adam Crawford

Precinct 3

Mike White

Precinct 4

Gary Braly

COMMUNITY SUPERVISION DIRECTOR\*

Toby Ross

CHIEF JUVENILE PROBATION OFFICER\*

Lisa Tomlinson

**FINANCIAL ADMINISTRATION**

COUNTY AUDITOR\*

J. R. Kirkpatrick

COUNTY TREASURER

Debbie Rice

TAX ASSESSOR—COLLECTOR

Scott Porter

PURCHASING AGENT\*

Margaret Cook

**COURT CLERKS**

DISTRICT CLERK

David Lloyd

COUNTY CLERK

Becky Williams

\*Denotes appointed officials. All others are elected officials.



## **FINANCIAL SECTION**



# KENNEMER, MASTERS & LUNSFORD

CERTIFIED PUBLIC ACCOUNTANTS  
Limited Liability Company

Lake Jackson Office:  
8 West Way Court  
Lake Jackson, Texas 77566  
(979) 297-4075 Fax: (979) 297-6648  
(800) 399-4075

Houston Office:  
10260 Westheimer, Suite 410  
Houston, Texas 77042  
(281) 974-3416 Fax: (281) 974-3764

## Independent Auditor's Report

March 22, 2013

The Honorable County Judge,  
and Members of Commissioners  
Court of Johnson County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas as of September 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2013 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

[www.kmkwllc.com](http://www.kmkwllc.com) – Email: [kmkw@kmkwllc.com](mailto:kmkw@kmkwllc.com)

Members: American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants,  
Partnering for CPA Practice Success

The Honorable County Judge,  
and Members of Commissioners Court  
of Johnson County, Texas  
March 22, 2013  
Page 2

*Required Supplementary Information*

The Management's Discussion and Analysis and Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund and Major Special Revenue Fund, and the Texas County and District Retirement System Schedule of Funding – Last Three Years on pages 3 through 14 and 60 through 63, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Combining and Individual Fund Statements and Schedules, and Federal and State Awards Section*

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedules of expenditures of state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the State of Texas *Single Audit Circular*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Introductory and Statistical Sections*

The information identified in the table of contents as Introductory and Statistical Sections is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

*Kennemer, Masters & Hunsford, LLC*

## JOHNSON COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended September 30, 2012*

As management of Johnson County, Texas ("County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

#### **Financial Highlights**

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year for governmental activities by \$ 92,083,886 (net assets). Of this amount, \$ 26,631,406 (unrestricted net assets), may be used to meet the government's ongoing obligations to citizens and creditors with the County's fund designation.
- The County's total net assets increased for governmental activities by \$ 2,151,242.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 37,265,884. 56.27% of this amount, \$ 20,968,543 (unassigned fund balance), were available for use within the County's fund designations. Of the governmental funds amount, \$ 15,774,672 has been restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 20,969,138 or 45.59% of the total general fund expenditures.

#### **Overview of the Financial Statements**

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

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

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

The *statement of activities* presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

## JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis  
For the Year Ended September 30, 2012*

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the County include general government, administration of justice, financial administration, elections, law enforcement, highways and streets, health and welfare, culture and recreation, and conservation. The County has no *business-type activities*.

The government-wide financial statements can be found on pages 16 and 17 of this report.

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

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

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

The County maintains sixty-two (62) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road and Bridge (special revenue fund), General Debt Service (debt service fund), and the Motorola Simulcast Radio System (capital projects fund); all of which are considered to be major funds. Data from the other fifty-eight (58) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 18 through 25 of this report.

- **Proprietary Funds.** The County maintains no proprietary funds.

## JOHNSON COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended September 30, 2012*

- **Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets on page 26 and a statement of changes in fiduciary net assets that can be found on pages 144 through 146.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 58 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 60 through 63 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 72 through 146 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$ 92,083,886 as of September 30, 2012. This is an increase in net assets of \$ 2,151,242 which is primarily due to a net increase in charges for services.

The largest portion of the County's net assets, \$ 52,633,294 (57.16%) reflects its investments in capital assets (e.g., land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress), less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net capital assets increased by \$ 3,656,914 due to a significant increase in construction in progress, primarily the Adult Probation building project.

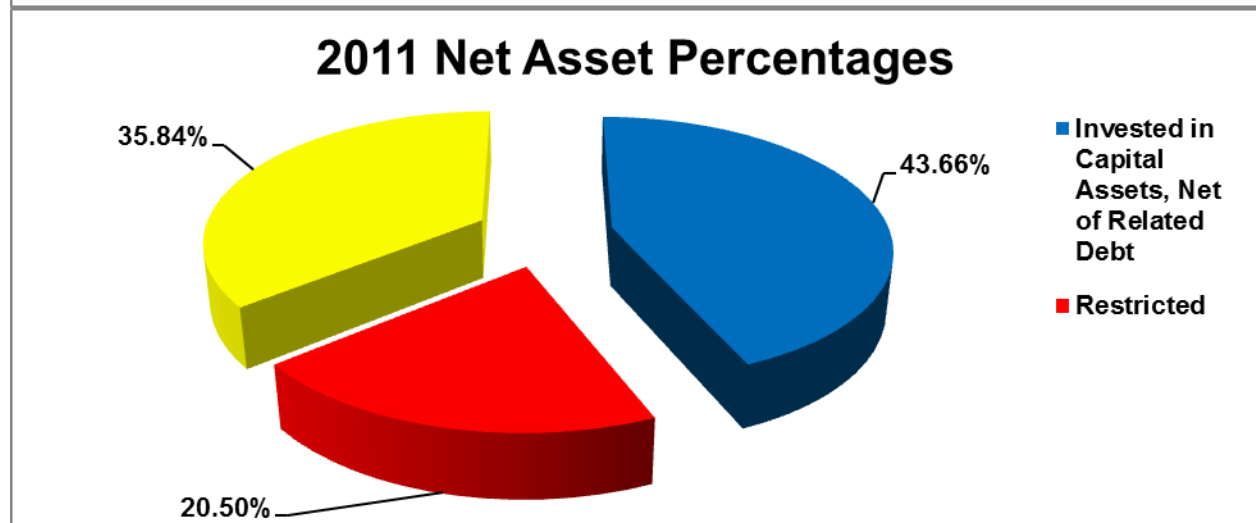
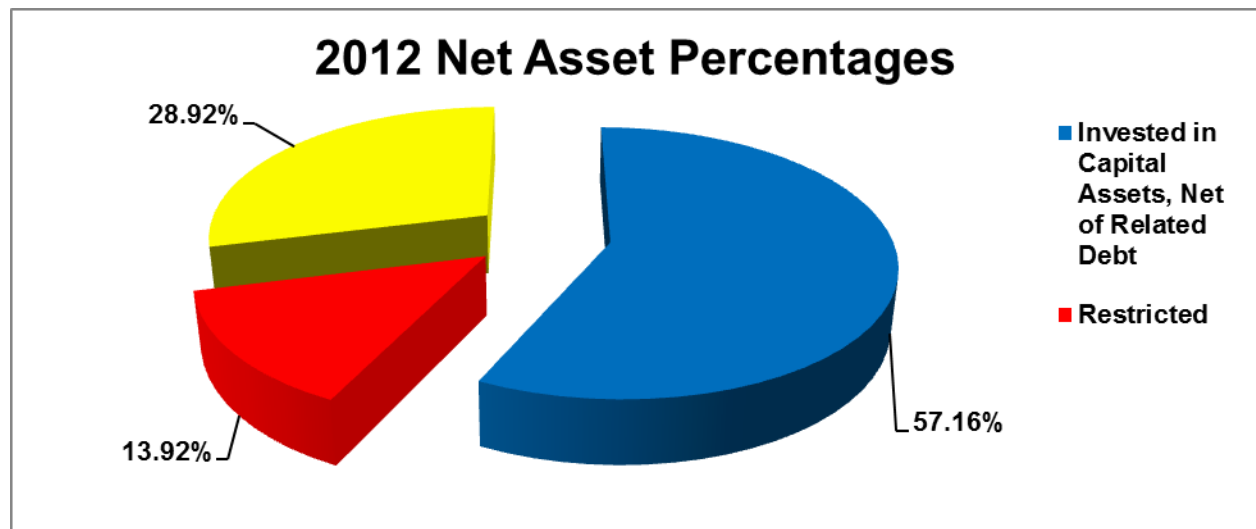
An additional portion of the County's net assets of \$ 12,819,186 (13.92%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$ 26,631,406 (28.92%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2012, the County is able to report positive balances in all three categories of net assets.

**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2012*

**JOHNSON COUNTY'S NET ASSETS**

	Governmental Activities		
	September 30, 2012	September 30, 2011	Net Change
Current and other assets	\$ 51,136,237	\$ 56,841,695	\$( 5,705,458)
Capital assets	<u>63,712,042</u>	<u>60,055,128</u>	<u>3,656,914</u>
Total assets	<u>114,848,279</u>	<u>116,896,823</u>	<u>( 2,048,544)</u>
Current and other liabilities	6,621,156	4,752,887	1,868,269
Long-term liabilities	<u>16,143,237</u>	<u>22,211,292</u>	<u>( 6,068,055)</u>
Total liabilities	<u>22,764,393</u>	<u>26,964,179</u>	<u>( 4,199,786)</u>
Net Assets:			
Invested in capital assets, net of related debt	52,633,294	39,260,726	13,372,568
Restricted	12,819,186	18,434,100	( 5,614,914)
Unrestricted	<u>26,631,406</u>	<u>32,237,818</u>	<u>( 5,606,412)</u>
Total net assets	<u>\$ 92,083,886</u>	<u>\$ 89,932,644</u>	<u>\$ 2,151,242</u>





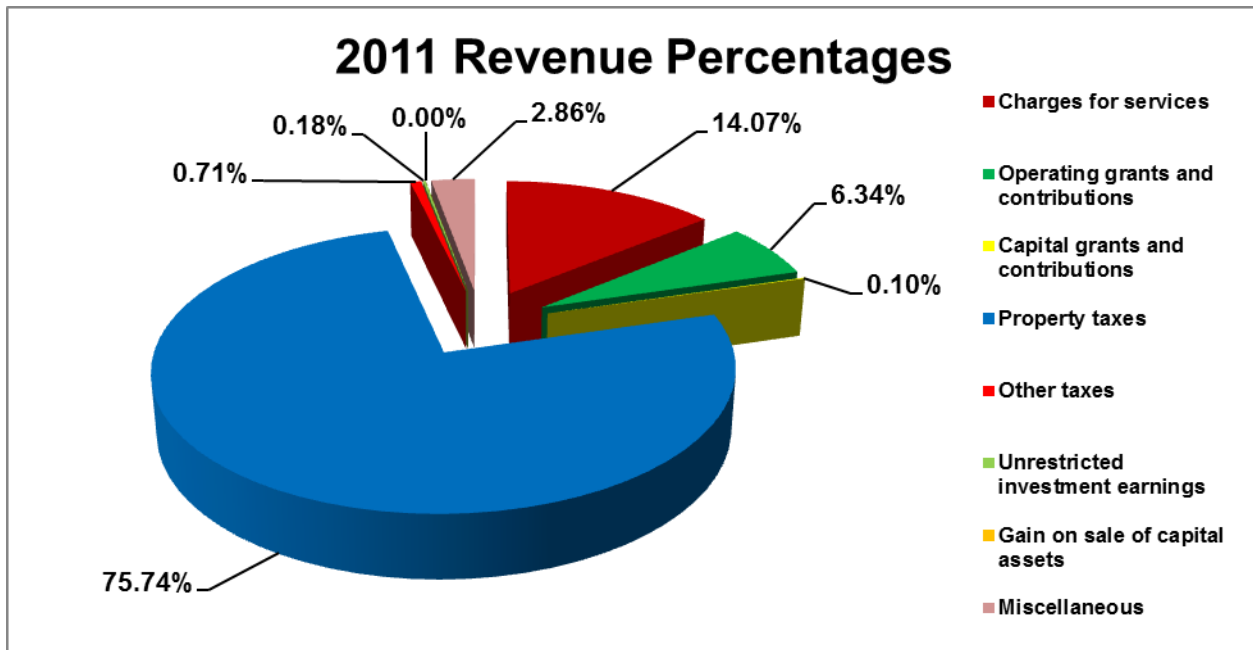
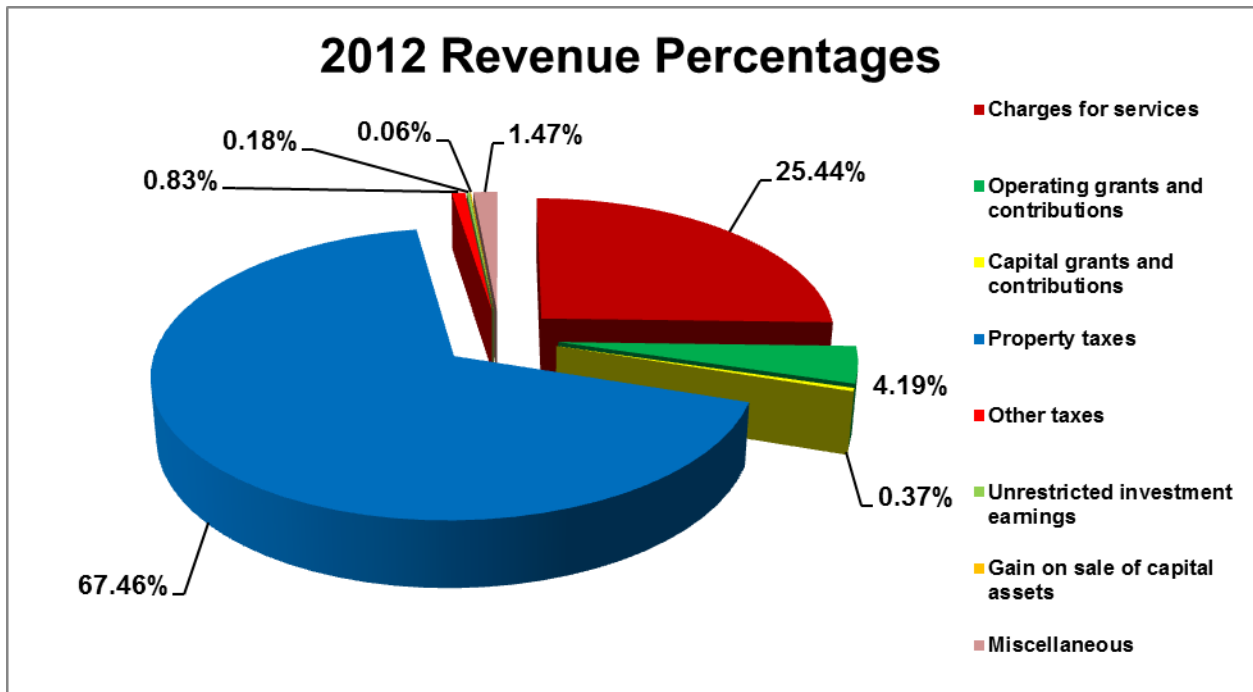
**JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2012*

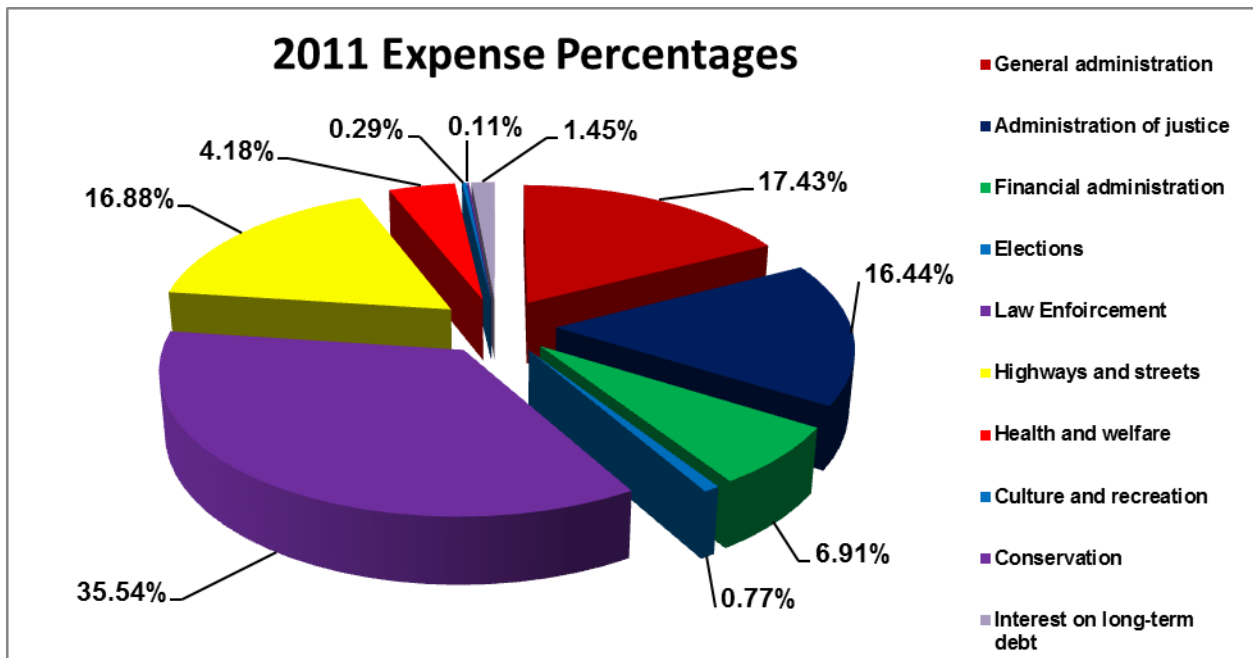
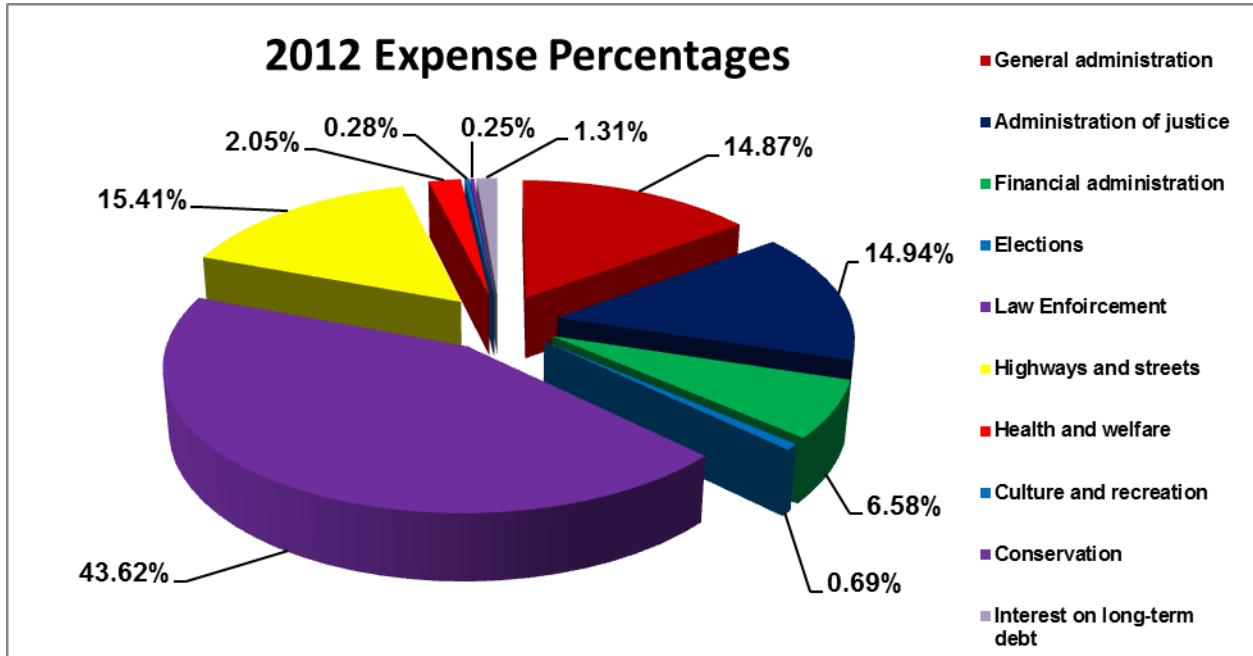
**Analysis of the County's Operations.** Governmental activities reported an increase in net assets in the amount of \$ 2,151,242. The following table provides a summary of the County's operations for the year ended September 30, 2012.

**JOHNSON COUNTY'S CHANGES IN NET ASSETS**

	<u>Governmental Activities</u>		
	<u>September 30,</u> <u>2012</u>	<u>September 30,</u> <u>2011</u>	<u>Net</u> <u>Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 16,727,694	\$ 8,560,206	\$ 8,167,488
Operating grants and contributions	2,752,569	3,853,757	( 1,101,188)
Capital grants and contributions	240,887	60,135	180,752
General Revenues:			
Property taxes	44,359,032	46,080,488	( 1,721,456)
Other taxes	546,139	432,473	113,666
Unrestricted Investment earnings	116,335	111,064	5,271
Gain on disposition of capital assets	42,118		42,118
Miscellaneous	<u>970,333</u>	<u>1,741,776</u>	<u>( 771,443)</u>
Total revenues	<u>65,755,107</u>	<u>60,839,899</u>	<u>4,915,208</u>
Expenses:			
General government	9,457,279	9,842,672	( 385,393)
Administration of justice	9,499,338	9,284,807	214,531
Financial Administration	4,187,083	3,902,117	284,966
Elections	440,552	437,699	2,853
Law enforcement	27,745,191	20,066,995	7,678,196
Highways and streets	9,803,003	9,529,285	273,718
Health and welfare	1,305,482	2,357,972	( 1,052,490)
Culture and recreation	176,365	163,991	12,374
Conservation	159,099	61,553	97,546
Interest on long-term debt	<u>830,473</u>	<u>821,658</u>	<u>8,815</u>
Total expenses	<u>63,603,865</u>	<u>56,468,749</u>	<u>7,135,116</u>
Increase (decrease) in net assets	2,151,242	4,371,150	( 2,219,908)
Net assets – October 1,	<u>89,932,644</u>	<u>85,561,494</u>	<u>4,371,150</u>
Net assets - September 30,	<u>\$ 92,083,886</u>	<u>\$ 89,932,644</u>	<u>\$ 2,151,242</u>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2012*



## JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis  
For the Year Ended September 30, 2012*

### Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 37,265,884. The unassigned fund balance of \$ 20,968,543 constitutes 56.27% of ending fund balance. The fund balance is categorized as 1) nonspendable (\$ 522,669), 2) restricted (\$ 15,774,672), and 3) unassigned (\$ 20,968,543).

Fund balance of the General Fund decreased by \$ 5,778,645; the Road and Bridge (special revenue fund) decreased by \$ 1,075,030; the General Debt Service (debt service fund) decreased by \$ 551,635, the Motorola Simulcast Radio System (capital project fund) decreased by \$ 2,195,525, and, other (non-major) governmental funds increased by \$ 1,863,455.

The decrease in fund balance in the general fund resulted from additional transfers to the General Debt Service (debt service fund) to call \$ 6,220,000 in certificates of obligation bonds. General fund revenues and expenditures were up from the prior year due to the \$ 6,609,928 in jail operations revenue and expenditures during the current year. Regarding the Road & Bridge (special revenue fund), the decrease in fund balance was the result of increased highway and street maintenance and construction. The decrease in fund balance for the General Debt Service (debt service fund) was the result of the call of \$ 6,220,000 in certificate of obligation bonds prior to maturity. The decrease in fund balance for the Motorola Simulcast Radio System (capital projects fund) was due to the continued expenditure of fund assets on the construction project. The change in fund balance for other governmental funds generally is a result of changes in special revenue projects, grants and awards and other capital project expenditures. The related increase in fund balance in the current year is minimally higher than the prior year increase in fund balance.

**General Fund Budgetary Highlights.** The County budget is prepared by the County Judge's Office and presented to Commissioners Court for approval. The county operates within this budget for the fiscal year with expenditure amendments made as needed.

The difference between the General Fund original expenditure budget and the revised budget was a \$ 16,147,881 increase including \$ 9,978,188 in transfers out. One relatively large amendment was approved this year for \$ 5,149,830 for a new jail operations agreement. Another significant amendment included amounts for a capital murder trial.

During the year, revenues exceeded budget while expenditures were less than budget. Revenues were higher primarily due to the increase in prisoner housing revenues. Lower than budgeted expenditures resulted in many areas in the general government expenditures including less than expected health insurance costs.

**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2012*

Total General Fund revenue exceeded the budget by approximately 7.67% and total General Fund expenditures were under budget by approximately 5.80%.

**Capital Assets**

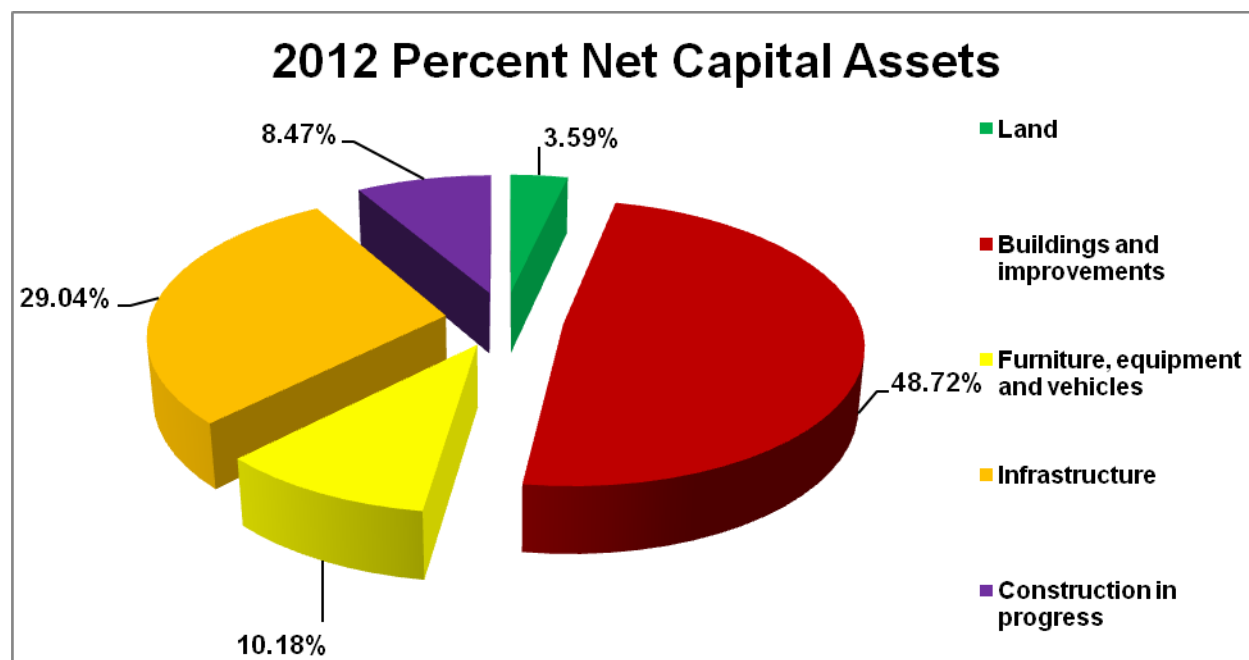
This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

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

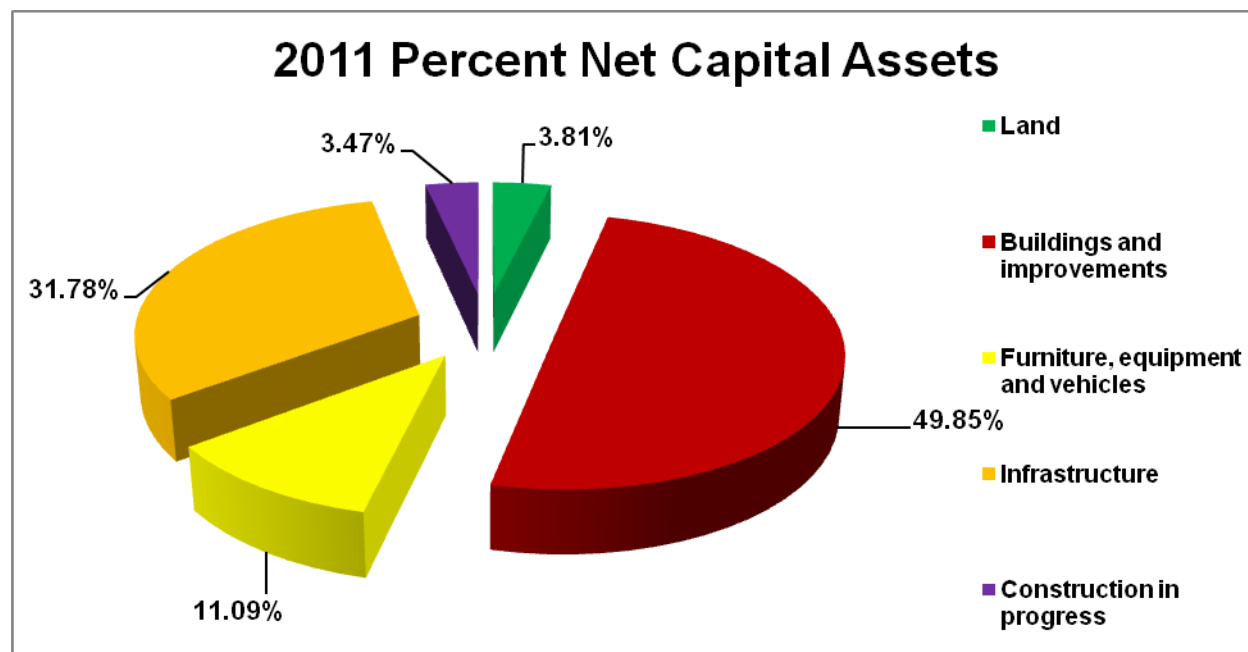
- Retired older equipment with net book value of approximately \$ 671,600.
- Acquisition of new vehicles, tractors, various road and bridge equipment.
- Construction in progress for new communications towers and CSCD office building of \$ 5,289,000.

**JOHNSON COUNTY'S CAPITAL ASSETS**  
**Net of Accumulated Depreciation**

	Governmental Activities		
	September 30, 2012	September 30, 2011	Net Change
Land	\$ 2,288,709	\$ 2,288,609	\$ 100
Buildings and improvements	31,041,910	29,937,125	1,104,785
Furniture, equipment and vehicles	6,483,650	6,663,104	( 179,454)
Infrastructure	18,504,644	19,084,564	( 579,920)
Construction in progress	<u>5,393,129</u>	<u>2,081,726</u>	<u>3,311,403</u>
<b>Total</b>	<b><u>\$ 63,712,042</u></b>	<b><u>\$ 60,055,128</u></b>	<b><u>\$ 3,656,914</u></b>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2012*



Additional information on the County's capital assets can be found in note 5 on pages 46 through 47 of this report.

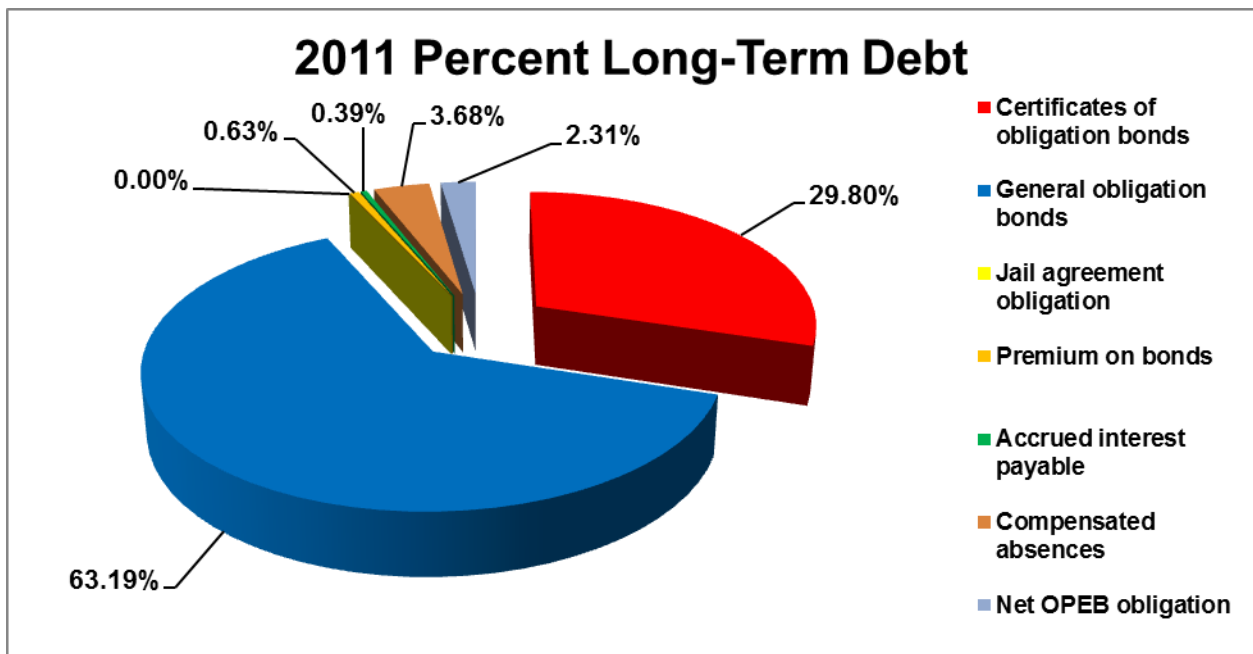
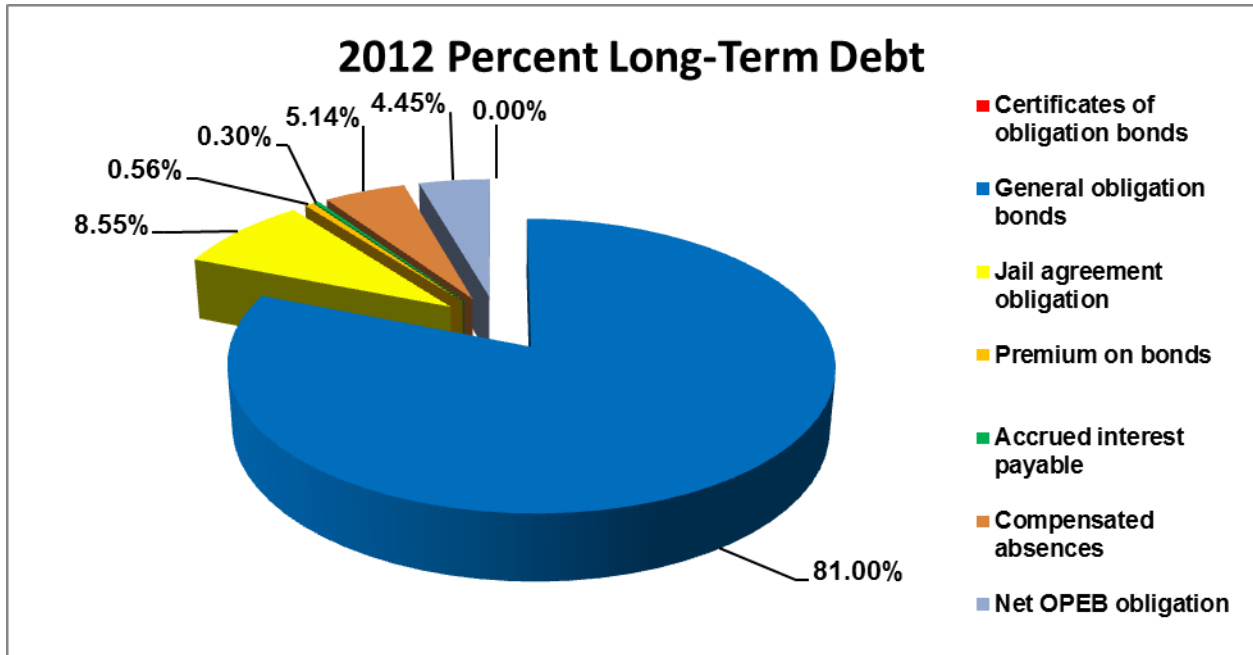
**DEBT ADMINISTRATION**

At the end of the current fiscal year, the County had a total bonded and note debt of \$ 14,454,721, which, comprises bonded and debt backed by the full faith and credit of the County and the jail facilities loan agreement. The bonds will be retired with revenues from property taxes, and fees for services, while the jail agreement loan will be retired with revenues related to the jail operations.

**JOHNSON COUNTY'S LONG-TERM DEBT**  
**Bonds, Tax Notes, Components of Debt, and Compensated Absences**

	Governmental Activities		
	September 30, 2012	September 30, 2011	Net Change
Certificates of Obligation bonds	\$	\$ 6,620,000	\$ ( 6,620,000)
General Obligation bonds	13,075,284	14,034,246	( 958,962)
Jail agreement obligation	1,379,437		1,379,437
Components of Debt:			
Premium on bonds	90,316	140,147	( 49,831)
Accrued interest payable	49,203	86,599	( 37,396)
Compensated absences	829,912	816,656	13,256
Unfunded OPEB obligation	<u>719,085</u>	<u>513,644</u>	<u>205,441</u>
<b>Total</b>	<b>\$ <u>16,143,237</u></b>	<b>\$ <u>22,211,292</u></b>	<b>\$ ( 6,068,055)</b>

**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2012*



## **JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2012*

During the fiscal year, the County's total debt decreased \$ 6,068,055 or 27.32%. The net decrease was due primarily to the principal payments on called general obligation debt.

All of the outstanding Bonds of the County payable from its limited taxes are insured and are, therefore, rated "A1" by Moody's Investors Service Inc. ("Moody's"), and "AA" by Standard & Poor's ("S&P"). State statutes limit the amount of general obligation debt a government may issue to 25% of its total assessed valuation. The current limitation for Johnson County significantly exceeds the outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note 7 on pages 48 through 51 of this report.

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

The annual budget is the means by which Commissioners Court sets the direction of the County, and allocates its resources.

In considering the budget for FY 2013, Commissioners Court considered the following factors:

- Property tax rate was set at an amount significantly under the rollback rate. Even with this, the County will continue to increase unencumbered fund balances.
- Employees were given additional compensation of a one-time \$ 500 payment each. This payment therefore does not bind the governing body to any future payroll cost increases.

### **Request for Information**

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Johnson County Auditor, #2 N. Main Street, Cleburne, Texas, 76033, or call (817) 556-6305.



## **BASIC FINANCIAL STATEMENTS**

**JOHNSON COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
September 30, 2012

Exhibit 1

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and temporary investments	\$ 41,445,825
Receivables (Net of Allowance for Uncollectibles):	
Taxes	899,419
Accounts	7,640,360
Due from other governments	465,915
Inventories	295,773
Prepaid items	226,896
Bond issuance cost (net of accumulated amortization)	162,049
Capital Assets:	
Land	2,288,709
Buildings and improvements (net)	31,041,910
Furniture, equipment and vehicles (net)	6,483,650
Infrastructure (net)	18,504,644
Construction in progress	<u>5,393,129</u>
Total assets	<u>114,848,279</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	6,367,088
Unearned revenue	254,068
Noncurrent Liabilities:	
Due within one year	2,623,335
Due in more than one year	<u>13,519,902</u>
Total liabilities	<u>22,764,393</u>
<u>Net Assets</u>	
Invested in capital assets, net of related debt	52,633,294
Restricted:	
Debt service	969,233
Health services	1,403,499
Public transportation projects	7,031,511
Records management	1,564,097
Other	1,850,846
Unrestricted	<u>26,631,406</u>
Total net assets	<u>\$ 92,083,886</u>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2012

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
General government	\$ 9,457,279	\$ 2,477,276	\$ 20,165	\$ 10,500	\$( 6,949,338)
Administration of justice	9,499,338	2,551,462	749,006		( 6,198,870)
Financial administration	4,187,083	1,210,846			( 2,976,237)
Elections	440,552	81,180	71,374		( 287,998)
Law enforcement	27,745,191	8,371,959	1,733,509	43,940	( 17,595,783)
Highways and streets	9,803,003	1,962,896	20,285	186,447	( 7,633,375)
Health and welfare	1,305,482	23,376	158,230		( 1,123,876)
Culture and recreation	176,365	48,699			( 127,666)
Conservation	159,099				( 159,099)
Interest on long-term debt	830,473				( 830,473)
Total governmental activities	<u>63,603,865</u>	<u>16,727,694</u>	<u>2,752,569</u>	<u>240,887</u>	<u>( 43,882,715)</u>
General Revenue:					
Property taxes					44,359,032
Other taxes					546,139
Unrestricted investment earnings					116,335
Gain on sale of capital assets					42,118
Miscellaneous					<u>970,333</u>
Total general revenues					<u>46,033,957</u>
Change in net assets					2,151,242
Net assets – beginning					<u>89,932,644</u>
Net assets – ending					<u>\$ 92,083,886</u>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2012

	Major Funds			
	General Fund	Road & Bridge Fund	General Debt Service Fund	Motorola Simulcast Radio System Fund
<b>ASSETS</b>				
Cash and temporary investments	\$ 23,016,211	\$ 5,428,348	\$ 802,092	\$ 2,026,222
Receivables (Net of Allowance for Uncollectibles):				
Taxes	727,074	96,950	44,749	
Accounts	892,732	34,746		
Due from other governments				
Due from other funds	498,764	34,777	2,539	
Due from others	709,579			
Inventories		295,773		
Prepaid expenditures	<u>226,301</u>			
Total assets	<u>\$ 26,070,661</u>	<u>\$ 5,890,594</u>	<u>\$ 849,380</u>	<u>\$ 2,026,222</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and accrued liabilities payable	\$ 3,684,270	\$ 538,324	\$	\$ 1,272,699
Due to other funds	100,437			
Due to others	610,763			
Deferred revenue	<u>479,752</u>	<u>52,279</u>	<u>27,886</u>	
Total liabilities	<u>4,875,222</u>	<u>590,603</u>	<u>27,886</u>	<u>1,272,699</u>
<b>Fund Balances:</b>				
Nonspendable	226,301	295,773		
Restricted		5,004,218	821,494	753,523
Unassigned	<u>20,969,138</u>			
Total fund balances	<u>21,195,439</u>	<u>5,299,991</u>	<u>821,494</u>	<u>753,523</u>
Total liabilities and fund balance	<u>\$ 26,070,661</u>	<u>\$ 5,890,594</u>	<u>\$ 849,380</u>	<u>\$ 2,026,222</u>

The notes to the financial statements are an integral part of this statement.

<u>Non-Major Funds</u>	
<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 10,172,952	\$ 41,445,825
30,646	899,419
77,603	1,005,081
465,915	465,915
63,121	599,201
	709,579
	295,773
<u>595</u>	<u>226,896</u>
<u>\$ 10,810,832</u>	<u>\$ 45,647,689</u>

\$ 871,795	\$ 6,367,088
498,764	599,201
	610,763
<u>244,836</u>	<u>804,753</u>
<u>1,615,395</u>	<u>8,381,805</u>
595	522,669
9,195,437	15,774,672
<u>( 595)</u>	<u>20,968,543</u>
<u>9,195,437</u>	<u>37,265,884</u>
<u>\$ 10,810,832</u>	<u>\$ 45,647,689</u>

**JOHNSON COUNTY, TEXAS****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET ASSETS**

September 30, 2012

Exhibit 3R

Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 37,265,884
<b>Amounts reported for <i>governmental activities</i> in the statement of net assets (Exhibit 1) are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 114,258,476 in assets less \$ 50,546,434 in accumulated depreciation.	63,712,042
Judicial accounts receivables net of related allowance for uncollectible accounts are unavailable to pay for current period expenditures and availability of funds that are uncertain as to availability are not recorded in the funds. Judicial receivables of \$ 11,792,900 net of allowance for uncollectible accounts of \$ 5,256,437 in the General fund amounted to \$ 6,536,463.	6,536,463
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred property tax revenues for the General fund, Road and Bridge special revenue fund, Indigent Health Care special revenue fund, Law Enforcement Center debt service fund, and the Equipment debt service fund amounted to \$ 448,501, \$ 52,279, \$ 15,012, \$ 27,885, and \$ 7,008, respectively.	550,685
Debt issuance costs are reported as current financial uses for governmental funds but the expenditures increase long-term assets in the statement of net assets. This amount is amortized over the life of the debt. Net debt issuance costs were \$ 162,049 (original issuance costs of \$ 308,611 less accumulated amortization of \$ 146,562).	162,049
Payables for bond principal are not reported in the funds.	( 13,075,284)
Payables for note principal are not reported in the funds.	( 1,379,437)
Premium on the issuance of bonds provides current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net assets. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$ 90,316 (premium on the sale of bonds of \$ 188,901 less amortization of \$ 98,585).	( 90,316)
Payables for bonded debt interest are not reported in the funds except for amounts received from the sale of bonds or issuance of notes after the issuance date. Total accrued interest payable of \$ 49,203.	( 49,203)
The liability for the underfunded annual required contribution as calculated for the retiree health insurance benefits is not reported in the funds.	( 719,085)
Payables for compensated absences are not reported in the funds.	<u>( 829,912)</u>
Net assets of governmental activities - statement of net assets (Exhibit 1)	<u>\$ 92,083,886</u>

The notes to the financial statements are an integral part of this statement.



**JOHNSON COUNTY, TEXAS****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2012

	Major Funds			
	General Fund	Road & Bridge Fund	General Debt Service Fund	Motorola Simulcast Radio System C & M Fund
Revenues:				
Taxes	\$ 35,711,762	\$ 5,737,347	\$ 2,190,414	\$
Intergovernmental	829,904			
Prisoner housing services	6,609,928			
Fees	4,066,540	1,962,896		
Fines	1,507,227			
Investment income	82,568	13,748	1,559	3,672
Miscellaneous	<u>1,406,952</u>	<u>270,643</u>		
Total revenues	<u>50,214,881</u>	<u>7,984,634</u>	<u>2,191,973</u>	<u>3,672</u>
Expenditures:				
Current:				
General administration	7,367,290			
Administration of justice	8,855,038			
Financial administration	3,952,542			
Elections	365,261			
Law enforcement	24,541,692			
Highways and streets		6,994,809		
Health and welfare	439,382			
Culture and recreation	164,385			
Conservation	158,300			
Capital outlay		2,123,225		2,203,435
Debt Service:				
Principal	146,735		7,680,000	
Interest and fiscal charges			<u>593,321</u>	
Total expenditures	<u>45,990,625</u>	<u>9,118,034</u>	<u>8,273,321</u>	<u>2,203,435</u>
Excess (deficiency) of revenues over expenditures	<u>4,224,256</u>	<u>( 1,133,400)</u>	<u>( 6,081,348)</u>	<u>( 2,199,763)</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital asset	16,898	58,370		
Transfers in	127,965		5,529,713	4,238
Transfers out	<u>( 10,147,764)</u>			
Total other financing sources and (uses)	<u>( 10,002,901)</u>	<u>58,370</u>	<u>5,529,713</u>	<u>4,238</u>
Net change in fund balances	<u>( 5,778,645)</u>	<u>( 1,075,030)</u>	<u>( 551,635)</u>	<u>( 2,195,525)</u>
Fund balances - beginning	<u>26,974,084</u>	<u>6,375,021</u>	<u>1,373,129</u>	<u>2,949,048</u>
Fund balances - ending	<u>\$ 21,195,439</u>	<u>\$ 5,299,991</u>	<u>\$ 821,494</u>	<u>\$ 753,523</u>



<u>Non-Major Funds</u>			
<u>Other Governmental Funds</u>		<u>Total Governmental Funds</u>	
\$ 1,191,056	\$	44,830,579	
1,910,564		2,740,468	
		6,609,928	
915,066		6,944,502	
19,064		1,526,291	
14,788		116,335	
<u>693,858</u>		<u>2,371,453</u>	
<u>4,744,396</u>		<u>65,139,556</u>	
739,643		8,106,933	
577,734		9,432,772	
209,521		4,162,063	
70,140		435,401	
2,059,737		26,601,429	
91,005		7,085,814	
811,829		1,251,211	
2,315		166,700	
		158,300	
2,809,615		7,136,275	
		7,826,735	
		<u>593,321</u>	
<u>7,371,539</u>		<u>72,956,954</u>	
<u>( 2,627,143)</u>	<u>(</u>	<u>7,817,398)</u>	
4,750		80,018	
5,829,638		11,491,554	
<u>( 1,343,790)</u>	<u>(</u>	<u>11,491,554)</u>	
<u>4,490,598</u>		<u>80,018</u>	
1,863,455	(	7,737,380)	
<u>7,331,982</u>		<u>45,003,264</u>	
<u>\$ 9,195,437</u>	<u>\$</u>	<u>37,265,884</u>	

**JOHNSON COUNTY, TEXAS****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO GOVERNMENTAL  
ACTIVITIES STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2012

Exhibit 4R

Page 1

Net change in fund balances - total governmental funds (Exhibit 4)	\$( 7,737,380)
<b>Amounts reported for <i>governmental activities</i> in the statement of activities (Exhibit 2) are different because:</b>	
Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$ 7,498,868 exceeded depreciation of \$ 5,516,665 in the current period.	1,982,203
Contributions of capital assets are not reported in the funds, however, contributions of capital assets are reported as capital contributions in the governmental activities statement of activities. During the current year, \$ 1,712,619 of land, buildings and equipment were contributed to and accepted by the County, less \$ 1,526,172 in a note payable also assumed by the County.	186,447
Property tax revenues in the governmental activities statement of activities do not provide current available resources and are not reported as revenues in the funds. Deferred property tax revenues for the general fund, Road and Bridge special revenue fund, Indigent Health Care special revenue fund, General debt service fund, and Equipment debt service fund amounted to \$ 78,536, \$( 11,605), \$ 3,816, \$ 5,129, and \$( 1,284), respectively.	74,592
Governmental funds report proceeds from the sale of assets as revenue. However, in the governmental activities statement of activities, the cost of the assets disposed is offset against the proceeds to report gain or loss on the disposition of assets. The costs of assets disposed were \$ 37,900. (Cost of \$ 1,656,393 less accumulated depreciation of \$ 1,618,493).	( 37,900)
Judicial revenues (resulting from accounts receivables net of related allowance for uncollectible accounts) in the governmental activities statement of activities does not provide current available resources and are not reported as revenues in the funds. The change in these net receivables resulted in an increase in revenues reported in the governmental activities statement of activities.	312,394
Debt issuance cost is an expenditure in the governmental fund, but the cost increases long-term assets in the statement of net assets. This amount is amortized over the life of the debt. Debt issuance cost amortization is \$ 223,342.	( 223,342)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net assets. The funds statements reported \$ 7,680,000 in long-term bond principal payments and \$ 146,735 in long-term note payments.	7,826,735
Premium on the issuance of bonds provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net assets. Bond premium amortization was \$ 49,832.	49,832

(continued)

**JOHNSON COUNTY, TEXAS**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO GOVERNMENTAL  
ACTIVITIES STATEMENT OF ACTIVITIES - Continued*

For the Year Ended September 30, 2012

Exhibit 4R

Page 2

Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of accretion and accrued interest on long-term debt. Current bond accretion of \$ 101,038 less the change in accrued interest on note and bonds of \$ 37,396	\$( 63,642)
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount of change in the liability for underfunded annual required contribution for the post employment health insurance benefits.	( 205,441)
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of change in compensated absences.	<u>13,256</u> )
Change in net assets of governmental activities (see Exhibit 2)	<u>\$ 2,151,242</u>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
September 30, 2012

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 7,893,120
Receivables:	
Accounts receivable	290,636
Due from others	<u>610,763</u>
 Total assets	 \$ <u>8,794,519</u>
 <u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 352,086
Due to others	<u>8,442,433</u>
 Total liabilities	 \$ <u>8,794,519</u>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

INDEX

<u>Note</u>	
1	Summary of Significant Accounting Policies..... 28
2	Deposits, Investments and Derivatives..... 39
3	Receivables, Uncollectible Accounts and Deferred Revenues..... 43
4	Interfund Receivables, Payables and Transfers..... 45
5	Capital Assets..... 46
6	Disaggregation of Accounts and Accrued Liabilities Payable..... 47
7	Long-Term Debt..... 48
8	Leasing Operations..... 51
9	Pension Plan..... 52
10	Post Employment Health Insurance Benefits..... 55
11	Grants, Entitlements and Shared Revenues..... 56
12	Bail Bond Collateral..... 57
13	Litigation..... 57
14	Risk Coverage..... 58
15	Evaluation of Subsequent Events..... 58

## JOHNSON COUNTY, TEXAS

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Johnson County, Texas (County) related to the funds in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the County has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the County are described below.

#### Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the County's reporting entity. Financial statements for component units can be obtained from the office of the County Auditor.

Included in the reporting entity:

Johnson County, Texas (Primary Government) -

The County is a political subdivision of the State of Texas. The County is governed by the Commissioners Court, composed of four elected County Commissioners and an elected County Judge. Each of these officials serves a term of four years. The primary activities of the County include: the construction and maintenance of county roads, provision of public safety through a sheriff's department, support of area fire protection and ambulance service, administration of justice, correctional facilities, health and welfare services, culture and recreation, and other social and administrative services.

For the year ended September 30, 2012, no other organizations have been combined for either blended or discrete presentation in the County's financial statements. The following organizations are not considered "related organizations."

Excluded from the reporting entity:

Adult Probation -

This entity is considered a separate agency of the State of Texas. While the County provides office space, utilities, telephone and certain supplies, the operations of this unit are primarily provided for by the State. A separate board develops the operating budget, which is also approved and controlled by the State of Texas. Required County expenditures are disclosed as a department within the General Fund function of Corrections. Due to custodial responsibility, the accounts of this entity are reported as an Agency Fund of the County.

## JOHNSON COUNTY, TEXAS

### Notes to the Financial Statements

For The Year Ended September 30, 2012

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### Reporting Entity - continued

###### Johnson County Appraisal District -

This is a separate entity providing property appraisal services to all taxing units within the county. This entity has its own governing board, elected by the various taxing units, which it serves; however, the taxing units do not designate management or significantly influence operations. The Appraisal District's cost of operations is divided on a prorated basis among the various taxing units within the county. Johnson County's share of this cost is disclosed within the General Fund under the Financial Administration function.

Other entities within the county which provide similar services but are not included in the reporting entity because they do not meet the criteria are: municipalities, school districts, drainage districts, hospital districts, water districts and various non-profit organizations.

##### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Johnson County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has no enterprise fund.

##### Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund (excluding agency funds, which have no measurement focus but are on the accrual basis of accounting) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2012

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Measurement Focus, Basis Of Accounting, and Financial Statement Presentation - continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from property and other taxes, grants and contracts, fees (charges for services), fines (including forfeitures), and interest associated with the current fiscal period are all considered to be susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Revenue from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.



## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2012

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Measurement Focus, Basis Of Accounting, and Financial Statement Presentation - continued

The County has presented the following major governmental funds:

The *General fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

The *Road and Bridge special revenue fund* accounts for the property taxes and fees from auto registration, certificates of title, gross weight and axle fees, and approved expenditures for public transportation projects.

The *General Debt Service fund* is utilized to account for property tax collections for the repayment of general obligation bonded debt of the County.

The *Motorola Simulcast Radio System (capital project) fund* is used to account for capital expenditures for the purchase and construction of a radio equipment system.

Additionally, the County reports the following fiduciary funds:

The *agency funds* account for assets that the government holds on behalf of others as their agent. The County's agency funds include Unclaimed Money, Tax Assessor/Collector, District and County Clerk trusts, Sheriff Department Funds, Seizure and Restitution Funds, and Community Corrections and Supervision (Adult Probation) funds.

#### New Pronouncements

GASB No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", was issued November 2010. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2011.

GASB No. 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34", was issued November 2010. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2012.

GASB No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", was issued December 2010. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2011.

GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", was issued June 2011. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2011.

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2012

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### New Pronouncements - continued

GASB No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions-and amendment of GASB Statements No. 53", was issued June 2011. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2011.

GASB No. 65, "Items Previously Reported as Assets and Liabilities", was issued March 2012. The management of the District does not believe that the implementation of this statement will have a material effect on the financial statements of the County, although it will reclassify items previously recorded as assets and liabilities within the County's financial statements as outflow and inflows of resources. This statement is effective for periods beginning after December 15, 2012.

GASB No. 66, "Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62", was issued March 2012. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2012.

##### Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The legal level of budgetary control is at the category or line item level (salaries and wages and employee benefits, and operating expenditures) within departments of each fund. Any expenditure, which alters the total budgeted amounts of a fund must be approved by Commissioners Court, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Annual appropriated budgets are adopted for the General fund, certain special revenue funds (Road and Bridge Fund, Lateral Road Fund, Right of Way Fund, Records Management and Preservation Fund, Records Archive – County Clerk Fund, Records Archive – District Clerk Fund, Court Records Preservation Fund, Justice of the Peace Technology Fund, Courthouse Security Fund, County/District Court Technology Fund, District Court Records Technology Fund, Justice Court Building Security Fund, Juvenile Justice Alternative Education Fund, Juvenile Probation Fees Fund, Juvenile Case Manager Fund, STOP Federal Forfeiture Fund, District Attorney Forfeiture Fund, Sheriff Forfeiture Fund, County Essential – Capital Murder Trial Fund, Law Library Fund, Special Crimes Operations Fund, STOP Operations Fund, Pre-Trial Bond Supervision Fund, Indigent Health Care Fund, Indigent Defense Formula/Improvement Fund, Guardianship Fee Fund, Election Services Contract Fund, Texas Information and Notification Everyday (VINE) Grant Fund, Sexual Assault Prevention and Crisis Service Fund, 911 Addressing Maintenance Contract Fund, State Criminal Alien Assistance Fund, Historical Society Account Fund, and the debt service funds.

Prior to May 1 of each year, or as soon thereafter as practical, the County Judge, assisted by the County Auditor, prepares a proposed operating budget for the subsequent fiscal year beginning the following October 1st. The proposed operating budget establishes estimated revenues and other resources available for appropriation. Proposed expenditures may not exceed estimated revenues, other resources, and available fund balances.

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2012

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### Budgetary Data - continued

Subsequent to May 15 and after proper publication of notice, a public hearing is conducted by the Commissioners Court to obtain taxpayer comments. If an increase to the effective tax rate of more than 3% is proposed as a result of the proposed budget, additional notices and public hearings are required.

After the public hearing(s) the Commissioners Court makes appropriate budget changes and adopts the budget through the passage of an order at a regularly scheduled meeting. A separate order is adopted to levy the taxes necessary to finance the budgeted expenditures.

Although the level of budgetary control is total revenues plus available fund balance, the County adopts its budget at a line-item level for managerial control purposes. Line item level is defined for revenue purposes as the type of revenue to be derived and for expenditure purposes by department and type of expenditures (salaries and wages, and employee benefits; operating expenses/expenditures; and capital outlay).

At the discretion of Commissioner's Court, transfers of line item budgets within a fund may be made. Amendments to provide for items not included in the original budget may be made by the Commissioners Court upon finding and declaration of the existence of an emergency sufficient to require action. County management has no prerogative to amend the budget without the approval of Commissioners Court. Appropriations not exercised in the current year lapse at the end of the year. One hundred fifty-one supplemental budget amendments in the general and special revenue funds were deemed necessary due to the timing of planned expenditures and construction projects.

##### Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized. Encumbrances outstanding at year-end are reported as a reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of September 30, 2012, the County had no encumbrances outstanding.

##### Cash and Investments

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents. In accordance with GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are stated at fair value.

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and temporary investments under each fund's caption. Funds are allowed to exceed the amount of their equity in the pooled cash account. Funds with overdrawn accounts are disclosed as an interfund payable in the liability section of the balance sheet.

# JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2012

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### Property Taxes

Property taxes are levied as of October 1st of each year with statements prepared and mailed at that date or soon thereafter. The tax levy is based upon appraised property values as of each previous January 1st for all taxable property within the County. Payments are due and payable when taxes are levied and may be timely paid through January 31st. On February 1st, taxes become delinquent and subject to penalty and interest charges. After June 30th, any uncollected taxes are subject to tax suit and additional charges to offset related legal costs. The lien date for property taxes is July 1st.

The appraisal of property within the county is the responsibility of the Johnson County Appraisal District. The Texas Legislature established the Appraisal District and the related Appraisal Review Board in 1979 through the adoption of a comprehensive Property Tax Code. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Real property is reappraised at least every four years. Under certain circumstances, taxpayers and taxing units including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Under the Code, the Commissioners Court will continue to set annual tax rates on the property. The Code also provides that, if approved by the qualified voters in the Appraisal District, collection functions may be placed with the Appraisal District. The County bills and collects its property taxes and those of certain other taxing entities. Collections of those taxes pending distribution are accounted for in an agency fund.

The County is permitted by Article VIII, Section 9 of the State of Texas Constitution to levy taxes up to \$ .80 per \$ 100 assessed valuation for general governmental services including payment of principal and interest on general long-term debt and maintenance of roads and bridges. Article 6790 of Vernon's Civil Statutes permits the County to collect an additional \$ .15 per \$ 100 valuation for road and bridge purposes. Article 7048a of Vernon's Civil Statutes permits the County to collect \$ .30 per \$ 100 valuation for road, bridge and flood control purposes.

The County's 2011 tax levy, supporting the 2012 fiscal period budget, totaled \$ 0.379500 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.302064
Indigent Health Care	0.009623
Road and Bridge	0.049000
Special Road and Bridge:	
Article 6790	-0-
Article 7048a	-0-
Debt Service:	
Interest and Sinking:	
General Obligation Refunding Bonds, Series 2001;	
Certificates of Obligation Bonds, Series 2001;	
Certificates of Obligation Bonds, Series 2004;	
Certificates of Obligation Bonds, Series 2004A; and	
General Obligation Refunding Bonds, Series 2007	0.018813
Equipment Interest and Sinking:	
Tax Notes	<u>0.000000</u>
Combined tax rate	<u>\$ 0.379500</u>

# JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2012

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds". The County had no advances between funds. All activity between funds was for short-term cash flow requirements. See Note 4 for additional discussion of interfund receivables and payables.

### Inventories and Prepaid Items

The County utilizes the consumption method to account for inventory and prepaid expenditures. Under this method, inventory and prepaid expenditures are considered an expenditure when used rather than when purchased. Significant inventories are reported on the balance sheet at cost, using the first-in, first-out method, with an offsetting reservation of fund balance in the governmental fund financial statements since they do not constitute "available spendable resources" even though they are a component of current assets. Inventories in the governmental funds are comprised of road materials, bulk fuel, parts, and chemicals.

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

### Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment and vehicles, runways, infrastructure, and construction in progress are reported in the governmental activities column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended September 30, 2012, no capitalized interest was included in the cost of capital assets under construction.

Assets capitalized have an original cost of \$ 5,000 or more and over two years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Leased assets are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings and improvements	5-50 Years
Furniture, equipment and vehicles	5-20 Years
Infrastructure	20-35 Years

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2012

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

##### Compensated Absences

Employees are allowed paid absences due to sickness and vacation time. Sick leave benefits are earned by all full time employees at a rate of 96 hours annually. The leave policy allows employees to accumulate up to ninety days of sick leave benefit. Sick leave benefits are recognized in the period in which time off is actually taken. Vacation benefits accrue monthly at rates depending upon an employee's length of service. Employees may accumulate a maximum of 18 months of vacation credits based on the earning rate and length of service. Employees who reach the maximum accumulated rate will not accrue additional time until they use sufficient vacation to bring their accumulated rate below the maximum level.

The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at September 30, 2012, computed at pay rates in effect at that time was \$ 829,912.

Compensated absence liabilities for governmental activities have been paid from the general fund and various special revenue funds.

##### Long-Term Debt

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

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

##### Fund Equity

The County's Commissioners Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The County's Unassigned General Fund Balance is maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the County's Commissioners Court. Fund Balance of the County may be committed for a specific source by formal action of the County's Commissioners Court. Amendments or modifications of the committed fund balance must also be approved by formal action by the County's Commissioners Court. When it is appropriate for fund balance to be assigned, the County's Commissioners Court has delegated authority to the County Judge or the County Auditor. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended are as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2012

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Fund Equity - continued

##### Fund Balance Classifications:

The *non-spendable* fund balance includes portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include inventories and prepaid items.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, and contributors), laws and regulations of other governments, or through enabling legislation.

The enabling legislation authorizes the County to access, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. The County's fee revenue generated through enabling legislations include auto registration fees, birth/death certificate fees, adult bond supervision fees, child abuse protection fees, court technology fees, election service fees, family protection fees, financial security fees, juvenile case management fees, law library fees, records archive fees, and records management and preservation fees reported under Non-Major Special Revenue Funds, and auto registration fees, certificates of title, and gross weight and axle fees reported under the Road and Bridge Major Fund.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Commissioners Court actions, no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources. At September 30, 2012, there are no commitments of fund balance.

The *assigned* fund balance includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by Commissioners Court or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Commissioners Court actions. At September 30, 2012, there are no assignments of fund balance.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2012:

	Major Funds				Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Motorola Simulcast Radio System C & M Fund	Other Governmental Funds	
Fund Balances:						
Non-spendable:						
Inventories	\$	\$ 295,773	\$	\$	\$	\$ 295,773
Prepaid expenditures	226,301				595	226,896
Restricted:						
Capital projects				753,523	2,749,836	3,503,359
Contributor purposes					35,903	35,903
Court improvements and operations					538,947	538,947
Debt service			821,494			821,494
Election services					182,332	182,332
Health services					1,388,487	1,388,487
Inmate services					143,111	143,111
Juvenile services					234,874	234,874
Library services					237,719	237,719
Public safety personnel training					5,110	5,110
Public transportation projects		5,004,218			1,679,241	6,683,459
Records management					1,564,097	1,564,097
Special crimes operations					266,265	266,265
County/District attorney services					61,924	61,924
Sheriff services					17,573	17,573
Other					90,018	90,018
Unassigned	<u>20,969,138</u>				( 595)	<u>20,968,543</u>
Total fund balances	<u>\$ 21,195,439</u>	<u>\$ 5,299,991</u>	<u>\$ 821,494</u>	<u>\$ 753,523</u>	<u>\$ 9,195,437</u>	<u>\$ 37,265,884</u>

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.



**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

	<u>Governmental Activities</u>
Net Assets:	
Invested in capital assets, net of related debt	\$ 52,633,294
Restricted:	
Debt service	969,233
Health services	1,403,499
Public transportation projects	7,031,511
Records management	1,564,097
Other:	
Contributor purposes	79,273
Court improvements and operations	538,947
Election services	182,332
Inmate services	143,111
Juvenile services	234,874
Library services	237,719
Public safety personnel training	5,110
Special crime operations	266,265
County/District attorney services	61,924
Sheriff services	17,573
Other	90,018
Unrestricted	<u>26,631,406</u>
	<u>\$ 92,083,886</u>

**NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES**

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures. Cash and temporary investments as reported on the financial statements at September 30, 2012 are as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 27,812	\$	\$ 27,812
Financial Institution Deposits:			
Demand deposits	6,664,887	7,833,380	14,498,267
Local Government Investment Pool:			
TexPool	10,661,159	59,740	10,720,899
TexSTAR	<u>12,397,987</u>	<u>                    </u>	<u>12,397,987</u>
	29,751,845	7,893,120	37,644,965
Investments:			
Financial Institution Deposits:			
Certificates of deposit	<u>11,693,980</u>	<u>                    </u>	<u>11,693,980</u>
	<u>\$ 41,445,825</u>	<u>\$ 7,893,120</u>	<u>\$ 49,338,945</u>

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2012

#### **NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued**

##### Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized in an amount equal to 100 percent of uninsured balances.

At year-end, in addition to petty cash of \$ 27,812, the carrying amount of the County's financial institution deposits, was \$ 26,192,247, while the financial institution balances totaled \$ 26,520,825. Of these balances, \$ 2,495,150 represents amounts controlled by County courts and held by various financial institutions jointly under the name of the County and the courts beneficiaries and carrying the identification number of the beneficiaries. These accounts are entirely covered by federal deposit insurance. Of the remaining balances, \$ 2,194,000 was covered by federal depository insurance coverage, and \$ 21,831,675 was covered by collateral held by the County's agent in the County's name.

##### Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under written investment policy (the "investment policy"). The investment policy primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain instruments allowed under chapter 2256 of the Texas Government Code.

The County's deposits and investments are invested pursuant to the investment policy, which is approved by Commissioners Court. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition it includes an "Investment Strategy Statement" that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the County will deposit funds is addressed. The County's investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). The County's management believes it complied with the requirements of the PFIA and the County's investment policy.

The County's Investment Officer submits an investment report each quarter to the Commissioners Court. The report details the investment positions of the County and the compliance of the investment portfolio as it relates to both the adopted investment strategy statements and Texas state law.

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2012

### NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

#### Investments - continued

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. No-load money market mutual funds: regulated by SEC, with a dollar-weighted average stated maturity of 90 days or less, includes in its investment objectives the maintenance of a stable \$ 1.00 net asset value per each share, and limited in quantity to the requirements, set forth in Chapter 2256, Government Code Section 2256.014;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Certificates of deposit if issued by a state or national bank domiciled in the State of Texas and is: guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, secured in any manner and amount provided by law for deposits of the County;
7. Fully collateralized repurchase agreements, if it: has a defined termination date, is secured by obligations described by Section 2256.009(a)(1) of the Public Funds Investment Act, requires the securities being purchased by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, is placed through a primary government securities dealer, approved by the County, or a financial institution doing business in the State of Texas;
8. Commercial paper is an authorized investment, if the commercial paper: has a stated maturity of 270 days or fewer from the date of its issuance, and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;
9. Eligible investment pools if the Commissioners Court by resolution authorizes investment in the particular pool. An investment pool shall invest funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. The County by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds; and,

The County is invested in certificates of deposit at various financial institutions to provide its liquidity needs. The overall weighted average maturity of less than 365 days. This investment is insured, registered, or the County's agent holds the securities in the County's name; therefore, the County is not exposed to custodial credit risk with these deposits.

The County participates in TexPool and TexSTAR, Local Government Investment Pools. The State Comptroller of Public Accounts oversees TexPool. Federal Investors is the full service provider to the pools managing the assets, providing participant services, and arranging for all custody and other functions in support of the pools operations under a contract with the Comptroller. TexSTAR is administered by First Southwest and JP Morgan Investment Management, Inc. Together, these organizations bring to the TexSTAR program the powerful partnership of two leaders in financial services with a proven and noted track record in local government pool management.

# JOHNSON COUNTY, TEXAS

## Notes to the Financial Statements

For The Year Ended September 30, 2012

### NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

#### Investments - continued

The County invests in both TexPool and TexSTAR to provide its liquidity needs. TexPool and TexSTAR are local government investment pools that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. TexPool is a 2(a)7 like fund, meaning that it is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed.

At September 30, 2012 TexPool and TexSTAR had a weighted average maturity of 41 and 46 days, respectively. Although TexPool and TexSTAR had a weighted average maturity of 41 and 46 days, the County considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

As of September 30, 2012, the County had the following investments:

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Local Government Investment Pools:			
TexPool	Varies	\$ 10,720,899	41.0
TexSTAR	Varies	<u>12,397,987</u>	46.0
		23,118,886	29.0
Financial Institution Deposits:			
Certificates of Deposit	0.30%–1.00%	<u>11,693,980</u>	276.4
Total investments		<u>\$ 34,812,866</u>	121.9

Credit Risk – As of September 30, 2012, the LGIP's (which represent approximately 66.41% of the investment portfolio) are rated AAAM by Standard and Poor's or AAA by Finch, and the certificates of deposits (which represent 33.59% of the investment portfolio) are covered by Federal Deposit Insurance and pledged securities, therefore, the County does not have a significant exposure to credit risk. To receive funds from Johnson County an investment pool must be rated no lower than AAA or AAAM or equivalent.

Interest Rate Risk – As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities will not exceed the lesser of a dollar weighted average maturity of 365 days or the anticipated cash flow requirements of the funds. Quality short-to-medium term securities may be purchased, which compliment each other in a structured manner that minimizes risk and meets the County's cash flow requirements.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued**

Derivatives

Interest in derivative products has increased in recent years. Derivatives are investment products, which may be a security or contract, which derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The County made no direct investments in derivatives during the year ended September 30, 2012, and holds no direct investments in derivatives at September 30, 2012.

**NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES**

Receivables and Allowances

Receivables as of September 30, 2012, for the government's individual governmental major and nonmajor funds, proprietary major fund, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds				Non-Major Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Receivables:					
Property Taxes	\$ 2,215,453	\$ 415,027	\$ 150,217	\$ 151,642	\$ 2,932,339
Accounts	892,732	34,746		77,603	1,005,081
Due from other governments				465,915	465,915
Gross receivables	3,108,185	449,773	150,217	695,160	4,403,335
Less Allowance for Uncollectible:					
Property taxes	<u>1,488,379</u>	<u>318,077</u>	<u>105,468</u>	<u>120,996</u>	<u>2,032,920</u>
Net receivables	<u>\$ 1,619,806</u>	<u>\$ 131,696</u>	<u>\$ 44,749</u>	<u>\$ 574,164</u>	<u>\$ 2,370,415</u>
Receivables:					Fiduciary Fund
Accounts:					
Adult probationers					<u>\$ 290,636</u>
Net total receivables					<u>\$ 290,636</u>

Receivables From Other Governments

The County participates in a variety of federal and state programs from which it receives grants to, partially or fully, finance certain activities. In addition, the County receives entitlements from the State through the legislative actions and taxes collected by the State on behalf of the County (other taxes). All federal grants shown below are either direct or passed through state or local agencies and are reported on the financial statements as due from other governments.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES - Continued**

Amounts due from federal, state, and local governments as of September 30, 2012 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Total</u>
Non-major governmental funds	\$ <u>195,628</u>	\$ <u>270,287</u>	\$ <u>465,915</u>
Total	\$ <u>195,628</u>	\$ <u>270,287</u>	\$ <u>465,915</u>

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net assets. Since these receivables do not represent current available resources, they are not reported in the governmental funds balance sheet. The allowance for uncollectible receivables related to the County's various court assessments is determined based on historical experience and evaluation of collectability in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of September 30, 2012:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 484,253	\$ 145,276	\$ 338,977
County courts	2,172,651	543,163	1,629,488
District courts	<u>9,135,996</u>	<u>4,567,998</u>	<u>4,567,998</u>
	<u>\$ 11,792,900</u>	<u>\$ 5,256,437</u>	<u>\$ 6,536,463</u>

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2012, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Governmental Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	
Unavailable:					
Delinquent property taxes receivable	\$ 448,501	\$ 52,279	\$ 27,886	\$ 22,020	\$ 550,686
Unearned:					
State grants				222,816	222,816
State allocations	<u>31,251</u>				<u>31,251</u>
Total	<u>\$ 479,752</u>	<u>\$ 52,279</u>	<u>\$ 27,886</u>	<u>\$ 244,836</u>	<u>\$ 804,753</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at September 30, 2012 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-12</u>
General Fund	Other Governmental Funds	\$ 498,764
Road and Bridge Fund	General Fund	34,777
General Debt Service Fund	General Fund	2,539
Other Governmental Funds	General Fund	<u>63,121</u>
		<u>\$ 599,201</u>

Interfund receivables and payables represent short-term borrowings primarily for cash flow purposes. These include short-term borrowings for reimbursement grants and some revenue or expenditures/expense adjustments between funds at or near year-end.

Interfund transfers for the year ended September 30, 2012 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-12</u>
General Fund	General Debt Service Fund	\$ 4,313,893
General Fund	Motorola Simulcast Radio System Fund	4,238
General Fund	Other Governmental Funds	5,829,633
Other Governmental Funds	General Fund	127,965
Other Governmental Funds	General Debt Service Fund	1,215,820
Other Governmental Funds	Other Governmental Funds	<u>5</u>
Total		<u>\$ 11,491,554</u>

The Commissioners Court approved these transfers, as transfers of operational funds to cover planned expenditures/expenses.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 5 - CAPITAL ASSETS**

Capital Transactions

	<u>Balance 10-01-11</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments &amp; Transfers</u>	<u>Balance 09-30-12</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 2,288,603	\$ 106	\$	\$	\$ 2,288,709
Construction in progress	<u>2,081,726</u>	<u>4,625,747</u>	<u>                    </u>	<u>( 1,314,344)</u>	<u>5,393,129</u>
Total capital assets not being depreciated	<u>4,370,329</u>	<u>4,625,853</u>	<u>-0-</u>	<u>( 1,314,344)</u>	<u>7,681,838</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	47,049,275	1,891,159		1,165,039	50,105,473
Furniture, equipment and vehicles	18,464,036	1,552,006	671,592		19,344,450
Infrastructure	<u>36,819,742</u>	<u>1,142,469</u>	<u>984,801</u>	<u>149,305</u>	<u>37,126,715</u>
Total capital assets being depreciated	<u>102,333,053</u>	<u>4,585,634</u>	<u>1,656,393</u>	<u>1,314,344</u>	<u>106,576,638</u>
Less Accumulated Depreciation For:					
Buildings and improvements	17,112,152	1,951,411			19,063,563
Furniture, equipment and vehicles	11,800,931	1,693,561	633,692		12,860,800
Infrastructure	<u>17,735,179</u>	<u>1,871,693</u>	<u>984,801</u>	<u>                    </u>	<u>18,622,071</u>
Total accumulated depreciation	<u>46,648,262</u>	<u>5,516,665</u>	<u>1,618,493</u>	<u>-0-</u>	<u>50,546,434</u>
Total capital assets being depreciated, net	<u>55,684,791</u>	<u>( 931,031)</u>	<u>37,900</u>	<u>1,314,344</u>	<u>56,030,204</u>
Governmental activities capital assets, net	<u>\$ 60,055,120</u>	<u>\$ 3,694,822</u>	<u>\$ 37,900</u>	<u>\$ -0-</u>	<u>\$ 63,712,042</u>

During the year ended September 30, 2012, the County received equipment and roads from various sources totaling \$ 186,447.

Depreciation

Depreciation expense was charged as direct expense to functional categories of the County as follows:

	<u>09-30-12</u>
Governmental Activities:	
General government	\$ 1,380,067
Administration of justice	19,188
Law enforcement	1,371,815
Highways and streets	2,685,600
Health and welfare	52,465
Culture and recreation	<u>7,530</u>
	<u>\$ 5,516,665</u>



**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2012

**NOTE 5 - CAPITAL ASSETS - Continued**

Construction Commitments

Construction in progress for various projects at September 30, 2012 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
Market Square improvements	\$ 150,000	\$ 77,085	\$ 72,915
Adult probation building	4,800,000	2,348,519	2,451,481
Motorola simulcast radio system	3,685,000	2,940,435	744,565
Concrete storage bins	25,000	2,518	22,482
CR 1106 bridge - Pct 1	<u>169,220</u>	<u>24,572</u>	<u>144,648</u>
 Total	 <u>\$ 8,829,220</u>	 <u>\$ 5,393,129</u>	 <u>\$ 3,436,091</u>

**NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE**

Accounts and accrued liabilities payable as of September 30, 2012, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	<u>Governmental Funds</u>				
	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>Motorola Simulcast Radio System C &amp; M Total</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts and Accrued Liabilities Payable:					
Vendors	\$ 2,339,674	\$ 353,994	\$ 1,272,699	\$ 815,188	\$ 4,781,555
Other governments	391,457				391,457
Accrued compensation	<u>953,139</u>	<u>184,330</u>	<u>                    </u>	<u>56,607</u>	<u>1,194,076</u>
 Totals	 <u>\$ 3,684,270</u>	 <u>\$ 538,324</u>	 <u>\$ 1,272,699</u>	 <u>\$ 871,795</u>	 <u>\$ 6,367,088</u>
				<u>Fiduciary Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors				\$ 51,118	
Bonds payable				166,086	
Accrued compensation				<u>134,882</u>	
 Totals				 <u>\$ 352,086</u>	

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2012

**NOTE 7 - LONG-TERM DEBT**

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2012, are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-12
		Issued	Maturity	Callable	
General Obligation Refunding Bonds, Series 2007	4.00 - 5.00	2007	2020		\$ 10,590,284
General Obligation Refunding Bonds, Series 2010	2.00	2010	2014		<u>2,485,000</u>
Total					<u>\$ 13,075,284</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2012 were as follows:

Bonds outstanding, October 1, 2011	\$ 20,654,246
Accreted	101,038
Redemption	( 6,220,000)
Maturities	<u>( 1,460,000)</u>
Bonds outstanding, September 30, 2012	<u>\$ 13,075,284</u>

The \$ 304,716 difference between the general obligation and certificates of obligation bonds outstanding at September 30, 2012 of \$ 13,075,284 and the general obligation and certificates of obligation bond principal requirements of \$ 13,380,000 represents the amount of capital appreciation bonds to be accreted as interest over the life of these bonds.

The bond ordinances require that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. For the year ended September 30, 2012, the amount of ad valorem taxes collected for interest and sinking were \$ 2,186,190, while the debt service requirements for principal and interest was \$ 8,272,522. To offset this difference and to complete the redemptions, the General Fund transferred \$ 4,313,893 to the debt service fund. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

# JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2012

## NOTE 7 - LONG-TERM DEBT - Continued

### General Obligation Bonded Debt

The following is a summary of general obligation bond requirements by year as of September 30, 2012:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2013	\$ 1,180,000	\$ 378,612	\$ 1,558,612
2014	1,305,000	353,763	1,658,763
2015	1,415,000	340,712	1,755,712
2016	1,520,000	340,713	1,860,713
2017	1,675,000	298,838	1,973,838
2018-2022	<u>6,285,000</u>	<u>406,316</u>	<u>6,691,316</u>
	<u>\$ 13,380,000</u>	<u>\$ 2,118,954</u>	<u>\$ 15,498,954</u>

On March 27, 2007 the County sold \$ 10,895,000 of General Obligation Refunding Bonds, Series 2007. The net proceeds of \$ 9,938,058 were placed in escrow for the defeasement of \$ 9,649,961 in Certificate of Obligation, Series 2001 bonds. These refunding bonds (Series 2007) were issued for the purpose of generating resources and decreasing the total debt service payments. This refunding issue defeased a portion of the outstanding certificates of obligation bonds from the original issue of 2001. All future debt service payments on the original bonds were provided for by placing the proceeds of the refunding bonds in an irrevocable trust. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's basic financial statements.

The difference between the cash flow required to service the old debt and that required to service the new debt and complete the refunding was a decrease of \$ 662,684. The economic gain resulting from the transaction was \$ 457,782.

On September 23, 2010, the County sold \$ 4,495,000 of General Obligation Refunding Bonds, Series 2010. The net proceeds of \$ 4,503,384, less \$ 23,383 in defeasement costs, were placed in escrow for the defeasement of \$ 4,890,000 in Certificate of Obligation, Series 2001 bonds. These refunding bonds (Series 2010) were issued for the purpose of generating resources and decreasing total debt service payments. This refunding issue defeased the remaining portion of the outstanding certificate of obligation bonds from the original issue of 2001. All future debt service payments on the original bonds were provided for by placing the proceeds of the refunding bonds in an irrevocable trust. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's basic financial statements.

The difference between the cash flow required to service the old debt and that required to service the new debt and complete the refunding was a decrease of \$ 227,922. The economic gain resulting from the transaction was \$ 234,712.

On February 24, 2012, the County elected to redeem \$ 3,650,000 of Certificates of Obligation Bonds, Series 2004. These bonds were due to mature from 2013 through 2014 and has interest rates from 3.55% to 4.50%. The County paid \$ 3,654,110 (\$ 3,650,000 in principal, \$ 3,810 in interest and \$ 300 in redemption fees).

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2012

**NOTE 7 - LONG-TERM DEBT - Continued**

General Obligation Bonded Debt - continued

On July 30, 2012, the County elected to redeem \$ 2,570,000 of Certificates of Obligation Bonds, Series 2004A. These bonds were due to mature from 2013 through 2024 and had interest rates from 3.60% to 4.60%. The County paid \$ 2,619,632 (\$ 2,570,000 in principal, \$ 49,632 in interest).

To facilitate the redemptions noted above, the County transferred \$ 4,313,893 from the General Fund to the General Debt Service fund.

Tax Note Debt

On February 28, 2011 the County entered into an agreement with Southwest Correctional, LLC where Southwest Correctional, LLC was to construct an addition to the current County jail facility. Per the agreement, the County took ownership of the new facility on February 29, 2012 at which time the County became liable for a note payable to Southwest Correctional, LLC for \$ 1,526,172, which is the total of the construction costs. No interest is payable on this note. The note payable has monthly payments which are based on the County's monthly revenue for additional transportation and additional inmate telephone revenue, all of which result from the new facility. The total of all note payments are not to exceed \$ 1,526,172. The payment period ends on August 31, 2015, if not paid in full prior to that date. In the event there is an unpaid balance due at that time, the County's obligation to reimburse Southwest Correctional, LLC will be terminated. The balance due on the note payable at September 30, 2012 was \$ 1,379,437.

Note payable transactions for the year ended September 30, 2012 were as follows:

	<u>2012</u>
Note payable outstanding, October 1, 2011	
Assumed	\$ 1,526,172
Maturities	<u>( 146,735)</u>
Note payable outstanding, September 30, 2012	<u>\$ 1,379,437</u>

The following is a summary of note payable requirements by year as of September 30, 2012:

<u>Year Ending</u>	<u>Total</u>
<u>September 30,</u>	<u>Requirement</u>
2013	\$ 472,949
2014	472,949
2015	<u>433,539</u>
	<u>\$ 1,379,437</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 7 - LONG-TERM DEBT - Continued**

Changes in Long-Term Debt

Transactions for the year ended September 30, 2012 are summarized as follows:

	<u>Balance</u> <u>10-01-11</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>09-30-12</u>	<u>Due Within</u> <u>One Year</u>
Governmental Type Activities:					
Certificates of obligation bonds	\$ 6,620,000	\$	\$ 6,620,000	\$ -0-	\$
General obligation bonds	14,034,246	101,038	1,060,000	13,075,284	1,281,037
Note payable		1,526,172	146,735	1,379,437	472,949
Component of Bonded Debt:					
Premium on bonds	140,147		49,831	90,316	38,209
Accrued interest	86,599	49,203	86,599	49,203	49,203
Compensated absences	816,656	950,472	937,216	829,912	781,937
Unfunded OPEB obligation	<u>513,644</u>	<u>248,074</u>	<u>42,633</u>	<u>719,085</u>	<u></u>
Total governmental activities	<u>\$ 22,211,292</u>	<u>\$ 2,874,959</u>	<u>\$ 8,943,014</u>	<u>\$ 16,143,237</u>	<u>\$ 2,623,335</u>

**NOTE 8 - LEASING OPERATIONS**

Operating Leases - Lessor

The County is involved in various operating leases as lessor. These leases are for facilities rental. These leases expire from 2013 through 2015. The County has not determined the cost of these facilities as of September 30, 2012.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2012, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	
2013	\$ 13,500
2014	13,500
2015	<u>13,500</u>
	<u>\$ 40,500</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2012 was \$ 172,259.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 8 - LEASING OPERATIONS - Continued**

Operating Leases - Lessee

The County is involved in an operating lease with the City of Cleburne for parking facilities as lessee. This lease expires in 2022.

Minimum future rentals to be paid on noncancelable leases, as of September 30, 2012, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	
2013	\$ 3,600
2014	3,600
2015	3,600
2016	3,600
2017	3,600
2018-2022	<u>16,200</u>
	<u>\$ 34,200</u>

Gross rental expenditures for this operating lease for the year ended September 30, 2012 was \$ 3,600.

**NOTE 9 - PENSION PLAN**

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

### **NOTE 9 - PENSION PLAN - Continued**

#### Plan Description - continued

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

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

#### Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.41% for the months on the accounting year in 2012, and 9.02% for the months of the accounting year in 2011.

The contribution rate payable by the employee members for calendar years 2012 and 2011 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

#### Annual Pension Cost

For the employer's accounting years ending September 30, 2012 and 2011, the annual pension cost for the TCDRS plan for its employees was \$ 2,108,149 and \$ 2,000,716, and the actual contributions were \$ 2,108,149 and \$ 2,000,716, respectively.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2010 and December 31, 2011, the basis for determining the contribution rates for calendar years 2011 and 2012. The December 31, 2011 actuarial valuation is the most recent valuation.

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2012

**NOTE 9 - PENSION PLAN - Continued**

Annual Pension Cost - continued

Actuarial Valuation Information

Actuarial valuation date	12/31/09	12/31/10	12/31/11
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10 Year smoothed value ESP: Fund value	SAF: 10 Year smoothed value ESP: Fund value	SAF: 10 Year smoothed value ESP: Fund value
	<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>
Actuarial Assumptions:			
Investment return <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/10	\$ 1,765,911	100.00%	\$ -0-
9/30/11	2,000,716	100.00%	-0-
9/30/12	2,108,149	100.00%	-0-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>1</sup> (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 41,007,700	\$ 46,261,174	\$ 5,253,474	88.64%	\$ 23,441,746	22.41%
12/31/10	44,262,182	50,664,325	6,402,143	87.36%	22,392,507	28.59%
12/31/11	47,988,144	55,362,781	7,374,637	86.68%	22,151,038	33.29%

<sup>1</sup>The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.



**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 10 - POST EMPLOYMENT HEALTH INSURANCE BENEFITS**

The County provides post employment health insurance benefits for retired employees that meet the following criteria: full time regular employees who, at the time they leave County employment are eligible for retirement benefits under the Texas County and District Retirement guidelines and have a total of 20 years of service with the County of which 10 years are continuous service and are covered under the County health insurance program at the time of their retirement and are not eligible for Medicare; or elected officials who at the time they leave County employment are eligible for retirement benefits under the Texas County and District Retirement guidelines and have a total of 16 years of service with the County of which at least 10 years are continuous service and are covered under the County group health insurance program at the time of their retirement and are not eligible for Medicare. The County does not contribute toward the coverage for retirees who do not meet the eligibility requirements stated previously. The plan began in the year ended September 30, 2009 and is funded on a pay-as-you-go basis. In October, 2011, the plan was amended to limit the County provided benefit to three years following retirement date. A separate, audited GAAP-basis post employment benefit plan report is not available for this plan.

*Funding Policy* - The County may contribute all, part, or none of the premium payment and the County's contribution, if any, is determined annually by Commissioner's Court during the County budget process and is effective on a fiscal year basis. For the year ended September 30, 2012 the County contributed \$ 42,633 to the post employment health insurance benefits.

*Annual Other Post Employment Benefit (OPEB) Cost and Net OPEB Obligation* - The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters established by GASB Statement 45. The annual OPEB cost represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or excess) over a period not to exceed thirty years. Calculations are based on OPEB benefits provided under the terms of the substantive plan in effect at the time of the valuation. Actuarial valuations which are used to value OPEB plans reflect a long-term perspective and involve estimates of the value of reported amounts and assumptions about the possibility of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 248,709
Interest on net OPEB obligation	23,479
Adjustment to annual required contribution	<u>( 24,114)</u>
Annual OPEB cost	248,074
Contributions made	<u>( 42,633)</u>
Increase in net OPEB obligation	205,441
Net OPEB obligation – beginning of year	<u>513,644</u>
Net OPEB obligation – end of year	<u>\$ 719,085</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

**NOTE 10 - POST EMPLOYMENT HEALTH INSURANCE BENEFITS - Continued**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2012 and the preceding two years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/10	\$ 241,769	\$ 78,267	32.4%	\$ 321,735
9/30/11	249,548	56,051	22.5%	513,644
9/30/12	248,074	42,633	17.2%	719,085

*Funding Status and Funding Progress* - As of September 30, 2010, the most recent actuarial valuation date, the plan was 0% funded as the County is using a pay-as-you-go approach. The actuarial accrued liability for benefits was \$ 1,838,733, and the actuarial value of assets was \$ -0- resulting in an unfunded liability (UAAL) of \$ 1,838,733. Annual covered payroll is \$ 22,392,507 and the ratio of the UAAL to the covered payroll was 8.2 percent.

*Actuarial Methods and Assumptions* - In the September 30, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.5% investment rate of return. An inflation rate of 3.0%, salary growth rate of 3.0% and a health care cost trend rate ranging from 9% down to 4.5% after 9 years is used. An interest discount rate of 4.5% was used to value the liability. The UAAL is being amortized over a closed period of thirty years using the level percent of payroll method. The remaining amortization period at September 30, 2012, was 27 years.

The County has made contributions each year which are below the required annual required contribution (ARC), therefore a liability has been reported within the Governmental Activities financial statements. At September 30, 2010 the original plan and resulting actuarial valuation resulted in a net OPEB obligation of \$ 1,163,429. In October, 2011, the plan was amended and the September 30, 2010 actuarial valuation was updated. As of September 30, 2012, the County has contributed a total of \$ 252,938 which when compared to the annual OPEB cost results in a net OPEB obligation of \$ 719,085. The County's general fund is considered responsible for liquidating the net OPEB obligation on an ongoing basis.

**NOTE 11 - GRANTS, ENTITLEMENTS AND SHARED REVENUES**

During the year ended September 30, 2012, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund, various special revenue funds, and capital projects fund. For the most part, these grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal financial assistance programs are covered by the requirements of the Single Audit Act and OMB Circular A-133.

The state financial assistance programs are covered by the State of Texas Single Audit Circular. A single audit was performed on the state financial assistance programs as the state financial assistance programs met the \$ 500,000 threshold, while the federal financial assistance programs did not.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

### **NOTE 12 - BAIL BOND COLLATERAL**

The County holds, as collateral, time deposits and other cash equivalents and real property pledged toward bail bonds. The County does not have access to the assets unless the bond is violated; therefore, these assets are not reported in the financial statements of the County as of September 30, 2012. As of September 30, 2012, bail bonds outstanding totaled \$ 6,580,650 and collateral pledged against these bonds amounted to \$ 1,358,589, respectively.

### **NOTE 13 - LITIGATION**

The County is involved in the following legal actions, and is represented by legal counsel. The stated probable outcome and the possible effect are the opinion of legal counsel based upon conditions existing as of March 22, 2013.

Cause No. 3-10-CV-2556-N, *Robert Walter Bonner v. Sheriff Bob Alford, In the United States District Court for the Northern District of Texas, Dallas Division*. Plaintiff alleges that his civil rights were violated when Sheriff Alford ordered Plaintiff, while incarcerated at the Johnson County Law Enforcement Center, to be shackled and handcuffed and moved to solitary confinement for a period of 32 days. Plaintiff alleges his treatment caused psychological duress and was unmerited and cruel. Plaintiff is seeking compensatory, punitive and injunctive damages. U.S. District Court for the Northern District of Texas Dallas Division dismissed the case on July 27, 2011. The case was appealed to the 5<sup>th</sup> Circuit Court and remanded back to the Northern District of Texas Dallas Division on June 6, 2012. Answer was filed on behalf of Sheriff Alford on October 23, 2012. Liability is not expected. Potential loss, if any, cannot be fully assessed at this time. Insurance carrier has been notified.

Cause No. 3-10-CV-02150-BH, *Robert Walter Bonner v. William Bosworth, Martin Strayhan, Toby Ross, Larry Sparks, Don Adams, Adam King, Jay Stubbs, and Sheriff Bob Alford, In the United States District Court for the Northern District of Texas, Dallas Division*. Plaintiff alleges that his civil rights were violated while incarcerated in Johnson County, Texas. Plaintiff alleges being placed in administrative segregation without just cause and was refused due process hearing. Plaintiff alleges excessive restraint without cause or required hearing. Plaintiff is seeking compensatory, punitive and injunctive damages. An exact settlement figure is unknown at this time. Case has been referred to the Law Enforcement Division of the Office of the Attorney General. U.S. District Court for the Northern District of Texas Dallas Division dismissed the case on May 2, 2011. The case was appealed to the 5<sup>th</sup> Circuit Court. November 23, 2011, motion is denied, appeal dismissed, and sanction warning issued.

Cause No. C201100295, *Robert Walter Bonner v. Johnson County STOP Task Force, 413<sup>th</sup> Judicial District, Johnson County, Texas*. Plaintiff filed a Writ of Mandamus alleging illegal search and seizure. On December 21, 2011, order granting S.T.O.P. Special Crimes Unit's plea to jurisdiction and denying Robert Bonner's Writ of Mandamus.

Cause No. C201200048, *Robert Walter Bonner v. State of Texas, 413<sup>th</sup> Judicial District, Johnson County, Texas*. Plaintiff alleges an illegal search and seizure of his property. Case related to C201100295. On February 13, 2012, the court ordered on defendant motion for dismissal and plea to jurisdiction dismissing plaintiff's claims against defendants with prejudice in their entirety. On April 2, 2012, plaintiff filed interrogatories against defendants. On May 4, 2012, plaintiff filed motion for sanctions.

Cause No. 10-12-00060-CV, *Robert Walter Bonner v. State of Texas*. Plaintiff appealed the "Agreed Final Judgment of Forfeiture" signed by the trial court on June 5, 2009 in Cause C200700320. Tenth Court of Appeals issued a memorandum opinion on March 21, 2012 dismissing the appeal.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2012

### **NOTE 13 - LITIGATION - Continued**

Cause No. 10-12-00153-CV, *Robert Walter Bonner v. State of Texas*. Plaintiff appealed the "Agreed Final Judgment of Forfeiture" signed by the trial court on June 5, 2009 in Cause C200700320. Tenth Court of Appeals issued a memorandum opinion on July 26, 2012 dismissing the appeal because Bonner did not timely file his notice of appeal.

Cause No. C201200086, *Robert Walter Bonner v. H & K USP Compact, et. al.* On September 10, 2012 an order determining that plaintiff is a vexatious litigant and requirement that plaintiff furnish security and dismissing suit with prejudice was entered.

Cause No. 3-10-CV-2434-M (4-10CV-898-Y), *Jeremy Ryan Haddix v. State of Texas, Justin Smith, Kenneth Moser, Michael Gaudet, Stephanie Miller, Bill Moore, Robert Mayfield, Ricardo De Los Santos, Shelly Fowler, Robert E. Luttrell, and Person(s) Unknown, In the United States District Court for the Northern District of Texas, Dallas Division*. Plaintiff claims deputies committed unlawful acts of dishonesty, libel and slander, and tampering with evidence in a subsequent arrest of Plaintiff on or about August 13, 2009 for the offense of prohibited weapon. Plaintiff claims prosecution and conviction, in which plaintiff pled guilty to the charge, was under fraud, malice and dishonesty. Plaintiff claims conviction was obtained illegally and attorneys acted with willful intent and disregarded the rights of the plaintiff. Plaintiff seeks punitive damages totaling \$ 440,000,195. U.S. District Court for the Northern District of Texas Dallas Division dismissed the case on May 12, 2011. Case was appealed to 5<sup>th</sup> Circuit Court. The United States Court of Appeals for the Fifth Circuit dismissed case as frivolous on April 6, 2012.

Cause No. P-11-CV-069-RAJ, *Michael D. Samuelson vs. Rick Thaler, David Vernon, Larry Chambliss, Judge Bridewell, Don Bonner, Texas Department of Corrections, and District Attorney Dale Hanna, In the United States District Court for the Western District of Texas Pecos Division*. Plaintiff claims that he is being falsely imprisoned and held on a conviction that is void. Plaintiff claims he is being held on a charge that was overturned in January of 2010 by the Court of Appeals instead of a new charge and judgment from June 2010. An exact settlement figure is not known at this time. Report and recommendation that defendants' motion be granted and all other defendants be dismissed for failure to state a claim was signed on August 3, 2012 in the United States District Court Western Division of Texas Pecos Division.

The County has been notified of potential claims for which liability is disputed, no suits have been filed and the County's insurance carrier has been notified.

### **NOTE 14 - RISK COVERAGE**

The County is a participant in the Texas Association of Counties insurance pool for coverage of liability, property, and worker's compensation. The County pays annual premiums to the pool for the coverage stated. Property and liability insurance provide varying and appropriate coverage, with most claims subject to a \$ 5,000 deductible.

### **NOTE 15 - EVALUATION OF SUBSEQUENT EVENTS**

The County has evaluated subsequent events through March 22, 2013, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**JOHNSON COUNTY, TEXAS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUND  
(ROAD AND BRIDGE FUND)**

For the Year Ended September 30, 2012

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 34,814,943	\$ 34,814,943	\$ 35,711,762	\$ 896,819
Intergovernmental	574,103	574,103	829,904	255,801
Prisoner housing services		5,149,830	6,609,928	1,460,098
Fees	3,985,150	3,985,150	4,066,540	81,390
Fines	1,598,000	1,598,000	1,507,227	( 90,773)
Investment income	85,060	85,060	82,568	( 2,492)
Miscellaneous	430,584	430,584	1,406,952	976,368
Total revenues	41,487,840	46,637,670	50,214,881	3,577,211
Expenditures (Including Capital Outlay)				
Current:				
General administration	8,034,619	8,158,637	7,367,290	791,347
Administration of justice	8,814,199	9,522,965	8,855,038	667,927
Financial administration	4,276,356	4,317,667	3,952,542	365,125
Elections	461,077	461,077	365,261	95,816
Law enforcement	20,202,030	25,462,783	24,541,692	921,091
Highways and streets				-0-
Health and welfare	438,172	473,017	439,382	33,635
Culture and recreation	240,652	240,652	164,385	76,267
Conservation	186,190	186,190	158,300	27,890
Capital outlay				-0-
Debt Service:				
Principal			146,735	( 146,735)
Total expenditures	42,653,295	48,822,988	45,990,625	2,832,363
Excess (deficiency) of revenues over expenditures	( 1,165,455)	( 2,185,318)	4,224,256	6,409,574
Other Financing Sources (Uses):				
Proceeds from sale of capital assets			16,898	16,898
Transfers in	982,527	1,089,103	127,965	( 961,138)
Transfers out	( 1,929,681)	( 11,907,869)	( 10,147,764)	1,760,105
Total other financing sources (uses)	( 947,154)	( 10,818,766)	( 10,002,901)	815,865
Net change in fund balances	( 2,112,609)	( 13,004,084)	( 5,778,645)	7,225,439
Fund balances – beginning	26,974,084	26,974,084	26,974,084	-0-
Fund balances – ending	\$ 24,861,475	\$ 13,970,000	\$ 21,195,439	\$ 7,225,439

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 5,655,140	\$ 5,655,140	\$ 5,737,347	\$ 82,207
			-0-
			-0-
1,842,000	1,842,000	1,962,896	120,896
			-0-
10,400	10,400	13,748	3,348
<u>142,000</u>	<u>142,000</u>	<u>270,643</u>	<u>128,643</u>
<u>7,649,540</u>	<u>7,649,540</u>	<u>7,984,634</u>	<u>335,094</u>
			-0-
			-0-
			-0-
			-0-
			-0-
11,709,758	11,887,458	6,994,809	4,892,649
			-0-
			-0-
			-0-
2,456,440	2,516,464	2,123,225	393,239
			-0-
<u>14,166,198</u>	<u>14,403,922</u>	<u>9,118,034</u>	<u>5,285,888</u>
( <u>6,516,658</u> )	( <u>6,754,382</u> )	( <u>1,133,400</u> )	<u>5,620,982</u>
		58,370	58,370
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>58,370</u>	<u>58,370</u>
( <u>6,516,658</u> )	( <u>6,754,382</u> )	( <u>1,075,030</u> )	5,679,352
<u>6,375,021</u>	<u>6,375,021</u>	<u>6,375,021</u>	<u>-0-</u>
<u>\$( 141,637 )</u>	<u>\$( 379,361 )</u>	<u>\$ 5,299,991</u>	<u>\$ 5,679,352</u>

**JOHNSON COUNTY, TEXAS***TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**SCHEDULE OF FUNDING PROGRESS*

## LAST THREE YEARS

Exhibit 7

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability* (AAL)-	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll**	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
12-31-09	\$ 41,007,700	\$ 46,261,174	\$ 5,253,474	88.64%	\$ 21,774,490	24.13%
12-31-10	44,262,182	50,664,325	6,402,143	87.36%	22,392,507	28.59%
12-31-11	47,988,144	55,362,781	7,374,637	86.68%	22,151,038	33.29%

\* As of December 31 of the preceding year, the date of the actuarial valuation.

\*\* Annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.



## **JOHNSON COUNTY, TEXAS**

*Notes to the Required Supplementary Information*  
For The Year Ended September 30, 2012

### **NOTE 1 - BUDGETARY INFORMATION**

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The fund budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles. The major funds, General Fund and Road and Bridge Fund, budget and actual comparisons are presented as Required Supplementary Information at the fund level.

Although the level of budgetary control is total revenues plus available fund balance, the County adopts its budget at a line-item level for managerial control purposes. Line item level is defined for revenue purposes as the type of revenue to be derived and for expenditures purposes by department and type of expenditure. Budget amendments to transfer budgeted amounts from one line item to another may be made at the discretion of the Commissioners Court. Appropriations not exercised in the current year lapse at the end of the year. The County made transfers out of the general fund for a communications upgrade to construct new communications towers. Other amendments include increases for building maintenance and capital murder trial expenditures.



**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Lateral Road Fund** - This fund accounts for intergovernmental revenue received from the State of Texas for use restricted to lateral roads as defined by the State Department of Highways and Public Transportation. Reports concerned with the use of these resources are filed annually each fiscal year ended August 31 with the State Treasurer's office.

**Right of Way Fund** - This fund accounts for proceeds used to acquire right-of-way for various road projects throughout the County.

**Records Management and Preservation Fund** - The "Records Management and Preservation" fee collected by the County and District Clerks pursuant to Local Government Code 118.011 is for the records management and preservation services performed after the filing and recording of a document in the records of the office of the clerk. The fee is used to provide funds for specific records preservation and automation projects.

**Record Archives - County Clerk Fund** - The "Records Archive" fee collected by the County Clerk, pursuant to Local Government Code 118.011 (f) is for the preservation and restoration services performed by the County Clerk in connection with maintaining a County Clerk's records archive.

**Record Archives - District Clerk Fund** - The "Records Archive" fee collected by the District Clerk, pursuant to Local Government Code 118.011 (f) is for the preservation and restoration services performed by the District Clerk in connection with maintaining a District Clerk's records archive.

**Court Records Preservation Fund** - This fund accounts for funds received to provide systems to be used for court records preservation.

**Justice of the Peace Technology Fund** - This fund accounts for the mandate that each Johnson County justice court assess a technology fee of \$ 4.00 as cost of court on each conviction, as defined by Art. 102.0173 Code of Criminal Procedure, for a fine-only misdemeanor committed on or after January 1, 2002. The use of this fee is restricted to the purchase of technological enhancements for a justice court.

**Courthouse Security Fund** - This fund accounts for funds used to monitor and increase courthouse security.

**County/District Court Technology Fund** - This fund accounts for federal grant revenues utilized for the Public Safety Partnership & Community Policing Grant.

**District Court Records Technology Fund** - This fund accounts for fees collected and utilized solely for the preservation and restoration of District Court archives.

**Justice Court Building Security Fund** - The State Legislature amended the Court of Criminal Procedures Art. 102.017 by adding \$ 1 to the existing Courthouse Security Fund. The Justice of the Peace collect the funds and deposit them in a Justice Court building security fund for providing security services for a Justice Court located in a building that is not in the County Courthouse.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

**County Attorney Collection Fund** - This fund accounts for receipt and disbursement of fees earned for the collection of bad checks issued in the County. Disbursement is at the discretion of the County Attorney.

**District Attorney 18<sup>th</sup> Judicial Fund** - This fund accounts for funds received from the state for salary supplements and welfare fraud expense reimbursements in the District Attorney's Office.

**District Attorney Collection Fund** - This fund accounts for receipt and disbursement of fees earned for the collection of bad checks issued in the County. Disbursement is at the discretion of the District Attorney.

**Juvenile Probation Fund** - This fund accounts for revenues received from the Texas Juvenile Justice Department to supplement expenditures of the County in administering a Juvenile Probation Department. The County operates under an approved budget with the TJPC and submits reports quarterly with an annual contract report submitted as of each fiscal year ended August 31.

**Foster Care Title IV-E** - This fund accounts for the grant receipts and expenditures under the juvenile foster care.

**Juvenile Justice Alternative Education Fund** - This fund accounts for intergovernmental revenues from the Texas Juvenile Justice Department to fund mandatory juvenile justice alternative education programs as required under Chapter 37, Texas Education Code.

**Juvenile Probation Fees Fund** - This fund accounts for the receipt and disbursement of fees collected by the Juvenile Probation Department.

**Juvenile Case Manager Fund** - This fund accounts for proceeds which are used by Juvenile Case Managers for management of juvenile case activity.

**STOP Federal Forfeiture Fund** - This fund accounts for funds forfeited from the STOP seizure fund.

**District Attorney Forfeiture Fund** - This fund accounts for funds forfeited by the court to the District Attorney. Disbursement is at the discretion of the District Attorney.

**Sheriff Forfeiture Fund** - This fund accounts for funds forfeited by the court to the Sheriff. Disbursement is at the discretion of the Sheriff.

**County Attorney LEOSE Fund** - This fund accounts for fees provided for law enforcement officers' educational expenditures under the Law Enforcement Officers Standards & Education program.

**Constables LEOSE Fund** - This fund accounts for fees provided for law enforcement officers' educational expenditures under the Law Enforcement Officers Standards & Education program.

**Sheriff LEOSE Fund** - This fund accounts for fees provided for law enforcement officers' educational expenditures under the Law Enforcement Officers Standards & Education program.

**County Essential Capital Murder Trial Fund** - This fund accounts for revenues allocated by the state to assist the County with the costs of a murder trial.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

**Sheriff Inmate Commissary Fund** - This fund is used to account for jail inmates' purchase of food, toiletry items, and other supplies. Expenditures are for the purchase of stock and profits generated may be used by the Sheriff to purchase items for the benefit of the inmate population.

**Abandoned Vehicle Fund** - This fund accounts for funds collected from storage and sale of abandoned vehicles. Expenditures are for costs of towing, processing, and auctions of these vehicles.

**Law Library Fund** - This fund accounts for the cost of operating and maintaining a law library for public use. Revenues are derived from law library fees assessed against each civil case filed in District and County courts.

**OJP STOP SCU Fund** - This fund accounts for federal grant revenues to be utilized to disrupt, dismantle and discourage criminal groups and organizations who engage in the illegal manufacture, use and distribution of narcotics and other controlled substances.

**Special Crimes Operation Fund** - This fund accounts for the funds utilized for the Special Crimes program.

**STOP Operations Fund** – This fund accounts for the funds provided through interlocal agreements and utilized for the STOP THE OFFENDERS PROGRAM.

**Pre-Trial Bond Supervision Fund** - This fund accounts for County provided revenues which are used to provide supervision prior to trial inception.

**Indigent Health Care Fund** - This fund is used to account for the cost of providing medical care to indigent County residents. Property taxes are allocated each year for this purpose.

**Mental Health Peace Officer Fund** - This fund accounts for state grant revenues to be utilized in the hiring and training of a mental health peace officer to meet the health and Safety Code requirements.

**Cities Readiness Initiative Fund** - This fund accounts for grant proceeds that allows the County to assist the Office of Public Health in the implementation of activities associated with the FY 04 Centers for Disease Control and Prevention (CDC) Public Health Preparedness and Response for Bioterrorism Cooperative Agreement. This project is designed to upgrade state and local public health jurisdictions' preparedness for a response to bioterrorism, other outbreaks of infectious disease, and other public health threats and emergencies.

**Indigent Defense Formula/Improvement Fund** - This fund accounts for state grant revenues utilized to improve the county's indigent defense system.

**Guardianship Fee Fund** - This fund accounts for proceeds that provide guardians for indigent incapacitated persons who do not have family members suitable and willing to serve as guardians.

**HAVA Grant Fund** - This fund accounts grant funds utilized for the Help America Vote Act programs.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

**Elections Services Contract Fund** - This fund accounts for surplus funds from Election Service Contracts under the Texas Election Code 31.003. Funds are used only to defray expenses of the county election officer's office in connection with election-related duties or functions.

**TCEQ Aircheck Texas Fund** - This fund accounts for grant proceeds awarded by the TCEQ for use in the repair or replacement of noncompliant vehicles.

**Emissions Enforcement Officer Fund** - This fund accounts for federal grant revenues to be utilized for the enforcement of emission regulations.

**Ed Byrne Memorial JAG Fund** - This fund accounts for federal grant revenues to be utilized toward the purchase and enhancement of technology integration and computer forensics capability.

**Bullet Proof Vest Partnership Fund** - This fund accounts for federal grant revenues to be utilized for the purchase of NIJ approved ballistic and stab resistant protective vests.

**Texas Information and Notification Everyday (VINE) Grant Fund** - This fund accounts for state grant revenues to maintain a statewide system that will provide relevant offender release information, notification of relevant court settings or events, promote public safety and support the rights of victims of crime.

**Sexual Assault Prevention and Crisis Services Fund**- This fund accounts for federal grant revenues to be utilized for sexual assault prevention programs.

**EOC Grant Program Fund** - This fund accounts for federal grant revenues to be utilized toward improving emergency management and preparedness capabilities.

**911 Addressing Maintenance Contract Fund** - This fund accounts for funds which are generated for and used for maintenance of the 911 Address system.

**EECBG-SECO (ARRA) Fund** - This fund accounts for federal grant revenues to be utilized to replace HVAC units and windows at the Burleson sub-courthouse with energy efficient systems.

**MVIE - Special Inventory Fund** - This fund accounts for interest earned from the Tax Assessor/Collector Special Inventory Account to provide more efficient service to dealers. Disbursement is at the discretion of the Tax Assessor/Collector.

**Teen Court Fund** - This fund accounts for the resources provided for the funding of the Teen Court.

**State Criminal Alien Assistance Program Fund** - This fund accounts for the funds allocated by the state to assist the county in the housing and care of criminal alien inmates.

**Historical Society Account Fund** - This fund accounts for resources used to preserve the history and heritage of Johnson County.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

#### Debt Service Funds

Debt service funds account for the accumulation of resources from governmental resources and the payments of general obligation debt principal, interest and related costs.

**Equipment Interest & Sinking** - This fund is utilized to account for property tax collections for the repayment of tax anticipation notes issued to purchase major capital equipment used by the County.

#### Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Equipment Purchase Fund** - This fund is used to account for capital expenditures for the purchase of equipment.

**Jail Security Improvements Fund** - This fund is used to account for capital expenditures in the upgrades which are being made to the County jail facilities to improve security.

**Market Square Project Fund** - This fund is used to account for capital expenditures incurred in regards to the County's Market Square.

**CSCD Construction Fund** - This fund is used to account for the construction of new adult probation facilities.





**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2012

	Special		
	Lateral Road Fund	Right of Way Fund	Records Management and Preservation Fund
<u>Assets</u>			
Cash and temporary investments	\$ 44,531	\$ 1,634,710	\$ 1,022,566
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			17,034
Prepaid expenditures			
	44,531	1,634,710	1,039,600
Total assets	\$ 44,531	\$ 1,634,710	\$ 1,039,600
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 9,300
Due to other funds			
Deferred revenue			
	-0-	-0-	9,300
Total liabilities	-0-	-0-	9,300
Fund Balance (Deficit):			
Nonspendable			
Restricted	44,531	1,634,710	1,030,300
Unassigned			
	44,531	1,634,710	1,030,300
Total fund balance	44,531	1,634,710	1,030,300
Total liabilities and fund balance	\$ 44,531	\$ 1,634,710	\$ 1,039,600

Revenue Funds

Record Archives - County Clerk Fund	Record Archives - District Clerk Fund	Court Records Preservation Fund	Justice of the Peace Technology Fund	Courthouse Security Fund	County/ District Court Technology Fund
\$ 361,635	\$ 41,265	\$ 85,733	\$ 283,638	\$ 97,180	\$ 14,378
85					
12,400	880	2,250	3,544	5,993	412
<u>\$ 374,120</u>	<u>\$ 42,145</u>	<u>\$ 87,983</u>	<u>\$ 287,182</u>	<u>\$ 103,173</u>	<u>\$ 14,790</u>
\$	\$	\$	\$ 1,865	\$ 957	\$
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,865</u>	<u>957</u>	<u>-0-</u>
374,120	42,145	87,983	285,317	102,216	14,790
<u>374,120</u>	<u>42,145</u>	<u>87,983</u>	<u>285,317</u>	<u>102,216</u>	<u>14,790</u>
<u>\$ 374,120</u>	<u>\$ 42,145</u>	<u>\$ 87,983</u>	<u>\$ 287,182</u>	<u>\$ 103,173</u>	<u>\$ 14,790</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2012

	Special		
	District Court Records Technology Fund	Justice Court Building Security Fund	County Attorney Collection Fund
<u>Assets</u>			
Cash and temporary investments	\$ 28,539	\$ 60,126	\$ 36,988
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds	1,010	635	
Prepaid expenditures			
Total assets	\$ 29,549	\$ 60,761	\$ 36,988
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Deferred revenue			
Total liabilities	-0-	-0-	-0-
Fund Balance (Deficit):			
Non-spendable			
Restricted	29,549	60,761	36,988
Unassigned			
Total fund balance	29,549	60,761	36,988
Total liabilities and fund balance	\$ 29,549	\$ 60,761	\$ 36,988

Revenue Funds

District Attorney 18 <sup>th</sup> Judicial Fund	District Attorney Collection Fund	Juvenile Probation Fund	Foster Care Title IV-E Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund
\$ 16,926	\$ 1,660	\$ 122,671	\$ 16	\$ 89,525	\$ 54,025
				12,467	671
<u>\$ 16,926</u>	<u>\$ 1,660</u>	<u>\$ 122,671</u>	<u>\$ 16</u>	<u>\$ 101,992</u>	<u>\$ 54,696</u>
\$	\$	\$ 40,252	\$	\$ 12,038	\$
		82,419	16		
<u>-0-</u>	<u>-0-</u>	<u>122,671</u>	<u>16</u>	<u>12,038</u>	<u>-0-</u>
16,926	1,660			89,954	54,696
<u>16,926</u>	<u>1,660</u>	<u>-0-</u>	<u>-0-</u>	<u>89,954</u>	<u>54,696</u>
<u>\$ 16,926</u>	<u>\$ 1,660</u>	<u>\$ 122,671</u>	<u>\$ 16</u>	<u>\$ 101,992</u>	<u>\$ 54,696</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2012

	<u>Special</u>		
	<u>Juvenile Case Manager Fund</u>	<u>STOP Federal Forfeiture Fund</u>	<u>District Attorney Forfeiture Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 89,156	\$	\$ 43,338
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from funds	3,336		
Prepaid expenditures			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 92,492</u>	<u>\$ -0-</u>	<u>\$ 43,338</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 2,268	\$	\$
Due to other funds			
Deferred revenue			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>2,268</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Non-spendable			
Restricted	90,224		43,338
Unassigned			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>90,224</u>	<u>-0-</u>	<u>43,338</u>
Total liabilities and fund balance	<u>\$ 92,492</u>	<u>\$ -0-</u>	<u>\$ 43,338</u>

Revenue Funds

Sheriff Forfeiture Fund	County Attorney LEOSE Fund	Constables LEOSE Fund	Sheriff LEOSE Fund	County Essential Capital Murder Trial Fund	Sheriff Inmate Commissary Fund
\$ 16,887	\$ 156	\$ 3,640	\$ 1,314		\$ 181,430
				193,750	
<u>\$ 16,887</u>	<u>\$ 156</u>	<u>\$ 3,640</u>	<u>\$ 1,314</u>	<u>\$ 193,750</u>	<u>\$ 181,430</u>
\$	\$	\$	\$	\$	\$ 31,552
				193,750	6,767
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>193,750</u>	<u>38,319</u>
16,887	156	3,640	1,314		143,111
<u>16,887</u>	<u>156</u>	<u>3,640</u>	<u>1,314</u>	<u>-0-</u>	<u>143,111</u>
<u>\$ 16,887</u>	<u>\$ 156</u>	<u>\$ 3,640</u>	<u>\$ 1,314</u>	<u>\$ 193,750</u>	<u>\$ 181,430</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2012

	Special		
	Abandoned Vehicle Fund	Law Library Fund	OJP STOP SCU Fund
<u>Assets</u>			
Cash and temporary investments	\$ 686	\$ 241,683	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		8	
Due from other governments			28,629
Due from other funds		7,125	
Prepaid expenditures			
	\$ 686	\$ 248,816	\$ 28,629
Total assets	\$ 686	\$ 248,816	\$ 28,629
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 11,097	\$ 7,564
Due to other funds			21,065
Deferred revenue			
	-0-	11,097	28,629
Total liabilities	-0-	11,097	28,629
Fund Balance (Deficit):			
Non-spendable			
Restricted	686	237,719	
Unassigned			
	686	237,719	-0-
Total fund balance	686	237,719	-0-
Total liabilities and fund balance	\$ 686	\$ 248,816	\$ 28,629



Revenue Funds

Special Crimes Operation Fund	STOP Operations Fund	Pre-Trial Bond Supervision Fund	Indigent Health Care Fund	Mental Health Peace Officer Fund	Cities Readiness Initiative Fund
\$ 239,369	\$ 19,321	\$ 54,739	\$ 1,384,979	\$	\$ 942
	23,393	19,712	23,638		
	598		1,299	236	6,083
				1,973	
					595
<u>\$ 239,369</u>	<u>\$ 43,312</u>	<u>\$ 74,451</u>	<u>\$ 1,409,916</u>	<u>\$ 2,209</u>	<u>\$ 7,620</u>
\$ 5,074	\$ 11,342	\$ 3,730	\$ 6,417	\$ 335	\$ 120
			15,012	1,874	7,500
<u>5,074</u>	<u>11,342</u>	<u>3,730</u>	<u>21,429</u>	<u>2,209</u>	<u>7,620</u>
					595
234,295	31,970	70,721	1,388,487		( 595)
<u>234,295</u>	<u>31,970</u>	<u>70,721</u>	<u>1,388,487</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 239,369</u>	<u>\$ 43,312</u>	<u>\$ 74,451</u>	<u>\$ 1,409,916</u>	<u>\$ 2,209</u>	<u>\$ 7,620</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2012

	<u>Special</u>		
	<u>Indigent Defense Formula/ Improvement Fund</u>	<u>Guardianship Fee Fund</u>	<u>HAVA Grant Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 192,292	\$ 37,898	\$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments	17,349		29,686
Due from other funds		720	
Prepaid expenditures			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 209,641</u>	<u>\$ 38,618</u>	<u>\$ 29,686</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 1,792	\$	\$
Due to other funds	69,420		29,686
Deferred revenue	<u>138,429</u>		
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>209,641</u>	<u>-0-</u>	<u>29,686</u>
Fund Balance (Deficit):			
Non-spendable			
Restricted		38,618	
Unassigned			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>-0-</u>	<u>38,618</u>	<u>-0-</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balance	<u>\$ 209,641</u>	<u>\$ 38,618</u>	<u>\$ 29,686</u>

Revenue Funds

Election Services Contract Fund	TCEQ Aircheck Texas Fund	Emmissions Enforcement Officer Fund	Ed Byrne Memorial JAG Fund	Bullet Proof Vest Partnership Fund	Texas Information & Notification Everyday (VINE) Fund
\$ 150,586	\$	\$	\$	\$ 322	\$
34,405		13,216	8,365		33,269
<u>\$ 184,991</u>	<u>\$ -0-</u>	<u>\$ 13,216</u>	<u>\$ 8,365</u>	<u>\$ 322</u>	<u>\$ 33,269</u>
\$ 2,659	\$	\$ 3,009	\$ 7,033	\$	\$
		8,239	1,332	322	33,269
		1,968			
<u>2,659</u>	<u>-0-</u>	<u>13,216</u>	<u>8,365</u>	<u>322</u>	<u>33,269</u>
182,332					
<u>182,332</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 184,991</u>	<u>\$ -0-</u>	<u>\$ 13,216</u>	<u>\$ 8,365</u>	<u>\$ 322</u>	<u>\$ 33,269</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2012

	Special Revenue		
	Sexual Assault Prevention & Crisis Services Fund	EOC Grant Program Fund	911 Addressing Maintenance Contract Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$	275 \$
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments	5,162		
Due from other funds			
Prepaid expenditures			
Total assets	\$ 5,162	\$ 275	\$ -0-
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds	5,162		
Deferred revenue			
Total liabilities	5,162	-0-	-0-
Fund Balance (Deficit):			
Non-spendable			
Restricted		275	
Unassigned			
Total fund balance	-0-	275	
Total liabilities and fund balance	\$ 5,162	\$ 275	\$ -0-

Funds

EECBG- SECO (ARRA) Fund	MVIE Special Inventory Fund	Teen Court Fund	State Criminal Alien Assistance Program Fund	Historical Society Account Fund	Total Special Revenue Funds
\$	\$ 16,101	\$ 257	\$	\$ 36,152	\$ 6,707,635
					23,638
81,336			36,367		77,603
	2,921				465,915
					62,801
					595
<u>\$ 81,336</u>	<u>\$ 19,022</u>	<u>\$ 257</u>	<u>\$ 36,367</u>	<u>\$ 36,152</u>	<u>\$ 7,338,187</u>
\$	\$	\$	\$	\$ 249	\$ 155,994
81,336			36,367		498,764
					237,828
<u>81,336</u>	<u>-0-</u>	<u>-0-</u>	<u>36,367</u>	<u>249</u>	<u>892,586</u>
					595
	19,022	257		35,903	6,445,601
					( 595)
<u>-0-</u>	<u>19,022</u>	<u>257</u>	<u>-0-</u>	<u>35,903</u>	<u>6,445,601</u>
<u>\$ 81,336</u>	<u>\$ 19,022</u>	<u>\$ 257</u>	<u>\$ 36,367</u>	<u>\$ 36,152</u>	<u>\$ 7,338,187</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2012

	Debt Service Funds		Capital
	Equipment Interest and Sinking Fund	Total Debt Service Funds	Equipment Purchase Fund
<u>Assets</u>			
Cash and temporary investments	\$	\$ -0-	\$ 99,025
Receivables (Net of Allowance for Uncollectibles):			
Taxes	7,008	7,008	
Accounts		-0-	
Due from other governments		-0-	
Due from other funds		-0-	320
Prepaid expenditures		-0-	
	7,008	7,008	99,345
Total assets	\$ 7,008	\$ 7,008	\$ 99,345
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ -0-	\$ 34,504
Due to other funds		-0-	
Deferred revenue	7,008	7,008	
Total liabilities	7,008	7,008	34,504
Fund Balance (Deficit):			
Nonspendable		-0-	
Restricted		-0-	64,841
Unassigned		-0-	
Total fund balance	-0-	-0-	64,841
Total liabilities and fund balance	\$ 7,008	\$ 7,008	\$ 99,345

Project Funds

Jail Security Improvements Fund	Market Square Fund	CSCD Construction Fund	Total Capital Projects Fund	Total Non-Major Governmental Funds
\$	\$ 37,141	\$ 3,329,151	\$ 3,465,317	\$ 10,172,952
			-0-	30,646
			-0-	77,603
			-0-	465,915
			320	63,121
			-0-	595
<u>\$ -0-</u>	<u>\$ 37,141</u>	<u>\$ 3,329,151</u>	<u>\$ 3,465,637</u>	<u>\$ 10,810,832</u>
\$	\$ 71	\$ 681,226	\$ 715,801	\$ 871,795
			-0-	498,764
			-0-	244,836
<u>-0-</u>	<u>71</u>	<u>681,226</u>	<u>715,801</u>	<u>1,615,395</u>
			-0-	595
	37,070	2,647,925	2,749,836	9,195,437
			-0-	( 595)
<u>-0-</u>	<u>37,070</u>	<u>2,647,925</u>	<u>2,749,836</u>	<u>9,195,437</u>
<u>\$ -0-</u>	<u>\$ 37,141</u>	<u>\$ 3,329,151</u>	<u>\$ 3,465,637</u>	<u>\$ 10,810,832</u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2012

	Special		
	Lateral Road Fund	Right of Way Fund	Records Management and Preservation Fund
Revenues:			
Taxes	\$ 68,366	\$ 360	\$
Intergovernmental			
Fees			233,981
Fines			
Investment income	75	1,877	1,159
Miscellaneous			
Total revenues	<u>68,441</u>	<u>2,237</u>	<u>235,140</u>
Expenditures:			
Current:			
General administration			206,766
Administration of justice			
Financial administration			
Elections			
Law enforcement			
Highways and streets	68,044	22,961	
Health and welfare			
Culture and recreation			
Capital outlay			
Total expenditures	<u>68,044</u>	<u>22,961</u>	<u>206,766</u>
Excess (deficiency) of revenue over (under) expenditures	<u>397</u>	<u>( 20,724)</u>	<u>28,374</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	397	( 20,724)	28,374
Fund Balance (Deficits):			
Beginning of year	<u>44,134</u>	<u>1,655,434</u>	<u>1,001,926</u>
End of year	<u>\$ 44,531</u>	<u>\$ 1,634,710</u>	<u>\$ 1,030,300</u>



Revenue Funds

Record Archives - County Clerk Fund	Record Archives - District Clerk Fund	Court Records Preservation Fund	Justice of the Peace Technology Fund	Courthouse Security Fund	County/ District Court Technology Fund
\$	\$	\$	\$	\$	\$
158,835	11,645	31,556	34,276	79,232	6,971
2,786	43	102	340	137	16
<u>161,621</u>	<u>11,688</u>	<u>31,658</u>	<u>34,616</u>	<u>79,369</u>	<u>6,987</u>
510,205			18,671	16,802	
				60,510	
<u>510,205</u>	<u>-0-</u>	<u>-0-</u>	<u>18,671</u>	<u>77,312</u>	<u>-0-</u>
( <u>348,584</u> )	<u>11,688</u>	<u>31,658</u>	<u>15,945</u>	<u>2,057</u>	<u>6,987</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
( <u>348,584</u> )	<u>11,688</u>	<u>31,658</u>	<u>15,945</u>	<u>2,057</u>	<u>6,987</u>
<u>722,704</u>	<u>30,457</u>	<u>56,325</u>	<u>269,372</u>	<u>100,159</u>	<u>7,803</u>
<u>\$ 374,120</u>	<u>\$ 42,145</u>	<u>\$ 87,983</u>	<u>\$ 285,317</u>	<u>\$ 102,216</u>	<u>\$ 14,790</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2012

	Special		
	District Court Records Technology Fund	Justice Court Building Security Fund	County Attorney Collection Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	13,387	8,083	26,017
Fines			
Investment income	34	82	57
Miscellaneous			
Total revenues	13,421	8,165	26,074
Expenditures:			
Current:			
General administration			
Administration of justice	5,650		4,056
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			18,499
Total expenditures	5,650	-0-	22,555
Excess (deficiency) of revenue over (under) expenditures	7,771	8,165	3,519
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			( 55,117)
Total other financing sources (uses)	-0-	-0-	( 55,117)
Net change in fund balance	7,771	8,165	( 51,598)
Fund Balance (Deficits):			
Beginning of year	21,778	52,596	88,586
End of year	\$ 29,549	\$ 60,761	\$ 36,988

Revenue Funds

District Attorney 18 <sup>th</sup> Judicial Fund	District Attorney Collection Fund	Juvenile Probation Fund	Foster Care Title IV-E Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund
\$ 22,500	\$ 1,413	\$ 841,279	\$	\$ 146,345	\$ 10,719
20	2	263		194	80
<u>15,089</u>					
<u>37,609</u>	<u>1,415</u>	<u>841,542</u>	<u>-0-</u>	<u>146,539</u>	<u>10,799</u>
3,618	5,000				
		841,542	20,064	235,728	3,222
<u>3,618</u>	<u>5,000</u>	<u>841,542</u>	<u>20,064</u>	<u>235,728</u>	<u>3,222</u>
<u>33,991</u>	<u>( 3,585)</u>	<u>-0-</u>	<u>( 20,064)</u>	<u>( 89,189)</u>	<u>7,577</u>
( 24,183)				153,000	
<u>( 24,183)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>153,000</u>	<u>-0-</u>
9,808	( 3,585)	-0-	( 20,064)	63,811	7,577
<u>7,118</u>	<u>5,245</u>		<u>20,064</u>	<u>26,143</u>	<u>47,119</u>
<u>\$ 16,926</u>	<u>\$ 1,660</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 89,954</u>	<u>\$ 54,696</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2012

	Special		
	Juvenile Case Manager Fund	STOP Federal Forfeiture Fund	District Attorney Forfeiture Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	43,129		
Fines			1,314
Investment income	120	5	63
Miscellaneous			
Total revenues	<u>43,249</u>	<u>5</u>	<u>1,377</u>
Expenditures:			
Current:			
General administration			
Administration of justice			
Financial administration			
Elections			
Law enforcement	39,307	816	
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Total expenditures	<u>39,307</u>	<u>816</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>3,942</u>	<u>( 811 )</u>	<u>1,377</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			2,375
Operating transfers in			
Operating transfers out		( 5 )	( 8,061 )
Total other financing sources (uses)	<u>-0-</u>	<u>( 5 )</u>	<u>( 5,686 )</u>
Net change in fund balance	3,942	( 816 )	( 4,309 )
Fund Balance (Deficits):			
Beginning of year	<u>86,282</u>	<u>816</u>	<u>47,647</u>
End of year	<u>\$ 90,224</u>	<u>\$ -0-</u>	<u>\$ 43,338</u>

Revenue Funds

Sheriff Forfeiture Fund	County Attorney LEOSE Fund	Constables LEOSE Fund	Sheriff LEOSE Fund	County Essential Capital Murder Trial Fund	Sheriff Inmate Commissary Fund
\$	\$	\$	\$	\$	\$
		50		193,750	
1,018 49	1	8	5		251
					<u>589,983</u>
<u>1,067</u>	<u>1</u>	<u>58</u>	<u>5</u>	<u>193,750</u>	<u>590,234</u>
	1,272			193,750	
		403	3,553		543,614
<u>-0-</u>	<u>1,272</u>	<u>403</u>	<u>3,553</u>	<u>193,750</u>	<u>543,614</u>
<u>1,067</u>	<u>( 1,271)</u>	<u>( 345)</u>	<u>( 3,548)</u>	<u>-0-</u>	<u>46,620</u>
2,375					<u>( 35,850)</u>
<u>2,375</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>( 35,850)</u>
3,442	<u>( 1,271)</u>	<u>( 345)</u>	<u>( 3,548)</u>	<u>-0-</u>	10,770
<u>13,445</u>	<u>1,427</u>	<u>3,985</u>	<u>4,862</u>		<u>132,341</u>
<u>\$ 16,887</u>	<u>\$ 156</u>	<u>\$ 3,640</u>	<u>\$ 1,314</u>	<u>\$ -0-</u>	<u>\$ 143,111</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2012

	Special		
	Abandoned Vehicle Fund	Law Library Fund	OJP STOP SCU Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			85,286
Fees		101,285	
Fines			
Investment income	2	284	
Miscellaneous			
Total revenues	<u>2</u>	<u>101,569</u>	<u>85,286</u>
Expenditures:			
Current:			
General administration			
Administration of justice		121,098	85,286
Financial administration			
Elections			
Law enforcement	680		
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Total expenditures	<u>680</u>	<u>121,098</u>	<u>85,286</u>
Excess (deficiency) of revenue over (under) expenditures	<u>( 678 )</u>	<u>( 19,529 )</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	<u>( 678 )</u>	<u>( 19,529 )</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year	<u>1,364</u>	<u>257,248</u>	<u></u>
End of year	<u>\$ 686</u>	<u>\$ 237,719</u>	<u>\$ -0-</u>

Revenue Funds

Special Crimes Operation Fund	STOP Operations Fund	Pre-Trial Bond Supervision Fund	Indigent Health Care Fund	Mental Health Peace Officer Fund	Cities Readiness Initiative Fund
\$	\$	\$	\$	\$	\$
	88,813		1,119,588	26,856	34,853
		139,351	37,473		
16,732			7,351		
353	165	60	1,628	45	
<u>1,599</u>			<u>763</u>		
<u>18,684</u>	<u>88,978</u>	<u>139,411</u>	<u>1,166,803</u>	<u>26,901</u>	<u>34,853</u>
10,727	74,531	95,337			
			670,388	47,540	34,853
<u>32,200</u>	<u>72,981</u>				
<u>42,927</u>	<u>147,512</u>	<u>95,337</u>	<u>670,388</u>	<u>47,540</u>	<u>34,583</u>
( <u>24,243</u> )	( <u>58,534</u> )	<u>44,074</u>	<u>496,415</u>	( <u>20,639</u> )	<u>-0-</u>
5	90,504	20,000		20,639	
<u>5</u>	<u>90,504</u>	<u>20,000</u>	<u>-0-</u>	<u>20,639</u>	<u>-0-</u>
( <u>24,238</u> )	31,970	64,074	496,415	-0-	-0-
<u>258,533</u>		<u>6,647</u>	<u>892,072</u>		
<u>\$ 234,295</u>	<u>\$ 31,970</u>	<u>\$ 70,721</u>	<u>\$ 1,388,487</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2012

	Special		
	Indigent Defense Formula/ Improvement Fund	Guardianship Fee Fund	HAVA Grant Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	88,838		29,693
Fees		7,835	
Fines			
Investment income	130	50	
Miscellaneous			
Total revenues	<u>88,968</u>	<u>7,885</u>	<u>29,693</u>
Expenditures:			
Current:			
General administration	88,968		
Administration of justice			
Financial administration			
Elections			29,693
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Total expenditures	<u>88,968</u>	<u>-0-</u>	<u>29,693</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>7,885</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	-0-	7,885	-0-
Fund Balance (Deficits):			
Beginning of year		30,733	
End of year	<u>\$ -0-</u>	<u>\$ 38,618</u>	<u>\$ -0-</u>



Revenue Funds

Election Services Contract Fund	TCEQ Aircheck Texas Fund	Emmissions Enforcement Officer Fund	Ed Byrne Memorial JAG Fund	Bullet Proof Vest Partnership Fund	Texas Information & Notification Everyday (VINE) Fund
\$ 41,681	\$ 59,048	\$ 59,132	\$ 28,775	\$ 306	\$ 30,710
224		28		14	
<u>81,180</u>					
<u>123,085</u>	<u>59,048</u>	<u>59,160</u>	<u>28,775</u>	<u>320</u>	<u>30,710</u>
			28,775		
39,752		63,730		320	30,710
	59,048				
<u>39,752</u>	<u>59,048</u>	<u>63,730</u>	<u>28,775</u>	<u>320</u>	<u>30,710</u>
<u>83,333</u>	<u>-0-</u>	<u>( 4,570)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
		4,570			
<u>-0-</u>	<u>-0-</u>	<u>4,570</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
83,333	-0-	-0-	-0-	-0-	-0-
<u>98,999</u>					
<u>\$ 182,332</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2012

	Sexual Assault Prevention & Crisis Services Fund	EOC Grant Program Fund	Special Revenue  911 Addressing Maintenance Contract Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	31,644		
Fees			20,165
Fines			
Investment income		4	
Miscellaneous			
Total revenues	<u>31,644</u>	<u>4</u>	<u>20,165</u>
Expenditures:			
Current:			
General administration			20,165
Administration of justice			
Financial administration			
Elections			
Law enforcement	31,644		
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay		16,532	
Total expenditures	<u>31,644</u>	<u>16,532</u>	<u>20,165</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>( 16,528 )</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in		16,803	
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>16,803</u>	<u>-0-</u>
Net change in fund balance	<u>-0-</u>	<u>275</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year			
End of year	<u>\$ -0-</u>	<u>\$ 275</u>	<u>\$ -0-</u>

Funds

EECBG- SECO (ARRA) Fund	MVIE Special Inventory Fund	Teen Court Fund	State Criminal Alien Assistance Program Fund	Historical Society Account Fund	Total Special Revenue Funds
\$ 7,000	\$	\$	\$ 36,367	\$	\$ 1,188,314
					1,910,564
					915,066
	24	1		51	19,064
	1,744				10,832
					690,358
<u>7,000</u>	<u>1,768</u>	<u>1</u>	<u>36,367</u>	<u>51</u>	<u>4,734,198</u>
					737,136
					572,946
	1,483				1,483
					69,445
			36,367		2,032,295
					91,005
					811,829
				2,315	2,315
<u>7,000</u>				<u>12,600</u>	<u>220,322</u>
<u>7,000</u>	<u>1,483</u>	<u>-0-</u>	<u>36,367</u>	<u>14,915</u>	<u>4,538,776</u>
<u>-0-</u>	<u>285</u>	<u>1</u>	<u>-0-</u>	<u>( 14,864)</u>	<u>195,422</u>
					4,750
				10,000	315,521
					( 123,216)
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,000</u>	<u>197,055</u>
<u>-0-</u>	<u>285</u>	<u>1</u>	<u>-0-</u>	<u>( 4,864)</u>	<u>392,477</u>
	18,737	256		40,767	6,053,124
<u>\$ -0-</u>	<u>\$ 19,022</u>	<u>\$ 257</u>	<u>\$ -0-</u>	<u>\$ 35,903</u>	<u>\$ 6,445,601</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2012

	Debt Service Funds		Capital
	Equipment Interest and Sinking Fund	Total Debt Service Funds	Equipment Purchase Fund
Revenues:			
Taxes	\$ 2,742	\$ 2,742	\$
Intergovernmental		-0-	
Fees		-0-	
Fines		-0-	
Investment income	455	455	282
Miscellaneous		-0-	
	<u>3,197</u>	<u>3,197</u>	<u>282</u>
Total revenues			
Expenditures:			
Current:			
General administration		-0-	2,507
Administration of justice		-0-	4,788
Financial administration		-0-	208,038
Elections		-0-	695
Law enforcement		-0-	27,442
Highways and streets		-0-	
Health and welfare		-0-	
Culture and recreation		-0-	
Capital outlay		-0-	359,012
	<u>-0-</u>	<u>-0-</u>	<u>602,482</u>
Total expenditures			
Excess (deficiency) of revenue over (under) expenditures	<u>3,197</u>	<u>3,197</u>	<u>( 602,200)</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			676,177
Operating transfers in			
Operating transfers out	( 1,215,820)	( 1,215,820)	
	<u>( 1,215,820)</u>	<u>( 1,215,820)</u>	<u>676,177</u>
Total other financing sources (uses)			
Net change in fund balance	<u>( 1,212,623)</u>	<u>( 1,212,623)</u>	<u>73,977</u>
Fund Balance (Deficits):			
Beginning of year	<u>1,212,623</u>	<u>1,212,623</u>	<u>( 9,136)</u>
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 64,841</u>

Project Funds

Jail Security Improvements Fund	Market Square Fund	CSCD Construction Fund	Total Capital Projects Fund	Total Non-Major Governmental Funds
\$	\$	\$	\$	\$
			-0-	1,191,056
			-0-	1,910,564
			-0-	915,066
			-0-	19,064
2	125	3,092	3,501	14,788
	<u>3,500</u>		<u>3,500</u>	<u>693,858</u>
<u>2</u>	<u>3,625</u>	<u>3,092</u>	<u>7,001</u>	<u>4,744,396</u>
			2,507	739,643
			4,788	577,734
			208,038	209,521
			695	70,140
			27,442	2,059,737
			-0-	91,005
			-0-	811,829
			-0-	2,315
	<u>62,567</u>	<u>2,167,714</u>	<u>2,589,293</u>	<u>2,809,615</u>
<u>-0-</u>	<u>62,567</u>	<u>2,167,714</u>	<u>2,832,763</u>	<u>7,371,539</u>
<u>2</u>	<u>( 58,942)</u>	<u>( 2,164,622)</u>	<u>( 2,825,762)</u>	<u>( 2,627,143)</u>
			-0-	4,750
	96,000	4,741,940	5,514,117	5,829,638
<u>( 4,754)</u>			<u>( 4,754)</u>	<u>( 1,343,790)</u>
<u>( 4,754)</u>	<u>96,000</u>	<u>4,741,940</u>	<u>5,509,363</u>	<u>4,490,598</u>
<u>( 4,752)</u>	<u>37,058</u>	<u>2,577,318</u>	<u>2,683,601</u>	<u>1,863,455</u>
<u>4,752</u>	<u>12</u>	<u>70,607</u>	<u>66,235</u>	<u>7,331,982</u>
<u>\$ -0-</u>	<u>\$ 37,070</u>	<u>\$ 2,647,925</u>	<u>\$ 2,749,836</u>	<u>\$ 9,195,437</u>

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND**

For the Year Ended September 30, 2012

Exhibit 10  
Page 1 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration:				
County Clerk:				
Salaries and wages, and employee benefits	\$ 1,699,166	\$ 1,699,166	\$ 1,592,079	\$ 107,087
Operating expenditures	99,650	99,650	77,360	22,290
Total County Clerk	1,798,816	1,798,816	1,669,439	129,377
County Judge:				
Salaries and wages, and employee benefits	364,170	364,170	350,810	13,360
Operating expenditures	12,875	12,875	7,873	5,002
Total County Judge	377,045	377,045	358,683	18,362
Veterans:				
Salaries and wages, and employee benefits	144,390	144,390	121,480	22,910
Operating expenditures	7,000	8,222	16,474	( 8,252)
Total Veterans	151,390	152,612	137,954	14,658
Public Works:				
Salaries and wages, and employee benefits	1,059,946	1,060,386	960,191	100,195
Operating expenditures	65,800	69,320	49,729	19,591
Total Public Works	1,125,746	1,129,706	1,009,920	119,786
Print Shop:				
Salaries and wages, and employee benefits	43,576	43,576	42,838	738
Operating expenditures	38,700	36,500	32,723	3,777
Total Print Shop	82,276	80,076	75,561	4,515
Mail Room:				
Salaries and wages, and employee benefits	80,339	80,339	79,287	1,052
Operating expenditures	10,700	10,700	8,948	1,752
Total Mail Room	91,039	91,039	88,235	2,804
Telecommunications:				
Salaries and wages, and employee benefits	36,585	36,585	36,028	557
Operating expenditures	500	500	-0-	500
Total Telecommunications	37,085	37,085	36,028	1,057
Non-departmental:				
Salaries and wages, and employee benefits	722,299	622,232	209,788	412,444
Operating expenditures	2,729,023	2,811,345	2,829,940	( 18,595)
Capital outlay	10,000	49,390	48,435	955
Total Non-departmental	3,461,322	3,482,967	3,088,163	394,804

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2012

Exhibit 10  
Page 2 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Courthouse:				
Operating expenditures	\$ 121,600	\$ 182,176	\$ 178,387	\$ 3,789
Total Courthouse	121,600	182,176	178,387	3,789
Bldg Maint Bank Annex:				
Operating expenditures	157,200	188,400	172,487	15,913
Total Bldg Maint Bank Annex	157,200	188,400	172,487	15,913
Bldg Maint Guinn Building:				
Operating expenditures	375,000	357,815	309,015	48,800
Total Bldg Maint Guinn Bldg	375,000	357,815	309,015	48,800
Bldg Maint Alvarado Sub-courthouse:				
Operating expenditures	28,700	22,700	16,900	5,800
Total Bldg Maint Alvarado Sub-courthouse	28,700	22,700	16,900	5,800
Bldg Maint Burleson Sub-courthouse :				
Operating expenditures	32,500	32,500	26,097	6,403
Total Bldg Maint Burleson Sub-courthouse	32,500	32,500	26,097	6,403
Bldg Main Law Enforcement Center:				
Operating expenditures	77,200	89,200	86,077	3,123
Total Bldg Maint Law Enforcement Center	77,200	89,200	86,077	3,123
Bldg Maint Health Bldg:				
Operating expenditures	3,700	6,500	4,385	2,115
Total Bldg Maint Health Bldg	3,700	6,500	4,385	2,115
Bldg Maint Mill St. Bldg:				
Operating expenditures	9,200	9,200	7,853	1,347
Total Bldg Maint Mill St. Bldg	9,200	9,200	7,853	1,347
Bldg Maint Doty HS:				
Operating expenditures	6,000	6,000	3,227	2,773
Total Bldg Maint Doty HS	6,000	6,000	3,227	2,773
Bldg Maint Adult Probation Bldg:				
Operating expenditures	43,900	47,952	48,175	( 223 )
Total Bldg Maint Adult Probation Bldg	43,900	47,952	48,175	( 223 )
Bldg Maint Hamm Creek Park:				
Operating expenditures	28,500	23,413	18,034	5,379
Total Bldg Maint Hamm Creek Park	28,500	23,413	18,034	5,379

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2012

Exhibit 10  
Page 3 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Bldg Maint CASA/United Bldg:				
Operating expenditures	\$ 8,200	\$ 9,235	\$ 9,097	\$ 138
Total Bldg Maint CASA/United Bldg	8,200	9,235	9,097	138
Bldg Maint JP #1 Bldg:				
Operating expenditures	8,700	8,700	6,814	1,886
Total Bldg Maint JP #1 Bldg	8,700	8,700	6,814	1,886
Bldg Maint Emergency Mgt Bldg:				
Operating expenditures	-0-	16,000	7,748	8,252
Total Bldg Maint Emergency Mgt Bldg	-0-	16,000	7,748	8,252
Bldg Maint Brown Gym:				
Operating expenditures	9,500	9,500	9,011	489
Total Bldg Maint Brown Gym	9,500	9,500	9,011	489
Total General Administration	8,034,619	8,158,637	7,367,290	791,347
Administration of Justice:				
County Court at Law I:				
Salaries and wages, and employee benefits	453,083	464,179	450,627	13,552
Operating expenditures	276,750	265,654	209,202	56,452
Total County Court at Law I	729,833	729,833	659,829	70,004
County Court at Law II:				
Salaries and wages, and employee benefits	395,873	379,513	377,505	2,008
Operating expenditures	259,150	275,510	242,182	33,328
Total County Court at Law II	655,023	655,023	619,687	35,336
General District Court:				
Salaries and wages, and employee benefits	81,357	111,494	103,703	7,791
Operating expenditures	11,550	11,421	10,343	1,078
Total General District Court	92,907	122,915	114,046	8,869

(continued)



**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2012

Exhibit 10  
Page 4 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
249 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	\$ 253,787	\$ 253,787	\$ 239,876	\$ 13,911
Operating expenditures	333,855	345,770	345,058	712
Total 249 <sup>th</sup> District Court	587,642	599,557	584,934	14,623
18 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	229,125	229,287	224,683	4,604
Operating expenditures	400,950	400,788	379,504	21,284
Total 18 <sup>th</sup> District Court	630,075	630,075	604,187	25,888
413 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	233,029	229,482	214,155	15,327
Operating expenditures	378,300	981,847	983,436	(1,589)
Total 413 <sup>th</sup> District Court	611,329	1,211,329	1,197,591	13,738
District Clerk:				
Salaries and wages, and employee benefits	1,021,773	1,014,446	994,495	19,951
Operating expenditures	340,130	347,457	45,108	302,349
Total District Clerk	1,361,903	1,361,903	1,039,603	322,300
Justice of the Peace #1:				
Salaries and wages, and employee benefits	234,577	234,577	224,516	10,061
Operating expenditures	9,250	9,250	7,566	1,684
Total Justice of the Peace #1	243,827	243,827	232,082	11,745
Justice of the Peace #2:				
Salaries and wages, and employee benefits	191,770	190,570	175,121	15,449
Operating expenditures	10,900	15,120	14,077	1,043
Total Justice of the Peace #2	202,670	205,690	189,198	16,492
Justice of the Peace #3:				
Salaries and wages, and employee benefits	192,381	191,865	190,977	888
Operating expenditures	10,050	10,566	10,042	524
Total Justice of the Peace #3	202,431	202,431	201,019	1,412
Justice of the Peace #4:				
Salaries and wages, and employee benefits	191,814	188,794	167,010	21,784
Operating expenditures	8,700	8,700	8,143	557
Total Justice of the Peace #4	200,514	197,494	175,153	22,341
County Attorney:				
Salaries and wages, and employee benefits	1,527,703	1,582,822	1,569,850	12,972
Operating expenditures	86,950	86,947	76,545	10,402
Total County Attorney	1,614,653	1,669,769	1,646,395	23,374

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2012

Exhibit 10  
Page 5 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
District Attorney:				
Salaries and wages, and employee benefits	\$ 1,521,856	\$ 1,528,990	\$ 1,434,514	\$ 94,476
Operating expenditures	107,650	112,243	104,959	7,284
Total District Attorney	1,629,506	1,641,233	1,539,473	101,760
County/District Attorney Supplement:				
Salaries and wages, and employee benefits	51,886	51,886	51,841	45
Total County/District Attorney Supplement	51,886	51,886	51,891	45
Total Administration of Justice	8,814,199	9,522,965	8,855,038	667,927
Financial Administration:				
Purchasing:				
Salaries and wages, and employee benefits	266,914	266,914	252,965	13,949
Operating expenditures	23,000	26,851	19,113	7,738
Total Purchasing	289,914	293,765	272,078	21,687
Information Systems:				
Salaries and wages, and employee benefits	452,579	452,545	436,163	16,382
Operating expenditures	824,450	825,924	703,303	122,621
Total Information Systems	1,277,029	1,278,469	1,139,466	139,003
County Auditor:				
Salaries and wages, and employee benefits	697,041	697,041	684,635	12,406
Operating expenditures	37,950	67,950	17,597	50,353
Total County Auditor	734,991	764,991	702,232	62,759
Personnel:				
Salaries and wages, and employee benefits	355,736	355,736	329,613	26,123
Operating expenditures	28,750	33,750	11,265	22,485
Total Personnel	384,486	389,486	340,878	48,608
County Treasurer:				
Salaries and wages, and employee benefits	156,748	154,748	142,244	12,504
Operating expenditures	12,550	14,550	12,501	2,049
Total County Treasurer	169,298	169,298	154,745	14,553

(continued)

**JOHNSON COUNTY, TEXAS****SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended September 30, 2012

Exhibit 10  
Page 6 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Financial Administration - Continued:				
County Tax Collector:				
Salaries and wages, and employee benefits	\$ 1,188,030	\$ 1,188,030	\$ 1,137,063	\$ 50,967
Operating expenditures	<u>232,608</u>	<u>233,628</u>	<u>206,080</u>	<u>27,548</u>
Total County Tax Collector	<u>1,420,638</u>	<u>1,421,658</u>	<u>1,343,143</u>	<u>78,515</u>
Total Financial Administration	<u>4,276,356</u>	<u>4,317,667</u>	<u>3,952,542</u>	<u>365,125</u>
Elections:				
Elections:				
Salaries and wages, and employee benefits	366,186	366,186	305,141	61,045
Operating expenditures	<u>94,891</u>	<u>94,891</u>	<u>60,120</u>	<u>34,771</u>
Total Elections	<u>461,077</u>	<u>461,077</u>	<u>365,261</u>	<u>95,816</u>
Law Enforcement:				
Constable - Precinct 1:				
Salaries and wages, and employee benefits	190,408	190,408	187,697	2,711
Operating expenditures	<u>19,720</u>	<u>19,720</u>	<u>16,577</u>	<u>3,143</u>
Total Constable - Precinct 1	<u>210,128</u>	<u>210,128</u>	<u>204,274</u>	<u>5,854</u>
Constable - Precinct 2:				
Salaries and wages, and employee benefits	187,132	187,132	184,468	2,664
Operating expenditures	<u>22,670</u>	<u>22,670</u>	<u>19,609</u>	<u>3,061</u>
Total Constable - Precinct 2	<u>209,802</u>	<u>209,802</u>	<u>204,077</u>	<u>5,725</u>
Constable - Precinct 3:				
Salaries and wages, and employee benefits	187,132	186,172	182,247	3,925
Operating expenditures	<u>23,470</u>	<u>25,430</u>	<u>22,536</u>	<u>2,894</u>
Total Constable - Precinct 3	<u>210,602</u>	<u>211,602</u>	<u>204,783</u>	<u>6,819</u>
Constable - Precinct 4:				
Salaries and wages, and employee benefits	198,040	196,000	195,386	614
Operating expenditures	<u>27,450</u>	<u>31,440</u>	<u>28,596</u>	<u>2,844</u>
Total Constable - Precinct 4	<u>225,490</u>	<u>227,440</u>	<u>223,982</u>	<u>3,458</u>
ASAP-JISD:				
Salaries and wages, and employee benefits	54,988	54,988	52,407	2,581
Operating expenditures	<u>2,150</u>	<u>1,900</u>	<u>1,096</u>	<u>804</u>
Total ASAP-JISD	<u>57,138</u>	<u>56,888</u>	<u>53,503</u>	<u>3,385</u>

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended September 30, 2012

Exhibit 10  
Page 7 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
ASAP-BISD:				
Salaries and wages, and employee benefits	\$ 52,678	\$ 52,678	\$ 51,001	\$ 1,677
Operating expenditures	<u>3,250</u>	<u>3,250</u>	<u>3,361</u>	<u>(111)</u>
Total ASAP-BISD	<u>55,928</u>	<u>55,928</u>	<u>54,362</u>	<u>1,566</u>
ASAP-CISD:				
Salaries and wages, and employee benefits	117,290	115,629	113,259	2,370
Operating expenditures	<u>8,240</u>	<u>8,901</u>	<u>8,268</u>	<u>633</u>
Total ASAP-CISD	<u>125,530</u>	<u>124,530</u>	<u>121,527</u>	<u>3,003</u>
Sheriff Admin-Patrol:				
Salaries and wages, and employee benefits	5,616,124	5,596,329	5,485,706	110,623
Operating expenditures	<u>686,856</u>	<u>725,685</u>	<u>704,410</u>	<u>21,275</u>
Total Sheriff Admin-Patrol	<u>6,302,980</u>	<u>6,322,014</u>	<u>6,190,116</u>	<u>131,898</u>
Sheriff-Jail:				
Salaries and wages, and employee benefits	805,463	802,915	766,350	36,565
Operating expenditures	10,033,323	14,892,188	14,292,253	599,935
Capital outlay		<u>314,450</u>	<u>314,158</u>	<u>292</u>
Total Sheriff-Jail	<u>10,838,786</u>	<u>16,009,553</u>	<u>15,372,761</u>	<u>636,792</u>
Bail Bonds Office:				
Salaries and wages, and employee benefits	40,344	40,344	40,307	37
Operating expenditures	<u>1,550</u>	<u>1,550</u>	<u>1,359</u>	<u>191</u>
Total Bail Bonds Office	<u>41,894</u>	<u>41,894</u>	<u>41,666</u>	<u>228</u>
Sheriff Licenses and Weights:				
Salaries and wages, and employee benefits	241,463	242,251	241,775	476
Operating expenditures	<u>32,900</u>	<u>34,660</u>	<u>37,350</u>	<u>(2,690)</u>
Total Sheriff Licenses and Weights	<u>274,363</u>	<u>276,911</u>	<u>279,125</u>	<u>(2,214)</u>
Manfield Interlocal:				
Salaries and wages, and employee benefits	<u>76,869</u>	<u>76,869</u>	<u>73,226</u>	<u>3,643</u>
Total Manfield Interlocal	<u>76,869</u>	<u>76,869</u>	<u>73,226</u>	<u>3,643</u>
Adult Probation:				
Operating expenditures	<u>14,500</u>	<u>14,500</u>	<u>11,538</u>	<u>2,962</u>
Total Adult Probation	<u>14,500</u>	<u>14,500</u>	<u>11,538</u>	<u>2,962</u>

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**

For the Year Ended September 30, 2012

Exhibit 10  
Page 8 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement – Continued:				
Texas DPS Office:				
Salaries and wages, and employee benefits	\$ 99,154	\$ 99,054	\$ 90,228	\$ 8,826
Operating expenditures	600	700	664	36
Total Texas DPS Office	99,754	99,754	90,892	8,862
Texas DPS License Weight:				
Operating expenditures	1,000	1,000	998	2
Total Texas DPS License Weight	1,000	1,000	998	2
Juvenile Probation:				
Salaries and wages, and employee benefits	441,366	441,554	428,255	13,299
Operating expenditures	655,200	720,012	638,645	81,367
Total Juvenile Probation	1,096,566	1,161,566	1,066,900	94,666
SRO-Godley ISD:				
Salaries and wages, and employee benefits	53,644	53,285	51,923	1,362
Operating expenditures	2,150	2,509	2,765	(256)
Total SRO-Godley ISD	55,794	55,794	54,688	1,106
SRO-Joshua ISD:				
Salaries and wages, and employee benefits	119,765	119,765	116,077	3,688
Operating expenditures	4,300	3,800	2,795	1,005
Total SRO-Joshua ISD	124,065	123,565	118,872	4,693
SRO-Alvarado ISD:				
Salaries and wages, and employee benefits	59,819	60,273	58,522	1,751
Operating expenditures	2,650	4,900	4,740	160
Total SRO-Alvarado ISD	62,469	65,173	63,262	1,911
SRO-Venus ISD:				
Salaries and wages, and employee benefits	55,116	55,116	53,375	1,741
Operating expenditures	2,150	1,900	1,698	202
Total SRO-Venus ISD	57,266	57,016	55,073	1,943
SRO-Grandview ISD:				
Salaries and wages, and employee benefits	59,006	58,050	53,578	4,472
Operating expenditures	2,100	2,806	2,452	354
Total SRO-Grandview ISD	61,106	60,856	56,030	4,826
SRO-Keene ISD:				
Salaries and wages, and employee benefits	-0-	-0-	37	(37)
Total SRO-Keene ISD	-0-	-0-	37	(37)
Total Law Enforcement	20,202,030	25,462,783	24,541,692	921,091

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2012

Exhibit 10  
Page 9 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Medical Examiner:				
Salaries and wages, and employee benefits	\$ 135,536	\$ 135,536	\$ 133,714	\$ 1,822
Operating expenditures	214,090	214,090	190,364	23,726
Total Medical Examiner	<u>349,626</u>	<u>349,626</u>	<u>324,078</u>	<u>25,548</u>
Emergency Management:				
Salaries and wages, and employee benefits	80,646	80,646	77,488	3,158
Operating expenditures	<u>7,900</u>	<u>42,745</u>	<u>37,816</u>	<u>4,929</u>
Total Emergency Management	<u>88,546</u>	<u>123,391</u>	<u>115,304</u>	<u>8,087</u>
Total Health and Welfare	<u>438,172</u>	<u>473,017</u>	<u>439,382</u>	<u>33,635</u>
Culture and Recreation:				
Hamm Creek Park:				
Salaries and wages, and employee benefits	206,952	206,952	148,657	58,295
Operating expenditures	<u>33,700</u>	<u>33,700</u>	<u>15,728</u>	<u>17,972</u>
Total Hamm Creek Park	<u>240,652</u>	<u>240,652</u>	<u>164,385</u>	<u>76,267</u>
Total Culture and Recreation	<u>240,652</u>	<u>240,652</u>	<u>164,385</u>	<u>76,267</u>
Conservation:				
County Extension:				
Salaries and wages, and employee benefits	169,340	169,340	145,535	23,805
Operating expenditures	<u>16,850</u>	<u>16,850</u>	<u>12,765</u>	<u>4,085</u>
Total County Extension	<u>186,190</u>	<u>186,190</u>	<u>158,300</u>	<u>27,890</u>
Total Conservation	<u>186,190</u>	<u>186,190</u>	<u>158,300</u>	<u>27,890</u>
Total current expenditures	<u>\$ 42,653,295</u>	<u>\$ 48,822,988</u>	<u>\$ 45,843,890</u>	<u>\$ 2,979,098</u>

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - MAJOR SPECIAL REVENUE FUND  
(ROAD AND BRIDGE FUND)**

Exhibit 11

For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and Streets:				
Road and Bridge Precinct 1:				
Salaries and wages, and employee benefits	\$ 1,133,276	\$ 1,133,276	\$ 999,013	\$ 134,263
Operating expenditures	2,677,380	2,777,380	849,602	1,927,778
Capital outlay	789,235	789,235	631,718	157,517
Total Road and Bridge Precinct 1	<u>4,599,891</u>	<u>4,699,891</u>	<u>2,480,333</u>	<u>2,219,558</u>
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	1,158,499	1,158,499	980,782	177,717
Operating expenditures	624,851	616,468	459,077	157,391
Capital outlay	425,735	439,235	427,231	12,004
Total Road and Bridge Precinct 2	<u>2,209,085</u>	<u>2,214,202</u>	<u>1,867,090</u>	<u>347,112</u>
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	1,388,609	1,388,609	1,089,460	299,149
Operating expenditures	1,355,562	1,478,169	832,217	645,952
Capital outlay	625,735	630,735	429,018	201,717
Total Road and Bridge Precinct 3	<u>3,369,906</u>	<u>3,497,513</u>	<u>2,350,695</u>	<u>1,146,818</u>
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	1,259,190	1,277,129	1,177,818	99,311
Operating expenditures	2,112,391	2,057,928	606,840	1,451,088
Capital outlay	615,735	657,259	635,258	22,001
Total Road and Bridge Precinct 4	<u>3,987,316</u>	<u>3,992,316</u>	<u>2,419,916</u>	<u>1,572,400</u>
Total expenditures	<u>\$ 14,166,198</u>	<u>\$ 14,403,922</u>	<u>\$ 9,118,034</u>	<u>\$ 5,285,888</u>

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2012

	Lateral Road Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 68,000	\$ 68,000	\$ 68,366	\$ 366
Investment income	100	100	75	( 25)
Total revenues	<u>68,100</u>	<u>68,100</u>	<u>68,441</u>	<u>341</u>
Expenditures:				
Highways and Streets:				
Operating expenditures	<u>68,100</u>	<u>68,100</u>	<u>68,044</u>	<u>56</u>
Total expenditures	<u>68,100</u>	<u>68,100</u>	<u>68,044</u>	<u>56</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>397</u>	<u>397</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	-0-	-0-	397	397
Fund balances – beginning	<u>44,134</u>	<u>44,134</u>	<u>44,134</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 44,134</u>	<u>\$ 44,134</u>	<u>\$ 44,531</u>	<u>\$ 397</u>



Right of Way Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 10,000	\$ 10,000	\$ 360	\$( 9,640)
<u>1,500</u>	<u>1,500</u>	<u>1,877</u>	<u>377</u>
<u>11,500</u>	<u>11,500</u>	<u>2,237</u>	<u>( 9,263)</u>
	<u>50,000</u>	<u>22,961</u>	<u>27,039</u>
<u>-0-</u>	<u>50,000</u>	<u>22,961</u>	<u>27,039</u>
<u>11,500</u>	<u>( 38,500)</u>	<u>( 20,724)</u>	<u>17,776</u>
			<u>-0-</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
11,500	( 38,500)	( 20,724)	17,776
<u>1,655,434</u>	<u>1,655,434</u>	<u>1,655,434</u>	<u>-0-</u>
<u>\$ 1,666,934</u>	<u>\$ 1,616,934</u>	<u>\$ 1,634,710</u>	<u>\$ 17,776</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Records Management and Preservation Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees	\$ 221,200	\$ 221,200	\$ 233,981	\$ 12,781
Investment income	1,350	1,350	1,159	( 191 )
Total revenues	<u>222,550</u>	<u>222,550</u>	<u>235,140</u>	<u>12,590</u>
Expenditures:				
General Administration:				
Salaries and wages, and employee benefits	225,840	225,840	176,004	49,836
Operating expenditures	<u>382,000</u>	<u>382,000</u>	<u>30,762</u>	<u>351,238</u>
Total expenditures	<u>607,840</u>	<u>607,840</u>	<u>206,766</u>	<u>401,074</u>
Excess (deficiency) of revenues over expenditures	( 385,290 )	( 385,290 )	28,374	413,664
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	( 385,290 )	( 385,290 )	28,374	413,664
Fund balances – beginning	<u>1,001,926</u>	<u>1,001,926</u>	<u>1,001,926</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 616,636</u>	<u>\$ 616,636</u>	<u>\$ 1,030,300</u>	<u>\$ 413,664</u>

Records Archive - County Clerk Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 150,000	\$ 150,000	\$ 158,835	\$ 8,835
<u>1,800</u>	<u>1,800</u>	<u>2,786</u>	<u>986</u>
<u>151,800</u>	<u>151,800</u>	<u>161,621</u>	<u>9,821</u>
			-0-
<u>821,000</u>	<u>821,000</u>	<u>510,205</u>	<u>310,795</u>
<u>821,000</u>	<u>821,000</u>	<u>510,205</u>	<u>310,795</u>
( <u>669,200</u> )	( <u>669,200</u> )	( <u>348,584</u> )	<u>320,616</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
( <u>669,200</u> )	( <u>669,200</u> )	( <u>348,584</u> )	<u>320,616</u>
<u>722,704</u>	<u>722,704</u>	<u>722,704</u>	<u>-0-</u>
<u>\$ 53,504</u>	<u>\$ 53,504</u>	<u>\$ 374,120</u>	<u>\$ 320,616</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Records Archive - District Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 10,000	\$ 10,000	\$ 11,645	\$ 1,645
Investment income	100	100	43	( 57)
Total revenues	<u>10,100</u>	<u>10,100</u>	<u>11,688</u>	<u>1,588</u>
Expenditures:				
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>10,100</u>	<u>10,100</u>	<u>11,688</u>	<u>1,588</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	10,100	10,100	11,688	1,588
Fund balances – beginning	<u>30,457</u>	<u>30,457</u>	<u>30,457</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 40,557</u>	<u>\$ 40,557</u>	<u>\$ 42,145</u>	<u>\$ 1,588</u>

Court Records Preservation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 28,500	\$ 28,500	\$ 31,556	\$ 3,056
<u>100</u>	<u>100</u>	<u>102</u>	<u>2</u>
<u>28,600</u>	<u>28,600</u>	<u>31,658</u>	<u>3,058</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>28,600</u>	<u>28,600</u>	<u>31,658</u>	<u>3,058</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
28,600	28,600	31,658	3,058
<u>56,325</u>	<u>56,325</u>	<u>56,325</u>	<u>-0-</u>
<u>\$ 84,925</u>	<u>\$ 84,925</u>	<u>\$ 87,983</u>	<u>\$ 3,058</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Justice of the Peace Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 34,300	\$ 34,300	\$ 34,276	\$( 24)
Investment income	400	400	340	( 60)
Total revenues	<u>34,700</u>	<u>34,700</u>	<u>34,616</u>	<u>( 84)</u>
Expenditures:				
Administration of Justice:				
Operating expenditures	16,700	30,212	18,671	11,641
Capital outlay				<u>-0-</u>
Total expenditures	<u>16,700</u>	<u>30,312</u>	<u>18,671</u>	<u>11,641</u>
Excess (deficiency) of revenues over expenditures	<u>18,000</u>	<u>4,388</u>	<u>15,945</u>	<u>11,557</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	18,000	4,388	15,945	11,557
Fund balances – beginning	<u>269,372</u>	<u>269,372</u>	<u>269,372</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 287,372</u>	<u>\$ 273,760</u>	<u>\$ 285,317</u>	<u>\$ 11,557</u>

Courthouse Security Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 78,000	\$ 78,000	\$ 79,232	\$ 1,232
<u>150</u>	<u>150</u>	<u>137</u>	<u>( 13)</u>
<u>78,150</u>	<u>78,150</u>	<u>79,369</u>	<u>1,219</u>
6,500	22,680	16,802	5,878
<u>        </u>	<u>60,600</u>	<u>60,510</u>	<u>90</u>
<u>6,500</u>	<u>83,280</u>	<u>77,312</u>	<u>5,968</u>
<u>71,650</u>	<u>( 5,130)</u>	<u>2,057</u>	<u>7,187</u>
<u>        </u>	<u>        </u>	<u>        </u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
71,650	( 5,130)	2,057	7,187
<u>100,159</u>	<u>100,159</u>	<u>100,159</u>	<u>-0-</u>
<u>\$ 171,809</u>	<u>\$ 95,029</u>	<u>\$ 102,216</u>	<u>\$ 7,187</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	County/District Court Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 5,500	\$ 5,500	\$ 6,971	\$ 1,471
Investment income	<u>20</u>	<u>20</u>	<u>16</u>	<u>(4)</u>
Total revenues	<u>5,520</u>	<u>5,520</u>	<u>6,987</u>	<u>1,467</u>
Expenditures:				
Administration of Justice:				
Operating expenditures				<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>5,520</u>	<u>5,520</u>	<u>6,987</u>	<u>1,467</u>
Other Financing Sources (Uses):				
Transfers in				<u>-0-</u>
Transfers out				<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	5,520	5,520	6,987	1,467
Fund balances – beginning	<u>7,803</u>	<u>7,803</u>	<u>7,803</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 13,323</u>	<u>\$ 13,323</u>	<u>\$ 14,790</u>	<u>\$ 1,467</u>



District Court Records Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 10,500	\$ 10,500	\$ 13,387	\$ 2,887
<u>20</u>	<u>20</u>	<u>34</u>	<u>14</u>
<u>10,520</u>	<u>10,520</u>	<u>13,421</u>	<u>2,901</u>
	<u>5,650</u>	<u>5,650</u>	<u>-0-</u>
<u>-0-</u>	<u>5,650</u>	<u>5,650</u>	<u>-0-</u>
<u>10,520</u>	<u>4,870</u>	<u>7,771</u>	<u>2,901</u>
			<u>-0-</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
10,520	4,870	7,771	2,901
<u>21,778</u>	<u>21,778</u>	<u>21,778</u>	<u>-0-</u>
<u>\$ 32,298</u>	<u>\$ 26,648</u>	<u>\$ 29,549</u>	<u>\$ 2,901</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Justice Court Building Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 8,300	\$ 8,300	\$ 8,083	\$( 217)
Investment income	100	100	82	( 18)
Total revenues	<u>8,400</u>	<u>8,400</u>	<u>8,165</u>	<u>( 235)</u>
Expenditures:				
Law Enforcement:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>8,400</u>	<u>8,400</u>	<u>8,165</u>	<u>( 235)</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	8,400	8,400	8,165	( 235)
Fund balances – beginning	<u>52,596</u>	<u>52,596</u>	<u>52,596</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 60,996</u>	<u>\$ 60,996</u>	<u>\$ 60,761</u>	<u>\$( 235)</u>

Juvenile Justice Alternative Education Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 100,000	\$ 100,000	\$ 146,345	\$ 46,345
<u>100</u>	<u>100</u>	<u>194</u>	<u>94</u>
<u>100,100</u>	<u>100,100</u>	<u>146,539</u>	<u>46,439</u>
187,996	187,996	185,691	2,305
<u>80,000</u>	<u>80,000</u>	<u>50,037</u>	<u>29,963</u>
<u>267,996</u>	<u>267,996</u>	<u>235,728</u>	<u>32,268</u>
( 167,896 )	( 167,896 )	( 89,189 )	78,707
153,000	153,000	153,000	-0-
<u>153,000</u>	<u>153,000</u>	<u>153,000</u>	<u>-0-</u>
( 14,896 )	( 14,896 )	63,811	78,707
<u>26,143</u>	<u>26,143</u>	<u>26,143</u>	<u>-0-</u>
<u>\$ 11,247</u>	<u>\$ 11,247</u>	<u>\$ 89,954</u>	<u>\$ 78,707</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Juvenile Probation Fees Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$ 10,719	\$ 10,719
Investment income			80	80
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>10,799</u>	<u>10,799</u>
Expenditures:				
Law Enforcement:				
Salaries and wages, and employee benefits				-0-
Operating expenditures	<u>46,010</u>	<u>46,010</u>	<u>3,222</u>	<u>42,788</u>
Total expenditures	<u>46,010</u>	<u>46,010</u>	<u>3,222</u>	<u>42,788</u>
Excess (deficiency) of revenues over expenditures	<u>( 46,010)</u>	<u>( 46,010)</u>	<u>7,577</u>	<u>53,587</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>( 46,010)</u>	<u>( 46,010)</u>	<u>7,577</u>	<u>53,587</u>
Fund balances – beginning	<u>47,119</u>	<u>47,119</u>	<u>47,119</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,109</u>	<u>\$ 1,109</u>	<u>\$ 54,696</u>	<u>\$ 53,587</u>

Juvenile Case Manager Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 100,000	\$ 100,000	\$ 43,129	\$( 56,871 )
<u>100</u>	<u>100</u>	<u>120</u>	<u>20</u>
<u>100,100</u>	<u>100,100</u>	<u>43,249</u>	<u>( 56,851 )</u>
46,308	46,308	39,307	7,001
<u>46,308</u>	<u>46,308</u>	<u>39,307</u>	<u>-0-</u>
53,792	53,792	3,942	( 49,850 )
<u>53,792</u>	<u>53,792</u>	<u>3,942</u>	<u>( 49,850 )</u>
-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
53,792	53,792	3,942	( 49,850 )
<u>86,282</u>	<u>86,282</u>	<u>86,282</u>	<u>-0-</u>
\$ <u>140,074</u>	\$ <u>140,074</u>	\$ <u>90,224</u>	\$( <u>49,850</u> )

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	STOP Federal Forfeiture Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees	\$	\$	\$	\$ -0-
Investment income			5	5
Total revenues	-0-	-0-	5	5
Expenditures:				
Law Enforcement:				
Operating expenditures	816	816	816	-0-
Total expenditures	816	816	816	-0-
Excess (deficiency) of revenues over expenditures	( 816)	( 816)	( 811)	5
Other Financing Sources (Uses):				
Sale of capital assets				-0-
Transfers in				-0-
Transfers out			( 5)	( 5)
Total other financing sources (uses)	-0-	-0-	( 5)	( 5)
Net change in fund balances	( 816)	( 816)	( 816)	-0-
Fund balances – beginning	816	816	816	-0-
Fund balances – ending	\$ -0-	\$ -0-	\$ -0-	\$ -0-

District Attorney Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
<u>100</u>	<u>100</u>	1,314 <u>63</u>	1,314 <u>( 37)</u>
<u>100</u>	<u>100</u>	<u>1,377</u>	<u>1,277</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>100</u>	<u>100</u>	<u>1,377</u>	<u>1,277</u>
		2,375	2,375
	<u>( 8,061)</u>	<u>( 8,061)</u>	<u>-0-</u>
<u>-0-</u>	<u>( 8,061)</u>	<u>( 5,686)</u>	<u>2,375</u>
100	<u>( 7,961)</u>	<u>( 4,309)</u>	3,652
<u>47,647</u>	<u>47,647</u>	<u>47,647</u>	<u>-0-</u>
<u>\$ 47,747</u>	<u>\$ 39,686</u>	<u>\$ 43,338</u>	<u>\$ 3,652</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Sheriff Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fines			1,018	1,018
Investment income	20	20	49	29
Total revenues	20	20	1,067	1,047
Expenditures:				
Administration of Justice:				
Operating expenditures				-0-
Law Enforcement:				
Operating expenditures	2,800	3,250		3,250
Capital outlay	10,000	10,000		10,000
Total expenditures	12,800	13,250	-0-	13,250
Excess (deficiency) of revenues over expenditures	( 12,780)	( 13,230)	1,067	14,297
Other Financing Sources (Uses):				
Sale of capital assets			2,375	2,375
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	2,375	2,375
Net change in fund balances	( 12,780)	( 13,230)	3,442	16,672
Fund balances – beginning	13,445	13,445	13,445	-0-
Fund balances – ending	\$ 665	\$ 215	\$ 16,887	\$ 16,672



County Essential – Capital Murder Trial Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 193,750	\$ 193,750	\$ 193,750	\$ -0-
_____	_____	_____	-0-
_____	_____	_____	-0-
<u>193,750</u>	<u>193,750</u>	<u>193,750</u>	<u>1,508</u>
193,750	193,750	193,750	-0-
_____	_____	_____	-0-
_____	_____	_____	-0-
<u>193,750</u>	<u>193,750</u>	<u>193,750</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
_____	_____	_____	-0-
_____	_____	_____	-0-
_____	_____	_____	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	-0-
_____	_____	_____	-0-
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Law Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 100,000	\$ 100,000	\$ 101,285	\$ 1,285
Fines				-0-
Investment income	400	400	284	( 116)
Miscellaneous	500	500		( 500)
Total revenues	<u>100,900</u>	<u>100,900</u>	<u>101,569</u>	<u>669</u>
Expenditures				
Administration of Justice:				
Salaries and wages, and employee benefits	46,208	46,208	45,389	819
Operating expenditures	105,150	105,150	75,709	29,441
Law Enforcement:				
Operating expenditures				-0-
Capita outlay				-0-
Total expenditures	<u>151,358</u>	<u>151,358</u>	<u>121,098</u>	<u>30,260</u>
Excess (deficiency) of revenues over expenditures	( 50,458)	( 50,458)	( 19,529)	<u>30,929</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	( 50,458)	( 50,458)	( 19,529)	30,929
Fund balances – beginning	<u>257,248</u>	<u>257,248</u>	<u>257,248</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 206,790</u>	<u>\$ 206,790</u>	<u>\$ 237,719</u>	<u>\$ 30,929</u>

Special Crimes Operations Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
		16,732	-0- 16,732
300	300	353	53
<u>300</u>	<u>300</u>	<u>1,599</u>	<u>1,599</u>
300	300	18,684	18,384
			-0- -0-
46,000	13,000	10,727	2,273
<u>46,000</u>	<u>33,000</u>	<u>32,200</u>	<u>800</u>
46,000	46,000	42,927	3,073
( 45,700 )	( 45,700 )	( 24,243 )	21,457
		5	5 -0-
-0-	-0-	5	5
( 45,700 )	( 45,700 )	( 24,238 )	21,462
<u>258,533</u>	<u>258,533</u>	<u>258,533</u>	<u>-0-</u>
\$ <u>212,833</u>	\$ <u>212,833</u>	\$ <u>234,295</u>	\$ <u>21,462</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	STOP Operations Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 112,996	\$ 112,996	\$ 88,813	\$( 24,183)
Fees				-0-
Investment income	<u>300</u>	<u>300</u>	<u>165</u>	<u>( 135)</u>
Total revenues	<u>113,296</u>	<u>113,296</u>	<u>88,978</u>	<u>( 24,318)</u>
Expenditures				
Law Enforcement:				
Salaries and wages, and employee benefits				-0-
Operating expenditures	203,500	103,500	74,531	28,969
Capital outlay	<u></u>	<u>100,000</u>	<u>72,981</u>	<u>27,019</u>
Total expenditures	<u>203,500</u>	<u>203,500</u>	<u>147,512</u>	<u>55,988</u>
Excess (deficiency) of revenues over expenditures	<u>( 90,204)</u>	<u>( 90,204)</u>	<u>( 58,534)</u>	<u>31,670</u>
Other Financing Sources (Uses):				
Transfers in	90,504	90,504	90,504	-0-
Transfers out	<u></u>	<u></u>	<u></u>	<u>-0-</u>
Total other financing sources (uses)	<u>90,504</u>	<u>90,504</u>	<u>90,504</u>	<u>-0-</u>
Net change in fund balances	300	300	31,970	31,970
Fund balances – beginning	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 31,970</u>	<u>\$ 31,670</u>

Pre-Trial Bond Supervision Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
98,529	98,529	139,351	-0- 40,822
<u>50</u>	<u>50</u>	<u>60</u>	<u>10</u>
<u>98,579</u>	<u>98,579</u>	<u>139,411</u>	<u>40,832</u>
75,299	75,467	70,885	4,582
51,573	51,405	24,452	26,953
<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
<u>126,872</u>	<u>126,872</u>	<u>95,337</u>	<u>31,535</u>
<u>( 28,293)</u>	<u>( 28,293)</u>	<u>44,074</u>	<u>72,367</u>
20,000	20,000	20,000	-0- -0-
<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-0-</u>
<u>( 8,293)</u>	<u>( 8,293)</u>	<u>64,074</u>	<u>72,367</u>
<u>6,647</u>	<u>6,647</u>	<u>6,647</u>	<u>-0-</u>
<u>\$( 1,646)</u>	<u>\$( 1,646)</u>	<u>\$ 70,721</u>	<u>\$ 72,367</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Indigent Health Care Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,088,263	\$ 1,088,263	\$ 1,119,588	\$ 31,325
Intergovernmental	33,000	33,000	37,473	4,473
Fees	10,000	10,000	7,351	( 2,649)
Investment income	1,600	1,600	1,628	28
Miscellaneous			763	763
Total revenues	<u>1,132,863</u>	<u>1,132,863</u>	<u>1,166,803</u>	<u>33,940</u>
Expenditures				
Administration of Justice:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Health and Welfare:				
Salaries and wages, and employee benefits	129,413	129,413	126,969	2,444
Operating expenditures	<u>1,003,450</u>	<u>1,003,450</u>	<u>543,419</u>	<u>460,031</u>
Total expenditures	<u>1,132,863</u>	<u>1,132,863</u>	<u>670,388</u>	<u>462,475</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>496,415</u>	<u>496,415</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	-0-	-0-	496,415	496,415
Fund balances – beginning	<u>892,072</u>	<u>892,072</u>	<u>892,072</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 892,072</u>	<u>\$ 892,072</u>	<u>\$ 1,388,487</u>	<u>\$ 496,415</u>

Indigent Defense Formula/Improvement Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
69,395	69,395	88,838	-0- 19,443
		130	-0- 130
			-0-
<u>69,395</u>	<u>69,395</u>	<u>88,968</u>	<u>19,573</u>
17,585	17,585	17,636	( 51)
69,395	70,777	71,332	( 555)
			-0-
			-0-
<u>86,980</u>	<u>88,362</u>	<u>88,968</u>	<u>( 606)</u>
<u>( 17,585)</u>	<u>( 18,967)</u>	<u>-0-</u>	<u>18,967</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>( 17,585)</u>	<u>( 18,967)</u>	<u>-0-</u>	<u>18,967</u>
			-0-
<u>\$( 17,585)</u>	<u>\$( 18,967)</u>	<u>\$ -0-</u>	<u>\$ 18,967</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	Guardianship Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fees	7,500	7,500	7,835	335
Investment income	50	50	50	-0-
Miscellaneous				-0-
Total revenues	<u>7,550</u>	<u>7,550</u>	<u>7,885</u>	<u>335</u>
Expenditures:				
Elections:				
Operating expenditures				-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>7,550</u>	<u>7,550</u>	<u>7,885</u>	<u>335</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	7,550	7,550	7,885	335
Fund balances – beginning	<u>30,733</u>	<u>30,733</u>	<u>30,733</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 38,283</u>	<u>\$ 38,283</u>	<u>\$ 38,618</u>	<u>\$ 335</u>



Election Services Contract Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 2,659	\$ 2,659	\$ 41,681	\$ 39,022
			-0-
25	25	224	199
<u>3,000</u>	<u>3,000</u>	<u>81,180</u>	<u>78,180</u>
<u>5,684</u>	<u>5,684</u>	<u>123,085</u>	<u>117,401</u>
<u>31,659</u>	<u>78,659</u>	<u>39,752</u>	<u>38,907</u>
<u>31,659</u>	<u>78,659</u>	<u>39,752</u>	<u>38,907</u>
( 25,975 )	( 72,975 )	83,333	156,308
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
( 25,975 )	( 72,975 )	83,333	156,308
<u>98,999</u>	<u>98,999</u>	<u>98,999</u>	<u>-0-</u>
<u>\$ 73,024</u>	<u>\$ 26,024</u>	<u>\$ 182,332</u>	<u>\$ 156,308</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	<u>Texas Information and Notification Everyday (VINE) Grant Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 30,710	\$ 30,710	\$ 30,710	\$ -0-
Total revenues	<u>30,710</u>	<u>30,710</u>	<u>30,710</u>	<u>-0-</u>
Expenditures:				
Law Enforcement:				
Operating expenditures	<u>30,710</u>	<u>30,710</u>	<u>30,710</u>	<u>-0-</u>
Total expenditures	<u>30,710</u>	<u>30,710</u>	<u>30,710</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	-0-	-0-	-0-	-0-
Fund balances – beginning				<u>-0-</u>
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Sexual Assault Prevention and Crisis Services Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 31,644	\$ 31,644	\$ 31,644	\$ -0-
31,644	31,644	31,644	-0-
31,644	31,644	31,644	-0-
31,644	31,644	31,644	-0-
-0-	-0-	-0-	-0-
-	-	-	-0-
-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-
-	-	-	-0-
\$ -0-	\$ -0-	\$ -0-	\$ -0-

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) - Continued*

For the Year Ended September 30, 2012

	911 Addressing Maintenance Contract Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,165	\$ 20,165	\$ 20,165	\$ -0-
Total revenues	<u>20,165</u>	<u>20,165</u>	<u>20,165</u>	<u>-0-</u>
Expenditures:				
General Administration:				
Operating expenditures	20,165	20,165	20,165	-0-
Law Enforcement:				
Operating expenditures	<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
Total expenditures	<u>20,165</u>	<u>20,165</u>	<u>20,165</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out	<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balances – beginning	<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

State Criminal Alien Assistance Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 36,367	\$ 36,367	\$ 36,367	\$ -0-
<u>36,367</u>	<u>36,367</u>	<u>36,367</u>	<u>-0-</u>
			-0-
<u>36,367</u>	<u>36,367</u>	<u>36,367</u>	<u>-0-</u>
<u>36,367</u>	<u>36,367</u>	<u>36,367</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	-0-
			<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (NONMAJOR) – Continued*  
For the Year Ended September 30, 2012

Exhibit 12  
Page 16 of 16

	Historical Society Account Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Investment income	\$ 70	\$ 70	\$ 51	\$( 19)
Total revenues	<u>70</u>	<u>70</u>	<u>51</u>	<u>( 19)</u>
Expenditures:				
Culture and Recreation:				
Operating expenditures	42,500	29,900	2,315	27,585
Capital outlay	<u>          </u>	<u>12,600</u>	<u>12,600</u>	<u>-0-</u>
Total expenditures	<u>42,500</u>	<u>42,500</u>	<u>14,915</u>	<u>27,585</u>
Excess (deficiency) of revenues over expenditures	<u>( 42,430)</u>	<u>( 42,430)</u>	<u>( 14,864)</u>	<u>27,566</u>
Other Financing Sources (Uses):				
Transfers in	10,000	10,000	10,000	-0-
Transfers out	<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>
Net change in fund balances	<u>( 32,430)</u>	<u>( 32,430)</u>	<u>( 4,864)</u>	<u>27,566</u>
Fund balances – beginning	<u>40,767</u>	<u>40,767</u>	<u>40,767</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 8,337</u>	<u>\$ 8,337</u>	<u>\$ 35,903</u>	<u>\$ 27,566</u>



**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - DEBT SERVICE FUNDS (NONMAJOR)**

For the Year Ended September 30, 2012

	General Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 2,173,633	\$ 2,173,633	\$ 2,190,414	\$ 16,781
Investment income	1,800	1,800	1,559	(241)
Total revenues	<u>2,175,433</u>	<u>2,175,433</u>	<u>2,191,973</u>	<u>16,540</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	1,460,000	7,680,000	7,680,000	-0-
Interest on long-term debt	<u>671,633</u>	<u>596,023</u>	<u>593,321</u>	<u>2,702</u>
Total expenditures	<u>2,131,633</u>	<u>8,276,023</u>	<u>8,273,321</u>	<u>2,702</u>
Excess (deficiency) of revenues over expenditures	<u>43,800</u>	<u>( 6,100,590)</u>	<u>( 6,081,348)</u>	<u>19,242</u>
Other Financing Sources (Uses):				
Transfers in		3,576,792	5,529,713	1,952,921
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>3,576,792</u>	<u>5,529,713</u>	<u>1,952,921</u>
Net change in fund balances	43,800	( 2,523,798)	( 551,635)	1,972,163
Fund balances – beginning	<u>1,373,129</u>	<u>1,373,129</u>	<u>1,373,129</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,416,929</u>	<u>\$( 1,150,669)</u>	<u>\$ 821,494</u>	<u>\$ 1,972,163</u>



Equipment Interest & Sinking Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 42,000	\$ 42,000	\$ 2,742	\$( 39,258)
<u>1,500</u>	<u>1,500</u>	<u>455</u>	<u>( 1,045)</u>
43,500	43,500	3,197	( 40,303)
			-0-
			<u>-0-</u>
-0-	-0-	-0-	-0-
<u>43,500</u>	<u>43,500</u>	<u>3,197</u>	<u>( 40,303)</u>
			-0-
	( 1,215,820)	( 1,215,820)	-0-
-0-	( 1,215,820)	( 1,215,820)	-0-
43,500	( 1,172,320)	( 1,212,623)	( 40,303)
<u>1,212,623</u>	<u>1,212,623</u>	<u>1,212,623</u>	<u>-0-</u>
<u>\$ 1,256,123</u>	<u>\$ 40,303</u>	<u>\$ -0-</u>	<u>\$( 40,303)</u>

**JOHNSON COUNTY, TEXAS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS**

For the Year Ended September 30, 2012

Exhibit 14  
Page 1 of 3

	<u>Balance 10-01-11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-12</u>
<b>UNCLAIMED MONEY FUND:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>16,495</u>	\$ <u>2,412</u>	\$ <u>5,748</u>	\$ <u>13,159</u>
Total assets	\$ <u>16,495</u>	\$ <u>2,412</u>	\$ <u>5,748</u>	\$ <u>13,159</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>16,495</u>	\$ <u>2,412</u>	\$ <u>5,748</u>	\$ <u>13,159</u>
Total liabilities	\$ <u>16,495</u>	\$ <u>2,412</u>	\$ <u>5,748</u>	\$ <u>13,159</u>
<b>TAX ASSESSOR/COLLECTOR FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 2,192,405	\$ 2,762,430	\$ 2,685,059	\$ 2,269,776
Due from other funds		610,763		610,763
Due from others	<u>344,845</u>	<u>297,396</u>	<u>642,241</u>	<u>-0-</u>
Total assets	\$ <u>2,537,250</u>	\$ <u>3,670,589</u>	\$ <u>3,327,300</u>	\$ <u>2,880,539</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$	\$ 705,991	\$	\$ 705,991
Due to others	<u>2,537,250</u>	<u>2,964,598</u>	<u>3,327,300</u>	<u>2,174,548</u>
Total liabilities	\$ <u>2,537,250</u>	\$ <u>3,670,589</u>	\$ <u>3,327,300</u>	\$ <u>2,880,539</u>
<b>COUNTY CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,761,663</u>	\$ <u>2,258,764</u>	\$ <u>2,382,067</u>	\$ <u>2,638,360</u>
Total assets	\$ <u>2,761,663</u>	\$ <u>2,258,764</u>	\$ <u>2,382,067</u>	\$ <u>2,638,360</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 180,002	\$ 721,596	\$ 735,512	\$ 166,086
Due to others	<u>2,581,661</u>	<u>1,537,168</u>	<u>1,646,555</u>	<u>2,472,274</u>
Total liabilities	\$ <u>2,761,663</u>	\$ <u>2,258,764</u>	\$ <u>2,382,067</u>	\$ <u>2,638,360</u>

**JOHNSON COUNTY, TEXAS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -****AGENCY FUNDS - Continued**

For the Year Ended September 30, 2012

Exhibit 14  
Page 2 of 3

	<u>Balance</u> 10-01-11	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-12
<b>DISTRICT CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,649,511</u>	\$ <u>2,834,977</u>	\$ <u>3,203,031</u>	\$ <u>2,281,457</u>
Total assets	\$ <u><u>2,649,511</u></u>	\$ <u><u>2,834,977</u></u>	\$ <u><u>3,203,031</u></u>	\$ <u><u>2,281,457</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>2,649,511</u>	\$ <u>2,834,977</u>	\$ <u>3,203,031</u>	\$ <u>2,281,457</u>
Total liabilities	\$ <u><u>2,649,511</u></u>	\$ <u><u>2,834,977</u></u>	\$ <u><u>3,203,031</u></u>	\$ <u><u>2,281,457</u></u>
<b>SHERIFF DEPARTMENT FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>41,917</u>	\$ <u>78,623</u>	\$ <u>80,282</u>	\$ <u>40,258</u>
Total assets	\$ <u><u>41,917</u></u>	\$ <u><u>78,623</u></u>	\$ <u><u>80,282</u></u>	\$ <u><u>40,258</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$	\$ 1,531	\$	\$ 1,531
Due to others	<u>41,917</u>	<u>77,092</u>	<u>80,282</u>	<u>38,727</u>
Total liabilities	\$ <u><u>41,917</u></u>	\$ <u><u>78,623</u></u>	\$ <u><u>80,282</u></u>	\$ <u><u>40,258</u></u>
<b>SEIZURE AND RESTITUTION FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>40,748</u>	\$ <u>108,362</u>	\$ <u>47,568</u>	\$ <u>101,542</u>
Total assets	\$ <u><u>40,748</u></u>	\$ <u><u>108,362</u></u>	\$ <u><u>47,568</u></u>	\$ <u><u>101,542</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$	\$ 1,279	\$	\$ 1,279
Due to others	<u>40,748</u>	<u>107,083</u>	<u>47,568</u>	<u>100,263</u>
Total liabilities	\$ <u><u>40,748</u></u>	\$ <u><u>108,362</u></u>	\$ <u><u>47,568</u></u>	\$ <u><u>101,542</u></u>

**JOHNSON COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**

**AGENCY FUNDS - Continued**

For the Year Ended September 30, 2012

Exhibit 14  
Page 3 of 3

	<u>Balance</u> 10-01-11	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-12
<b>TDCJ-CJAD:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 569,946	\$ 7,284,137	\$ 7,305,515	\$ 548,568
Accounts receivable	174,273	286,178	169,815	290,636
Due from others	<u>30</u>	<u>148</u>	<u>178</u>	<u>-0-</u>
Total assets	<u>\$ 744,249</u>	<u>\$ 7,570,463</u>	<u>\$ 7,475,508</u>	<u>\$ 839,204</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 212,743	\$ 7,273,046	\$ 7,299,789	\$ 186,000
Due to other funds		778		778
Due to others	<u>531,506</u>	<u>296,639</u>	<u>175,719</u>	<u>652,426</u>
Total liabilities	<u>\$ 744,249</u>	<u>\$ 7,570,463</u>	<u>\$ 7,475,508</u>	<u>\$ 839,204</u>
<b>TOTALS - ALL AGENCY FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 8,272,685	\$ 15,329,705	\$ 15,709,270	\$ 7,893,120
Accounts receivable	174,273	286,178	169,815	290,636
Due from other funds		610,763		610,763
Due from others	<u>344,875</u>	<u>297,544</u>	<u>642,419</u>	<u>-0-</u>
Total assets	<u>\$ 8,791,833</u>	<u>\$ 16,524,190</u>	<u>\$ 16,521,504</u>	<u>\$ 8,794,519</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 392,745	\$ 7,994,642	\$ 8,035,301	\$ 352,086
Due to other funds		709,579		709,579
Due to others	<u>8,399,088</u>	<u>7,819,969</u>	<u>8,486,203</u>	<u>7,732,854</u>
Total liabilities	<u>\$ 8,791,833</u>	<u>\$ 16,524,190</u>	<u>\$ 16,521,504</u>	<u>\$ 8,794,519</u>

## **STATISTICAL SECTION**



# JOHNSON COUNTY, TEXAS

Statistical Section  
(unaudited)

This part of Johnson County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and additional supplementary information say about the County's overall financial health.

<u>Content</u>	<u>Table</u>
----------------	--------------

<b>Financial Trends</b>	1-4
-------------------------	-----

These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	5-8
-------------------------	-----

These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.

<b>Debt Capacity</b>	9-11
----------------------	------

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

<b>Demographic and Economic Indicators</b>	12-14
--	-------

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

<b>Operating Information</b>	15
------------------------------	----

This table contains service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides.

<b>Capital Asset Statistics</b>	16
---------------------------------	----

This table contains capital asset detailed statistics by function to help the reader understand the types of capital assets in service within the County.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; tables presenting government-wide information include information beginning in that year.

**JOHNSON COUNTY, TEXAS**  
**NET ASSETS BY COMPONENTS**  
 Last Ten Fiscal Years<sup>1</sup>

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 5,509,581	\$ 26,264,076	\$ 26,019,061	\$ 35,005,589	\$ 35,005,873
Restricted	13,714,296	16,532,649	12,721,810	6,865,408	11,756,299
Unrestricted	<u>9,125,190</u>	<u>13,503,382</u>	<u>17,243,663</u>	<u>21,150,662</u>	<u>17,699,334</u>
Total governmental activities net assets	<u>\$ 28,349,067</u>	<u>\$ 56,300,107</u>	<u>\$ 55,984,534</u>	<u>\$ 57,279,659</u>	<u>\$ 64,461,506</u>

Source: Comprehensive Annual Financial Report (Statement of Net Assets)



<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 35,509,134	\$ 37,272,013	\$ 38,696,684	\$ 39,260,726	\$ 52,633,294
12,711,090	14,910,199	16,212,538	18,434,100	12,819,186
<u>21,340,607</u>	<u>24,747,594</u>	<u>31,815,702</u>	<u>32,237,818</u>	<u>26,631,406</u>
<u>\$ 69,560,831</u>	<u>\$ 76,929,806</u>	<u>\$ 86,724,924</u>	<u>\$ 89,932,644</u>	<u>\$ 92,083,886</u>

**JOHNSON COUNTY, TEXAS**  
**CHANGES IN NET ASSETS**  
 Last Ten Fiscal Years<sup>1</sup>

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>					
Governmental Activities:					
General government <sup>1</sup>	\$ 7,354,208	\$ 7,687,361	\$ 9,312,766	\$ 8,181,158	\$ 7,763,235
Highways/streets	6,249,617	7,824,243	7,465,644	7,367,643	7,747,391
Law Enforcement	12,104,480	12,660,979	12,780,185	15,769,865	16,139,399
Administration of justice	2,992,458	3,645,720	3,812,413	4,865,771	5,983,462
Financial	444,101	464,622	469,342	533,187	3,012,304
Public health and welfare	3,223,354	2,014,287	1,578,568	1,269,057	1,038,950
Interest on long-term debt	<u>938,815</u>	<u>945,480</u>	<u>1,187,004</u>	<u>1,169,216</u>	<u>1,497,019</u>
Total expenses	<u>\$ 33,307,033</u>	<u>\$ 35,242,692</u>	<u>\$ 36,605,922</u>	<u>\$ 39,155,897</u>	<u>\$ 43,181,760</u>
<b>Program Revenues</b>					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General government <sup>2</sup>	\$ 3,874,274	\$ 4,376,927	\$ 4,049,529	\$ 5,153,714	\$ 3,235,707
Highways/streets	2,090,833	2,089,045	2,258,279	2,216,100	2,214,245
Law Enforcement	544,538	493,836	381,404	564,555	1,590,551
Administration of justice	155,423	795,960	2,844,599	2,487,519	3,585,853
Financial					862,350
Public health and welfare					
Operating grants and contributions	3,969,343	2,554,415	3,336,944	2,628,142	3,065,163
Capital grants and contributions	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>5,398,255</u>
Total governmental activities program revenues	<u>10,634,411</u>	<u>10,310,183</u>	<u>12,870,755</u>	<u>13,050,030</u>	<u>19,952,124</u>
Net (expense) revenue	<u>\$(22,672,622)</u>	<u>\$(24,932,509)</u>	<u>\$(23,735,167)</u>	<u>\$(26,105,867)</u>	<u>\$(23,229,636)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities:					
Taxes	\$ 19,180,815	\$ 21,489,545	\$ 23,354,100	\$ 26,103,185	\$ 30,432,894
Investment earnings	359,886	328,941	842,666	1,161,504	1,535,829
Gain/(loss) on disposal				( 282,023)	63,844
Miscellaneous	<u>1,006,151</u>	<u>1,262,172</u>	<u>539,844</u>	<u>1,216,413</u>	<u>1,221,477</u>
Total general revenues	<u>\$ 20,546,852</u>	<u>\$ 23,080,658</u>	<u>\$ 24,736,610</u>	<u>\$ 28,199,079</u>	<u>\$ 33,254,044</u>
Change in assets before extraordinary items	\$( 2,125,770)	\$(1,851,851)	\$ 1,001,443	\$ 2,093,212	\$ 10,024,408
Extraordinary items	<u>2,500,000</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Change in net assets	<u>\$ 374,230</u>	<u>\$( 1,851,851)</u>	<u>\$ 1,001,443</u>	<u>\$ 2,093,212</u>	<u>\$                    </u>
Prior period adjustment	<u>\$ 422,500</u>	<u>\$ 29,082,891</u>	<u>\$ 1,317,016</u>	<u>\$( 798,098)</u>	<u>\$( 2,711,629)</u>

Source: Comprehensive Annual Financial Report (Statement of Activities)

<sup>1</sup> Elections, Conservation and Culture & Recreation programs included here.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 9,365,726	\$ 9,545,034	\$ 10,182,184	\$ 10,505,915	\$ 10,233,295
10,423,688	9,743,940	8,745,648	9,529,285	9,803,003
18,163,642	19,374,254	19,220,559	20,066,995	27,745,191
7,029,121	7,734,733	8,109,384	9,284,807	9,499,338
2,906,858	3,444,059	3,822,853	3,902,117	4,187,083
1,280,130	1,729,026	2,615,113	2,357,972	1,305,482
<u>1,177,707</u>	<u>1,145,108</u>	<u>1,159,632</u>	<u>821,658</u>	<u>830,473</u>
<u>\$ 50,346,872</u>	<u>\$ 52,716,154</u>	<u>\$ 53,855,373</u>	<u>\$ 56,468,749</u>	<u>\$ 63,603,865</u>
\$ 3,898,229	\$ 2,150,433	\$ 2,434,504	\$ 2,318,818	\$ 2,607,155
2,816,738	2,488,572	2,064,296	1,957,170	1,962,896
1,363,846	1,465,446	839,972	585,175	8,371,959
3,140,098	3,021,563	2,674,906	2,488,994	2,551,462
1,043,597	1,079,530	1,039,688	1,171,533	1,210,846
31,410	60,856	11,372	38,516	23,376
3,834,540	3,855,193	3,992,091	3,853,757	2,752,569
<u>1,420,109</u>	<u>1,086,130</u>	<u>76,707</u>	<u>60,135</u>	<u>240,887</u>
<u>17,548,567</u>	<u>15,207,723</u>	<u>13,133,536</u>	<u>12,474,098</u>	<u>19,721,150</u>
<u>\$(32,798,305)</u>	<u>\$(37,508,431)</u>	<u>\$(40,721,837)</u>	<u>\$(43,994,651)</u>	<u>\$(43,882,715)</u>
\$ 35,965,010	\$ 43,456,398	\$ 48,031,682	\$ 46,512,961	\$ 44,905,171
1,008,287	256,184	131,318	111,064	116,335
	58,494	60,093		42,118
<u>175,565</u>	<u>871,103</u>	<u>2,293,862</u>	<u>1,741,776</u>	<u>970,333</u>
<u>\$ 37,148,862</u>	<u>\$ 44,642,179</u>	<u>\$ 50,516,955</u>	<u>\$ 48,365,801</u>	<u>\$ 46,033,957</u>
\$ 4,350,557	\$ 7,133,748	\$ 9,795,118	\$ 4,371,150	\$ 2,151,242
<u>4,350,557</u>	<u>7,133,748</u>	<u>9,795,118</u>	<u>4,371,150</u>	<u>2,151,242</u>
<u>\$ 130,932</u>	<u>\$ 235,227</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**JOHNSON COUNTY, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Table 3

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund:					
Non-spendable	\$	\$	\$	\$	\$ 1,534,905
Restricted					
Unassigned	<u>1,897,454</u>	<u>3,327,363</u>	<u>5,494,132</u>	<u>7,073,102</u>	<u>10,462,146</u>
Total general fund	<u>\$ 1,897,454</u>	<u>\$ 3,327,363</u>	<u>\$ 5,494,132</u>	<u>\$ 7,073,102</u>	<u>\$ 11,997,051</u>
Road and Bridge Fund:					
Non-spendable	\$	\$	\$	\$	\$ 493,959
Restricted	2,301,677	2,141,192	2,076,088	2,336,572	4,015,628
Unassigned					
Total road and bridge	<u>\$ 2,301,677</u>	<u>\$ 2,141,192</u>	<u>\$ 2,076,088</u>	<u>\$ 2,336,572</u>	<u>\$ 4,509,587</u>
All Other Governmental Funds:					
Non-spendable	\$ 262,036	\$ 341,976	\$ 322,090	\$ 604,455	\$ 1,134,704
Restricted	6,264,270	9,980,478	5,982,111	1,716,845	101,826
Unassigned	<u>5,232,845</u>	<u>4,677,869</u>	<u>5,648,376</u>	<u>4,473,217</u>	<u>5,444,217</u>
Total all other governmental funds	<u>\$ 11,759,151</u>	<u>\$ 15,000,323</u>	<u>\$ 11,952,577</u>	<u>\$ 6,794,517</u>	<u>\$ 6,680,747</u>

Source: Comprehensive Annual Financial Report (Balance Sheet - Governmental Funds)  
 GASB 54 implemented in 2010-2011 resulting in change in fund balance categories.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 469,717	\$ 555,131	\$ 299,577	\$ 265,886	\$ 226,301
<u>14,475,603</u>	<u>16,866,872</u>	<u>24,814,565</u>	<u>26,708,198</u>	<u>20,969,138</u>
<u>\$ 14,945,320</u>	<u>\$ 17,422,003</u>	<u>\$ 25,114,142</u>	<u>\$ 26,974,084</u>	<u>\$ 21,195,439</u>
\$ 406,313	\$ 439,578	\$ 334,581	\$ 299,186	\$ 295,773
4,407,191	5,240,717	6,096,140	6,075,835	5,004,218
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>\$ 4,813,504</u>	<u>\$ 5,680,295</u>	<u>\$ 6,430,721</u>	<u>\$ 6,375,021</u>	<u>\$ 5,299,991</u>
\$ 2,089,135	\$ 2,125,037	\$ 2,248,781	\$ 1,640	\$ 595
2,068,155	426,996	1,183,189	11,662,250	10,770,454
<u>5,177,086</u>	<u>6,454,612</u>	<u>6,424,899</u>	<u>( 9,731)</u>	<u>( 595)</u>
<u>\$ 9,334,376</u>	<u>\$ 9,006,645</u>	<u>\$ 9,856,819</u>	<u>\$ 11,654,159</u>	<u>\$ 10,770,454</u>

**JOHNSON COUNTY, TEXAS****CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

Table 4

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues:					
Taxes	\$ 19,059,086	\$ 21,610,079	\$ 23,474,200	\$ 26,127,510	\$ 31,235,915
Licenses and permits	2,084,792	2,089,045	2,199,800	2,216,100	
Intergovernmental	3,969,343	2,554,415	3,527,418	1,965,268	4,041,247
Prisoner housing services					
Fees	3,303,182	3,788,752	4,668,039	6,892,207	8,608,032
Fines	1,277,094	1,250,247	1,276,788	1,454,090	1,880,639
Interest	359,886	328,941	845,183	1,161,504	1,535,829
Miscellaneous	<u>1,006,151</u>	<u>1,262,172</u>	<u>901,224</u>	<u>1,216,413</u>	<u>2,300,966</u>
Total revenues	<u>31,059,534</u>	<u>32,883,651</u>	<u>36,892,652</u>	<u>41,033,092</u>	<u>49,602,628</u>
Expenditures:					
General government <sup>1</sup>	6,781,222	7,408,860	8,389,639	8,600,515	6,826,813
Highways/streets	5,699,207	5,348,608	5,593,591	5,885,584	5,447,360
Law enforcement	11,838,315	11,865,471	11,968,031	12,884,066	15,159,789
Administration of justice	2,968,082	3,308,311	3,753,590	4,896,102	5,950,970
Financial	442,432	464,622	469,342	533,187	3,008,958
Public health and welfare	3,216,302	2,009,726	1,578,568	1,269,057	1,035,673
Capital outlay	5,835,751	6,273,037	4,662,900	8,603,962	5,720,961
Debt Service:					
Principal	300,000	550,000	480,000	835,000	1,491,000
Interest	701,514	701,467	1,124,777	1,045,927	1,271,587
Other					
Total expenditures	<u>37,782,825</u>	<u>37,930,102</u>	<u>38,020,438</u>	<u>44,553,400</u>	<u>45,913,111</u>
Excess of revenues over (under) expenditures	<u>( 6,723,291)</u>	<u>( 5,046,451)</u>	<u>( 1,127,786)</u>	<u>( 3,520,308)</u>	<u>3,689,517</u>
Other Financing Sources (Uses):					
Transfers in	2,527,005	2,221,544	621,267	3,897,357	442,436
Transfers out	( 2,527,005)	( 2,221,544)	( 627,267)	( 3,897,357)	( 442,436)
Debt issuance/other		<u>9,558,670</u>	<u>26,187</u>	<u>375,000</u>	<u>2,025,200</u>
Total other financing sources (uses)	<u>-0-</u>	<u>9,558,670</u>	<u>26,187</u>	<u>375,000</u>	<u>2,025,200</u>
Extraordinary items	<u>2,500,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>\$( 4,223,291)</u>	<u>\$ 4,512,219</u>	<u>\$( 1,101,599)</u>	<u>\$( 3,145,308)</u>	<u>\$ 5,714,717</u>
Debt service as a percentage of noncapital expenditures	3.1%	4.0%	4.8%	5.2%	6.9%

Source: Comprehensive Annual Financial Reports (Statement of Revenues, Expenditures, and Changes in Fund Balances).

<sup>1</sup> Elections, Conservation, Culture & Recreation and Prisoner Housing programs are included here.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 35,940,947	\$ 43,468,684	\$ 48,055,409	\$ 46,608,937	\$ 44,830,579
3,471,311	3,364,428	3,919,350	3,913,791	2,740,468
8,528,155	7,368,544	7,168,758	6,865,970	6,609,928
2,067,448	2,002,246	1,895,980	1,694,236	6,944,502
1,008,287	256,184	131,318	111,064	1,526,291
<u>2,814,390</u>	<u>2,257,478</u>	<u>2,258,740</u>	<u>1,741,776</u>	<u>2,371,453</u>
<u>53,830,538</u>	<u>58,717,564</u>	<u>63,429,555</u>	<u>60,935,774</u>	<u>65,139,556</u>
8,153,121	8,181,184	8,704,409	9,375,927	15,786,448
8,100,515	7,363,664	6,224,675	6,876,317	1,251,211
17,116,396	18,118,570	17,891,954	18,748,040	26,601,429
6,981,582	7,784,305	8,387,209	8,729,263	9,432,772
2,896,376	3,440,812	3,818,502	3,961,276	4,162,063
1,284,676	1,721,213	2,609,358	2,301,269	166,700
3,334,376	4,637,822	5,000,820	4,950,884	7,136,275
890,000	1,005,000	1,620,000	1,735,000	7,826,735
1,044,715	961,177	1,041,312	705,726	593,321
<u>49,801,757</u>	<u>53,213,747</u>	<u>55,298,239</u>	<u>57,383,702</u>	<u>72,956,954</u>
<u>4,028,781</u>	<u>5,503,817</u>	<u>8,131,316</u>	<u>3,552,072</u>	<u>( 7,817,398 )</u>
2,176,013	3,760,479	2,111,908	4,519,044	11,491,554
( 2,176,013 )	( 3,760,479 )	( 2,111,908 )	( 4,519,044 )	( 11,491,554 )
<u>15,034</u>	<u>132,699</u>	<u>1,161,472</u>	<u>49,460</u>	<u>80,018</u>
<u>15,034</u>	<u>132,699</u>	<u>1,161,472</u>	<u>49,460</u>	<u>80,018</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 4,043,815</u>	<u>\$ 5,636,516</u>	<u>\$ 9,292,788</u>	<u>\$ 3,601,532</u>	<u>\$ ( 7,737,380 )</u>
4.2%	4.0%	5.3%	4.7%	12.8%

**JOHNSON COUNTY, TEXAS**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY<sup>a,b</sup>**

Table 5

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Less Exempt, Homestead, Other Exemptions
	Residential Property	Commercial Property	Other Property		
2003	\$ 2,955,165,941	\$ 566,121,867	\$ 1,286,511,633	\$ 743,120,174	\$ 1,098,031,899
2004	3,235,158,380	687,490,620	1,402,327,760	683,474,160	1,101,770,746
2005	3,509,632,135	724,348,644	1,480,363,908	738,299,499	1,100,963,620
2006	3,800,150,897	762,049,149	1,697,576,588	786,294,620	1,026,339,574
2007	4,056,545,082	797,867,553	2,260,555,194	963,850,697	1,120,558,568
2008	4,499,312,497	908,382,252	2,889,030,474	1,313,208,833	1,245,790,168
2009	4,871,087,376	1,559,093,868	5,293,929,417	2,087,751,648	1,980,412,239
2010	5,077,633,061	1,734,032,644	6,213,853,003	2,262,282,136	2,095,982,431
2011	5,103,978,198	1,823,955,316	5,497,467,860	1,887,848,871	1,472,041,904
2012	5,094,516,753	1,153,831,778	5,133,412,323	1,863,245,650	1,587,173,038

Source: Johnson County Central Appraisal District

Note: Property is required to be reappraised at least once every three years according to Texas Tax Code. Totals do not include tax-exempt property.

<sup>a</sup> Property is assessed at actual value; therefore, the assessed values are equal to actual value.

<sup>b</sup> The assessed values represent the Appraisal Review Board's approved totals from original certified roll.

<sup>c</sup> Tax rates are \$100 of assessed value.



<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate<sup>c</sup></u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 4,452,887,716	\$ 4,452,887,716	0.425085	100.00%
4,906,680,174	4,906,680,174	0.434878	100.00%
5,351,680,566	5,351,680,566	0.434878	100.00%
6,019,731,680	6,019,731,680	0.434878	100.00%
6,958,259,958	6,958,259,958	0.421794	100.00%
8,364,143,888	8,364,143,888	0.409752	100.00%
11,831,450,070	11,831,450,070	0.359498	100.00%
13,191,818,413	13,191,818,413	0.353379	100.00%
12,831,208,341	12,831,208,341	0.379500	100.00%
11,657,833,466	11,657,833,466	0.379500	100.00%

**JOHNSON COUNTY, TEXAS****DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Table 6

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	2003 Tax Rate	2004 Tax Rate	2005 Tax Rate	2006 Tax Rate	2007 Tax Rate
<b>Cities:</b>					
Alvarado	0.750000	0.750000	0.750000	0.750000	0.697315
Burleson	0.598480	0.598480	0.596400	0.629900	0.661825
Cleburne	0.711900	0.711900	0.748108	0.714000	0.650000
Crowley					
Godley	0.609930	0.583450	0.583450	0.500000	0.500000
Grandview	0.724185	0.682700	0.754984	0.742823	0.742823
Joshua	0.520000	0.540900	0.633500	0.669000	0.656219
Keene	0.687071	0.676614	0.676614	0.676614	0.821737
Mansfield	0.710000	0.710000	0.690000	0.690000	0.690000
Rio Vista	0.489200	0.495500	0.649860	0.590143	0.528004
Venus	0.755000	0.755000	0.762698	0.794900	0.794900
<b>School Districts:</b>					
Alvarado ISD	1.710000	1.720000	1.730000	1.406883	1.410000
Burleson ISD	1.749599	1.748400	1.735220	1.450050	1.405100
Cleburne ISD	1.678700	1.686700	1.693500	1.238550	1.236800
Crowley ISD	1.768000	1.768000	1.789000	1.671000	1.409850
Godley ISD	1.607840	1.596840	1.438795	1.011963	1.031820
Granbury ISD	1.700000	1.670000	1.670000	1.440000	1.171150
Grandview ISD	1.575000	1.575000	1.575000	1.115050	1.115000
Joshua ISD	1.738080	1.738080	1.738080	1.538850	1.460000
Keene ISD	1.740000	1.558500	1.500000	1.400500	1.040000
Mansfield ISD	1.682000	1.717000	1.772000	1.687500	1.450000
Rio Vista ISD	1.650000	1.630000	1.630000	1.600500	1.180000
Venus ISD	1.550000	1.590000	1.600000	1.140050	1.180000
<b>Johnson County:</b>					
County	0.382088	0.382088	0.382088	0.369004	0.356962
FMLR	0.052790	0.052790	0.052790	0.052790	0.052790
Total	0.434878	0.434878	0.434878	0.421794	0.409752
<b>Special District Rates:</b>					
Emergency Service	0.030000	0.030000	0.030000	0.030000	0.030000
Hill College - Alvarado ISD	0.041633	0.041392	0.045873	0.043862	0.039360
Hill College - Cleburne ISD	0.048507	0.048140	0.050000	0.044988	0.039930
Hill College - Godley ISD	0.036094	0.034769	0.025531	0.015924	0.015843
Hill College - Grandview ISD	0.041123	0.039714	0.045167	0.034489	0.036045
Hill College - Joshua ISD	0.040287	0.040203	0.040203	0.038778	0.034000
Hill College - Keene ISD	0.045234	0.040498	0.046877	0.044475	0.041379
Hill College - Rio Vista ISD	0.038482	0.033976	0.034621	0.028091	0.026756
Hill College - Venus ISD	0.039233	0.039250	0.040007	0.036287	0.031375

Source: Johnson County Appraisal District  
Texas Municipal Report

<u>2008 Tax Rate</u>	<u>2009 Tax Rate</u>	<u>2010 Tax Rate</u>	<u>2011 Tax Rate</u>	<u>2012 Tax Rate</u>	<u>% Applicable to Johnson County</u>
0.697313	0.697313	0.722313	0.745050	0.706872	100.00%
0.694000	0.694000	0.710000	0.690000	0.690000	77.18%
0.620000	0.620000	0.706446	0.719990	0.740743	100.00%
0.575500	0.575500	0.640000	0.640000	0.669019	0.46%
0.500000	0.500000	0.500000	0.500000	0.500000	100.00%
0.742823	0.742823	0.742823	0.740003	0.736995	100.00%
0.653476	0.634331	0.685270	0.685270	0.685270	100.00%
0.757861	0.757861	0.797861	0.797861	0.812363	100.00%
0.710000	0.710000	0.710000	0.710000	0.710000	4.89%
0.515560	0.513276	0.564162	0.606535	0.602880	100.00%
0.801506	0.821506	0.841506	0.846975	0.900000	86.50%
1.306900	1.280000	1.316000	1.316000	1.316000	100.00%
1.468800	1.540000	1.540000	1.540000	1.540000	64.68%
1.236600	1.236600	1.236600	1.236600	1.236600	100.00%
1.535000	1.535000	1.535000	1.535000	1.670000	1.45%
1.081800	1.071481	1.122390	1.137090	1.287000	84.28%
1.170000	1.155000	1.140000	1.150000	1.145000	2.13%
1.160000	1.160000	1.270000	1.270000	1.400000	97.72%
1.390000	1.390000	1.390000	1.390000	1.490000	100.00%
1.420000	1.382300	1.490900	1.490900	1.490900	100.00%
1.450000	1.450000	1.496000	1.496000	1.540000	5.88%
1.144500	1.183300	1.386200	1.365300	1.494400	98.92%
1.240000	1.198300	1.270000	1.380000	1.380000	100.00%
0.306708	0.300589	0.327500	0.300500	0.333229	100.00%
0.052790	0.052790	0.052000	0.049000	0.049000	100.00%
0.359498	0.353379	0.379500	0.379500	0.382229	
0.030000	0.030000	0.060000	0.060000	0.060000	100.00%
0.025254	0.022745	0.028883	0.033848	0.037242	100.00%
0.030717	0.030252	0.039049	0.043557	0.048596	100.00%
0.011388	0.009243	0.010931	0.012070	0.012159	100.00%
0.031739	0.031375	0.039672	0.046517	0.050000	97.26%
0.028234	0.025561	0.031394	0.034623	0.040868	100.00%
0.035143	0.030062	0.030062	0.033146	0.039305	100.00%
0.020197	0.020059	0.023200	0.026834	0.028931	99.06%
0.025562	0.020585	0.025394	0.029121	0.039312	100.00%

**JOHNSON COUNTY, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago

Table 7

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
Devon Energy Op Co LP	\$ 457,539,690	1	3.92%	--	--	--
EOG Resources Inc.	442,252,527	2	3.79%	\$ --	--	--
Chesapeake Operating Inc	275,088,486	3	2.36%	--	--	--
XTO Energy Inc	184,771,983	4	1.58%	--	--	--
ETC Texas Processing LTD	123,308,684	5	1.06%	--	--	--
Energy Transfer Fuel LP	118,605,527	6	1.02%	--	--	--
Halliburton Energy Serv Inc	117,982,178	7	1.01%	--	--	--
Brazos Electric Power Co op	99,858,115	8	0.86%	--	--	--
Texas Midstream Gas	95,924,043	9	0.82%	--	--	--
Wal-Mart Stores East	89,066,994	10	0.76%	76,719,060	1	1.72%
Manville Sales Corp	--	--	--	50,541,210	2	1.14%
Oncor Electric	--	--	--	43,202,730	3	0.97%
Southwestern Bell	--	--	--	46,521,290	4	1.04%
James Hardie Building	--	--	--	32,292,290	5	0.73%
Wal-Mart Store	--	--	--	33,870,000	6	0.76%
Burlington Northern	--	--	--	24,064,180	7	0.54%
Halliburton Energy Services	--	--	--	24,259,820	8	0.54%
Air Liquide America	--	--	--	22,345,350	9	0.50%
United Coop Services	--	--	--	19,718,806	10	0.44%
Total	\$ <u>2,004,398,227</u>		<u>17.19%</u>	\$ <u>373,534,736</u>		<u>8.39%</u>
Total Taxable Assessed Value	\$ <u>11,657,833,466</u>			\$ <u>4,452,887,716</u>		

Source: Johnson County Central Appraisal District

**JOHNSON COUNTY, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End <sup>a</sup>	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 18,872,838	\$ 18,047,602	95.63%	\$ 698,558	\$ 18,746,160	95.78%
2004	21,353,691	20,519,404	96.09%	594,727	21,114,131	96.20%
2005	23,176,557	22,331,369	96.35%	454,934	22,786,303	96.42%
2006	25,838,712	25,037,560	96.90%	454,778	25,492,338	96.95%
2007	30,456,562	29,799,402	97.84%	401,562	30,200,964	97.87%
2008	35,534,532	34,698,756	97.65%	632,173	35,330,929	97.69%
2009	42,785,252	41,927,084	97.99%	745,121	42,672,205	98.03%
2010	47,628,987	46,699,219	98.05%	712,248	47,411,467	98.08%
2011	45,556,481	44,884,355	98.52%	918,029	45,802,384	98.55%
2012	43,781,351	43,176,224	98.62%	865,970	44,042,194	98.64%

Source: Johnson County Tax Assessor-Collector

<sup>a</sup> Tax levies consider supplemental value changes during the initial fiscal year.

**JOHNSON COUNTY, TEXAS**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years

Table 9

Fiscal Year	General Bonded Debt Outstanding				Less:		Percentage of Actual Taxable Property Value <sup>a</sup>	Total Debt Per Capita <sup>b</sup>	Percentage of Personal Income
	General Obligation Bonds	Certificates of Obligation	Tax Anticipation Notes	Total	Amounts Available for Principal	Remaining			
2003	\$ --	\$ 16,030,317	\$ 260,000	\$ 16,290,317	\$ 262,036	\$ 16,028,281	\$ 0.37%	\$ 121.53	0.46%
2004	--	25,382,279	300,000	25,682,279	341,976	25,340,303	0.52%	188.20	0.70%
2005	1,460,000	23,860,684	--	25,320,684	322,090	24,998,594	0.47%	182.33	0.66%
2006	1,460,000	23,335,903	190,000	24,985,903	604,455	24,381,448	0.42%	176.85	0.63%
2007	11,180,098	13,430,000	994,000	25,604,098	1,127,308	24,476,790	0.37%	178.18	0.62%
2008	10,764,579	12,905,000	2,856,000	26,525,579	1,676,881	24,848,698	0.32%	181.55	0.61%
2009	10,652,172	12,265,000	920,000	23,837,172	2,094,378	21,742,794	0.20%	160.50	0.53%
2010	14,883,209	7,005,000	400,000	22,288,209	2,248,780	20,039,429	0.17%	147.67	0.48%
2011	14,034,246	6,620,000	--	20,654,246	2,585,752	18,068,494	0.16%	134.29	0.42%
2012	13,075,283	--	--	13,075,283	821,494	12,253,789	0.11%	84.48	0.25%

Source: Comprehensive Annual Financial Report (Detailed Notes on all Funds).

<sup>a</sup> Assessed values from the office of the Johnson County Central Appraisal District.

<sup>b</sup> Population data taken from BEA, Regional Economic Accounts.

**JOHNSON COUNTY, TEXAS****COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

As of September 30, 2012

Table 10

<u>Taxing Jurisdiction</u>	<u>Net Bonded Debt as of Sept. 30, 2012</u>	<u>% Applicable to Johnson County</u>	<u>Amount Applicable to Johnson County</u>
<b><u>Direct Debt</u></b>			
Johnson County	\$ 13,075,284	100.00%	\$ 13,075,284
<b><u>Overlapping Debt</u></b>			
<b><u>Cities</u></b>			
City of Alvarado	12,881,000	100.00%	12,881,000
City of Burleson	38,534,854	77.18%	29,741,200
City of Cleburne	21,419,976	100.00%	21,419,976
City of Crowley	18,480,729	0.46%	85,011
City of Godley	1,559,825	100.00%	1,559,825
City of Grandview	3,350,000	100.00%	3,350,000
City of Joshua	7,428,342	100.00%	7,428,342
City of Keene	5,375,000	100.00%	5,375,000
City of Mansfield	95,290,000	4.89%	4,659,681
City of Rio Vista	425,000	100.00%	425,000
City of Venus	1,884,000	86.50%	1,629,660
<b><u>School Districts</u></b>			
Alvarado ISD	52,589,393	100.00%	52,589,393
Burleson ISD	293,414,790	64.68%	189,780,686
Cleburne ISD	39,688,908	100.00%	39,688,908
Crowley ISD	279,814,446	1.45%	4,057,309
Godley ISD	32,036,438	84.28%	27,000,310
Granbury ISD	44,001,438	2.13%	937,231
Grandview ISD	16,670,418	97.72%	16,290,332
Joshua ISD	70,494,291	100.00%	70,494,291
Keene ISD	14,100,000	100.00%	14,100,000
Mansfield ISD	710,143,762	5.88%	41,756,453
Rio Vista ISD	14,381,819	98.92%	14,226,495
Venus ISD	11,887,610	100.00%	<u>11,887,610</u>
Total Overlapping Debt			<b><u>\$ 571,363,714</u></b>
Total Direct & Overlapping Debt			<b><u>\$ 584,438,998</u></b>

Source: Municipal Advisory Council of Texas

**JOHNSON COUNTY, TEXAS**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**Last Ten Fiscal Years**

Table 11

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Assessed value of real property <sup>(1)</sup>	\$ 4,452,887,716	\$ 4,906,680,174	\$ 5,351,680,566	\$ 6,019,731,680	\$ 6,958,259,958
Debt limit <sup>(2)</sup>	1,113,221,929	1,226,670,044	1,337,920,142	1,504,932,920	1,739,564,990
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total bonded debt	16,290,317	25,682,279	25,320,684	24,985,903	25,604,098
Less: Assets in debt service fund	<u>262,036</u>	<u>341,976</u>	<u>322,090</u>	<u>604,455</u>	<u>1,127,308</u>
Total net debt applicable to limit	16,028,281	25,340,303	24,998,594	24,381,448	24,476,790
Legal debt margin	<u>\$ 1,097,193,648</u>	<u>\$ 1,201,329,741</u>	<u>\$ 1,312,921,548</u>	<u>\$ 1,480,551,472</u>	<u>\$ 1,715,088,200</u>
Total net debt applicable to the limit as a percentage of debt limit	1.44%	2.07%	1.87%	1.62%	1.41%
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed value of real property <sup>(1)</sup>	\$ 8,364,143,888	\$ 11,831,450,070	\$ 13,191,818,413	\$ 12,831,208,341	\$ 11,657,833,466
Debt limit <sup>(2)</sup>	2,091,035,972	2,957,862,518	3,297,954,603	3,207,802,085	2,914,458,367
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total bonded debt	26,525,579	24,484,579	22,288,209	20,654,246	13,075,284
Less: Assets in debt service fund	<u>1,683,067</u>	<u>2,094,417</u>	<u>2,248,781</u>	<u>2,590,359</u>	<u>821,494</u>
Total net debt applicable to limit	24,842,512	22,390,162	20,039,428	18,063,887	12,253,790
Legal debt margin	<u>\$ 2,066,193,460</u>	<u>\$ 2,935,472,356</u>	<u>\$ 3,277,915,175</u>	<u>\$ 3,189,738,198</u>	<u>\$ 2,902,204,577</u>
Total net debt applicable to the limit as a percentage of debt limit	1.19%	0.76%	0.61%	0.56%	0.42%

Source:

- (1) Johnson County Appraisal District.
- (2) Debt limit is 25% of assessed value of real property Article 3 Section 52 of the Texas Constitution.
- (3) Comprehensive Annual Financial Report (Statement of Net Assets).



**JOHNSON COUNTY, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

Table 12

<u>Calendar Year</u>	<u>Estimated Population<sup>a</sup></u>	<u>Personal Income (thousands of dollars)<sup>b</sup></u>	<u>Per Capita Personal Income<sup>b</sup></u>	<u>Unemployment Rate<sup>c</sup></u>
2003	136,264	\$ 3,585,755	\$ 26,315	6.3%
2004	138,833	3,685,352	26,545	5.4%
2005	140,692	3,917,678	27,846	4.7%
2006	142,501	4,211,294	29,553	3.7%
2007	145,123	4,587,957	31,614	4.1%
2008	148,635	4,903,505	32,990	6.0%
2009	150,583	4,751,789	31,556	8.0%
2010	151,330	4,871,441	32,191	8.1%
2011	152,734	5,081,300	33,269	8.5%
2012	154,781	5,298,773	34,234	6.8%

<sup>a</sup> BEA population data from 2003 through 2010 has been adjusted based on 2010 census. 2012 data is derived from trended data.

<sup>b</sup> BEA Personal & Per Capita Income from 2003 through 2010 has been adjusted based on 2010 census. 2012 data is derived from trended data.

<sup>c</sup> Unemployment rates were provided by the Texas Workforce Commission and the Bureau of Labor Statistics current population survey as of September 2012.

**JOHNSON COUNTY, TEXAS**  
**PRINCIPAL EMPLOYERS**  
 Current Year and Nine Years Ago

Table 13

Employer	2012			2003		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,416	1	2.00%	N/A	--	N/A
Cleburne ISD	973	2	1.37%	N/A	--	N/A
Wal-Mart Distribution Center	798	3	1.13%	N/A	--	N/A
Sabre Tubular Structures	730	4	1.03%	N/A	--	N/A
Joshua ISD	620	5	0.87%	N/A	--	N/A
Wal-Mart Supercenter (Burleson)	502	6	0.71%	N/A	--	N/A
Johnson County	499	7	0.70%	N/A	--	N/A
Wal-Mart Supercenter (Cleburne)	383	8	0.56%	N/A	--	N/A
Texas Health Resources	383	9	0.54%	N/A	--	N/A
City of Cleburne	<u>360</u>	10	<u>0.51%</u>	<u>N/A</u>	--	<u>N/A</u>
Total	<u>6,676</u>		<u>9.41%</u>	<u>N/A</u>		<u>N/A</u>
Total County Employment	<u><u>70,914</u></u>			<u>N/A</u>		<u>N/A</u>

Source: Johnson County Economic Development Commission  
 Individual Employers

N/A - Not Available

**JOHNSON COUNTY, TEXAS****FULL-TIME COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Table 14

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	84	87	93	98	106	126	141	135	128	127
Highways/streets	75	77	78	77	74	72	90	79	75	81
Law enforcement	231	243	238	263	293	304	189 <sup>(a)</sup>	198	187	187
Administrative justice	49	54	62	63	70	81	87	89	82	82
Financial	12	12	12	12	12	12	14	14	13	13
Public health & welfare	11	10	10	10	10	9	9	8	5	5
Culture & recreation	N/A	N/A	N/A	N/A	N/A	N/A	7 <sup>(b)</sup>	6	3	4
Total	<u>462</u>	<u>483</u>	<u>493</u>	<u>523</u>	<u>565</u>	<u>604</u>	<u>537</u>	<u>529</u>	<u>493</u>	<u>499</u>

Source: County budget records

N/A - Not available

<sup>(a)</sup> 2009 decrease due to outside contracting of jail administration.<sup>(b)</sup> Hamm Creek park opened in the spring of 2009.

**JOHNSON COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**  
 Last Ten Fiscal Years

Table 15  
 Page 1 of 2

Function	Fiscal Year				
	2003	2004	2005	2006	2007
General Government:					
County Clerk					
Criminal Cases filed	4,823	5,446	5,597	6,546	6,317
Civil Cases filed	1,096	1,293	1,370	1,671	1,800
Juvenile petitions filed	223	223	177	200	264
Personnel					
Positions filed	560	577	625	675	685
Payroll checks processed	14,213	14,394	14,546	16,302	16,829
Public Works					
Permits Issued	1,135	1,162	1,333	1,424	1,659
Septic complaints addressed	N/A	N/A	N/A	435	458
Purchasing					
Purchase orders issued	8,061	7,791	8,014	6,584	6,643
Competitive bids	28	34	31	42	39
Tax Assessor/Collector					
County Tax accounts	72,853	75,343	77,907	82,549	92,788
Automobile registrations	129,982	129,465	133,814	142,218	146,544
Elections Administration					
Registered voters	73,737	73,939	76,694	80,834	76,890
Administrative Justice					
District Courts					
Civil cases filed	2,756	2,935	2,191	3,134	3,297
Criminal cases filed	1,481	1,630	1,326	1,724	1,881
County Courts					
Criminal cases disposed	4,762	5,344	6,220	6,181	7,238
Civil cases disposed	909	1,038	1,026	1,096	1,803
Juvenile petitions disposed	247	202	192	188	184
District Clerk					
Civil cases disposed	3,177	3,086	3,074	3,126	2,835
Criminal cases disposed	1,688	1,851	1,747	2,071	1,798
Justice of the Peace					
Civil cases filed	1,676	1,771	1,585	1,754	1,839
Criminal cases filed	15,298	15,810	16,820	17,551	18,698
Civil cases disposed	--	--	--	--	--
Criminal cases disposed	--	--	--	--	--

(continued)

		Fiscal Year				
2008	2009	2010	2011	2012		
4,972	4,395	4,316	3,769	3,510		
1,723	1,238	1,179	1,724	1,014		
309	281	266	183	157		
725	608 <sup>(1)</sup>	607	586	594		
17,816	15,585 <sup>(1)</sup>	15,903	15,499	15,488		
1,561	964	715	681	227		
408	256	214	187	124		
7,018	6,507	5,896	5,563	5,542		
55	23	39	28	22		
114,151	136,166	185,126	202,431	285,381		
157,150	158,597	158,676	160,584	163,283		
78,544	79,811	81,486	77,802	78,275		
3,544	3,397	3,268	3,042	2,697		
1,596	1,366	1,338	2,333	1,014		
6,070	4,819	4,871	4,007	3,763		
1,859	1,822	1,371	1,688	1,132		
212	200	193	183	162		
3,195	3,404	6,264	1,319	1,173		
1,546	1,565	1,416	1,453	1,531		
2,804	2,168	1,928	2,000	2,044		
15,047	16,710	14,789	12,922	14,198		
--	--	--	1,799	1,706		
--	--	--	12,217	16,805		

**JOHNSON COUNTY, TEXAS**

*OPERATING INDICATORS BY FUNCTION - Continued*

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2003	2004	2005	2006	2007
Law Enforcement					
County Jail					
Average daily jail population	506	515	449	503	566
Sheriff					
E-911 calls received (approx)	31,922	31,922	31,922	31,922	52,231
Financial					
County Auditor					
A/P checks processed	9,752	8,925	7,588	6,312	6,780
ACH processed	--	--	--	--	--
Wire transactions	--	--	--	--	--
Invoices processed	--	--	--	--	--
Highways and Streets					
Miles of roads resurfaced	213	180	126	104	299
Public Health & Welfare					
Autopsies performed	37	39	28	36	44
Medical Examiner cases	354	327	344	360	355
Indigent clients	N/A	421	300	175	128
Culture & Recreation					
Hamm Creek Park Visitors	--	--	--	--	--

Sources: Texas Courts Online Annual Statistical Reports  
Johnson County Offices

- Notes:
- (1) Decrease due to outside contracting of jail administration.
  - (2) This year the total number of calls were reported. All other years reflect the number of incidents. It is normal to have more than one call per incident.
  - (3) Hamm Creek Park opened in May 2009.

Fiscal Year				
2008	2009	2010	2011	2012
447	580	564	613	627
64,500	224,566 <sup>(2)</sup>	37,667	38,883	44,559
6,624	7,131	7,137	6,986	6,195
--	--	--	--	647
--	--	--	--	220
--	--	19,260	17,706	16,854
221	104	114	113	119
87	90	123	49	57
460	399	441	25	437
107	94	160	94	146
--	3,519 <sup>(3)</sup>	7,214	13,246	23,321

**JOHNSON COUNTY, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

Table 16

Function	Fiscal Year				
	2003	2004	2005	2006	2007
Administration of Justice					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
General Government					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Highways and Streets					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Law Enforcement					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Health & Welfare					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Culture & Recreation					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					

Source: Johnson County Financial Records

Notes: 2010 is the first year for accumulation of these statistics.



Fiscal Year				
2008	2009	2010	2011	2012
		20	20	21
		6	5	5
		1	2	1
		288	287	297
		11	9	11
		77	78	80
		8	10	14
		311	331	349
		14	19	20
		98	87	92
		196	210	237
		8	12	12
		6	26	26
		3	7	7
		--	1	1
		1	1	1
		3	4	4
		--	2	2



**FEDERAL AND STATE AWARDS SECTION**



# KENNEMER, MASTERS & LUNSFORD

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:  
8 West Way Court  
Lake Jackson, Texas 77566  
(979) 297-4075 Fax: (979) 297-6648  
(800) 399-4075

Houston Office:  
10260 Westheimer, Suite 410  
Houston, Texas 77042  
(281) 974-3416 Fax: (281) 974-3764

## Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*

March 22, 2013

The Honorable County Judge,  
and Members of Commissioners  
Court of Johnson County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 22, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

[www.kmkwllc.com](http://www.kmkwllc.com) – Email: [kmkw@kmkwllc.com](mailto:kmkw@kmkwllc.com)

Members: American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants,  
Partnering for CPA Practice Success

The Honorable County Judge,  
and Members of Commissioners  
Court of Johnson County, Texas  
March 22, 2013  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We have performed tests designed to verify the County's compliance with the requirements of the Public Funds Investment Act. During the year ended September 30, 2012, no instances of noncompliance were found.

We noted certain matters that we reported to management of the County, in a separate letter dated October 25, 2012.

This report is intended solely for the information and use of the County Judge, members of Commissioners Court, management, and appropriate state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Kennemer, Masters & Hungford, LLC*

# KENNEMER, MASTERS & LUNSFORD

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:  
8 West Way Court  
Lake Jackson, Texas 77566  
(979) 297-4075 Fax: (979) 297-6648  
(800) 399-4075

Houston Office:  
10260 Westheimer, Suite 410  
Houston, Texas 77042  
(281) 974-3416 Fax: (281) 974-3764

## Independent Auditor's Report

Report on Compliance with Requirements that Could Have a Direct and Material Effect on  
Each Major Program and on Internal Control Over Compliance in Accordance with  
OMB Circular A-133

March 22, 2013

The Honorable County Judge  
and Members of Commissioners  
Court of Johnson County, Texas

### Compliance

We have audited the compliance of Johnson County (the "County"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major state programs for the year ended September 30, 2012. The County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Texas Single Audit Circular*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended September 30, 2012.

[www.kmkwllc.com](http://www.kmkwllc.com) – Email: [kmkw@kmkwllc.com](mailto:kmkw@kmkwllc.com)

Members: American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants,  
Partnering for CPA Practice Success

The Honorable County Judge,  
and Members of Commissioners  
Court of Johnson County, Texas  
March 22, 2013  
Page 2

#### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the County's internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Judge, members of Commissioners Court, management, and appropriate state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Kennemer, Masters & Rungford, LLC*



**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

For the Year Ended September 30, 2012

Page 1 of 1

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unqualified.

No internal control findings required to be reported in this schedule, were disclosed in the audit of the financial statements.

2. Noncompliance, which is material to the financial statements: None.

No internal control findings, that are required to be reported in this schedule, was disclosed in the audit of the major programs.

3. Type of auditor's report on compliance for major programs: Unqualified.

4. Did the audit disclose findings which are required to be reported under Sec.\_510(a): No

5. Major programs include:

Federal:

None.

State:

TJJD Cluster Programs:

- TJJD-A-11/12/13-126 State Aid Program
- TJJD-C-12/13-126 Commitment Reduction Program
- TJJD-P-12/13-126 Juvenile Justice Alternative Education Program Boot Camp

8. Dollar threshold used to distinguish between Type A and Type B programs: State \$ 300,000.

9. Low risk auditee: No.

II. Findings related to the financial statements.

The audit disclosed no findings required to be reported.

III. Findings and questioned costs related to the federal award.

The audit disclosed no findings required to be reported.

Schedule reference number 11-1: Contracting. Controls over selection of contractors on a federally funded project were not completed timely.

Corrective action taken: The County's purchasing department has developed a written policy and procedure to review all contractors for possible disbarment on federal and state funded projects prior to entering into any contracts with these contractors. The policy and procedure has been reviewed with all purchasing department personnel.

**JOHNSON COUNTY, TEXAS**  
*CORRECTIVE ACTION PLAN*  
Year Ended September 30, 2012

None.

**JOHNSON COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
For the Year Ended September 30, 2012

Exhibit 15  
Page 1

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Juvenile Justice Department:		
Direct Programs:		
State Aid Program (1)	TJJD-A-12-126	\$ 706,832
State Aid Program (1)	TJJD-A-13-126	46,772
Commitment Reduction Program (1)	TJJD-C-12-126	68,545
Commitment Reduction Program (1)	TJJD-C-13-126	8,443
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJJD-P-12-126	131,745
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJJD-P-13-126	<u>12,467</u>
<b>TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT</b>		<b><u>\$ 974,804</u></b>
Texas Juvenile Probation Commission:		
Direct Programs:		
State Aid Program (1)	TJPC-A-11-126	<u>\$ 10,687</u>
<b>TOTAL TEXAS JUVENILE PROBATION COMMISSION</b>		<b><u>\$ 10,687</u></b>
Texas Commission on Environmental Quality:		
Direct:		
Aircheck Texas Repair and Replacement Assistance Program	582-9-90416-12	\$ 59,048
Emmissions Control Officer	582-8-89954	<u>59,132</u>
<b>TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY</b>		<b><u>\$ 118,180</u></b>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	911410	<u>\$ 20,165</u>
<b>TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS</b>		<b><u>\$ 20,165</u></b>
Office of Attorney General:		
Direct Program:		
Texas Victim Information and Notification Everyday (VINE)	12-24682	\$ 28,151
Texas Victim Information and Notification Everyday (VINE)	13-37047	<u>2,559</u>
		30,710
Sexual Assault Prevention and Crisis Services Program	---	<u>31,644</u>
<b>TOTAL OFFICE OF ATTORNEY GENERAL</b>		<b><u>\$ 62,354</u></b>

**JOHNSON COUNTY, TEXAS****SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued**  
For the Year Ended September 30, 2012Exhibit 15  
Page 2

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-12-126	\$ 69,395
Indigent Defense Improvement	212-12-126	<u>19,443</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		<u>\$ 88,838</u>
Office of Governor - Criminal Justice Division:		
Passed Through the Criminal Justice Division:		
Mental Health Resource Officer	SF-12-A10-21695-03	\$ 26,856
County Essentials – Murder Trial	CE-12-A10-26349-01	<u>193,750</u>
TOTAL OFFICE OF THE GOVERNOR		<u>\$ 220,606</u>
Secretary of State:		
Passed Through the Elections Division:		
Chapter 19 – Elections Fund Management	---	<u>\$ 2,659</u>
TOTAL SECRETARY OF STATE		<u>\$ 2,659</u>
TOTAL STATE ASSISTANCE		<u>\$ 1,498,293</u>
TOTAL MAJOR PROGRAMS		<u>\$ 985,491</u>
TYPE A PROGRAM		<u>\$ 300,000</u>
(1) Cluster Programs per TJJD		

## **JOHNSON COUNTY, TEXAS**

### *NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS*

Year Ended September 30, 2012

1. The County uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. Funds are classified into two categories: governmental and fiduciary. Each category, in turn is divided into separate "fund types". The following fund types were utilized to account for federal awards.

#### Governmental Fund Types:

General Fund - is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. Federal financial assistance not required to be reported in other funds is accounted for in the General Fund.

Special Revenue Funds - used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Federal financial assistance generally is accounted for in a Special Revenue Fund unless required to be reported in a Capital Projects Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities. Federal financial assistance for the construction of major capital facilities generally is accounted for in a Capital Projects Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Federal and State grant funds were accounted for in the General Fund, Special Revenue Fund, and the Capital Projects Fund, a component of the Governmental Fund type.

The modified accrual basis of accounting is used for the Governmental Fund Types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds are considered to be earned to the extent of expenditures/expenses made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

**JOHNSON COUNTY, TEXAS**

*NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS - Continued*

Year Ended September 30, 2012

3. The period of availability for state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
4. Indirect Costs - Johnson County, Texas received no reimbursements for indirect costs during the year ended September 30, 2012.

