

JOHNSON COUNTY, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2013

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, 2013

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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 24, 2014

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, 2013, 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 past few years but has begun to take a turn for the better lately. 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 three 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 few 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 that are in excess of our minimums established by our fund balance policy. Additionally, 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 a few years ago and, as a compliment, a privately-owned events center is very near completion; further adding to the attraction of the business area of the county seat.

The completion of the Highway 121 project is scheduled for May, 2014. 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. It was determined that the route 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. On this property, the County completed 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 finished the renovation of the old high school gym that was also a part of the purchase of the 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 gym has been well-received and used regularly by employees. 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 has proven to be a benefit to the county by enabling us to contract to house a number of federal prisoners; adding an additional revenue source for Johnson County. This has been done in partnership with the jail management contractor with whom 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. The construction of a new sub-courthouse in Alvarado has begun and is being funded with excess cash reserves. Completion is expected summer, 2014. This will provide larger and more functional 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.

For Fiscal Year 2014, Johnson County is installing four (4) significant software applications. These include a new payroll system, courts system, law enforcement and records management. Each one will provide more efficient functionality in the various areas.

FINANCIAL CONDITION

Current Condition. Johnson County currently has large fund balances even though we have used cash for recent capital projects as 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 maintains 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 Assessor-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 works with the Treasurer to determine the type, terms, and amounts of investments of County funds. The Commissioners Court 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, 2013, 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, 2013 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, 2012. This was the twenty-second 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

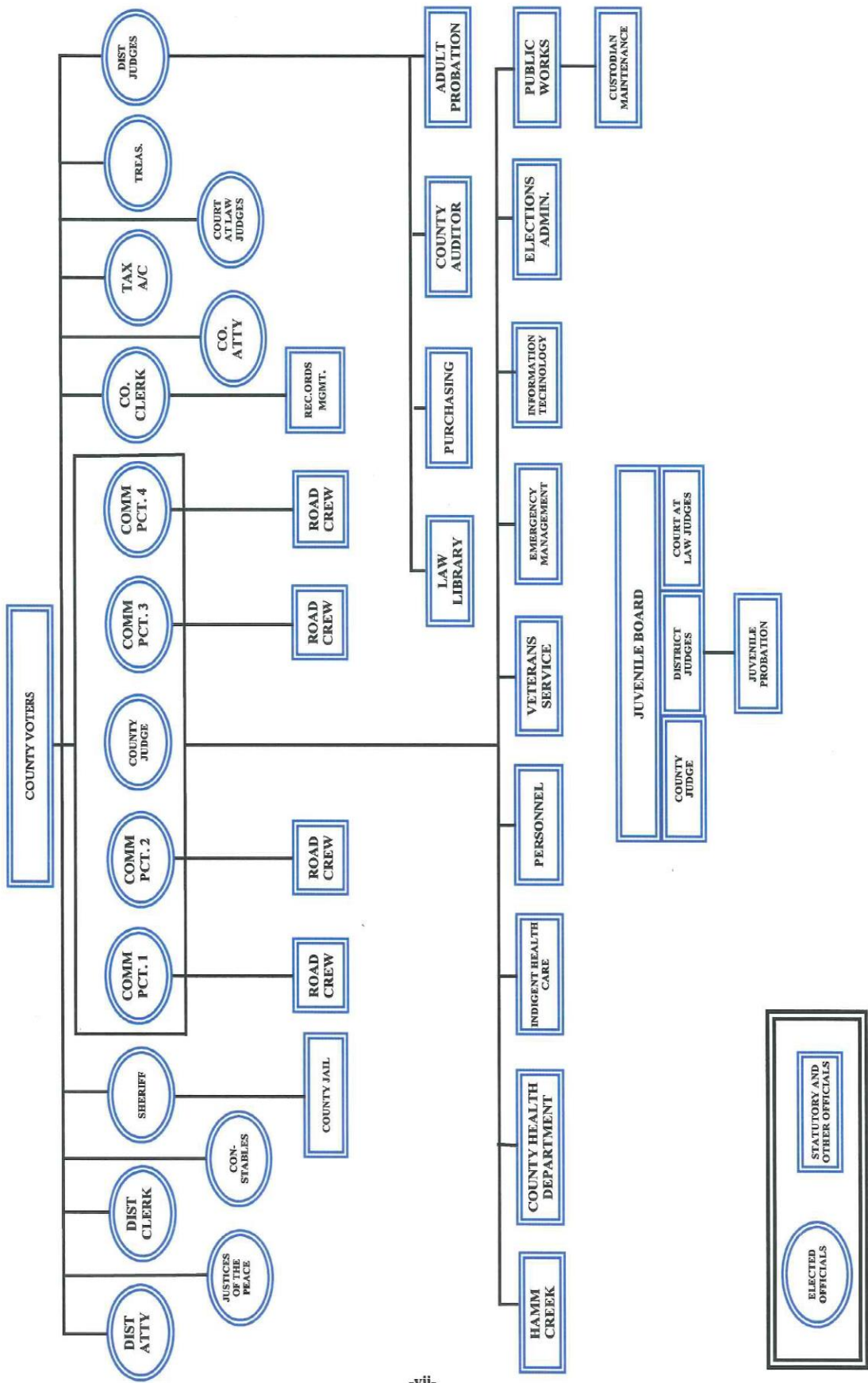
Presented to

**Johnson County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



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

18th Judicial District

John E. Neill

249th Judicial District

Wayne Bridewell

413th 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

Matt Wylie

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

El Campo Office:
201 W. Webb
El Campo, Texas 77437

Houston Office:
10260 Westheimer, Suite 410
Houston, Texas 77042

Independent Auditor's Report

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

www.kmandl.com – Email: kmkw@kmandl.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

Emphasis of Matter

As described in Note 16 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 - 17 and pages 64 to 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of state awards is 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*, and the Texas *Single Audit Circular* and are also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, and the schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Kennebec, Masters & Hunford, LLC

Lake Jackson, Texas
March 24, 2014



JOHNSON COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2013

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, 2013. 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 and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental activities by \$ 91,545,851 (net position). Of this amount, \$ 27,135,113 (unrestricted net position), 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 position decreased for governmental activities by \$ 375,986.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 34,686,543. 56.27% of this amount, \$ 21,102,789 (unassigned fund balance), were available for use within the County's fund designations. Of the governmental funds amount, \$ 12,962,287 has been restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 21,254,587 or 44.66% 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 position* presents information on all of the County's assets and deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. All changes in net position 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, 2013*

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 20 and 21 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 fifty-three (53) 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), and the General Debt Service (debt service fund); all of which are considered to be major funds. Data from the other fifty (50) 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 22 through 27 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, 2013

- **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 position on page 28 and a statement of changes in fiduciary net position that can be found on pages 138 through 140.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 62 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 64 through 66 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 76 through 140 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 91,545,851 as of September 30, 2013. This is a decrease in net position of \$ 375,986 which is primarily due to a net decrease in revenues and a net increase in expenses.

The largest portion of the County's net position of \$ 51,623,564 (56.39%) 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 and 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 \$ 540,398 due to an increase in furniture and equipment related to new buildings.

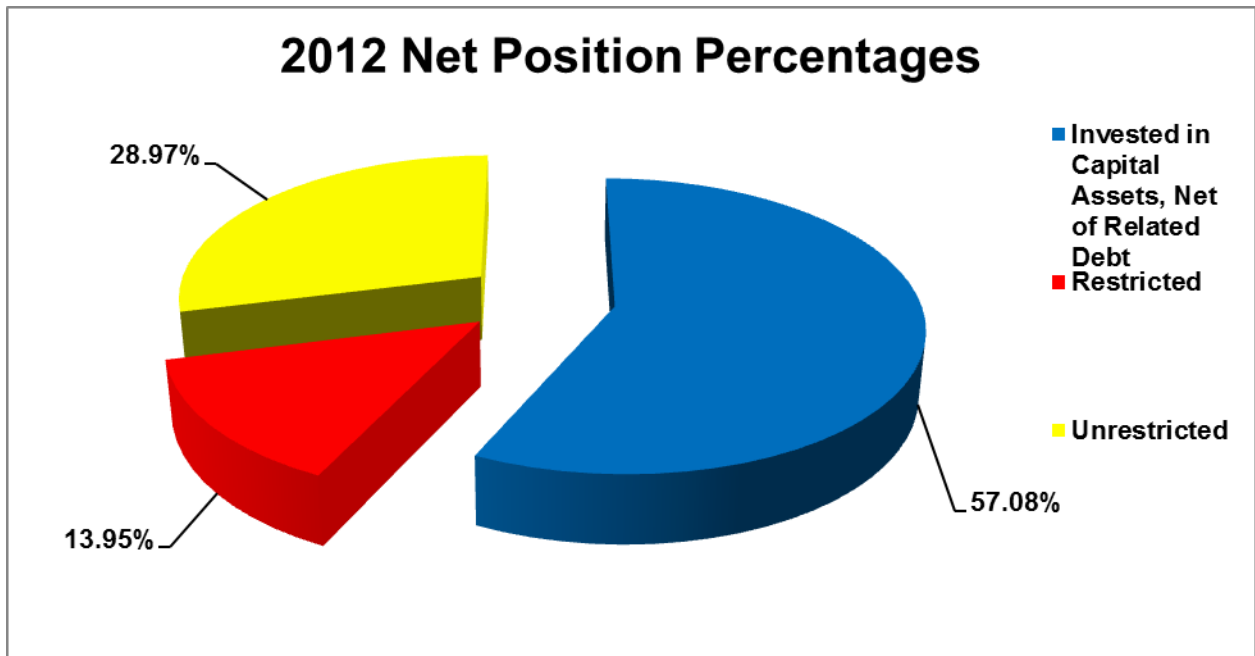
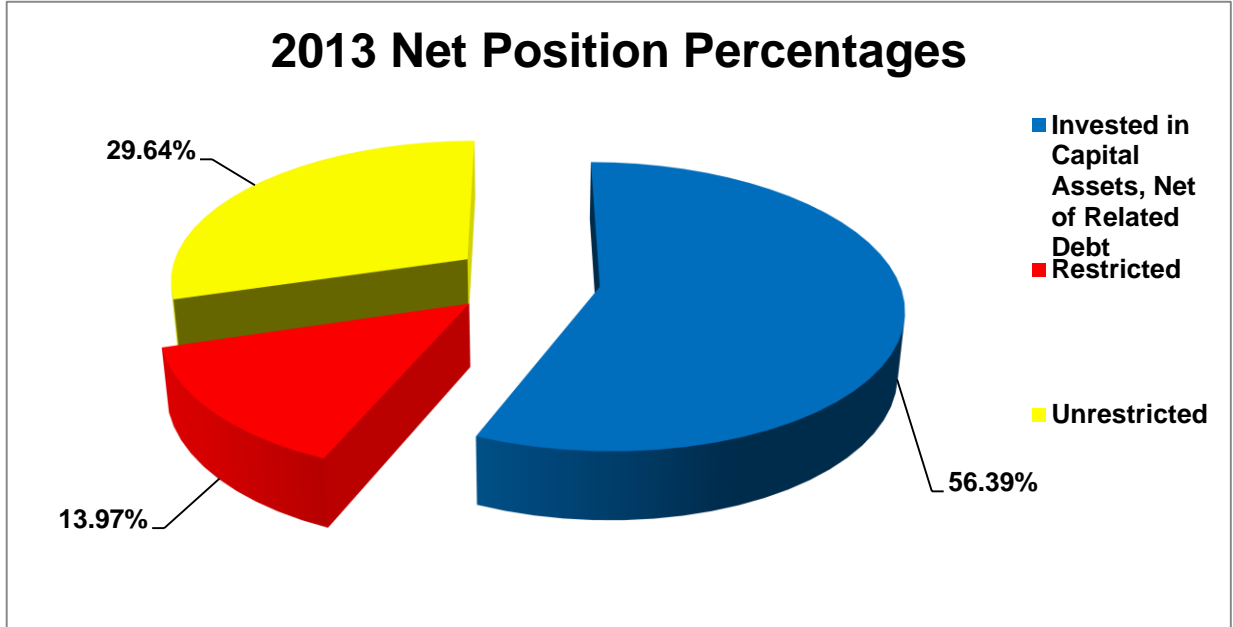
An additional portion of the County's net position of \$ 12,787,174 (13.97%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 27,135,113 (29.64%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2013, the County is able to report positive balances in all three categories of net position.

JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2013

JOHNSON COUNTY'S NET POSITION

	<u>Governmental Activities</u>		
	(Restated)		
	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u>	<u>Net</u> <u>Change</u>
ASSETS			
Current and other assets	\$ 46,794,270	\$ 50,974,188	\$(4,209,918)
Capital assets	<u>64,222,440</u>	<u>63,712,042</u>	<u>540,398</u>
Total assets	<u>111,016,710</u>	<u>114,686,230</u>	<u>(3,669,520)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	<u> </u>	<u> </u>	<u>-0-</u>
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
LIABILITIES			
Current and other liabilities	4,538,001	6,621,156	(2,083,155)
Long-term liabilities	<u>14,932,858</u>	<u>16,143,237</u>	<u>(1,210,379)</u>
Total liabilities	<u>19,470,859</u>	<u>22,764,393</u>	<u>(3,293,534)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	<u> </u>	<u> </u>	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET POSITION			
Invested in capital assets, net of related debt	51,623,564	52,471,245	(847,681)
Restricted	12,787,174	12,819,186	(32,012)
Unrestricted	<u>27,135,113</u>	<u>26,631,406</u>	<u>503,707</u>
Total net position	<u>\$ 91,545,851</u>	<u>\$ 91,921,837</u>	<u>\$(375,986)</u>



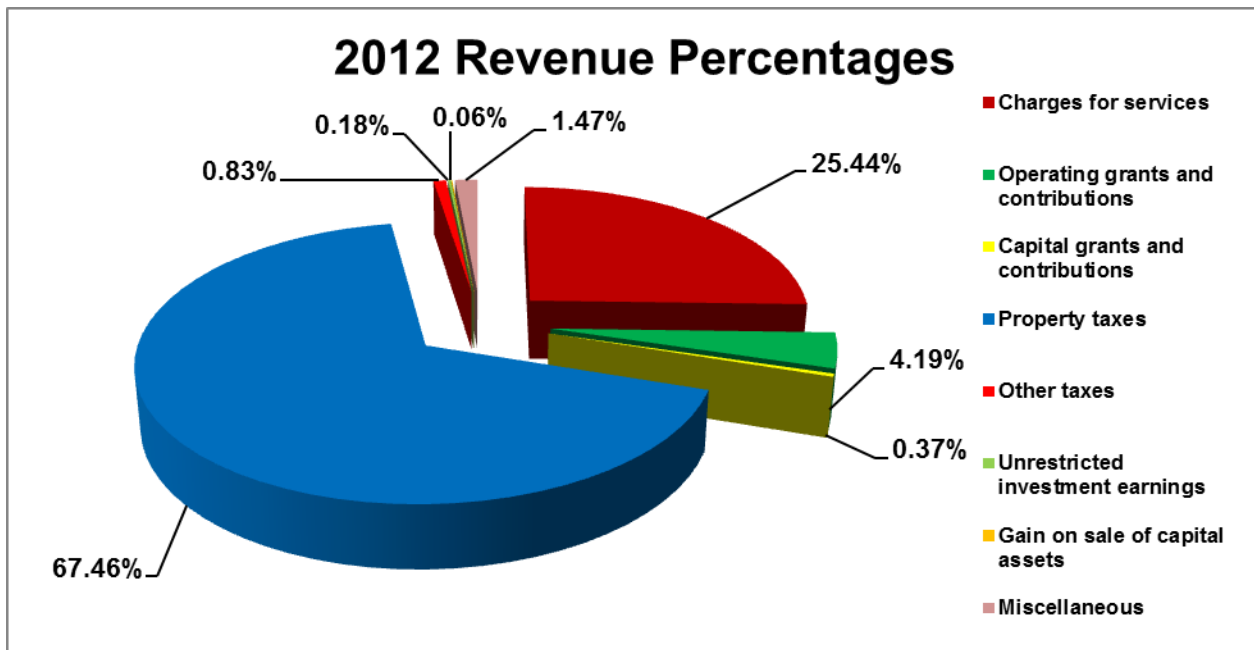
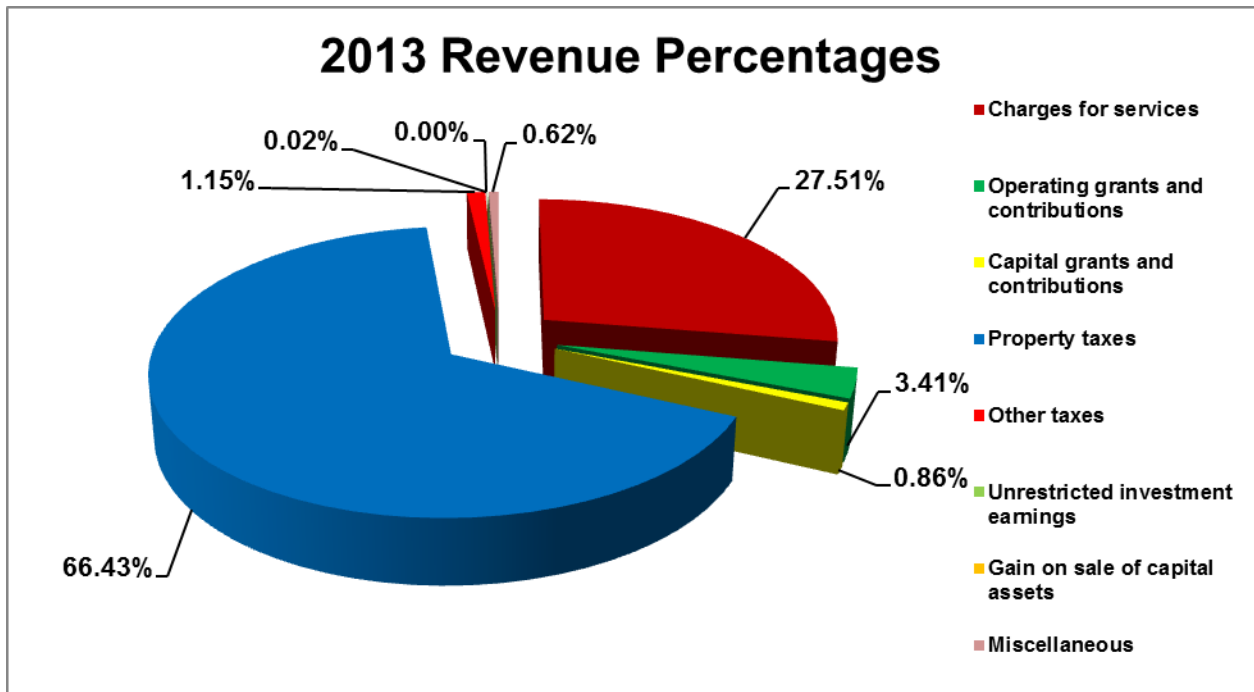
JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
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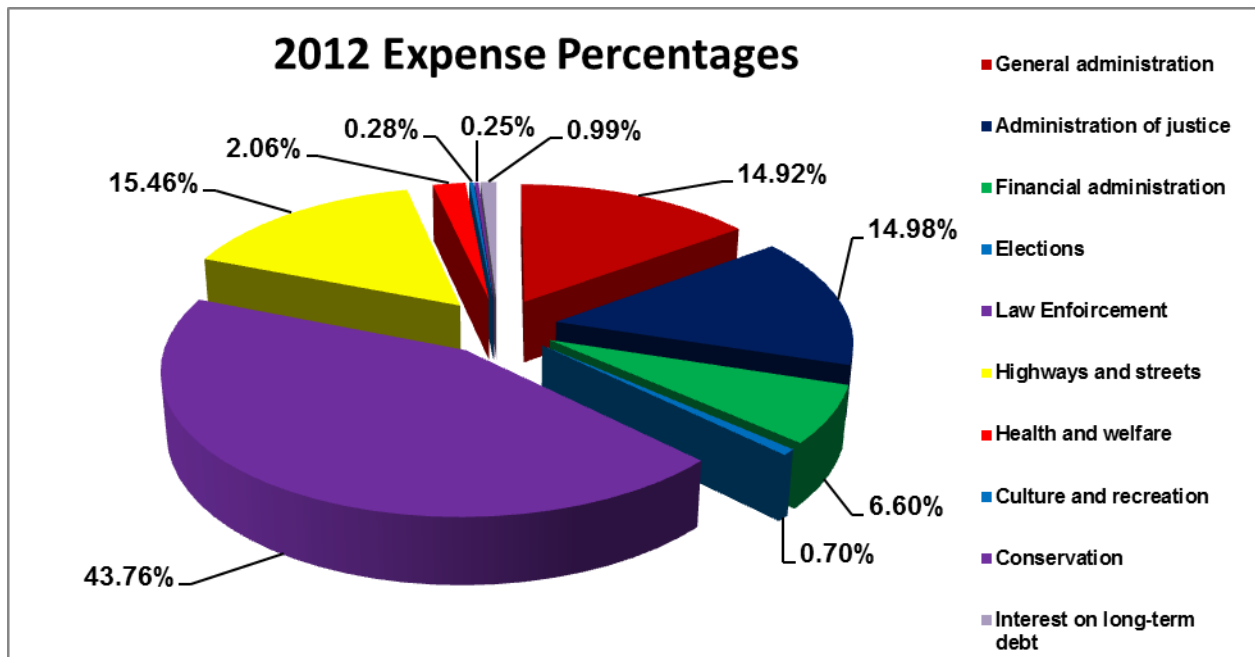
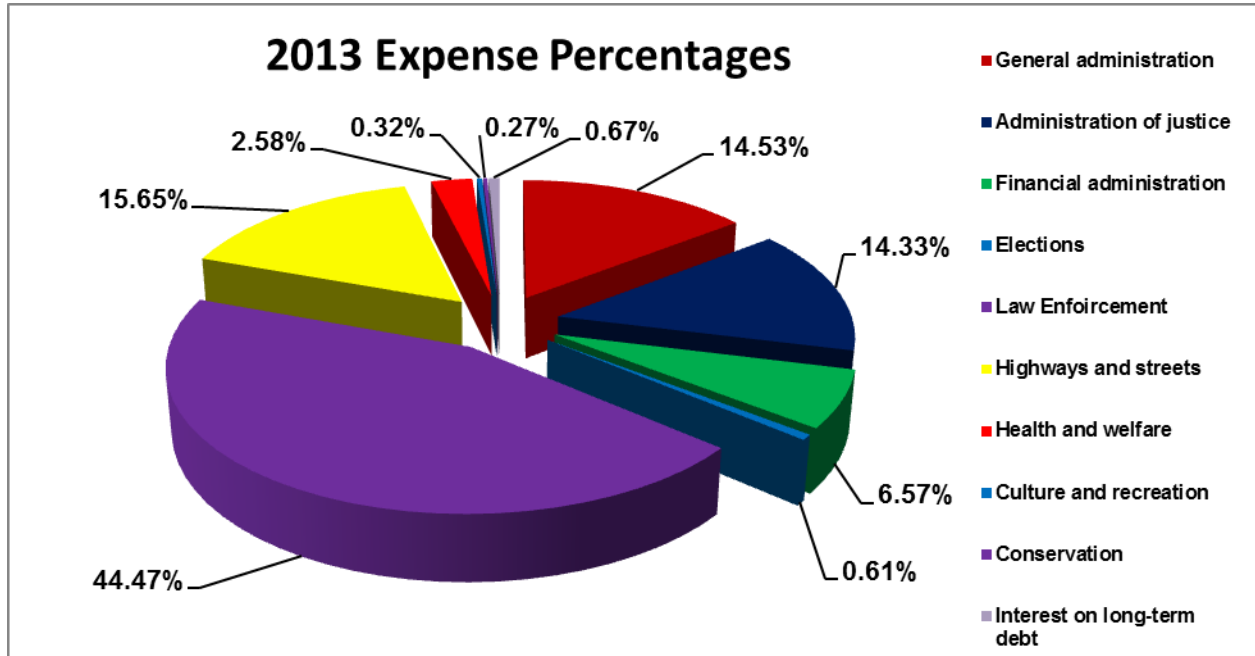
Analysis of the County's Operations. Governmental activities reported a decrease in net position in the amount of \$ 375,986. The following table provides a summary of the County's operations for the year ended September 30, 2013.

JOHNSON COUNTY'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>		
	September 30, 2013	(Restated) September 30, 2012	Net Change
Revenues:			
Program Revenues:			
Charges for services	\$ 17,849,320	\$ 16,727,694	\$ 1,121,626
Operating grants and contributions	2,210,164	2,752,569	(542,405)
Capital grants and contributions	557,627	240,887	316,740
General Revenues:			
Property taxes	43,106,286	44,359,032	(1,252,746)
Other taxes	746,362	546,139	200,223
Unrestricted Investment earnings	14,784	116,335	(101,551)
Gain on disposition of capital assets		42,118	(42,118)
Miscellaneous	<u>404,603</u>	<u>970,333</u>	<u>(565,730)</u>
Total revenues	<u>64,889,146</u>	<u>65,755,107</u>	<u>(865,961)</u>
Expenses:			
General administration	9,483,532	9,457,279	26,253
Administration of justice	9,356,931	9,499,338	(142,407)
Financial Administration	4,287,972	4,187,083	100,889
Elections	400,442	440,552	(40,110)
Law enforcement	29,021,831	27,745,191	1,276,640
Highways and streets	10,213,556	9,803,003	410,553
Health and welfare	1,682,465	1,305,482	376,983
Culture and recreation	204,804	176,365	28,439
Conservation	174,632	159,099	15,533
Interest on long-term debt	<u>438,967</u>	<u>629,998</u>	<u>(191,031)</u>
Total expenses	<u>65,265,132</u>	<u>63,403,390</u>	<u>1,861,742</u>
Increase (decrease) in net position	(375,986)	2,351,717	(2,727,703)
Net position – October 1, (Restated)	<u>91,921,837</u>	<u>89,570,120</u>	<u>2,351,717</u>
Net position - September 30, (Restated)	<u>\$ 91,545,851</u>	<u>\$ 91,921,837</u>	<u>\$ (375,986)</u>



JOHNSON COUNTY, TEXAS
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For the Year Ended September 30, 2013



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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 \$ 34,686,543. The unassigned fund balance of \$ 21,102,789 constitutes 60.84% of ending fund balance. The fund balance is categorized as 1) nonspendable (\$ 621,467), 2) restricted (\$ 12,962,287), and 3) unassigned (\$ 21,102,789).

Fund balance of the General Fund increased by \$ 371,941; the Road and Bridge (special revenue fund) increased by \$ 54,949; the General Debt Service (debt service fund) increased by \$ 169,801, and, other (non-major) governmental funds decreased by \$ 3,176,032.

The increase in fund balance in the general fund, as compared to the prior year, resulted from the elimination of additional transfers to the General Debt Service (debt service fund) to call \$ 6,220,000 in certificates of obligation bonds, in the prior year. General fund revenues were down slightly and expenditures were up from the prior year due to the overall increases in the cost of operations, during the current year. Regarding the Road & Bridge (special revenue fund), the increase in fund balance was the result of decreased highway and street maintenance and construction. The increase in fund balance for the General Debt Service (debt service fund) was, as compared to the prior year, the result of the elimination of the prior year call of \$ 6,220,000 in certificate of obligation bonds prior to maturity. 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 decrease in fund balance in the current year is significantly lower than the prior year decrease 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 \$ 3,186,961 increase including \$ 1,879,106 in transfers out. There were no relatively large amendments approved this year, except for the increase in transfers out for programs and construction projects and anticipated increases in law enforcement costs.

During the year, revenues exceeded budget while expenditures were less than budget. Revenues were higher across the board. Lower than budgeted expenditures resulted in many areas, primarily in the general government expenditures.

JOHNSON COUNTY, TEXAS
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For the Year Ended September 30, 2013

Total General Fund revenue exceeded the budget by approximately 5.59% and total General Fund expenditures were under budget by approximately 1.80%.

Capital Assets

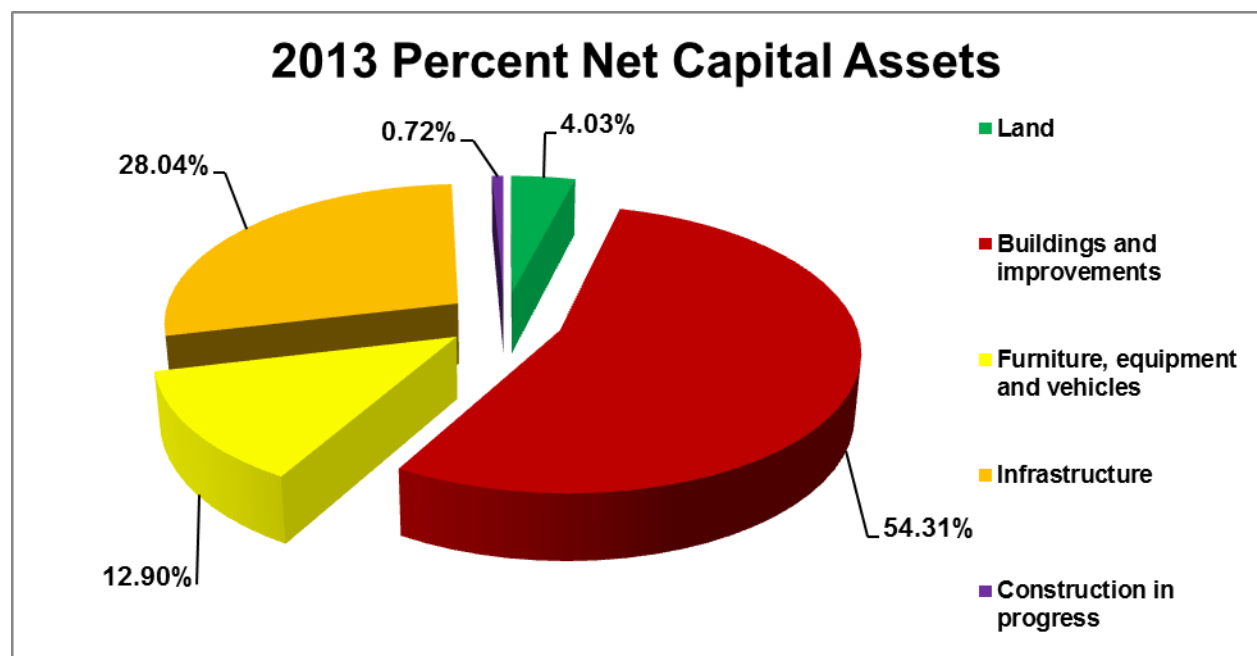
This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

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

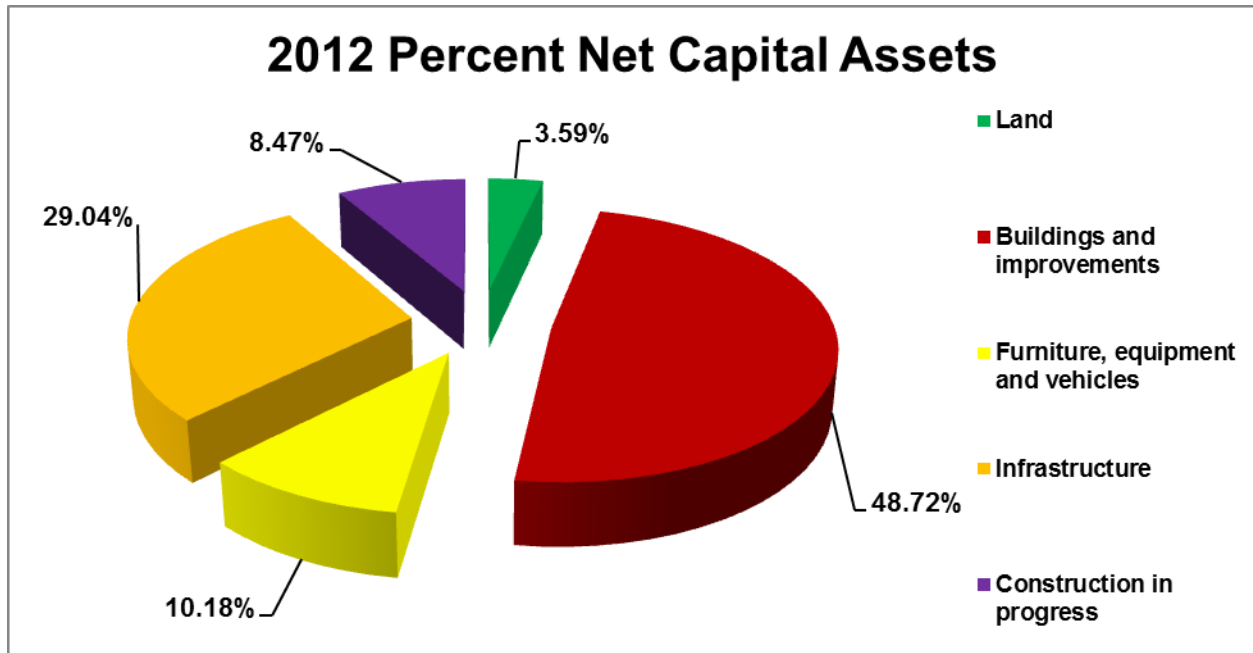
- Acquisition of new vehicles, tractors, various road and bridge equipment.
- Completion of new buildings which began construction in the previous year.
- Purchase of furniture and equipment for new buildings.

JOHNSON COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

	Governmental Activities		
	September 30, 2013	September 30, 2012	Net Change
Land	\$ 2,558,693	\$ 2,288,709	\$ 299,984
Buildings and improvements	34,896,564	31,041,910	3,854,654
Furniture, equipment and vehicles	8,288,360	6,483,650	1,804,710
Infrastructure	18,013,298	18,504,644	(491,346)
Construction in progress	<u>465,525</u>	<u>5,393,129</u>	<u>(4,927,604)</u>
Total	<u>\$ 64,222,440</u>	<u>\$ 63,712,042</u>	<u>\$ 540,398</u>



JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2013



Additional information on the County's capital assets can be found in Note 5 on pages 50 through 51 of this report.

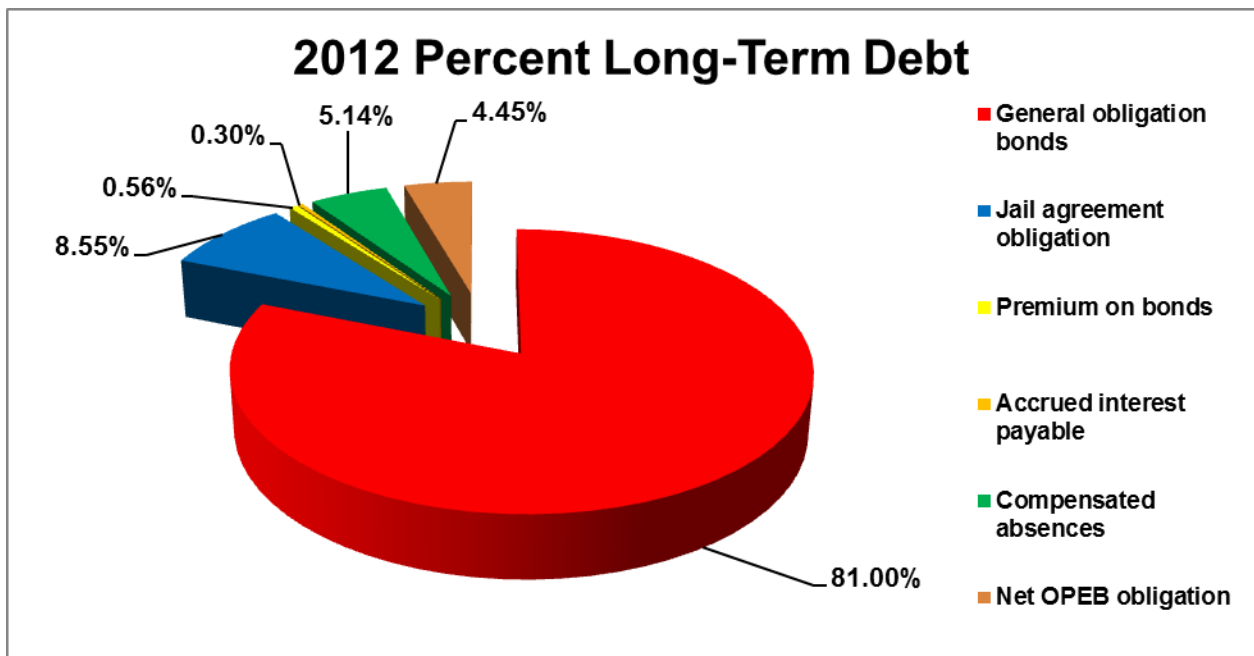
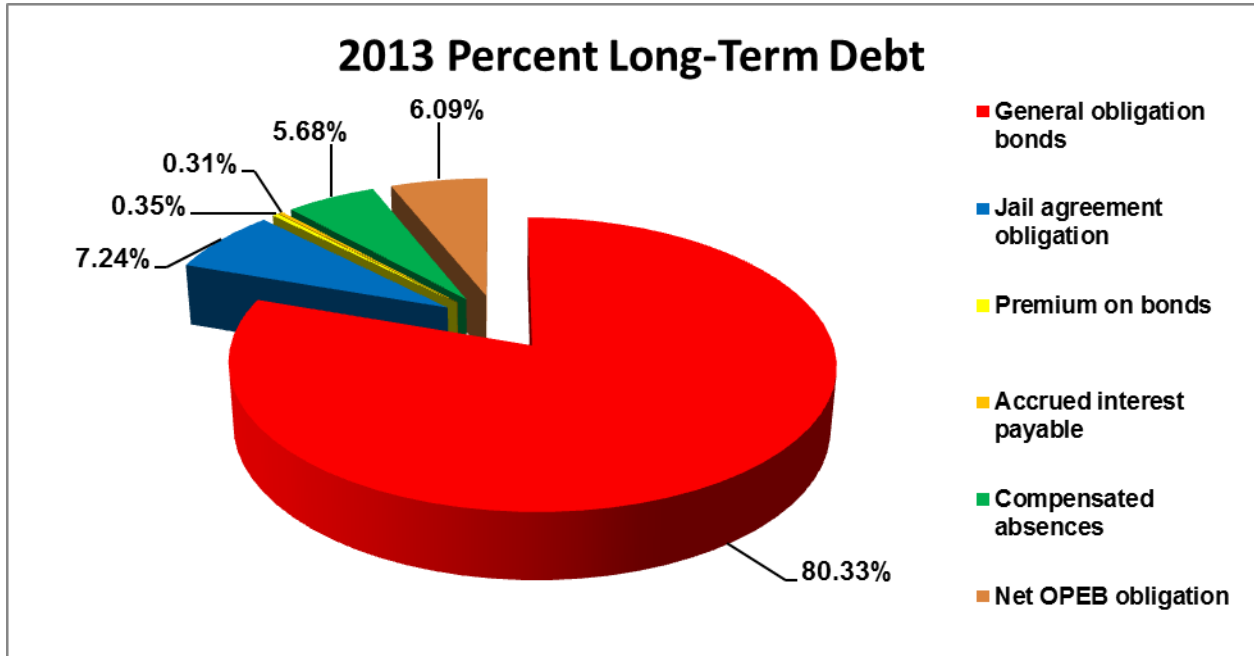
DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded and note debt of \$ 13,076,835, 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, Compensated Absences,
and Unfunded OPEB Obligation

	Governmental Activities		
	September 30, 2013	September 30, 2012	Net Change
General obligation bonds	\$ 11,996,322	\$ 13,075,284	\$(1,078,962)
Jail agreement obligation	1,080,513	1,379,437	(298,924)
Components of Debt:			
Premium on bonds	52,107	90,316	(38,209)
Accrued interest payable	46,228	49,203	(2,975)
Compensated absences	848,824	829,912	18,912
Net OPEB obligation	<u>908,864</u>	<u>719,085</u>	<u>189,779</u>
Total	<u>\$ 14,932,858</u>	<u>\$ 16,143,237</u>	<u>\$(1,210,379)</u>

JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2013



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During the fiscal year, the County's total debt decreased \$ 1,210,379 or 7.50%. The net decrease was due primarily to the scheduled principal payments.

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 52 through 55 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 2014, Commissioners Court considered the following factors:

- Property tax rate was set at an amount significantly under the rollback rate but slightly higher than the rate set for previous year. It appears the County will continue to increase unencumbered fund balances.
- Employees were given additional compensation of \$ 2,000 each and 1% for each department to distribute as determined by the department head.

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 POSITION
September 30, 2013

Exhibit 1

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Cash and temporary investments	\$ 26,943,348
Short-term investments	1,695,995
Receivables (Net of Allowance for Uncollectibles):	
Taxes	818,650
Accounts	7,782,760
Due from other governments	130,324
Inventories	308,674
Prepaid items	312,793
Investments	8,801,726
Capital Assets:	
Land	2,558,693
Buildings and improvements (net)	34,896,564
Furniture, equipment and vehicles (net)	8,288,360
Infrastructure (net)	18,013,298
Construction in progress	<u>465,525</u>
Total assets	<u>111,016,710</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	
Total deferred outflows of resources	<u>-0-</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Accounts and accrued liabilities payable	4,327,044
Unearned revenue	210,957
Noncurrent Liabilities:	
Due within one year	2,925,696
Due in more than one year	<u>12,007,162</u>
Total liabilities	<u>19,470,859</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	
Total deferred inflows of resources	<u>-0-</u>
NET POSITION	
Invested in capital assets, net of related debt	51,623,564
Restricted:	
Debt service	973,155
Health services	1,451,960
Public transportation projects	6,841,851
Records management	1,803,570
Other	1,716,638
Unrestricted	<u>27,135,113</u>
Total net position	<u>\$ 91,545,851</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, 2013

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position Governmental Activities	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
General administration	\$ 9,483,532	\$ 2,601,285	\$ 22,463	\$ (6,859,784)	
Administration of justice	9,356,931	2,916,793	554,420	(5,885,718)	
Financial administration	4,287,972	1,255,048		(3,032,924)	
Elections	400,442	540		(399,902)	
Law enforcement	29,021,831	8,706,430	1,267,178	4,994	(19,043,229)
Highways and streets	10,213,556	2,100,165	235,481	525,950	(7,351,960)
Health and welfare	1,682,465	207,577	129,232	26,683	(1,318,973)
Culture and recreation	204,804	61,482	1,390		(141,932)
Conservation	174,632				(174,632)
Interest on long-term debt	438,967				(438,967)
Total governmental activities	<u>65,265,132</u>	<u>17,849,320</u>	<u>2,210,164</u>	<u>557,627</u>	<u>(44,648,021)</u>
General Revenue:					
Property taxes					43,106,286
Other taxes					746,362
Unrestricted investment earnings					14,784
Miscellaneous					<u>404,603</u>
Total general revenues					<u>44,272,035</u>
Change in net position					(375,986)
Net position – beginning (Restated)					<u>91,921,837</u>
Net position – ending					<u>\$ 91,545,851</u>

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

JOHNSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2013

Exhibit 3
Page 1

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
Assets and Deferred Outflows of Resources					
Assets:					
Cash and temporary investments \$	16,758,889	\$ 3,591,098	\$ 986,400	\$ 5,606,961	\$ 26,943,348
Short-term investments	847,996	562,999		285,000	1,695,995
Receivables (Net of Allowance for Uncollectibles):					
Taxes	678,219	81,044	37,948	21,439	818,650
Accounts	656,489	30,245		22,221	708,955
Due from other governments				130,324	130,324
Due from other funds	1,140,780	44,224	981	91,130	1,277,115
Inventories		308,674			308,674
Prepaid expenditures	312,793				312,793
Investments	<u>6,161,208</u>	<u>1,144,225</u>		<u>1,496,293</u>	<u>8,801,726</u>
Total assets	<u>26,556,374</u>	<u>5,762,509</u>	<u>1,025,329</u>	<u>7,653,368</u>	<u>40,997,580</u>
Deferred Outflows of Resources:					
Deferred outflows of resources					-0-
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>\$ 26,556,374</u>	<u>\$ 5,762,509</u>	<u>\$ 1,025,329</u>	<u>\$ 7,653,368</u>	<u>\$ 40,997,580</u>

JOHNSON COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS - Continued

September 30, 2013

Exhibit 3

Page 2

	Major Funds			Non-Major Funds	
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts and accrued liabilities payable	\$ 3,653,243	\$ 358,347	\$ 5,687	\$ 309,767	\$ 4,327,044
Due to other funds	855,114		259	344,519	1,199,892
Unearned revenue				210,957	210,957
	<u>4,508,357</u>	<u>358,347</u>	<u>5,946</u>	<u>865,243</u>	<u>5,737,893</u>
Deferred Inflows of Resources:					
Deferred inflows of resources - Property taxes	480,637	49,222	28,088	15,197	573,144
	<u>480,637</u>	<u>49,222</u>	<u>28,088</u>	<u>15,197</u>	<u>573,144</u>
Fund Balances:					
Nonspendable	312,793	308,674			621,467
Restricted		5,046,266	991,295	6,924,726	12,962,287
Unassigned	21,254,587			(151,798)	21,102,789
	<u>21,567,380</u>	<u>5,354,940</u>	<u>991,295</u>	<u>6,772,928</u>	<u>34,686,543</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 26,556,374</u>	<u>\$ 5,762,509</u>	<u>\$ 1,025,329</u>	<u>\$ 7,653,368</u>	<u>\$ 40,997,580</u>

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

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

September 30, 2013

Exhibit 3R

Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 34,686,543
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 118,944,463 in assets less \$ 54,722,023 in accumulated depreciation.	64,222,440
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 \$ 12,728,473 net of allowance for uncollectible accounts of \$ 5,731,891 in the General fund amounted to \$ 6,996,582.	6,996,582
Property taxes receivable unavailable to pay for current period expenditures are reported as deferred inflows of resources in the funds. Deferred inflows of resources (property tax revenues) for the General fund, Road and Bridge special revenue fund, Indigent Health Care special revenue fund, and the Law Enforcement Center debt service fund amounted to \$ 480,637, \$ 49,222, \$ 15,197 and \$ 28,088, respectively.	573,144
Payables for bond principal are not reported in the funds.	(11,996,322)
Payables for note principal are not reported in the funds.	(1,080,513)
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 position. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$ 52,107 (premium on the sale of bonds of \$ 188,901 less amortization of \$ 136,794).	(52,107)
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 \$ 46,228.	(46,228)
The liability for the underfunded annual required contribution as calculated for the retiree health insurance benefits is not reported in the funds.	(848,824)
Payables for compensated absences are not reported in the funds.	(<u>908,864</u>)
Net position of governmental activities - statement of net position (Exhibit 1)	\$ <u>91,545,851</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

Exhibit 4

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2013

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 35,403,458	\$ 5,538,399	\$ 1,727,591	\$ 1,160,741	\$ 43,830,189
Intergovernmental	903,157	235,481		1,371,027	2,509,665
Prisoner housing services	6,577,588				6,577,588
Fees	4,476,119	2,099,969		921,729	7,497,817
Fines	1,618,044			56,315	1,674,359
Investment income	9,974	2,640	1,323	847	14,784
Miscellaneous	953,973	173,738		648,948	1,776,659
Total revenues	<u>49,942,313</u>	<u>8,050,227</u>	<u>1,728,914</u>	<u>4,159,607</u>	<u>63,881,061</u>
EXPENDITURES					
Current:					
General administration	7,738,222			452,728	8,190,950
Administration of justice	8,861,594			422,052	9,283,646
Financial administration	4,101,335			155,415	4,256,750
Elections	400,341			7,698	408,039
Law enforcement	25,358,597			2,044,060	27,402,657
Highways and streets		7,344,637		62,537	7,407,174
Health and welfare	463,441			1,205,373	1,668,814
Culture and recreation	194,593			15,913	210,506
Conservation	172,979				172,979
Capital outlay		709,206		4,960,464	5,669,670
Debt Service:					
Principal	298,924		1,180,000		1,478,924
Interest and fiscal charges			379,113		379,113
Total expenditures	<u>47,590,026</u>	<u>8,053,843</u>	<u>1,559,113</u>	<u>9,326,240</u>	<u>66,529,222</u>
Excess (deficiency) of revenues over expenditures	<u>2,352,287</u>	<u>(3,616)</u>	<u>169,801</u>	<u>(5,166,633)</u>	<u>(2,648,161)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital asset	10,255	58,565			68,820
Transfers in	90,499			2,081,100	2,171,599
Transfers out	(2,081,100)			(90,499)	(2,171,599)
Total other financing sources and (uses)	<u>(1,980,346)</u>	<u>58,565</u>	<u>-0-</u>	<u>1,990,601</u>	<u>68,820</u>
Net change in fund balances	371,941	54,949	169,801	(3,176,032)	(2,579,341)
Fund balances - beginning	<u>21,195,439</u>	<u>5,299,991</u>	<u>821,494</u>	<u>9,948,960</u>	<u>37,265,884</u>
Fund balances - ending	<u>\$ 21,567,380</u>	<u>\$ 5,354,940</u>	<u>\$ 991,295</u>	<u>\$ 6,772,928</u>	<u>\$ 34,686,543</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, 2013

Exhibit 4R
Page 1

Net change in fund balances - total governmental funds (Exhibit 4) \$(2,579,341)

**Amounts reported for governmental activities in the statement of activities (Exhibit 2) are
different because:**

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 \$ 5,828,485 exceeded depreciation of \$ 5,686,606 in the current period.	141,879
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, \$ 525,950 of capital assets were contributed to and accepted by the County.	525,950
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 inflows of resources (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 \$ 32,136, \$(3,057), \$ 185, \$ 203, and \$(7,008), respectively.	22,459
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 \$ 157,431. (Cost of \$ 1,668,448 less accumulated depreciation of \$ 1,511,017).	(157,431)
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.	460,119
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 position. The funds statements reported \$ 1,180,000 in long-term bond principal payments and \$ 298,924 in long-term note payments.	1,478,924
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 position. Bond premium amortization was \$ 38,209.	38,209
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 \$ 2,975.	(98,063)

(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, 2013

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 change in the liability for underfunded annual required contribution for the post employment health insurance benefits.

\$(189,779)

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.

18,912

Change in net position of governmental activities (see Exhibit 2)

\$(375,986)

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

JOHNSON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2013

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 7,496,292
Receivables:	
Accounts receivable	314,049
Due from others	21
Due from other funds	<u>718,779</u>
 Total assets	 \$ <u><u>8,529,141</u></u>
 <u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 378,693
Due to other funds	796,002
Amount held for others	<u>7,354,446</u>
 Total liabilities	 \$ <u><u>8,529,141</u></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, 2013

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JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

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). 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, 2013, 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, 2013

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 position 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, 2013

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 unearned 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, 2013

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 the accumulation of resources from property tax collections for the repayment of general obligation bonded debt, interest and related costs of the County.

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 statement was implemented and did not have an impact on the County's financial statements. 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 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, 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 statement was implemented and did not have an impact on the County's financial statements. 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 statement was implemented and did not have an impact on the County's financial statements. 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, 2013

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 statement was implemented and did have an impact on the County's financial statements, as it reclassified items previously recorded as assets and liabilities within the County's financial statements as outflow and inflows of resources and eliminated bond issuance cost. 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.

GASB Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25", was issued June 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 June 15, 2013.

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27", was issued June 2012. The management of the County believes 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, 2014.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations", was issued January 2013. 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, 2013.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees", was issued April 2013. 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, 2013.

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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data - continued

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, District Attorney Forfeiture Fund, Sheriff Forfeiture Fund, Law Library Fund, Special Crimes Operations Fund, Texas Information and Notification Everyday (VINE) Fund, Pre-Trial Bond Supervision Fund, Indigent Health Care Fund, Indigent Defense Formula/Improvement Fund, Guardianship Fee Fund, Election Services Contract 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.

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, 2013, the County had no encumbrances outstanding.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes - continued

The County's 2012 tax levy, supporting the 2013 fiscal period budget, totaled \$ 0.382229 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.308118
Indigent Health Care	0.009735
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	<u>0.015376</u>
Combined tax rate	\$ <u><u>0.382229</u></u>

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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2013, 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

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, 2013, computed at pay rates in effect at that time was \$ 848,824.

Compensated absence liabilities for governmental activities have been paid from the general fund and the road and bridge fund.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, "Items Previously Reported as Assets and Liabilities", had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

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 position. Bond premiums and discounts 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 debt service expenditures.

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, 2013

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, 2013, 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, 2013, 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, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2013:

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
Fund Balances:					
Non-spendable:					
Inventories	\$	\$ 308,674	\$	\$	\$ 308,674
Prepaid expenditures	312,793				312,793
Restricted:					
Capital projects				530,066	530,066
Contributor purposes				31,417	31,417
Court improvements and operations				558,498	558,498
Debt service			991,295		991,295
Election services				175,376	175,376
Health services				1,436,763	1,436,763
Inmate services				156,028	156,028
Juvenile services				158,894	158,894
Library services				226,756	226,756
Public safety personnel training				4,040	4,040
Public transportation projects		5,046,266		1,437,689	6,483,955
Records management				1,803,570	1,803,570
Special crimes operations				197,867	197,867
County/District attorney services				122,317	122,317
Sheriff services				17,802	17,802
Other				67,643	67,643
Unassigned	<u>21,254,587</u>			(151,798)	<u>21,102,789</u>
Total fund balances	<u>\$ 21,567,380</u>	<u>\$ 5,354,940</u>	<u>\$ 991,295</u>	<u>\$ 6,772,928</u>	<u>\$ 34,686,543</u>

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position 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 position is 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, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

	<u>Governmental Activities</u>
Net Position:	
Invested in capital assets, net of related debt	\$ 51,623,564
Restricted:	
Debt service	973,155
Health services	1,451,960
Public transportation projects	6,841,851
Records management	1,803,570
Other:	
Contributor purposes	31,418
Court improvements and operations	558,498
Election services	175,376
Inmate services	156,028
Juvenile services	158,894
Library services	226,756
Public safety personnel training	4,040
Special crime operations	197,867
County/District attorney services	122,317
Sheriff services	17,802
Other	67,642
Unrestricted	<u>27,135,113</u>
	<u>\$ 91,545,851</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. Investments are classified as either short-term investments or investments. Short-term investments have a maturity of one year or less and investments are those that have a maturity of one year or more. 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, 2013 are as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 12,296	\$	\$ 12,296
Financial Institution Deposits:			
Demand deposits	8,157,552	7,296,398	15,453,950
Broker-Dealer:			
Demand deposits	134,882		134,882
U.S. Treasury bill	500,000		500,000
Local Government Investment Pool:			
TexPool	5,123,937	199,894	5,323,831
Texas CLASS	11,438,725		11,438,725
TexSTAR	<u>1,575,956</u>		<u>1,575,956</u>
	<u>26,943,348</u>	<u>7,496,292</u>	<u>34,439,640</u>

(continued)

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Short-Term Investments:			
Financial Institution Deposits:			
Certificates of deposit	\$ 1,196,000	\$	\$ 1,196,000
Broker-Dealer:			
U.S. Treasury bill	<u>499,995</u>	<u> </u>	<u>499,995</u>
	<u>1,695,995</u>	<u>-0-</u>	<u>1,695,995</u>
Investments:			
Broker-Dealer:			
U.S. Treasury Notes	1,011,660		1,011,660
U.S. Agency Securities	<u>7,790,066</u>	<u> </u>	<u>7,790,066</u>
	<u>8,801,726</u>	<u>-0-</u>	<u>8,801,726</u>
	<u>\$ 37,441,069</u>	<u>\$ 7,496,292</u>	<u>\$ 44,937,361</u>

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 \$ 12,296, the carrying amount of the County's financial institution deposits, were \$ 16,649,950, while the financial institution balances totaled \$ 17,609,180. Of these balances, \$ 4,192,831 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, \$ 1,446,000 was covered by federal depository insurance coverage, \$ 134,882 was covered by the Securities Investor Protection Corporation, and \$ 11,835,467 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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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.

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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

The County participates in TexPool, Texas CLASS 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. Texas CLASS is administered by Public Trust Advisors LLC and Wells Fargo Bank of Texas, N.A. as custodian. 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. 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.

The County invests in both TexPool, Texas CLASS and TexSTAR to provide its liquidity needs. TexPool, Texas CLASS 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, 2013 TexPool, Texas CLASS and TexSTAR had a weighted average maturity of 60, 40 and 52 days, respectively. Although TexPool, Tex CLASS and TexSTAR had a weighted average maturity of 60, 40 and 52 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, 2013, 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	\$ 5,323,831	60.0
Texas CLASS	Varies	11,438,725	40.0
TexSTAR	Varies	<u>1,575,956</u>	52.0
Total local government investment pools		<u>18,338,512</u>	46.8
Held by Financial Institutions:			
Certificate of deposit	0.39%	249,000	226.0
Certificate of deposit	0.25%	249,000	226.0
Certificate of deposit	0.50%	249,000	215.0
Certificate of deposit	1.00%	249,000	210.0
Certificate of deposit	0.25%	<u>200,000</u>	72.0
Total held by financial institutions		<u>1,196,000</u>	194.6

(continued)

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Held by Broker-Dealer:			
US Treasury Bill	0.80%	\$ 500,000	10.0
US Treasury Bill	1.80%	499,995	66.0
US Treasury Note	1.25%	502,225	138.0
US Treasury Note	2.63%	509,435	273.0
FFCB	1.63%	508,175	415.0
FHLB	0.38%	499,930	697.0
FHLMC	0.88%	502,030	1,110.0
FHLMC	2.00%	518,090	1,059.0
FHLMC	2.50%	524,000	970.0
FHLMC	2.88%	517,755	497.0
FHLMC	4.75%	493,731	841.0
FHLMC	4.75%	545,480	778.0
FNMA	0.75%	503,265	445.0
FNMA	1.63%	512,230	756.0
FNMA	2.38%	521,845	924.0
FNMA	2.38%	518,270	666.0
FNMA	4.63%	523,110	380.0
FNMA	5.00%	536,135	562.0
FNMA	5.25%	<u>566,020</u>	1,081.0
Total held by broker dealer		<u>9,801,721</u>	869.7
Total investments		<u>\$ 29,336,233</u>	244.0

Credit Risk – As of September 30, 2013, the LGIP’s (which represent approximately 62.51% of the investment portfolio) are rated AAAM by Standard and Poor’s or AAA by Finch, the certificates of deposits (which represent 4.07% of the investment portfolio) are covered by Federal Deposit Insurance, and the United States securities and agencies (which represent 33.42% of the investment portfolio) were covered by \$ 365,118 of Securities Investor Protection Corporation insurance and \$ 9,436,603 of private insurance, respectively, 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, 2013

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, 2013, and holds no direct investments in derivatives at September 30, 2013.

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUES

Receivables and Allowances

Receivables as of September 30, 2013, 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	\$ 2,305,135	\$ 422,229	\$ 192,102	\$ 101,028	\$ 3,020,494
Accounts	656,489	30,245		22,221	708,955
Due from other governments	<u> </u>	<u> </u>	<u> </u>	<u>130,324</u>	<u>130,324</u>
Gross receivables	2,961,624	452,474	192,102	253,573	3,859,773
Less Allowance for Uncollectible:					
Property taxes	<u>1,626,916</u>	<u>341,185</u>	<u>154,154</u>	<u>79,589</u>	<u>2,201,844</u>
Net receivables	<u>\$ 1,334,708</u>	<u>\$ 111,289</u>	<u>\$ 37,948</u>	<u>\$ 173,984</u>	<u>\$ 1,657,929</u>
					Fiduciary Fund
Receivables:					
Accounts:					
Adult probationers					\$ 314,049
Others					<u>21</u>
Net total receivables					<u>\$ 314,070</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, 2013

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Amounts due from federal, state, and local governments as of September 30, 2013 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Total</u>
Non-major governmental funds	\$ <u>58,004</u>	\$ <u>72,320</u>	\$ <u>130,324</u>
Total	\$ <u>58,004</u>	\$ <u>72,320</u>	\$ <u>130,324</u>

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net position. 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, 2013:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 589,204	\$ 176,761	\$ 412,443
County courts	2,058,017	514,504	1,543,513
District courts	<u>10,081,252</u>	<u>5,040,626</u>	<u>5,040,626</u>
	<u>\$ 12,728,473</u>	<u>\$ 5,731,891</u>	<u>\$ 6,996,582</u>

Deferred Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not 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, 2013, the various components of deferred outflows of resources and unearned revenue reported in the governmental and proprietary funds were as follows:

	<u>Governmental Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	
Deferred Inflows of Resources:					
Delinquent property taxes receivable	\$ 480,637	\$ 49,222	\$ 28,088	\$ 15,197	\$ 573,144
Unearned Revenue:					
State grants	<u> </u>	<u> </u>	<u> </u>	<u>210,957</u>	<u>210,957</u>
Total	<u>\$ 480,637</u>	<u>\$ 49,222</u>	<u>\$ 28,088</u>	<u>\$ 226,154</u>	<u>\$ 784,101</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2013 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-13</u>
General Fund	Other Governmental Funds	\$ 344,519
General Fund	General Debt Service Fund	259
General Fund	Agency Funds	796,002
Road and Bridge Fund	General Fund	44,224
General Debt Service Fund	General Fund	981
Other Governmental Funds	General Fund	91,130
Agency Funds	General Fund	<u>718,779</u>
		<u>\$ 1,995,894</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, 2013 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-13</u>
General Fund	Other Governmental Funds	\$ 2,081,100
Other Governmental Funds	General Fund	<u>90,499</u>
Total		<u>\$ 2,171,599</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, 2013

NOTE 5 - CAPITAL ASSETS

Capital Transactions

	<u>Balance 10-01-12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments & Transfers</u>	<u>Balance 09-30-13</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 2,288,709	\$ 270,084	\$ 100	\$	\$ 2,558,693
Construction in progress	<u>5,393,129</u>	<u>465,525</u>	<u>5,393,129</u>	<u></u>	<u>465,525</u>
Total capital assets not being depreciated	<u>7,681,838</u>	<u>735,609</u>	<u>5,393,229</u>	<u>-0-</u>	<u>3,024,218</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	50,105,473	5,616,510			55,721,983
Furniture, equipment and vehicles	19,344,450	3,994,396	689,823		22,649,023
Infrastructure	<u>37,126,715</u>	<u>1,401,049</u>	<u>978,525</u>	<u></u>	<u>37,549,239</u>
Total capital assets being depreciated	<u>106,576,638</u>	<u>11,011,955</u>	<u>1,668,348</u>	<u>-0-</u>	<u>115,920,245</u>
Less Accumulated Depreciation For:					
Buildings and improvements	19,063,563	1,761,856			20,825,419
Furniture, equipment and vehicles	12,860,800	2,032,355	532,492		14,360,663
Infrastructure	<u>18,622,071</u>	<u>1,892,395</u>	<u>978,525</u>	<u></u>	<u>19,535,941</u>
Total accumulated depreciation	<u>50,546,434</u>	<u>5,686,606</u>	<u>1,511,017</u>	<u>-0-</u>	<u>54,722,023</u>
Total capital assets being depreciated, net	<u>56,030,204</u>	<u>5,325,349</u>	<u>157,331</u>	<u>-0-</u>	<u>61,198,222</u>
Governmental activities capital assets, net	<u>\$ 63,712,042</u>	<u>\$ 6,060,958</u>	<u>\$ 5,550,560</u>	<u>\$ -0-</u>	<u>\$ 64,222,440</u>

During the year ended September 30, 2013, the County received equipment and roads from various sources totaling \$ 525,950.

Depreciation

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

	<u>09-30-13</u>
Governmental Activities:	
General government	\$ 1,356,959
Administration of justice	24,588
Law enforcement	1,557,552
Highways and streets	2,701,566
Health and welfare	40,248
Culture and recreation	<u>5,693</u>
	<u>\$ 5,686,606</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 5 - CAPITAL ASSETS - Continued

Construction Commitments

Construction in progress for various projects at September 30, 2013 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
Communications Tower Site #4	\$ 587,093	\$ 117,419	\$ 469,674
Alvarado sub-courthouse	127,910	118,926	8,984
Jail lift station	97,990		97,990
Software projects	<u>4,317,178</u>	<u>7,136</u>	<u>4,310,042</u>
 Total	 <u>\$ 5,130,171</u>	 <u>\$ 243,481</u>	 <u>\$ 4,886,690</u>

NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2013, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	<u>Governmental Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>General Debt Service Total</u>	<u>Other Governmental Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors	\$ 2,216,246	\$ 163,820	\$ 5,687	\$ 209,926	\$ 2,595,679
Accrued compensation	1,024,103	194,527		55,830	1,274,460
Due to others	<u>412,894</u>	<u> </u>	<u> </u>	<u>44,011</u>	<u>456,905</u>
 Totals	 <u>\$ 3,653,243</u>	 <u>\$ 358,347</u>	 <u>\$ 5,687</u>	 <u>\$ 309,767</u>	 <u>\$ 4,327,044</u>
				<u>Fiduciary Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors				\$ 68,935	
Bonds payable				160,527	
Accrued compensation				<u>149,231</u>	
 Totals				 <u>\$ 378,693</u>	

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 7 - LONG-TERM DEBT

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2013, are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-13
		Issued	Maturity	Callable	
General Obligation Refunding Bonds, Series 2007	4.00 - 5.00	2007	2020		\$ 10,691,322
General Obligation Refunding Bonds, Series 2010	2.00	2010	2014		<u>1,305,000</u>
Total					<u>\$ 11,996,322</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2013 were as follows:

Bonds outstanding, October 1, 2012	\$ 13,075,284
Accreted	101,038
Maturities	<u>(1,180,000)</u>
Bonds outstanding, September 30, 2013	<u>\$ 11,996,322</u>

The \$ 203,678 difference between the general obligation and certificates of obligation bonds outstanding at September 30, 2013 of \$ 11,996,322 and the general obligation and certificates of obligation bond principal requirements of \$ 12,200,000 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, 2013, the amount of ad valorem taxes collected for interest and sinking were \$ 1,727,591, while the debt service requirements for principal and interest was \$ 1,559,113. 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, 2013

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, 2013:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
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	1,880,000	219,362	2,099,362
2019-2022	<u>4,405,000</u>	<u>186,953</u>	<u>4,591,953</u>
	<u>\$ 12,200,000</u>	<u>\$ 1,740,341</u>	<u>\$ 13,940,341</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 had 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, 2013

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, 2013 was \$ 1,080,513.

Note payable transactions for the year ended September 30, 2013 were as follows:

	<u>2013</u>
Note payable outstanding, October 1, 2012	
Assumed	\$ 1,379,437
Maturities	<u>(298,924)</u>
Note payable outstanding, September 30, 2013	<u>\$ 1,080,513</u>

The following is a summary of note payable requirements by year as of September 30, 2013:

<u>Year Ending</u>	<u>Total</u>
<u>September 30,</u>	<u>Requirement</u>
2014	\$ 540,257
2015	<u>540,256</u>
	<u>\$ 1,080,513</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 7 - LONG-TERM DEBT - Continued

Changes in Long-Term Debt

Transactions for the year ended September 30, 2013 are summarized as follows:

	<u>Balance</u> <u>10-01-12</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>09-30-13</u>	<u>Due Within</u> <u>One Year</u>
Governmental Type Activities:					
General obligation bonds	\$ 13,075,284	\$ 101,038	\$ 1,180,000	\$ 11,996,322	\$ 1,406,037
Notes payable	1,379,437		298,924	1,080,513	540,257
Component of Bonded Debt:					
Premium on bonds	90,316		38,209	52,107	18,350
Accrued interest	49,203	46,228	49,203	46,228	46,228
Compensated absences	829,912	906,703	887,791	848,824	848,824
Unfunded OPEB obligation	<u>719,085</u>	<u>255,516</u>	<u>65,737</u>	<u>908,864</u>	<u>66,000</u>
Total governmental activities	<u>\$ 16,143,237</u>	<u>\$ 1,309,485</u>	<u>\$ 2,519,864</u>	<u>\$ 14,932,858</u>	<u>\$ 2,925,696</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 2014 through 2015. These assets are, in many cases, undivided spaces therefore, the County has not determined the cost or accumulated depreciation of these facilities as of September 30, 2013.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2013, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	
2014	\$ 13,500
2015	<u>13,500</u>
	<u>\$ 27,000</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2013 was \$ 175,100.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

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, 2013, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	
2014	\$ 3,600
2015	3,600
2016	3,600
2017	3,600
2018	3,600
2019-2022	<u>14,400</u>
	<u>\$ 32,400</u>

Gross rental expenditures for this operating lease for the year ended September 30, 2013 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 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 9 - PENSION PLAN - Continued

Plan Description - continued

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 9.81% for the months on the accounting year in 2013, and 9.41% for the months of the accounting year in 2012.

The contribution rate payable by the employee members for calendar years 2013 and 2012 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, 2013 and 2012, the annual pension cost for the TCDRS plan for its employees was \$ 2,216,698 and \$ 2,108,149, and the actual contributions were \$ 2,216,698 and \$ 2,108,149, 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, 2011 and December 31, 2012, the basis for determining the contribution rates for calendar years 2012 and 2013. The December 31, 2012 actuarial valuation is the most recent valuation.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 9 - PENSION PLAN - Continued

Annual Pension Cost - continued

Actuarial Valuation Information

Actuarial valuation date	12/31/10	12/31/11	12/31/12
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>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>
Actuarial Assumptions:			
Investment return ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate

Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/11	\$ 2,000,716	100.00%	\$ -0-
9/30/12	2,108,149	100.00%	-0-
9/30/13	2,216,698	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 ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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%
12/31/12	51,939,019	60,597,284	8,658,265	85.71%	22,926,651	37.77%

¹The 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, 2013

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, 2013 the County contributed \$ 65,737 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	\$ 255,516
Interest on net OPEB obligation	32,359
Adjustment to annual required contribution	(32,359)
Annual OPEB cost	255,516
Contributions made	(65,737)
Increase in net OPEB obligation	189,779
Net OPEB obligation – beginning of year	<u>719,085</u>
Net OPEB obligation – end of year	\$ <u>908,864</u>

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, 2013 and the preceding two years were as follows:

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 10 - POST EMPLOYMENT HEALTH INSURANCE BENEFITS - Continued

<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>
9/30/11	\$ 249,548	\$ 56,051	22.5%	\$ 513,644
9/30/12	248,074	42,633	17.2%	719,085
9/30/13	255,516	65,737	25.7%	908,864

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, 2013, 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, 2013, the County has contributed a total of \$ 318,675 which when compared to the annual OPEB cost results in a net OPEB obligation of \$ 908,864. The County's general fund is considered responsible for liquidating the net OPEB obligation on an ongoing basis. The County's general fund fund balance would be used to eliminate the net OPEB obligation.

NOTE 11 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2013, 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.

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, 2013. As of September 30, 2013, bail bonds outstanding totaled \$ 6,820,276 and collateral pledged against these bonds amounted to \$ 275,000, respectively.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

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 24, 2014.

Cause No. 3-13-CV-04089, *Bonnie Allen-Pieroni, Brian Allen, Steve Gibbs and Mark Gibbs, Individually and as Heirs of Law to the Estate of Ivan Earl Allen, deceased vs. Southwestern Correctional, LLC d/b/a LaSalle Southwest Corrections, LaSalle Management, LLD, Johnson County, Sheriff Bob Alford, John Does 1-5 and Jane Does 1-5, in the United States District Court for the Northern District of Texas in the Dallas Division.* Plaintiffs claim wrongful death of Ivan Earl Allen while in the Johnson County jail. Mr. Allen was placed in the jail on or about October 9, 2011 for an infraction of a probation requirement. Plaintiffs claim Allen was denied medical attention and later died on or about October 20, 2011 at Harris Methodist Hospital. Plaintiffs are seeking compensatory, punitive, presumed and normal damages. An exact settlement figure is unknown at this time. Jail was privatized and Johnson County has been under contract with LaSalle Southwest Corrections since June 1, 2010. Pursuant to Section 11.1, Article XI, of the contract with LaSalle Southwest Corrections, Johnson County intends to and will assert its right to indemnification in this alleged wrongful death.

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. An exact settlement figure is unknown at this time. 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 5th 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. Judgment was signed January 27, 2014 in favor of the defendants. Motion for Summary Judgment granted and case was dismissed with prejudice.

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 24, 2014, the date which the financial statements were available to be issued. On November 26, 2013, the County issued \$ 4,370,000 in Tax Notes, Series 2013 for the construction of facilities.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2013

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2013, the County implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. As a result, bond issuance costs are no longer accounted for as an asset to be amortized over future periods. Accounting changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practical, for all periods presented.

The following represents the retroactive restatement of net position and changes in net position as a result of implementation of GASB Statement No. 65 as noted above:

	<u>2012</u>	<u>2011</u>
<u>Governmental Activities</u>		
Net position, September 30, previously reported	\$ 92,083,886	\$ 89,932,644
Elimination of net bond issuance costs	<u>(162,049)</u>	<u>(362,524)</u>
Net position, September 30, restated	<u>\$ 91,921,837</u>	<u>89,570,120</u>
Change in net position for the year ended September 30, 2012, previously reported	\$ 2,151,242	
Expenses - Decrease in bond issuance cost expense	<u>200,475</u>	
Change in net position for the year ended September 30, 2012 restated	<u>\$ 2,351,717</u>	<u>2,351,717</u>
Net position, September 30, 2012, restated		<u>\$ 91,921,837</u>

This change in accounting principle had no effect on governmental funds fund balance or changes in fund balance.

NOTE 17 - DEFICIT FUND BALANCES

As of September 30, 2013, various funds of the County had deficit fund balances as itemized below:

	<u>2013</u>
Fund Balances:	
Special Revenue Funds:	
STOP Operations Fund	\$ 3,897
Cities Readiness Initiative Fund	6,576
Capital Projects Funds:	
Equipment Purchase Fund	6,384
CSCD Construction Fund	8,971
Alvarado Sub-Courthouse Fund	118,834
Software Projects Fund	7,136

Deficit balances will either be offset by future revenues or reimbursed by other funds. The special revenue and capital projects funds would be reimbursed by the General Fund.

**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, 2013

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 35,011,181	\$ 35,011,181	\$ 35,403,458	\$ 392,277
Intergovernmental	859,208	890,458	903,157	12,699
Prisoner housing services	5,400,000	5,400,000	6,577,588	1,177,588
Fees	3,709,600	3,847,600	4,476,119	628,519
Fines	1,423,000	1,423,000	1,618,044	195,044
Investment income	80,000	80,000	9,974	(70,026)
Miscellaneous	<u>644,522</u>	<u>644,522</u>	<u>953,973</u>	<u>309,451</u>
Total revenues	<u>47,127,511</u>	<u>47,296,761</u>	<u>49,942,313</u>	<u>2,645,552</u>
Expenditures (Including Capital Outlay)				
Current:				
General administration	8,536,999	8,643,581	7,738,222	905,359
Administration of justice	8,857,753	9,180,503	8,861,594	318,909
Financial administration	4,379,490	4,380,916	4,101,335	279,581
Elections	469,637	500,747	400,341	100,406
Law enforcement	23,772,122	24,586,478	25,358,597	(772,119)
Highways and streets				-0-
Health and welfare	449,107	480,738	463,441	17,297
Culture and recreation	243,363	243,363	194,593	48,770
Conservation	189,056	189,056	172,979	16,077
Capital outlay				-0-
Debt Service:				
Principal	<u>263,362</u>	<u>263,362</u>	<u>298,924</u>	<u>(35,562)</u>
Total expenditures	<u>47,160,889</u>	<u>48,468,744</u>	<u>47,590,026</u>	<u>878,718</u>
Excess (deficiency) of revenues over expenditures	<u>(33,378)</u>	<u>(1,171,983)</u>	<u>2,352,287</u>	<u>3,524,270</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets			10,255	10,255
Transfers in	1,300,000	1,274,090	90,499	(1,183,591)
Transfers out	<u>(1,460,504)</u>	<u>(3,339,610)</u>	<u>(2,081,100)</u>	<u>1,258,510</u>
Total other financing sources (uses)	<u>(160,504)</u>	<u>(2,065,520)</u>	<u>(1,980,346)</u>	<u>85,174</u>
Net change in fund balances	<u>(193,882)</u>	<u>(3,237,503)</u>	<u>371,941</u>	<u>3,609,444</u>
Fund balances – beginning	<u>21,195,439</u>	<u>21,195,439</u>	<u>21,195,439</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 21,001,557</u>	<u>\$ 17,957,936</u>	<u>\$ 21,657,380</u>	<u>\$ 3,609,444</u>

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 5,509,319	\$ 5,509,319	\$ 5,538,399	\$ 29,080
		235,481	235,481
			-0-
1,805,000	1,805,000	2,099,969	294,969
			-0-
11,900	11,900	2,640	(9,260)
<u>76,000</u>	<u>76,000</u>	<u>173,738</u>	<u>97,738</u>
<u>7,402,219</u>	<u>7,402,219</u>	<u>8,050,227</u>	<u>648,008</u>
			-0-
			-0-
			-0-
			-0-
			-0-
10,845,681	10,967,505	7,344,637	3,622,868
			-0-
			-0-
			-0-
1,292,500	1,289,756	709,206	580,550
			-0-
<u>12,138,181</u>	<u>12,257,261</u>	<u>8,053,843</u>	<u>4,203,418</u>
(<u>4,735,962</u>)	(<u>4,855,042</u>)	(<u>3,616</u>)	<u>4,851,426</u>
		58,565	58,565
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>58,565</u>	<u>58,565</u>
(<u>4,735,962</u>)	(<u>4,855,042</u>)	54,949	4,909,991
<u>5,299,991</u>	<u>5,299,991</u>	<u>5,299,991</u>	<u>-0-</u>
<u>\$ 564,029</u>	<u>\$ 444,949</u>	<u>\$ 5,354,940</u>	<u>\$ 4,909,991</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)
12-31-10	\$ 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%
12-31-12	51,939,019	60,597,284	8,658,265	85.71%	22,926,651	37.77%

* 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, 2013

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. These expenditures are a mixture both capital and operating costs.

Right of Way Fund - This fund accounts for proceeds used to acquire and maintain right-of-way's for various road projects throughout the County. These expenditures are a mixture both capital and operating costs.

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 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 18th 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.

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.

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.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

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.

Special Crimes Operation Fund - This fund accounts for the funds received from forfeitures.

STOP Operations Fund – This fund accounts for the funds provided through interlocal agreements and utilized for the drug task force.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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.

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.

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.

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.

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 Commission Fund - This fund accounts for resources used to preserve the history and heritage of Johnson County.

NONMAJOR GOVERNMENTAL FUNDS

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.

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.

Motorola Simulcast Radio System – This fund is used to account for capital expenditures for the purchase and construction of a radio equipment system.

Alvarado Sub-Courthouse Fund – This fund is used to account for the construction of the sub-courthouse building in Alvarado, Texas.

Jail Lift Station Fund – This fund is used to account for construction of a lift station at the County jail facility.

Software Projects Fund – This fund is used to account for the acquisition and implementation of new software systems.



JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013

	Special		
	Lateral Road Fund	Right of Way Fund	Records Management and Preservation Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 48,062	\$ 756,514	\$ 666,124
Short-term investments		35,000	20,000
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			18,786
Investments		616,122	352,069
Total assets	48,062	1,407,636	1,056,979
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 48,062	\$ 1,407,636	\$ 1,056,979
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$ 81	\$ 17,928	\$ 9,492
Due to other funds			
Unearned revenue			
Total liabilities	81	17,928	9,492
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance:			
Restricted	47,981	1,389,708	1,047,487
Unassigned			
Total fund balance	47,981	1,389,708	1,047,487
Total liabilities, deferred inflows of resources and fund balances	\$ 48,062	\$ 1,407,636	\$ 1,056,979

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
\$ 330,899 200,000	\$ 52,130	\$ 115,034	\$ 302,682	\$ 115,989	\$ 21,760
13,265	760	1,843	2,999	6,427	610
<u>544,164</u>	<u>52,890</u>	<u>116,877</u>	<u>305,681</u>	<u>122,416</u>	<u>22,370</u>
-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 544,164</u>	<u>\$ 52,890</u>	<u>\$ 116,877</u>	<u>\$ 305,681</u>	<u>\$ 122,416</u>	<u>\$ 22,370</u>
\$	\$	\$	\$ 2,622	\$ 6,616	\$
-0-	-0-	-0-	2,622	6,616	-0-
-0-	-0-	-0-	-0-	-0-	-0-
544,164	52,890	116,877	303,059	115,800	22,370
<u>544,164</u>	<u>52,890</u>	<u>116,877</u>	<u>303,059</u>	<u>115,800</u>	<u>22,370</u>
<u>\$ 544,164</u>	<u>\$ 52,890</u>	<u>\$ 116,877</u>	<u>\$ 305,681</u>	<u>\$ 122,416</u>	<u>\$ 22,370</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2013

	Special		
	District Court Records Technology Fund	Justice Court Building Security Fund	County Attorney Collection Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 41,212	\$ 70,173	\$ 57,342
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds	940	745	
Investments			
	42,152	70,918	57,342
Total assets	42,152	70,918	57,342
Deferred Outflows of Resources:			
Deferred outflows of resources			
	-0-	-0-	-0-
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 42,152	\$ 70,918	\$ 57,342
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
	-0-	-0-	-0-
Total liabilities	-0-	-0-	-0-
Deferred Outflows of Resources:			
Deferred outflows of resources			
	-0-	-0-	-0-
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance:			
Restricted	42,152	70,918	57,342
Unassigned			
	42,152	70,918	57,342
Total fund balance	42,152	70,918	57,342
Total liabilities, deferred inflows of resources and fund balances	\$ 42,152	\$ 70,918	\$ 57,342

Revenue Funds

District Attorney 18 th Judicial Fund	District Attorney Collection Fund	Juvenile Probation Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund	Juvenile Case Manager Fund
\$ 9,722	\$ 3,396	\$ 125,738	\$ 5,617	\$ 42,661	\$ 105,627
			2,212	1,959	
		1,439	12,467		3,973
<u>9,722</u>	<u>3,396</u>	<u>127,177</u>	<u>20,296</u>	<u>44,620</u>	<u>109,600</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 9,722</u>	<u>\$ 3,396</u>	<u>\$ 127,177</u>	<u>\$ 20,296</u>	<u>\$ 44,620</u>	<u>\$ 109,600</u>
\$ 6,374		\$ 35,055	\$ 14,253		\$ 1,369
		692			
		91,430			
<u>6,374</u>	<u>-0-</u>	<u>127,177</u>	<u>14,253</u>	<u>-0-</u>	<u>1,369</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
3,348	3,396	-0-	6,043	44,620	108,231
<u>3,348</u>	<u>3,396</u>	<u>-0-</u>	<u>6,043</u>	<u>44,620</u>	<u>108,231</u>
<u>\$ 9,722</u>	<u>\$ 3,396</u>	<u>\$ 127,177</u>	<u>\$ 20,296</u>	<u>\$ 44,620</u>	<u>\$ 109,600</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2013

	<u>Special</u>		
	<u>District Attorney Forfeiture Fund</u>	<u>Sheriff Forfeiture Fund</u>	<u>County Attorney LEOSE Fund</u>
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 58,231	\$ 17,413	\$ 106
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Investments			
	<u>58,231</u>	<u>17,413</u>	<u>106</u>
Total assets			
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 58,231</u>	<u>\$ 17,413</u>	<u>\$ 106</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities			
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources			
Fund Balance:			
Restricted	58,231	17,413	106
Unassigned			
	<u>58,231</u>	<u>17,413</u>	<u>106</u>
Total fund balance			
	<u>58,231</u>	<u>17,413</u>	<u>106</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 58,231</u>	<u>\$ 17,413</u>	<u>\$ 106</u>

Revenue Funds

Combined Constables LEOSE Fund	Sheriff LEOSE Fund	Sheriff Inmate Commissary Fund	Abandoned Vehicle Fund	Law Library Fund	Special Crimes Operation Fund
\$ 3,647	\$ 287	\$ 206,172	\$ 389	\$ 227,837	\$ 229,051
				6,195	160
<u>3,647</u>	<u>287</u>	<u>206,172</u>	<u>389</u>	<u>234,032</u>	<u>229,211</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 3,647</u>	<u>\$ 287</u>	<u>\$ 206,172</u>	<u>\$ 389</u>	<u>\$ 234,032</u>	<u>\$ 229,211</u>
\$	\$	\$ 42,700 7,444	\$	\$ 7,276	\$ 31,344
<u>-0-</u>	<u>-0-</u>	<u>50,144</u>	<u>-0-</u>	<u>7,276</u>	<u>31,344</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
3,647	287	156,028	389	226,756	197,867
<u>3,647</u>	<u>287</u>	<u>156,028</u>	<u>389</u>	<u>226,756</u>	<u>197,867</u>
<u>\$ 3,647</u>	<u>\$ 287</u>	<u>\$ 206,172</u>	<u>\$ 389</u>	<u>\$ 234,032</u>	<u>\$ 229,211</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2013

	Special		
	STOP Operations Fund	Pre-Trial Bond Supervision Fund	Indigent Health Care Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 6,327	\$ 31,057	\$ 882,868
Short-term investments			30,000
Receivables (Net of Allowance for Uncollectibles):			
Taxes			21,439
Accounts		18,050	
Due from other governments			
Due from other funds			554
Investments			528,102
	<u>6,327</u>	<u>49,107</u>	<u>1,462,963</u>
Total assets			
	<u>6,327</u>	<u>49,107</u>	<u>1,462,963</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources			
	<u>\$ 6,327</u>	<u>\$ 49,107</u>	<u>\$ 1,462,963</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$ 10,064	\$ 3,822	\$ 10,870
Due to other funds	160		133
Unearned revenue			
	<u>10,224</u>	<u>3,822</u>	<u>11,003</u>
Total liabilities			
	<u>10,224</u>	<u>3,822</u>	<u>11,003</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			15,197
	<u>-0-</u>	<u>-0-</u>	<u>15,197</u>
Total deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>15,197</u>
Fund Balance:			
Restricted		45,285	1,436,763
Unassigned	(3,897)		
	<u>(3,897)</u>	<u>45,285</u>	<u>1,436,763</u>
Total fund balance			
	<u>(3,897)</u>	<u>45,285</u>	<u>1,436,763</u>
Total liabilities, deferred inflows of resources and fund balances			
	<u>\$ 6,327</u>	<u>\$ 49,107</u>	<u>\$ 1,462,963</u>

Revenue Funds

Cities Readiness Initiative Fund	Indigent Defense Formula/ Improvement Fund	Guardianship Fee Fund	Election Services Contract Fund	TCEQ Aircheck Texas Fund	Emissions Enforcement Officer Fund
\$	\$ 121,020	\$ 45,991	\$ 177,436	\$	\$
27,920	52,980	360		4,563	4,845
<u>27,920</u>	<u>174,000</u>	<u>46,351</u>	<u>177,436</u>	<u>4,563</u>	<u>4,845</u>
-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 27,920</u>	<u>\$ 174,000</u>	<u>\$ 46,351</u>	<u>\$ 177,436</u>	<u>\$ 4,563</u>	<u>\$ 4,845</u>
\$ 116	\$ 1,493	\$	\$ 2,060	\$ 4,563	\$ 2,019
34,380	52,980				2,826
	<u>119,527</u>				
<u>34,496</u>	<u>174,000</u>	<u>-0-</u>	<u>2,060</u>	<u>4,563</u>	<u>4,845</u>
-0-	-0-	-0-	-0-	-0-	-0-
(6,576)		46,351	175,376		
(6,576)	-0-	46,351	175,376	-0-	-0-
<u>\$ 27,920</u>	<u>\$ 174,000</u>	<u>\$ 46,351</u>	<u>\$ 177,436</u>	<u>\$ 4,563</u>	<u>\$ 4,845</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2013

	Special		
	Texas Information & Notification Everyday (VINE) Fund	EOC Grant Program Fund	911 Addressing Maintenance Contract Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$	\$	\$
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments	2,310		
Due from other funds		24,935	
Investments			
Total assets	2,310	24,935	-0-
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 2,310	\$ 24,935	\$ -0-
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 24,935	\$
Due to other funds	2,310		
Unearned revenue			
Total liabilities	2,310	24,935	-0-
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance:			
Restricted			
Unassigned			
Total fund balance	-0-	-0-	-0-
Total liabilities, deferred inflows of resources and fund balances	\$ 2,310	\$ 24,935	\$ -0-

Revenue Funds

MVIE Special Inventory Fund	Teen Court Fund	State Criminal Alien Assistance Program Fund	Historical Commission Fund	Total Special Revenue Funds
\$ 20,064	\$	\$	\$ 31,417	\$ 4,929,995 285,000
				21,439
				22,221
		30,084		130,324
2,294				91,130
				<u>1,496,293</u>
<u>22,358</u>	<u>-0-</u>	<u>30,084</u>	<u>31,417</u>	<u>6,976,402</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 22,358</u>	<u>\$ -0-</u>	<u>\$ 30,084</u>	<u>\$ 31,417</u>	<u>\$ 6,976,402</u>
\$	\$	\$	\$	\$ 228,678
		30,084		137,383
				<u>210,957</u>
<u>-0-</u>	<u>-0-</u>	<u>30,084</u>	<u>-0-</u>	<u>577,018</u>
				<u>15,197</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>15,197</u>
22,358			31,417	6,394,660
				<u>(10,473)</u>
<u>22,358</u>	<u>-0-</u>	<u>-0-</u>	<u>31,417</u>	<u>6,384,187</u>
<u>\$ 22,358</u>	<u>\$ -0-</u>	<u>\$ 30,084</u>	<u>\$ 31,417</u>	<u>\$ 6,976,402</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2013

	<u>Capital</u>		
	<u>Equipment Purchase Fund</u>	<u>Market Square Fund</u>	<u>CSCD Construction Fund</u>
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 14,395	\$	\$ 51,339
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Investments			
	<u>14,395</u>	<u>-0-</u>	<u>51,339</u>
Total assets			
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources			
	<u>\$ 14,395</u>	<u>\$ -0-</u>	<u>\$ 51,339</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$ 20,779	\$	\$ 60,310
Due to other funds			
Unearned revenue			
	<u>20,779</u>	<u>-0-</u>	<u>60,310</u>
Total liabilities			
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources			
Fund Balance:			
Restricted			
Unassigned	(6,384)		(8,971)
	<u>(6,384)</u>	<u>-0-</u>	<u>(8,971)</u>
Total fund balance			
	<u>\$ 14,395</u>	<u>\$ -0-</u>	<u>\$ 51,339</u>
Total liabilities, deferred inflows of resources and fund balances			

Funds

Motorola Simulcast Radio System Fund	Alvarado Sub- Courthouse Fund	Jail Lift Station Fund	Software Projects Fund	Total Capital Projects Fund	Total Non-Major Governmental Funds
\$ 470,066	\$ 81,166	\$ 60,000	\$ -0-	\$ 676,966	\$ 5,606,961
				-0-	285,000
				-0-	21,439
				-0-	22,221
				-0-	130,324
				-0-	91,130
				-0-	1,496,293
<u>470,066</u>	<u>81,166</u>	<u>60,000</u>	<u>-0-</u>	<u>676,966</u>	<u>7,653,368</u>
				-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 470,066</u>	<u>\$ 81,166</u>	<u>\$ 60,000</u>	<u>\$ -0-</u>	<u>\$ 676,996</u>	<u>\$ 7,653,368</u>
\$	\$	\$	\$	\$ 81,089	\$ 309,767
	200,000		7,136	207,136	344,519
				-0-	210,957
<u>-0-</u>	<u>200,000</u>	<u>-0-</u>	<u>7,136</u>	<u>288,225</u>	<u>865,243</u>
				-0-	15,197
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>15,197</u>
470,066		60,000		530,066	6,924,726
	(118,834)		(7,136)	(141,325)	(151,798)
<u>470,066</u>	<u>(118,834)</u>	<u>60,000</u>	<u>(7,136)</u>	<u>388,741</u>	<u>6,772,928</u>
<u>\$ 470,066</u>	<u>\$ 81,166</u>	<u>\$ 60,000</u>	<u>\$ -0-</u>	<u>\$ 676,966</u>	<u>\$ 7,653,368</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2013

	Special		
	Lateral Road Fund	Right of Way Fund	Records Management and Preservation Fund
Revenues:			
Taxes	\$ 65,746	\$	\$
Intergovernmental			
Fees			239,548
Fines			
Investment income (loss)	70	(2,581)	(1,531)
Miscellaneous		196	
Total revenues	65,816	(2,385)	238,017
Expenditures:			
Current:			
General administration			189,231
Administration of justice			
Financial administration			
Elections			
Law enforcement			
Highways and streets	62,366	171	
Health and welfare			
Culture and recreation			
Capital outlay		242,446	31,599
Total expenditures	62,366	242,617	220,830
Excess (deficiency) of revenue over (under) expenditures	3,450	(245,002)	17,187
Other Financing Sources (Uses):			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	-0-	-0-	-0-
Net change in fund balances	3,450	(245,002)	17,187
Fund Balance (Deficits):			
Beginning of year	44,531	1,634,710	1,030,300
End of year	\$ 47,981	\$ 1,389,708	\$ 1,047,487

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
\$ 168,965	\$ 10,700	\$ 28,766	\$ 40,367	\$ 85,742	\$ 7,557
1,079	45	128	274	149	23
<u>170,044</u>	<u>10,745</u>	<u>28,894</u>	<u>40,641</u>	<u>85,891</u>	<u>7,580</u>
			22,899	72,307	
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>22,899</u>	<u>72,307</u>	<u>-0-</u>
<u>170,044</u>	<u>10,745</u>	<u>28,894</u>	<u>17,742</u>	<u>13,584</u>	<u>7,580</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>170,044</u>	<u>10,745</u>	<u>28,894</u>	<u>17,742</u>	<u>13,584</u>	<u>7,580</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>
<u>\$ 544,164</u>	<u>\$ 52,890</u>	<u>\$ 116,877</u>	<u>\$ 303,059</u>	<u>\$ 115,800</u>	<u>\$ 22,370</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2013

	Special		
	District Court Records Technology Fund	Justice Court Building Security Fund	County Attorney Collection Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	12,559	10,074	24,925
Fines			
Investment income	44	83	63
Miscellaneous			
Total revenues	12,603	10,157	24,988
Expenditures:			
Current:			
General administration			
Administration of justice			4,634
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Total expenditures	-0-	-0-	4,634
Excess (deficiency) of revenue over (under) expenditures	12,603	10,157	20,354
Other Financing Sources (Uses):			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	-0-	-0-	-0-
Net change in fund balance	12,603	10,157	20,354
Fund Balance (Deficits):			
Beginning of year	29,549	60,761	36,988
End of year	\$ 42,152	\$ 70,918	\$ 57,342

Revenue Funds

District Attorney 18 th Judicial Fund	District Attorney Collection Fund	Juvenile Probation Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund	Juvenile Case Manager Fund
\$ 22,500	\$ 1,733	\$ 783,129	\$ 49,375	\$ 11,594	\$ 53,858
14	3		68	69	122
<u>1,707</u>		<u>2,560</u>			
<u>24,221</u>	<u>1,736</u>	<u>785,689</u>	<u>49,443</u>	<u>11,663</u>	<u>53,980</u>
2,055		785,689	233,354	574	35,973
				<u>21,165</u>	
<u>2,055</u>	<u>-0-</u>	<u>785,689</u>	<u>233,354</u>	<u>21,739</u>	<u>35,973</u>
<u>22,166</u>	<u>1,736</u>	<u>-0-</u>	<u>(183,911)</u>	<u>(10,076)</u>	<u>18,007</u>
(35,744)			100,000		
<u>(35,744)</u>	<u>-0-</u>	<u>-0-</u>	<u>100,000</u>	<u>-0-</u>	<u>-0-</u>
(13,578)	1,736	-0-	(83,911)	(10,076)	18,007
<u>16,926</u>	<u>1,660</u>		<u>89,954</u>	<u>54,696</u>	<u>90,224</u>
<u>\$ 3,348</u>	<u>\$ 3,396</u>	<u>\$ -0-</u>	<u>\$ 6,043</u>	<u>\$ 44,620</u>	<u>\$ 108,231</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2013

	Special		
	District Attorney Forfeiture Fund	Sheriff Forfeiture Fund	County Attorney LEOSE Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines	14,848	1,620	
Investment income	45	21	
Miscellaneous			
Total revenues	<u>14,893</u>	<u>1,641</u>	<u>-0-</u>
Expenditures:			
Current:			
General administration			50
Administration of justice			
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay		1,115	
Total expenditures	<u>-0-</u>	<u>1,115</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>14,893</u>	<u>526</u>	<u>(50)</u>
Other Financing Sources (Uses):			
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	14,893	526	(50)
Fund Balance (Deficits):			
Beginning of year	<u>43,338</u>	<u>16,887</u>	<u>156</u>
End of year	<u>\$ 58,231</u>	<u>\$ 17,413</u>	<u>\$ 106</u>

Revenue Funds

Constables LEOSE Fund	Sheriff LEOSE Fund	Sheriff Inmate Commissary Fund	Abandoned Vehicle Fund	Law Library Fund	Special Crimes Operation Fund
\$	\$	\$	\$	\$	\$
				91,237	
7	1	263	1	239	39,847
	360	597,418		33	316
					2,490
7	361	597,681	1	91,509	42,653
				102,472	
	1,388	539,141	298		31,115
		11,125			27,966
-0-	1,388	550,266	298	102,472	59,081
7	(1,027)	47,415	(297)	(10,963)	(16,428)
		(34,498)			(20,000)
-0-	-0-	(34,498)	-0-	-0-	(20,000)
7	(1,027)	12,917	(297)	(10,963)	(36,428)
3,640	1,314	143,111	686	237,719	234,295
\$ 3,647	\$ 287	\$ 156,028	\$ 389	\$ 226,756	\$ 197,867

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2013

	Special		
	STOP Operations Fund	Pre-Trial Bond Supervision Fund	Indigent Health Care Fund
Revenues:			
Taxes	\$	\$	\$ 1,094,995
Intergovernmental	42,841		26,317
Fees		121,712	4,712
Fines			
Investment income (loss)	62	66	(1,831)
Miscellaneous		375	21,085
Total revenues	42,903	122,153	1,145,278
Expenditures:			
Current:			
General administration			
Administration of justice			
Financial administration			
Elections			
Law enforcement	167,212	103,037	
Highways and streets			
Health and welfare			1,097,002
Culture and recreation			
Capital outlay	22,062	44,552	
Total expenditures	189,274	147,589	1,097,002
Excess (deficiency) of revenue over (under) expenditures	(146,371)	(25,436)	48,276
Other Financing Sources (Uses):			
Operating transfers in	110,504		
Operating transfers out			
Total other financing sources (uses)	110,504	-0-	-0-
Net change in fund balance	(35,867)	(25,436)	48,276
Fund Balance (Deficits):			
Beginning of year	31,970	70,721	1,388,487
End of year	\$(3,897)	\$ 45,285	\$ 1,436,763

Revenue Funds

Cities Readiness Initiative Fund	Indigent Defense Formula/ Improvement Fund	Guardianship Fee Fund	Election Services Contract Fund	TCEQ Aircheck Texas Fund	Emissions Enforcement Officer Fund
\$ 52,159	\$ 217,463	\$ 7,680	\$	\$ 59,636	\$ 37,305
	222	53	202		2
			540		
<u>52,159</u>	<u>217,685</u>	<u>7,733</u>	<u>742</u>	<u>59,636</u>	<u>37,307</u>
	217,685		7,698		45,767
48,735				59,636	
10,000					
<u>58,735</u>	<u>217,685</u>	<u>-0-</u>	<u>7,698</u>	<u>59,636</u>	<u>45,767</u>
(6,576)	-0-	7,733	(6,956)	-0-	(8,460)
					8,460
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,460</u>
(6,576)	-0-	7,733	(6,956)	-0-	-0-
		38,618	182,332		
<u>\$(6,576)</u>	<u>\$ -0-</u>	<u>\$ 46,351</u>	<u>\$ 175,376</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, 2013

	Special		
	Texas Information & Notification Everyday (VINE) Fund	EOC Grant Program Fund	911 Addressing Maintenance Contract Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	29,053		21,165
Fees			
Fines			
Investment income (loss)			
Miscellaneous		17,803	
	29,053	17,803	21,165
Total revenues	29,053	17,803	21,165
Expenditures:			
Current:			
General administration			21,165
Administration of justice			
Financial administration			
Elections			
Law enforcement	29,053		
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay		148,655	
	29,053	148,655	21,165
Total expenditures	29,053	148,655	21,165
Excess (deficiency) of revenue over (under) expenditures	-0-	(130,852)	-0-
Other Financing Sources (Uses):			
Operating transfers in		130,577	
Operating transfers out			
	-0-	130,577	-0-
Total other financing sources (uses)	-0-	130,577	-0-
Net change in fund balance	-0-	(275)	-0-
Fund Balance (Deficits):			
Beginning of year		275	
	-0-	-0-	-0-
End of year	\$ -0-	\$ -0-	\$ -0-

Revenue Funds

MVIE Special Inventory Fund	Teen Court Fund	State Criminal Alien Assistance Program Fund	Historical Commission Fund	Total Special Revenue Funds
\$	\$	\$	\$	\$
		30,084		1,160,741
				1,371,027
				921,729
				56,315
345			37	(1,827)
<u>2,991</u>			<u>1,390</u>	<u>648,948</u>
<u>3,336</u>	<u>-0-</u>	<u>30,084</u>	<u>1,427</u>	<u>4,156,933</u>
				210,446
				422,052
				-0-
				7,698
		30,084		2,002,685
				62,537
				1,205,373
			15,913	15,913
				<u>560,685</u>
<u>-0-</u>	<u>-0-</u>	<u>30,084</u>	<u>15,913</u>	<u>4,487,389</u>
<u>3,336</u>	<u>-0-</u>	<u>-0-</u>	<u>(14,486)</u>	<u>(330,456)</u>
	(257)		10,000	359,541
				(90,499)
<u>-0-</u>	<u>(257)</u>	<u>-0-</u>	<u>10,000</u>	<u>269,042</u>
3,336	(257)	-0-	(4,486)	(61,414)
<u>19,022</u>	<u>257</u>		<u>35,903</u>	<u>6,445,601</u>
<u>\$ 22,358</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 31,417</u>	<u>\$ 6,384,187</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2013

	Capital		
	Equipment Purchase Fund	Market Square Project Fund	CSCD Construction Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines			
Investment income (loss)	77	21	1,558
Miscellaneous			
Total revenues	77	21	1,558
Expenditures:			
Current:			
General administration	13,203		229,079
Administration of justice			
Financial administration	155,415		
Elections			
Law enforcement	41,375		
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay	407,373	64,638	2,429,375
Total expenditures	617,366	64,638	2,658,454
Excess (deficiency) of revenue over (under) expenditures	(617,289)	(64,617)	(2,656,896)
Other Financing Sources (Uses):			
Operating transfers in	546,064	27,547	
Operating transfers out			
Total other financing sources (uses)	546,064	27,547	-0-
Net change in fund balance	(71,225)	(37,070)	(2,656,896)
Fund Balance (Deficits):			
Beginning of year	64,841	37,070	2,647,925
End of year	\$(6,384)	\$ -0-	\$(8,971)

Projects Funds

Motorola Simulcast Radio System Fund	Alvarado Sub- Courthouse Fund	Jail Lift Station Fund	Software Projects Fund	Total Capital Projects Fund	Total Non-Major Governmental Funds
\$	\$	\$	\$	\$ -0-	\$ 1,160,741
				-0-	1,371,027
				-0-	921,729
				-0-	56,315
926	92			2,674	847
				-0-	648,948
926	92	-0-	-0-	2,674	4,159,607
				242,282	452,728
				-0-	422,052
				155,415	155,415
				-0-	7,698
				41,375	2,044,060
				-0-	62,537
				-0-	1,205,373
				-0-	15,913
1,372,331	118,926		7,136	4,399,779	4,960,464
1,372,331	118,926	-0-	7,136	4,838,851	9,326,240
(1,371,405)	(118,834)	-0-	(7,136)	(4,836,177)	(5,166,633)
1,087,948		60,000		1,721,559	2,081,100
				-0-	(90,499)
1,087,948	-0-	60,000	-0-	1,721,559	1,990,601
(283,457)	(118,834)	60,000	(7,136)	(3,114,618)	(3,176,032)
753,523				3,503,359	9,948,960
\$ 470,066	\$(118,834)	\$ 60,000	\$(7,136)	\$ 388,741	\$ 6,772,928

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, 2013

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	\$ 1,771,798	\$ 1,771,798	\$ 1,679,800	\$ 91,998
Operating expenditures	99,650	99,650	67,198	32,452
Total County Clerk	1,871,448	1,871,448	1,746,998	124,450
County Judge:				
Salaries and wages, and employee benefits	368,058	368,058	362,024	6,034
Operating expenditures	12,150	12,150	5,358	6,792
Total County Judge	380,208	380,208	367,382	12,826
Veterans:				
Salaries and wages, and employee benefits	144,965	144,965	136,612	8,353
Operating expenditures	9,000	9,000	6,655	2,345
Total Veterans	153,965	153,965	143,267	10,698
Public Works:				
Salaries and wages, and employee benefits	1,081,783	1,081,783	996,597	85,186
Operating expenditures	78,500	78,500	44,519	33,981
Total Public Works	1,160,283	1,160,283	1,041,116	119,167
Print Shop:				
Salaries and wages, and employee benefits	44,254	44,761	44,739	22
Operating expenditures	42,200	46,720	36,461	10,259
Total Print Shop	86,454	91,481	81,200	10,281
Mail Room:				
Salaries and wages, and employee benefits	81,670	81,670	77,690	3,980
Operating expenditures	10,700	10,700	7,495	3,205
Total Mail Room	92,370	92,370	85,185	7,185
Telecommunications:				
Salaries and wages, and employee benefits	16,074	16,574	16,528	46
Operating expenditures	500		-0-	-0-
Total Telecommunications	16,574	16,574	16,528	46
Non-departmental:				
Salaries and wages, and employee benefits	301,538	309,538	201,377	108,161
Operating expenditures	3,293,913	3,311,786	3,150,118	161,668
Capital outlay	10,000	85,682	83,627	2,055
Total Non-departmental	3,605,451	3,707,006	3,435,122	271,884

(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, 2013

Exhibit 10
Page 2 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Courthouse:				
Operating expenditures	\$ 154,600	\$ 161,853	\$ 136,435	\$ 25,418
Total Courthouse	154,600	161,853	136,435	25,418
Bldg Maint Bank Annex:				
Operating expenditures	283,901	276,213	119,679	156,534
Total Bldg Maint Bank Annex	283,901	276,213	119,679	156,534
Bldg Maint Guinn Building:				
Operating expenditures	375,000	374,773	278,406	96,367
Total Bldg Maint Guinn Bldg	375,000	374,773	278,406	96,367
Bldg Maint Alvarado Sub-courthouse:				
Operating expenditures	28,700	16,707	12,862	3,845
Total Bldg Maint Alvarado Sub-courthouse	28,700	16,707	12,862	3,845
Bldg Maint Burleson Sub-courthouse :				
Operating expenditures	36,500	36,500	31,699	4,801
Total Bldg Maint Burleson Sub-courthouse	36,500	36,500	31,699	4,801
Bldg Main Law Enforcement Center:				
Operating expenditures	98,345	98,345	88,213	10,132
Total Bldg Maint Law Enforcement Center	98,345	98,345	88,213	10,132
Bldg Maint Health Bldg:				
Operating expenditures	6,700	6,700	2,589	4,111
Total Bldg Maint Health Bldg	6,700	6,700	2,589	4,111
Bldg Maint Mill St. Bldg:				
Operating expenditures	9,200	9,200	8,976	224
Total Bldg Maint Mill St. Bldg	9,200	9,200	8,976	224
Bldg Maint Doty HS:				
Operating expenditures	6,000	6,000	3,091	2,909
Total Bldg Maint Doty HS	6,000	6,000	3,091	2,909
Bldg Maint Adult Probation Bldg:				
Operating expenditures	44,400	54,414	53,891	523
Total Bldg Maint Adult Probation Bldg	44,400	54,414	53,891	523
Bldg Maint Hamm Creek Park:				
Operating expenditures	28,500	28,500	14,848	13,652
Total Bldg Maint Hamm Creek Park	28,500	28,500	14,848	13,652

(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, 2013

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	\$ 15,700	\$ 16,812	\$ 16,812	\$ -0-
Total Bldg Maint CASA/United Bldg	15,700	16,812	16,812	-0-
Bldg Maint JP #1 Bldg:				
Operating expenditures	8,700	8,700	6,409	2,291
Total Bldg Maint JP #1 Bldg	8,700	8,700	6,409	2,291
Bldg Maint Emergency Mgt Bldg:				
Operating expenditures	13,000	13,000	8,255	4,745
Total Bldg Maint Emergency Mgt Bldg	13,000	13,000	8,255	4,745
Bldg Maint Brown Gym:				
Operating expenditures	61,000	62,493	39,223	23,270
Total Bldg Maint Brown Gym	61,000	62,493	39,223	23,270
Bldg Maint 102 South Main:				
Operating expenditures	-0-	36	36	-0-
Total Bldg Maint 120 South Main	-0-	36	36	-0-
Total General Administration	8,536,999	8,643,581	7,738,222	905,359
Administration of Justice:				
County Court at Law I:				
Salaries and wages, and employee benefits	456,652	471,652	434,484	37,168
Operating expenditures	229,240	229,240	219,867	9,373
Total County Court at Law I	685,892	700,892	654,351	46,541
County Court at Law II:				
Salaries and wages, and employee benefits	398,662	404,926	391,522	13,404
Operating expenditures	225,048	248,784	251,881	(3,097)
Total County Court at Law II	623,710	653,710	643,403	10,307
General District Court:				
Salaries and wages, and employee benefits	100,412	100,412	71,252	29,160
Operating expenditures	13,254	13,254	10,031	3,223
Total General District Court	113,666	113,666	81,283	32,383

(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, 2013

Exhibit 10
Page 4 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
249 th District Court:				
Salaries and wages, and employee benefits	\$ 254,233	\$ 248,435	\$ 245,912	\$ 2,523
Operating expenditures	350,878	459,676	387,405	72,271
Total 249 th District Court	605,111	708,111	633,317	74,794
18 th District Court:				
Salaries and wages, and employee benefits	229,487	231,420	230,602	818
Operating expenditures	347,604	427,171	444,540	(17,369)
Total 18 th District Court	577,091	658,591	675,142	(16,551)
413 th District Court:				
Salaries and wages, and employee benefits	215,912	222,948	222,946	2
Operating expenditures	349,195	424,409	351,186	73,223
Total 413 th District Court	565,107	647,357	574,132	73,225
District Clerk:				
Salaries and wages, and employee benefits	1,048,585	1,051,391	1,033,237	18,154
Operating expenditures	346,130	343,324	332,767	10,557
Total District Clerk	1,394,715	1,394,715	1,366,004	28,711
Justice of the Peace #1:				
Salaries and wages, and employee benefits	238,025	238,025	232,476	5,549
Operating expenditures	11,950	11,950	10,226	1,724
Total Justice of the Peace #1	249,975	249,975	242,702	7,273
Justice of the Peace #2:				
Salaries and wages, and employee benefits	209,189	210,634	207,742	2,892
Operating expenditures	13,800	12,355	5,829	6,526
Total Justice of the Peace #2	222,989	222,989	213,571	9,418
Justice of the Peace #3:				
Salaries and wages, and employee benefits	195,156	196,029	195,035	994
Operating expenditures	13,350	12,477	10,476	2,001
Total Justice of the Peace #3	208,506	208,506	205,511	2,995
Justice of the Peace #4:				
Salaries and wages, and employee benefits	194,587	194,587	178,683	15,904
Operating expenditures	9,700	9,700	6,927	2,773
Total Justice of the Peace #4	204,287	204,287	185,610	18,677
County Attorney:				
Salaries and wages, and employee benefits	1,598,512	1,611,986	1,611,848	138
Operating expenditures	88,482	75,008	71,900	3,108
Total County Attorney	1,686,994	1,686,994	1,683,748	3,246

(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, 2013

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	\$ 1,554,098	\$ 1,550,357	\$ 1,529,540	\$ 20,817
Operating expenditures	113,550	124,616	117,545	7,071
Total District Attorney	1,667,648	1,674,973	1,647,085	27,888
County/District Attorney Supplement:				
Salaries and wages, and employee benefits	52,062	55,737	55,735	2
Total County/District Attorney Supplement	52,062	55,737	55,735	2
Total Administration of Justice	8,857,753	9,180,503	8,861,594	318,909
Financial Administration:				
Purchasing:				
Salaries and wages, and employee benefits	270,170	270,170	257,207	12,963
Operating expenditures	30,735	31,235	20,863	10,372
Total Purchasing	300,905	301,405	278,070	23,335
Information Systems:				
Salaries and wages, and employee benefits	456,826	456,826	442,280	14,546
Operating expenditures	835,350	815,316	751,075	64,241
Capital outlay		20,250		20,250
Total Information Systems	1,292,176	1,292,392	1,193,355	99,037
County Auditor:				
Salaries and wages, and employee benefits	688,732	696,047	689,901	6,146
Operating expenditures	67,400	60,085	22,167	37,918
Total County Auditor	756,132	756,132	712,068	44,064
Personnel:				
Salaries and wages, and employee benefits	347,814	325,541	323,610	1,931
Operating expenditures	35,250	58,233	39,839	18,394
Total Personnel	383,064	383,774	363,449	20,325
County Treasurer:				
Salaries and wages, and employee benefits	158,342	158,342	144,978	13,364
Operating expenditures	13,750	13,750	11,131	2,619
Total County Treasurer	172,092	172,092	156,109	15,983

(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, 2013

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	\$ 1,214,593	\$ 1,214,593	\$ 1,181,059	\$ 33,534
Operating expenditures	<u>260,528</u>	<u>260,528</u>	<u>217,225</u>	<u>43,303</u>
Total County Tax Collector	<u>1,475,121</u>	<u>1,475,121</u>	<u>1,398,284</u>	<u>76,837</u>
Total Financial Administration	<u>4,379,490</u>	<u>4,380,916</u>	<u>4,101,335</u>	<u>279,581</u>
Elections:				
Elections:				
Salaries and wages, and employee benefits	363,087	353,087	304,640	48,447
Operating expenditures	106,550	139,950	87,992	51,958
Capital outlay		<u>7,710</u>	<u>7,709</u>	<u>1</u>
Total Elections	<u>469,637</u>	<u>500,747</u>	<u>400,341</u>	<u>100,406</u>
Law Enforcement:				
Constable - Precinct 1:				
Salaries and wages, and employee benefits	193,176	193,127	189,203	3,924
Operating expenditures	<u>20,220</u>	<u>25,602</u>	<u>23,923</u>	<u>1,679</u>
Total Constable - Precinct 1	<u>213,396</u>	<u>218,729</u>	<u>213,126</u>	<u>5,603</u>
Constable - Precinct 2:				
Salaries and wages, and employee benefits	189,889	191,906	191,394	512
Operating expenditures	<u>22,470</u>	<u>21,093</u>	<u>16,982</u>	<u>4,111</u>
Total Constable - Precinct 2	<u>212,359</u>	<u>212,999</u>	<u>208,376</u>	<u>4,623</u>
Constable - Precinct 3:				
Salaries and wages, and employee benefits	190,489	190,489	184,617	5,872
Operating expenditures	<u>22,370</u>	<u>22,370</u>	<u>15,306</u>	<u>7,064</u>
Total Constable - Precinct 3	<u>212,859</u>	<u>212,859</u>	<u>199,923</u>	<u>12,936</u>
Constable - Precinct 4:				
Salaries and wages, and employee benefits	200,834	202,481	202,199	282
Operating expenditures	<u>34,936</u>	<u>33,389</u>	<u>32,809</u>	<u>580</u>
Total Constable - Precinct 4	<u>235,770</u>	<u>235,870</u>	<u>235,008</u>	<u>862</u>
ASAP-JISD:				
Salaries and wages, and employee benefits	54,492	55,028	54,917	111
Operating expenditures	<u>3,027</u>	<u>2,491</u>	<u>2,460</u>	<u>31</u>
Total ASAP-JISD	<u>57,519</u>	<u>57,519</u>	<u>57,377</u>	<u>142</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, 2013

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	\$ 52,232	\$ 52,708	\$ 52,600	\$ 108
Operating expenditures	4,670	5,536	5,505	31
Total ASAP-BISD	56,902	58,244	58,105	139
ASAP-CISD:				
Salaries and wages, and employee benefits	116,132	114,324	112,451	1,873
Operating expenditures	8,240	10,048	9,462	586
Total ASAP-CISD	124,372	124,372	121,913	2,459
Sheriff Admin-Patrol:				
Salaries and wages, and employee benefits	5,902,425	5,817,699	5,764,050	53,649
Operating expenditures	725,819	806,648	716,488	90,160
Total Sheriff Admin-Patrol	6,628,244	6,624,347	6,480,538	143,809
Sheriff-Jail:				
Salaries and wages, and employee benefits	827,853	782,231	774,112	8,119
Operating expenditures	13,170,216	13,982,168	15,130,802	(1,148,634)
Capital outlay		28,870	28,870	-0-
Total Sheriff-Jail	13,998,069	14,793,269	15,933,784	(1,140,515)
Bail Bonds Office:				
Salaries and wages, and employee benefits	41,066	41,232	41,219	13
Operating expenditures	2,000	1,834	1,077	757
Total Bail Bonds Office	43,066	43,066	42,296	770
Sheriff Licenses and Weights:				
Salaries and wages, and employee benefits	243,273	245,522	245,519	3
Operating expenditures	33,900	38,005	37,881	124
Total Sheriff Licenses and Weights	277,173	283,527	283,400	127
Mansfield Interlocal:				
Salaries and wages, and employee benefits	76,334	76,334	75,073	1,261
Total Mansfield Interlocal	76,334	76,334	75,073	1,261
Adult Probation:				
Operating expenditures	8,750	11,150	9,230	1,920
Total Adult Probation	8,750	11,150	9,230	1,920

(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, 2013

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	\$ 100,551	\$ 100,551	\$ 99,999	\$ 552
Operating expenditures	600	1,183	1,183	-0-
Total Texas DPS Office	101,151	101,734	101,182	552
Texas DPS License Weight:				
Operating expenditures	1,250	1,250	1,248	2
Total Texas DPS License Weight	1,250	1,250	1,248	2
Juvenile Probation:				
Salaries and wages, and employee benefits	449,961	450,841	444,418	6,423
Operating expenditures	716,100	716,220	534,056	182,164
Total Juvenile Probation	1,166,061	1,167,061	978,474	188,587
SRO-Godley ISD:				
Salaries and wages, and employee benefits	53,178	53,708	53,615	93
Operating expenditures	3,450	4,219	3,954	265
Total SRO-Godley ISD	56,628	57,927	57,569	358
SRO-Joshua ISD:				
Salaries and wages, and employee benefits	118,550	119,623	119,368	255
Operating expenditures	5,800	6,400	6,379	21
Total SRO-Joshua ISD	124,350	126,023	125,747	276
SRO-Alvarado ISD:				
Salaries and wages, and employee benefits	59,701	60,259	60,178	81
Operating expenditures	3,450	4,699	4,698	1
Total SRO-Alvarado ISD	63,151	64,958	64,876	82
SRO-Venus ISD:				
Salaries and wages, and employee benefits	54,614	55,136	54,968	168
Operating expenditures	3,350	3,350	3,143	207
Total SRO-Venus ISD	57,964	58,486	58,111	375
SRO-Keene ISD:				
Salaries and wages, and employee benefits	52,084	50,786	48,768	2,018
Operating expenditures	4,670	5,968	4,473	1,495
Total SRO-Keene ISD	56,754	56,754	53,241	3,513
Total Law Enforcement	23,772,122	24,586,478	25,358,597	(772,119)

(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, 2013

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	\$ 137,057	\$ 138,048	\$ 137,883	\$ 165
Operating expenditures	219,250	224,543	220,749	3,794
Total Medical Examiner	<u>356,307</u>	<u>362,591</u>	<u>358,632</u>	<u>3,959</u>
Emergency Management:				
Salaries and wages, and employee benefits	81,450	81,450	70,528	10,922
Operating expenditures	11,350	11,350	8,935	2,415
Capital outlay		25,347	25,346	1
Total Emergency Management	<u>92,800</u>	<u>118,147</u>	<u>104,809</u>	<u>13,338</u>
Total Health and Welfare	<u>449,107</u>	<u>480,738</u>	<u>463,441</u>	<u>17,297</u>
Culture and Recreation:				
Hamm Creek Park:				
Salaries and wages, and employee benefits	209,663	196,400	163,692	32,708
Operating expenditures	33,700	33,700	17,638	16,062
Capital outlay		13,263	13,263	-0-
Total Hamm Creek Park	<u>243,363</u>	<u>243,363</u>	<u>194,593</u>	<u>48,770</u>
Total Culture and Recreation	<u>243,363</u>	<u>243,363</u>	<u>194,593</u>	<u>48,770</u>
Conservation:				
County Extension:				
Salaries and wages, and employee benefits	172,206	172,206	160,331	11,875
Operating expenditures	16,850	16,850	12,648	4,202
Total County Extension	<u>189,056</u>	<u>189,056</u>	<u>172,979</u>	<u>16,077</u>
Total Conservation	<u>189,056</u>	<u>189,056</u>	<u>172,979</u>	<u>16,077</u>
Total current expenditures	<u>\$ 46,897,527</u>	<u>\$ 48,205,382</u>	<u>\$ 47,291,102</u>	<u>\$ 914,280</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, 2013

	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	\$ 1,145,921	\$ 1,145,921	\$ 994,506	\$ 151,415
Operating expenditures	2,114,070	2,124,070	948,912	1,175,158
Capital outlay	828,500	855,500	338,662	516,838
Total Road and Bridge Precinct 1	<u>4,088,491</u>	<u>4,125,491</u>	<u>2,282,080</u>	<u>1,843,411</u>
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	1,123,760	1,123,760	1,037,005	86,755
Operating expenditures	897,792	991,145	722,202	268,943
Capital outlay	185,000	155,256	88,259	66,997
Total Road and Bridge Precinct 2	<u>2,206,552</u>	<u>2,270,161</u>	<u>1,847,466</u>	<u>422,695</u>
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	1,237,390	1,237,390	1,152,357	85,033
Operating expenditures	1,425,777	1,437,487	667,757	769,730
Capital outlay	1,000	1,000	204,117	(203,117)
Total Road and Bridge Precinct 3	<u>2,664,167</u>	<u>2,675,877</u>	<u>2,024,231</u>	<u>651,646</u>
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	1,384,471	1,384,471	1,224,888	159,583
Operating expenditures	1,516,500	1,523,261	597,010	926,251
Capital outlay	278,000	278,000	78,168	199,832
Total Road and Bridge Precinct 4	<u>3,178,971</u>	<u>3,185,732</u>	<u>1,900,066</u>	<u>1,285,666</u>
Total expenditures	<u>\$ 12,138,181</u>	<u>\$ 12,257,261</u>	<u>\$ 8,053,843</u>	<u>\$ 4,203,418</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, 2013

	Lateral Road Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 68,000	\$ 85,000	\$ 65,746	\$(19,254)
Investment income (loss)	100	100	70	(30)
Miscellaneous				-0-
Total revenues	<u>68,100</u>	<u>85,100</u>	<u>65,816</u>	<u>(19,284)</u>
Expenditures:				
Highways and Streets:				
Operating expenditures	68,100	68,100	62,366	5,734
Capital outlay				
Total expenditures	<u>68,100</u>	<u>68,100</u>	<u>62,366</u>	<u>5,734</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>17,000</u>	<u>3,450</u>	<u>(13,550)</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-	17,000	3,450	(13,550)
Fund balances – beginning	<u>44,531</u>	<u>44,531</u>	<u>44,531</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 44,531</u>	<u>\$ 61,531</u>	<u>\$ 47,981</u>	<u>\$(13,550)</u>

Right of Way Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,500	\$ 1,500	\$ (2,581)	\$ -0- (4,081)
		<u>196</u>	<u>196</u>
<u>1,500</u>	<u>1,500</u>	<u>(2,385)</u>	<u>(3,885)</u>
	10,000	171	9,829
	<u>265,413</u>	<u>242,446</u>	<u>22,967</u>
<u>-0-</u>	<u>275,413</u>	<u>242,617</u>	<u>32,796</u>
<u>1,500</u>	<u>(273,913)</u>	<u>(245,002)</u>	<u>28,911</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
1,500	(273,913)	(245,002)	28,911
<u>1,634,710</u>	<u>1,634,710</u>	<u>1,634,710</u>	<u>-0-</u>
<u>\$ 1,636,210</u>	<u>\$ 1,360,797</u>	<u>\$ 1,389,708</u>	<u>\$ 28,911</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, 2013

	Records Management and Preservation Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees	\$ 214,000	\$ 214,000	\$ 239,548	\$ 25,548
Investment income	1,000	1,000	(1,531)	(2,531)
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>238,017</u>	<u>23,017</u>
Expenditures:				
General Administration:				
Salaries and wages, and employee benefits	175,133	175,133	168,274	6,859
Operating expenditures	67,000	20,708	20,957	(249)
Capital outlay	33,000	32,292	31,599	693
Total expenditures	<u>275,133</u>	<u>228,133</u>	<u>220,830</u>	<u>7,303</u>
Excess (deficiency) of revenues over expenditures	(60,133)	(13,133)	17,187	30,320
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	(60,133)	(13,133)	17,187	30,320
Fund balances – beginning	<u>1,030,300</u>	<u>1,030,300</u>	<u>1,030,300</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 970,167</u>	<u>\$ 1,017,167</u>	<u>\$ 1,047,487</u>	<u>\$ 30,320</u>

<u>Records Archive - County Clerk Fund</u>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ 150,000	\$ 150,000	\$ 168,965	\$ 18,965
<u>2,200</u>	<u>2,200</u>	<u>1,079</u>	<u>(1,121)</u>
<u>152,200</u>	<u>152,200</u>	<u>170,044</u>	<u>17,844</u>
			-0-
821,000	821,000		821,000
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
<u>821,000</u>	<u>821,000</u>	<u>-0-</u>	<u>821,000</u>
<u>(668,800)</u>	<u>(668,800)</u>	<u>170,044</u>	<u>838,844</u>
			-0-
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(668,800)</u>	<u>(668,800)</u>	<u>170,044</u>	<u>838,844</u>
<u>374,120</u>	<u>374,120</u>	<u>374,120</u>	<u>-0-</u>
<u>\$(294,680)</u>	<u>\$(294,680)</u>	<u>\$ 544,164</u>	<u>\$ 838,844</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, 2013

	Records Archive - District Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 11,000	\$ 11,000	\$ 10,700	\$(300)
Investment income (loss)	50	50	45	(5)
Total revenues	<u>11,050</u>	<u>11,050</u>	<u>10,745</u>	<u>(305)</u>
Expenditures:				
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>11,050</u>	<u>11,050</u>	<u>10,745</u>	<u>(305)</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	11,050	11,050	10,745	(305)
Fund balances – beginning	<u>42,145</u>	<u>42,145</u>	<u>42,145</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 53,195</u>	<u>\$ 53,195</u>	<u>\$ 52,890</u>	<u>\$(305)</u>

Court Records Preservation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 30,500	\$ 30,500	\$ 28,766	\$(1,734)
<u>100</u>	<u>100</u>	<u>128</u>	<u>28</u>
<u>30,600</u>	<u>30,600</u>	<u>28,894</u>	<u>(1,706)</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>30,600</u>	<u>30,600</u>	<u>28,894</u>	<u>(1,706)</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
30,600	30,600	28,894	(1,706)
<u>87,983</u>	<u>87,983</u>	<u>87,983</u>	<u>-0-</u>
<u>\$ 118,583</u>	<u>\$ 118,583</u>	<u>\$ 116,877</u>	<u>\$(1,706)</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, 2013

	Justice of the Peace Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 32,800	\$ 32,800	\$ 40,367	\$ 7,567
Investment income (loss)	330	330	274	(56)
Total revenues	<u>33,130</u>	<u>33,130</u>	<u>40,641</u>	<u>7,511</u>
Expenditures:				
Administration of Justice:				
Salaries and benefits				-0-
Operating expenditures	23,915	35,053	22,899	12,154
Total expenditures	<u>23,915</u>	<u>35,053</u>	<u>22,899</u>	<u>12,154</u>
Excess (deficiency) of revenues over expenditures	<u>9,215</u>	<u>(1,923)</u>	<u>17,742</u>	<u>19,665</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	9,215	(1,923)	17,742	19,665
Fund balances – beginning	<u>285,317</u>	<u>285,317</u>	<u>285,317</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 294,532</u>	<u>\$ 283,394</u>	<u>\$ 303,059</u>	<u>\$ 19,665</u>

Courthouse Security Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 78,000	\$ 78,000	\$ 85,742	\$ 7,742
<u>130</u>	<u>130</u>	<u>149</u>	<u>19</u>
<u>78,130</u>	<u>78,130</u>	<u>85,891</u>	<u>7,761</u>
45,343	37,973	38,070	(97)
<u>6,500</u>	<u>40,353</u>	<u>34,237</u>	<u>6,116</u>
<u>51,843</u>	<u>78,326</u>	<u>72,307</u>	<u>6,019</u>
<u>26,287</u>	<u>(196)</u>	<u>13,584</u>	<u>13,780</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
26,287	(196)	13,584	13,780
<u>102,216</u>	<u>102,216</u>	<u>102,216</u>	<u>-0-</u>
<u>\$ 128,503</u>	<u>\$ 102,020</u>	<u>\$ 115,800</u>	<u>\$ 13,780</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, 2013

	County/District Court Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 6,900	\$ 6,900	\$ 7,557	\$ 657
Investment income (loss)	20	20	23	3
Total revenues	<u>6,920</u>	<u>6,920</u>	<u>7,580</u>	<u>660</u>
Expenditures:				
Administration of Justice:				
Operating expenditures				-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>6,920</u>	<u>6,920</u>	<u>7,580</u>	<u>660</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	6,920	6,920	7,580	660
Fund balances – beginning	<u>14,790</u>	<u>14,790</u>	<u>14,790</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 21,710</u>	<u>\$ 21,710</u>	<u>\$ 22,370</u>	<u>\$ 660</u>

District Court Records Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 12,000	\$ 12,000	\$ 12,559	\$ 559
<u>30</u>	<u>30</u>	<u>44</u>	<u>14</u>
<u>12,030</u>	<u>12,030</u>	<u>12,603</u>	<u>573</u>
	<u>5,650</u>		<u>5,650</u>
<u>-0-</u>	<u>5,650</u>	<u>-0-</u>	<u>5,650</u>
<u>12,030</u>	<u>6,380</u>	<u>12,603</u>	<u>6,223</u>
			<u>-0-</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
12,030	6,380	12,603	6,223
<u>29,549</u>	<u>29,549</u>	<u>29,549</u>	<u>-0-</u>
<u>\$ 41,579</u>	<u>\$ 35,929</u>	<u>\$ 42,152</u>	<u>\$ 6,223</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, 2013

	Justice Court Building Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenue	\$	\$	\$	\$ -0-
Fees	8,000	8,000	10,074	2,074
Investment income (loss)	100	100	83	(17)
Total revenues	<u>8,100</u>	<u>8,100</u>	<u>10,157</u>	<u>2,057</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>8,100</u>	<u>8,100</u>	<u>10,157</u>	<u>2,057</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	8,100	8,100	10,157	2,057
Fund balances – beginning	<u>60,761</u>	<u>60,761</u>	<u>60,761</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 68,861</u>	<u>\$ 68,861</u>	<u>\$ 70,918</u>	<u>\$ 2,057</u>

Juvenile Justice Alternative Education Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 92,500	\$ 92,500	\$ 49,375	\$(43,125)
<u>200</u>	<u>200</u>	<u>68</u>	<u>(132)</u>
<u>92,700</u>	<u>92,700</u>	<u>49,443</u>	<u>(43,257)</u>
192,635	197,310	195,643	1,667
<u>77,650</u>	<u>72,975</u>	<u>37,711</u>	<u>35,264</u>
<u>270,285</u>	<u>270,285</u>	<u>233,354</u>	<u>36,931</u>
<u>(177,585)</u>	<u>(177,585)</u>	<u>(183,911)</u>	<u>(6,326)</u>
60,000	100,000	100,000	-0-
<u>60,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-0-</u>
<u>(117,585)</u>	<u>(77,585)</u>	<u>(83,911)</u>	<u>(6,326)</u>
<u>89,954</u>	<u>89,954</u>	<u>89,954</u>	<u>-0-</u>
<u>\$(27,631)</u>	<u>\$ 12,369</u>	<u>\$ 6,043</u>	<u>\$(6,326)</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, 2013

	Juvenile Probation Fees Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 9,600	\$ 9,600	\$ 11,594	\$ 1,994
Investment income (loss)	80	80	69	(11)
Total revenues	<u>9,680</u>	<u>9,680</u>	<u>11,663</u>	<u>1,983</u>
Expenditures:				
Law Enforcement:				
Salaries and wages, and employee benefits				-0-
Operating expenditures		34,304	574	33,730
Capital outlay		21,165	21,165	-0-
Total expenditures	<u>-0-</u>	<u>55,469</u>	<u>21,739</u>	<u>33,730</u>
Excess (deficiency) of revenues over expenditures	<u>9,680</u>	<u>(45,789)</u>	<u>(10,076)</u>	<u>35,713</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	9,680	(45,789)	(10,076)	35,713
Fund balances – beginning	<u>54,696</u>	<u>54,696</u>	<u>54,696</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 64,376</u>	<u>\$ 8,907</u>	<u>\$ 44,620</u>	<u>\$ 35,713</u>

Juvenile Case Manager Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 40,000	\$ 40,000	\$ 53,858	\$ 13,858
<u>100</u>	<u>100</u>	<u>122</u>	<u>22</u>
<u>40,100</u>	<u>40,100</u>	<u>53,980</u>	<u>13,880</u>
47,638	47,638	35,973	11,665
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
<u>47,638</u>	<u>47,638</u>	<u>35,973</u>	<u>11,665</u>
(7,538)	(7,538)	18,007	25,545
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(7,538)	(7,538)	18,007	25,545
<u>90,224</u>	<u>90,224</u>	<u>90,224</u>	<u>-0-</u>
<u>\$ 82,686</u>	<u>\$ 82,686</u>	<u>\$ 108,231</u>	<u>\$ 25,545</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, 2013

	District Attorney Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$ 14,848	\$ 14,848
Investment income (loss)	50	50	45	(5)
Total revenues	50	50	14,893	14,843
Expenditures:				
Law Enforcement:				
Operating expenditures	930	930		930
Capital outlay				-0-
Total expenditures	930	930	-0-	930
Excess (deficiency) of revenues over expenditures	(880)	(880)	14,893	15,773
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	(880)	(880)	14,893	15,773
Fund balances – beginning	43,338	43,338	43,338	-0-
Fund balances – ending	\$ 42,458	\$ 42,458	\$ 58,231	\$ 15,773

Sheriff Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
50	50	1,620 21	1,620 (29)
50	50	1,641	1,591
	2,000		2,000
	10,000	1,115	8,885
-0-	12,000	1,115	10,885
50	(11,950)	526	12,476
			-0-
			-0-
-0-	-0-	-0-	-0-
50	(11,950)	526	12,476
16,887	16,887	16,887	-0-
\$ 16,937	\$ 4,937	\$ 17,413	\$ 12,476

(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, 2013

	Law Library			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 105,500	\$ 105,500	\$ 91,237	\$(14,263)
Fines				-0-
Investment income (loss)	225	225	239	14
Miscellaneous			33	33
Total revenues	<u>105,725</u>	<u>105,725</u>	<u>91,509</u>	<u>(14,216)</u>
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits	46,693	47,216	47,122	94
Operating expenditures	105,350	104,827	55,350	49,477
Law Enforcement:				
Operating expenditures				-0-
Capital outlay				-0-
Total expenditures	<u>152,043</u>	<u>152,043</u>	<u>102,472</u>	<u>49,571</u>
Excess (deficiency) of revenues over expenditures	<u>(46,318)</u>	<u>(46,318)</u>	<u>(10,963)</u>	<u>35,355</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>(46,318)</u>	<u>(46,318)</u>	<u>(10,963)</u>	<u>35,355</u>
Fund balances – beginning	<u>237,719</u>	<u>237,719</u>	<u>237,719</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 191,401</u>	<u>\$ 191,401</u>	<u>\$ 226,756</u>	<u>\$ 35,355</u>

Special Crimes Operation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$ -0-
		39,847	39,847
300	300	316	16
<u>300</u>	<u>300</u>	<u>2,490</u>	<u>2,490</u>
300	300	42,653	42,353
			-0-
			-0-
35,000	50,000	31,115	18,885
<u>15,000</u>	<u>27,966</u>	<u>27,966</u>	<u>-0-</u>
<u>50,000</u>	<u>77,966</u>	<u>59,081</u>	<u>18,885</u>
(49,700)	(77,666)	(16,428)	61,238
	(20,000)	(20,000)	-0-
	(20,000)	(20,000)	-0-
(49,700)	(97,666)	(36,428)	61,238
<u>234,295</u>	<u>234,295</u>	<u>234,295</u>	<u>-0-</u>
\$ <u>184,595</u>	\$ <u>136,629</u>	\$ <u>197,867</u>	\$ <u>61,238</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, 2013

	Texas Information & Notification Everyday (VINE) Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 29,053	\$ 29,053	\$ 29,053	\$ -0-
Fines				-0-
Investment income (loss)				-0-
Miscellaneous				-0-
Total revenues	<u>29,053</u>	<u>29,053</u>	<u>29,053</u>	<u>-0-</u>
Expenditures				
Law Enforcement:				
Salaries	29,053	29,053	29,053	-0-
Operating expenditures				-0-
Capita outlay				-0-
Total expenditures	<u>29,053</u>	<u>29,053</u>	<u>29,053</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>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Pre-Trial Bond Supervision Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$(
	4,495		4,495)
108,000	209,074	121,712	(87,362)
50	50	66	16
		375	375
<u>108,050</u>	<u>213,619</u>	<u>122,153</u>	<u>(91,466)</u>
78,551	77,333	73,033	4,300
69,750	101,286	30,004	71,282
	<u>55,000</u>	<u>44,552</u>	<u>10,448</u>
<u>148,301</u>	<u>233,619</u>	<u>147,589</u>	<u>86,030</u>
<u>(40,251)</u>	<u>(20,000)</u>	<u>(25,436)</u>	<u>(5,436)</u>
			-0-
			-0-
-0-	-0-	-0-	-0-
(40,251)	(20,000)	(25,436)	(5,436)
<u>70,721</u>	<u>70,721</u>	<u>70,721</u>	<u>-0-</u>
<u>\$ 31,470</u>	<u>\$ 50,721</u>	<u>\$ 45,285</u>	<u>\$(5,436)</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, 2013

	Indigent Health Care Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,086,960	\$ 1,086,960	\$ 1,094,995	\$ 8,035
Intergovernmental	35,000	35,000	26,317	(8,683)
Fees			4,712	4,712
Investment income (loss)	1,600	1,600	(1,831)	(3,431)
Miscellaneous	9,000	9,000	21,085	12,085
Total revenues	<u>1,132,560</u>	<u>1,132,560</u>	<u>1,145,278</u>	<u>12,718</u>
Expenditures				
Administration of Justice:				
Salaries and wages, and employee benefits				-0-
Health and Welfare:				
Salaries and wages, and employee benefits	130,510	130,510	101,322	29,188
Operating expenditures	<u>1,002,050</u>	<u>1,003,499</u>	<u>995,680</u>	<u>7,819</u>
Total expenditures	<u>1,132,560</u>	<u>1,134,009</u>	<u>1,097,002</u>	<u>37,007</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>(1,449)</u>	<u>48,276</u>	<u>49,725</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-	(1,449)	48,276	49,725
Fund balances – beginning	<u>1,388,487</u>	<u>1,388,487</u>	<u>1,388,487</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,388,487</u>	<u>\$ 1,387,038</u>	<u>\$ 1,436,763</u>	<u>\$ 49,725</u>

Indigent Defense Formula/Improvement Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 162,966	\$ 217,685	\$ 217,463	\$ -0- (222)
		222	-0- 222
			-0-
<u>162,966</u>	<u>217,685</u>	<u>217,685</u>	<u>-0-</u>
217,685	217,685	217,685	-0-
			-0-
			-0-
<u>217,685</u>	<u>217,685</u>	<u>217,685</u>	<u>-0-</u>
(54,719)	-0-	-0-	-0-
			-0-
			-0-
-0-	-0-	-0-	-0-
(54,719)	-0-	-0-	-0-
			-0-
<u>\$(54,719)</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, 2013

	Guardianship Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 7,200	\$ 7,200	\$ 7,680	\$ 480
Investment income (loss)	50	50	53	3
Miscellaneous				-0-
Total revenues	<u>7,250</u>	<u>7,250</u>	<u>7,733</u>	<u>483</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>7,250</u>	<u>7,250</u>	<u>7,733</u>	<u>483</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	7,250	7,250	7,733	483
Fund balances – beginning	<u>38,618</u>	<u>38,618</u>	<u>38,618</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 45,868</u>	<u>\$ 45,868</u>	<u>\$ 46,351</u>	<u>\$ 483</u>

<u>Election Services Contract Fund</u>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$	\$	\$	\$
150	150	202	-0- 52
<u>3,000</u>	<u>3,000</u>	<u>540</u>	<u>(2,460)</u>
<u>3,150</u>	<u>3,150</u>	<u>742</u>	<u>(2,408)</u>
<u>29,000</u>	<u>29,000</u>	<u>7,698</u>	<u>21,302</u>
<u>29,000</u>	<u>29,000</u>	<u>7,698</u>	<u>21,302</u>
<u>(25,850)</u>	<u>(25,850)</u>	<u>(6,956)</u>	<u>18,894</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(25,850)</u>	<u>(25,850)</u>	<u>(6,956)</u>	<u>18,894</u>
<u>182,332</u>	<u>182,332</u>	<u>182,332</u>	<u>-0-</u>
<u>\$ 156,482</u>	<u>\$ 156,482</u>	<u>\$ 175,376</u>	<u>\$ 18,894</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, 2013

	911 Addressing Maintenance Contract Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 21,165	\$ 21,165	\$ 21,165	\$ -0-
Total revenues	<u>21,165</u>	<u>21,165</u>	<u>21,165</u>	<u>-0-</u>
Expenditures:				
General Administration:				
Operating expenditures	21,165	21,165	21,165	-0-
Law Enforcement:				
Operating expenditures	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Total expenditures	<u>21,165</u>	<u>21,165</u>	<u>21,165</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>

<u>State Criminal Alien Assistance Fund</u>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ <u>30,084</u>	\$ <u>30,084</u>	\$ <u>30,084</u>	\$ <u>-0-</u>
<u>30,084</u>	<u>30,084</u>	<u>30,084</u>	<u>-0-</u>
			<u>-0-</u>
<u>30,084</u>	<u>30,084</u>	<u>30,084</u>	<u>-0-</u>
<u>30,084</u>	<u>30,084</u>	<u>30,084</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
			<u>-0-</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
			<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></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, 2013

Exhibit 12
Page 14 of 14

	Historical Commission Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income (loss)	\$ 60	\$ 60	\$ 37	\$(23)
Miscellaneous			1,390	1,390
Total revenues	<u>60</u>	<u>60</u>	<u>1,427</u>	<u>1,367</u>
Expenditures:				
Culture and Recreation:				
Operating expenditures	<u>47,373</u>	<u>47,373</u>	<u>15,913</u>	<u>31,460</u>
Total expenditures	<u>47,373</u>	<u>47,373</u>	<u>15,913</u>	<u>31,460</u>
Excess (deficiency) of revenues over expenditures	<u>(47,313)</u>	<u>(47,313)</u>	<u>(14,486)</u>	<u>32,827</u>
Other Financing Sources (Uses):				
Transfers in	10,000	10,000	10,000	-0-
Transfers out				-0-
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>(37,313)</u>	<u>(37,313)</u>	<u>(4,486)</u>	<u>32,827</u>
Fund balances – beginning	<u>35,903</u>	<u>35,903</u>	<u>35,903</u>	<u>-0-</u>
Fund balances – ending	<u>\$(1,410)</u>	<u>\$(1,410)</u>	<u>\$ 31,417</u>	<u>\$ 32,827</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, 2013

	General Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,600,613	\$ 1,600,613	\$ 1,727,591	\$ 126,978
Investment income	1,600	1,600	1,323	(277)
Total revenues	<u>1,602,213</u>	<u>1,602,213</u>	<u>1,728,914</u>	<u>126,701</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	1,180,000	1,180,000	1,180,000	-0-
Interest on long-term debt	<u>380,613</u>	<u>383,174</u>	<u>379,113</u>	<u>4,061</u>
Total expenditures	<u>1,560,613</u>	<u>1,563,174</u>	<u>1,559,113</u>	<u>4,061</u>
Excess (deficiency) of revenues over expenditures	<u>41,600</u>	<u>39,039</u>	<u>169,801</u>	<u>130,762</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	41,600	39,039	169,801	130,762
Fund balances – beginning	<u>821,494</u>	<u>821,494</u>	<u>821,494</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 863,094</u>	<u>\$ 860,533</u>	<u>\$ 991,295</u>	<u>\$ 130,762</u>

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

For the Year Ended September 30, 2013

Exhibit 14
Page 1 of 3

	<u>Balance 10-01-12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-13</u>
UNCLAIMED MONEY FUND:				
<i>Assets</i>				
Cash and temporary investments	\$ 13,159	\$ 4,563	\$ 4,515	\$ 13,207
Total assets	<u>\$ 13,159</u>	<u>\$ 4,563</u>	<u>\$ 4,515</u>	<u>\$ 13,207</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 13,159	\$ 4,550	\$ 4,515	\$ 13,194
Due to other funds	<u> </u>	<u>13</u>	<u> </u>	<u>13</u>
Total liabilities	<u>\$ 13,159</u>	<u>\$ 4,563</u>	<u>\$ 4,515</u>	<u>\$ 13,207</u>
TAX ASSESSOR/COLLECTOR FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 2,269,776	\$ 45,938,001	\$ 45,884,607	\$ 2,323,170
Due from other funds	610,763	718,329	610,763	718,329
Due from others	<u> </u>	<u>2,912,076</u>	<u>2,912,076</u>	<u>-0-</u>
Total assets	<u>\$ 2,880,539</u>	<u>\$ 49,568,406</u>	<u>\$ 49,407,446</u>	<u>\$ 3,041,499</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 705,991	\$ 795,989	\$ 705,991	\$ 795,989
Due to others	<u>2,174,548</u>	<u>48,772,417</u>	<u>48,701,455</u>	<u>2,245,510</u>
Total liabilities	<u>\$ 2,880,539</u>	<u>\$ 49,568,406</u>	<u>\$ 49,407,446</u>	<u>\$ 3,041,499</u>
COUNTY CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 2,638,360	\$ 2,258,764	\$ 2,647,709	\$ 2,249,415
Total assets	<u>\$ 2,638,360</u>	<u>\$ 2,258,764</u>	<u>\$ 2,647,709</u>	<u>\$ 2,249,415</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 166,086	\$ 742,569	\$ 748,128	\$ 160,527
Due to others	<u>2,472,274</u>	<u>1,516,195</u>	<u>1,899,581</u>	<u>2,088,888</u>
Total liabilities	<u>\$ 2,638,360</u>	<u>\$ 2,258,764</u>	<u>\$ 2,647,709</u>	<u>\$ 2,249,415</u>

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

For the Year Ended September 30, 2013

Exhibit 14
Page 2 of 3

	<u>Balance 10-01-12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-13</u>
DISTRICT CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,281,457</u>	\$ <u>2,920,026</u>	\$ <u>3,097,541</u>	\$ <u>2,103,942</u>
Total assets	\$ <u><u>2,281,457</u></u>	\$ <u><u>2,920,026</u></u>	\$ <u><u>3,097,541</u></u>	\$ <u><u>2,103,942</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>2,281,457</u>	\$ <u>2,920,026</u>	\$ <u>3,097,541</u>	\$ <u>2,103,942</u>
Total liabilities	\$ <u><u>2,281,457</u></u>	\$ <u><u>2,920,026</u></u>	\$ <u><u>3,097,541</u></u>	\$ <u><u>2,103,942</u></u>
SHERIFF DEPARTMENT FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>40,258</u>	\$ <u>73,119</u>	\$ <u>60,549</u>	\$ <u>52,828</u>
Total assets	\$ <u><u>40,258</u></u>	\$ <u><u>73,119</u></u>	\$ <u><u>60,549</u></u>	\$ <u><u>52,828</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ <u>1,531</u>	\$ <u></u>	\$ <u>1,531</u>	\$ <u>-0-</u>
Due to others	<u>38,727</u>	<u>73,119</u>	<u>59,018</u>	<u>52,828</u>
Total liabilities	\$ <u><u>40,258</u></u>	\$ <u><u>73,119</u></u>	\$ <u><u>60,549</u></u>	\$ <u><u>52,828</u></u>
SEIZURE AND RESTITUTION FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>101,542</u>	\$ <u>28,796</u>	\$ <u>34,828</u>	\$ <u>95,510</u>
Total assets	\$ <u><u>101,542</u></u>	\$ <u><u>28,796</u></u>	\$ <u><u>34,828</u></u>	\$ <u><u>95,510</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ <u>1,279</u>	\$ <u></u>	\$ <u>1,279</u>	\$ <u>-0-</u>
Due to others	<u>100,263</u>	<u>28,796</u>	<u>33,549</u>	<u>95,510</u>
Total liabilities	\$ <u><u>101,542</u></u>	\$ <u><u>28,796</u></u>	\$ <u><u>34,828</u></u>	\$ <u><u>95,510</u></u>

JOHNSON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -

AGENCY FUNDS - Continued

For the Year Ended September 30, 2013

Exhibit 14
Page 3 of 3

	<u>Balance</u> 10-01-12	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-13
TDCJ-CJAD:				
<i>Assets</i>				
Cash and temporary investments	\$ 548,568	\$ 3,425,664	\$ 3,316,012	\$ 658,220
Accounts receivable	290,636	3,472,490	3,449,077	314,049
Due from others		21		21
Due from other funds		<u>450</u>		<u>450</u>
Total assets	<u>\$ 839,204</u>	<u>\$ 6,898,625</u>	<u>\$ 6,765,089</u>	<u>\$ 972,740</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 186,000	\$ 6,550,056	\$ 6,517,890	\$ 218,166
Due to other funds	778		778	-0-
Due to others	<u>652,426</u>	<u>348,569</u>	<u>246,421</u>	<u>754,574</u>
Total liabilities	<u>\$ 839,204</u>	<u>\$ 6,898,625</u>	<u>\$ 6,765,089</u>	<u>\$ 972,740</u>
TOTALS - ALL AGENCY FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 7,893,120	\$ 54,648,933	\$ 55,045,761	\$ 7,496,292
Accounts receivable	290,636	3,472,490	3,449,077	314,049
Due from other funds	610,763	718,779	610,763	718,779
Due from others		<u>2,912,097</u>	<u>2,912,076</u>	<u>21</u>
Total assets	<u>\$ 8,794,519</u>	<u>\$ 61,752,299</u>	<u>\$ 62,017,677</u>	<u>\$ 8,529,141</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 352,086	\$ 7,292,625	\$ 7,266,018	\$ 378,693
Due to other funds	709,579	796,002	709,579	796,002
Due to others	<u>7,732,854</u>	<u>53,663,672</u>	<u>54,042,080</u>	<u>7,354,446</u>
Total liabilities	<u>\$ 8,794,519</u>	<u>\$ 61,752,299</u>	<u>\$ 62,017,677</u>	<u>\$ 8,529,141</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>
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Financial Trends	1-4
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These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity	5-8
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These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity	9-11
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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.

Demographic and Economic Indicators	12-14
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These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information	15
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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.

Capital Asset Statistics	16
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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 POSITION BY COMPONENTS
 Last Ten Fiscal Years¹

Table 1

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 26,264,076	\$ 26,019,061	\$ 30,263,589	\$ 35,005,873	\$ 35,509,134
Restricted	16,532,649	12,721,810	6,865,408	11,756,299	12,711,090
Unrestricted	<u>13,503,382</u>	<u>17,243,663</u>	<u>21,150,662</u>	<u>17,699,334</u>	<u>21,340,607</u>
Total governmental activities net position	<u>\$ 56,300,107</u>	<u>\$ 55,984,534</u>	<u>\$ 57,279,659</u>	<u>\$ 64,461,506</u>	<u>\$ 69,560,831</u>

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 37,272,013	\$ 38,696,684	\$ 39,260,726	\$ 52,633,294	\$ 51,623,564
14,910,199	16,212,538	18,434,100	12,819,186	12,787,174
<u>24,747,594</u>	<u>31,815,702</u>	<u>32,237,818</u>	<u>26,631,406</u>	<u>27,135,113</u>
<u>\$ 76,929,806</u>	<u>\$ 86,724,924</u>	<u>\$ 89,932,644</u>	<u>\$ 92,083,886</u>	<u>\$ 91,545,851</u>

JOHNSON COUNTY, TEXAS
CHANGES IN NET POSITION
 Last Ten Fiscal Years¹

Table 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses					
Governmental Activities:					
General administration ¹	\$ 7,687,361	\$ 9,312,766	\$ 8,181,158	\$ 7,763,235	\$ 9,365,726
Highways/streets	7,824,243	7,465,644	7,367,643	7,747,391	10,423,688
Law Enforcement	12,660,979	12,780,185	15,769,865	16,139,399	18,163,642
Administration of justice	3,645,720	3,812,413	4,865,771	5,983,462	7,029,121
Financial	464,622	469,342	533,187	3,012,304	2,906,858
Public health and welfare	2,014,287	1,578,568	1,269,057	1,038,950	1,280,130
Interest on long-term debt	<u>945,480</u>	<u>1,187,004</u>	<u>1,169,216</u>	<u>1,497,019</u>	<u>1,177,707</u>
Total expenses	<u>\$ 35,242,692</u>	<u>\$ 36,605,922</u>	<u>\$ 39,155,897</u>	<u>\$ 43,181,760</u>	<u>\$ 50,346,872</u>
Program Revenues					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General government ²	\$ 4,376,927	\$ 4,049,529	\$ 5,153,714	\$ 3,235,707	\$ 3,898,229
Highways/streets	2,089,045	2,258,279	2,216,100	2,214,245	2,816,738
Law Enforcement	493,836	381,404	564,555	1,590,551	1,363,846
Administration of justice	795,960	2,844,599	2,487,519	3,585,853	3,140,098
Financial				862,350	1,043,597
Public health and welfare					31,410
Operating grants and contributions	2,554,415	3,336,944	2,628,142	3,065,163	3,834,540
Capital grants and contributions				<u>5,398,255</u>	<u>1,420,109</u>
Total governmental activities program revenues	<u>10,310,183</u>	<u>12,870,755</u>	<u>13,050,030</u>	<u>19,952,124</u>	<u>17,548,567</u>
Net (expense) revenue	<u>\$(24,932,509)</u>	<u>\$(23,735,167)</u>	<u>\$(26,105,867)</u>	<u>\$(23,229,636)</u>	<u>\$(32,798,305)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes	\$ 21,489,545	\$ 23,354,100	\$ 26,103,185	\$ 30,432,894	\$ 35,965,010
Investment earnings	328,941	842,666	1,161,504	1,535,829	1,008,287
Gain/(loss) on disposal			(282,023)	63,844	
Miscellaneous	<u>1,262,172</u>	<u>539,844</u>	<u>1,216,413</u>	<u>1,221,477</u>	<u>175,565</u>
Total general revenues	<u>\$ 23,080,658</u>	<u>\$ 24,736,610</u>	<u>\$ 28,199,079</u>	<u>\$ 33,254,044</u>	<u>\$ 37,148,862</u>
Change in position before extraordinary items	\$(1,851,851)	\$ 1,001,443	\$ 2,093,212	\$ 10,024,408	\$ 4,968,393
Extraordinary items					
Change in net position	<u>\$(1,851,851)</u>	<u>\$ 1,001,443</u>	<u>\$ 2,093,212</u>	<u>\$ 10,024,408</u>	<u>\$ 4,968,393</u>
Prior period adjustment	<u>\$ 29,082,891</u>	<u>\$ 1,317,016</u>	<u>\$(798,098)</u>	<u>\$(2,711,629)</u>	<u>\$ -0-</u>

Source: Comprehensive Annual Financial Report (Statement of Activities)

¹ Elections, Conservation and Culture & Recreation programs included here.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 9,545,034	\$ 10,182,184	\$ 10,505,915	\$ 10,233,295	\$ 10,263,410
9,743,940	8,745,648	9,529,285	9,803,003	10,213,556
19,374,254	19,220,559	20,066,995	27,745,191	29,021,831
7,734,733	8,109,384	9,284,807	9,499,338	9,356,931
3,444,059	3,822,853	3,902,117	4,187,083	4,287,972
1,729,026	2,615,113	2,357,972	1,305,482	1,682,465
<u>1,145,108</u>	<u>1,159,632</u>	<u>821,658</u>	<u>830,473</u>	<u>438,967</u>
<u>\$ 52,716,154</u>	<u>\$ 53,855,373</u>	<u>\$ 56,468,749</u>	<u>\$ 63,603,865</u>	<u>\$ 65,265,132</u>

\$ 2,150,433	\$ 2,434,504	\$ 2,318,818	\$ 2,607,155	\$ 2,663,307
2,488,572	2,064,296	1,957,170	1,962,896	2,100,165
1,465,446	839,972	585,175	8,371,959	8,706,430
3,021,563	2,674,906	2,488,994	2,551,462	2,916,793
1,079,530	1,039,688	1,171,533	1,210,846	1,255,048
60,856	11,372	38,516	23,376	207,577
3,855,193	3,992,091	3,853,757	2,752,569	2,210,164
<u>1,086,130</u>	<u>76,707</u>	<u>60,135</u>	<u>240,887</u>	<u>557,627</u>
<u>15,207,723</u>	<u>13,133,536</u>	<u>12,474,098</u>	<u>19,721,150</u>	<u>20,617,111</u>

\$(37,508,431) \$(40,721,837) \$(43,994,651) \$(43,882,715) \$(44,648,021)

\$ 43,456,398	\$ 48,031,682	\$ 46,512,961	\$ 44,905,171	\$ 43,852,648
256,184	131,318	111,064	116,335	14,784
58,494	60,093		42,118	
<u>871,103</u>	<u>2,293,862</u>	<u>1,741,776</u>	<u>970,333</u>	<u>404,603</u>

\$ 44,642,179 \$ 50,516,955 \$ 48,365,801 \$ 46,033,957 \$ 44,272,035

\$ 7,133,748 \$ 9,795,118 \$ 4,371,150 \$ 2,151,242 \$(375,986)

\$ 7,133,748 \$ 9,795,118 \$ 4,371,150 \$ 2,151,242 \$(375,986)

\$ -0- \$ -0- \$ -0- \$ -0- \$(162,049)

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

Table 3

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund:					
Non-spendable	\$	\$	\$	\$ 1,534,905	\$ 469,717
Restricted					
Unassigned	<u>3,327,363</u>	<u>5,494,132</u>	<u>7,073,102</u>	<u>10,462,146</u>	<u>14,475,603</u>
Total general fund	<u>\$ 3,327,363</u>	<u>\$ 5,494,132</u>	<u>\$ 7,073,102</u>	<u>\$ 11,997,051</u>	<u>\$ 14,945,320</u>
Road and Bridge Fund:					
Non-spendable	\$	\$	\$	\$ 493,959	\$ 406,313
Restricted	2,141,192	2,076,088	2,336,572	4,015,628	4,407,191
Unassigned					
Total road and bridge	<u>\$ 2,141,192</u>	<u>\$ 2,076,088</u>	<u>\$ 2,336,572</u>	<u>\$ 4,509,587</u>	<u>\$ 4,813,504</u>
All Other Governmental Funds:					
Non-spendable	\$ 341,976	\$ 322,090	\$ 604,455	\$ 1,134,704	\$ 2,089,135
Restricted	9,980,478	5,982,111	1,716,845	101,826	2,068,155
Unassigned	<u>4,677,869</u>	<u>5,648,376</u>	<u>4,473,217</u>	<u>5,444,217</u>	<u>5,177,086</u>
Total all other governmental funds	<u>\$ 15,000,323</u>	<u>\$ 11,952,577</u>	<u>\$ 6,794,517</u>	<u>\$ 6,680,747</u>	<u>\$ 9,334,376</u>
Total all governmental funds	<u>\$ 20,468,878</u>	<u>\$ 19,522,797</u>	<u>\$ 16,204,191</u>	<u>\$ 23,187,385</u>	<u>\$ 29,093,200</u>

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 555,131	\$ 299,577	\$ 265,886	\$ 226,301	\$ 312,793
<u>16,866,872</u>	<u>24,814,565</u>	<u>26,708,198</u>	<u>20,969,138</u>	<u>21,254,587</u>
<u>\$ 17,422,003</u>	<u>\$ 25,114,142</u>	<u>\$ 26,974,084</u>	<u>\$ 21,195,439</u>	<u>\$ 21,567,380</u>
\$ 439,578	\$ 334,581	\$ 299,186	\$ 295,773	\$ 308,674
5,240,717	6,096,140	6,075,835	5,004,218	5,046,266
<u>5,680,295</u>	<u>6,430,721</u>	<u>6,375,021</u>	<u>5,299,991</u>	<u>5,354,940</u>
\$ 2,125,037	\$ 2,248,781	\$ 1,640	\$ 595	\$
426,996	1,183,139	11,662,250	10,770,454	7,916,021
<u>6,454,612</u>	<u>6,424,899</u>	<u>(9,731)</u>	<u>(595)</u>	<u>(151,798)</u>
<u>\$ 9,006,645</u>	<u>\$ 9,856,819</u>	<u>\$ 11,654,159</u>	<u>\$ 10,770,454</u>	<u>\$ 7,764,223</u>
<u>\$ 32,108,943</u>	<u>\$ 41,401,682</u>	<u>\$ 45,003,264</u>	<u>\$ 37,265,884</u>	<u>\$ 34,686,543</u>

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

Last Ten Fiscal Years

Table 4

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:					
Taxes	\$ 21,610,079	\$ 23,474,200	\$ 26,127,510	\$ 31,235,915	\$ 35,940,947
Licenses and permits	2,089,045	2,199,800	2,216,100		
Intergovernmental	2,554,415	3,527,418	1,965,268	4,041,247	3,471,311
Prisoner housing services					
Fees	3,788,752	4,668,039	6,892,207	8,608,032	8,528,155
Fines	1,250,247	1,276,788	1,454,090	1,880,639	2,067,448
Interest	328,941	845,183	1,161,504	1,535,829	1,008,287
Miscellaneous	<u>1,262,172</u>	<u>901,224</u>	<u>1,216,413</u>	<u>2,300,966</u>	<u>2,814,390</u>
Total revenues	<u>32,883,651</u>	<u>36,892,652</u>	<u>41,033,092</u>	<u>49,602,628</u>	<u>53,830,538</u>
Expenditures:					
General administration ¹	7,408,860	8,389,639	8,600,515	6,826,813	8,153,121
Highways/streets	5,348,608	5,593,591	5,885,584	5,447,360	8,100,515
Law enforcement	11,865,471	11,968,031	12,884,066	15,159,789	17,116,396
Administration of justice	3,308,311	3,753,590	4,896,102	5,950,970	6,981,582
Financial	464,622	469,342	533,187	3,008,958	2,896,376
Public health and welfare	2,009,726	1,578,568	1,269,057	1,035,673	1,284,676
Capital outlay	6,273,037	4,662,900	8,603,962	5,720,961	3,334,376
Debt Service:					
Principal	550,000	480,000	835,000	1,491,000	1,843,000
Interest	701,467	1,124,777	1,045,927	1,271,587	1,044,715
Other					
Total expenditures	<u>37,930,102</u>	<u>38,020,438</u>	<u>44,553,400</u>	<u>45,913,111</u>	<u>50,754,757</u>
Excess of revenues over (under) expenditures	<u>(5,046,451)</u>	<u>(1,127,786)</u>	<u>(3,520,308)</u>	<u>3,689,517</u>	<u>3,075,781</u>
Other Financing Sources (Uses):					
Transfers in	2,221,544	627,267	3,897,357	442,436	1,223,013
Transfers out	(2,221,544)	(627,267)	(3,897,357)	(442,436)	(1,223,013)
Debt issuance/other	<u>9,558,670</u>	<u>26,187</u>	<u>375,000</u>	<u>2,025,200</u>	<u>2,830,034</u>
Total other financing sources (uses)	<u>9,558,670</u>	<u>26,187</u>	<u>375,000</u>	<u>2,025,200</u>	<u>2,830,034</u>
Extraordinary items	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>\$ 4,512,219</u>	<u>\$ (1,101,599)</u>	<u>\$ (3,145,308)</u>	<u>\$ 5,714,717</u>	<u>\$ 5,905,815</u>
Debt service as a percentage of noncapital expenditures	4.0%	4.8%	5.2%	6.9%	6.1%

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

¹ Elections, Conservation, Culture & Recreation and Prisoner Housing programs are included here.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 43,468,684	\$ 48,055,409	\$ 46,608,937	\$ 44,830,579	\$ 43,830,189
3,364,428	3,919,350	3,913,791	2,740,468	6,577,588
7,368,544	7,168,758	6,865,970	6,944,502	7,497,817
2,002,246	1,895,980	1,694,236	1,526,291	1,674,359
256,184	131,318	111,064	116,335	14,784
<u>2,257,478</u>	<u>2,258,740</u>	<u>1,741,776</u>	<u>2,371,453</u>	<u>1,776,659</u>
<u>58,717,564</u>	<u>63,429,555</u>	<u>60,935,774</u>	<u>65,139,556</u>	<u>63,881,061</u>
8,181,184	8,704,409	9,375,927	15,786,448	8,982,474
7,363,664	6,224,675	6,876,317	1,251,211	7,407,174
18,118,570	17,892,151	18,748,040	26,601,429	27,402,657
7,784,305	8,387,209	8,729,263	9,432,772	9,283,646
3,440,812	3,818,502	3,961,276	4,162,063	4,256,750
1,721,213	2,609,358	2,301,269	166,700	1,668,814
4,637,822	5,000,820	4,950,884	7,136,275	5,669,670
1,005,000	1,620,000	1,735,000	7,826,735	1,478,924
961,177	1,041,312	705,726	593,321	379,113
<u>53,213,747</u>	<u>55,298,436</u>	<u>57,383,702</u>	<u>72,956,954</u>	<u>66,529,222</u>
<u>5,503,817</u>	<u>8,131,119</u>	<u>3,552,072</u>	<u>(7,817,398)</u>	<u>(2,648,161)</u>
3,760,479	2,112,105	4,519,044	11,491,554	2,171,599
(3,760,479)	(2,111,908)	(4,519,044)	(11,491,554)	(2,171,599)
<u>132,699</u>	<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>	<u>68,820</u>
<u>132,699</u>	<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>	<u>68,820</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 5,636,516</u>	<u>\$ 9,292,788</u>	<u>\$ 3,601,532</u>	<u>\$ (7,737,380)</u>	<u>\$ (2,579,341)</u>
4.0%	5.3%	4.7%	12.8%	3.1%

JOHNSON COUNTY, TEXAS**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY^{a,b}**

Table 5

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Less Exempt, Homestead, Other Exemptions
	Residential Property	Commercial Property	Other Property		
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
2013	5,055,969,380	1,183,463,914	4,995,129,585	1,791,720,657	2,774,139,671

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.

^a Property is assessed at actual value; therefore, the assessed values are equal to actual value.

^b The assessed values represent the Appraisal Review Board's approved totals from original certified roll.

^c Tax rates are \$100 of assessed value.

<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate^c</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 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%
10,252,143,865	10,252,143,865	0.382229	100.00%

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

Table 6

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	2004 Tax Rate	2005 Tax Rate	2006 Tax Rate	2007 Tax Rate	2008 Tax Rate
Cities:					
Alvarado	0.750000	0.750000	0.750000	0.697315	0.697313
Burleson	0.598480	0.596400	0.629900	0.661825	0.694000
Cleburne	0.711900	0.748108	0.714000	0.650000	0.620000
Crowley					0.575500
Godley	0.583450	0.583450	0.500000	0.500000	0.500000
Grandview	0.682700	0.754984	0.742823	0.742823	0.742823
Joshua	0.540900	0.633500	0.669000	0.656219	0.653476
Keene	0.676614	0.676614	0.676614	0.821737	0.757861
Mansfield	0.710000	0.690000	0.690000	0.690000	0.710000
Rio Vista	0.495500	0.649860	0.590143	0.528004	0.515560
Venus	0.755000	0.762698	0.794900	0.794900	0.801506
School Districts:					
Alvarado ISD	1.720000	1.730000	1.406883	1.410000	1.306900
Burleson ISD	1.748400	1.735220	1.450050	1.405100	1.468800
Cleburne ISD	1.686700	1.693500	1.238550	1.236800	1.236600
Crowley ISD	1.768000	1.789000	1.671000	1.409850	1.535000
Godley ISD	1.596840	1.438795	1.011963	1.031820	1.081800
Granbury ISD	1.670000	1.670000	1.440000	1.171150	1.170000
Grandview ISD	1.575000	1.575000	1.115050	1.115000	1.160000
Joshua ISD	1.738080	1.738080	1.538850	1.460000	1.390000
Keene ISD	1.558500	1.500000	1.400500	1.040000	1.420000
Mansfield ISD	1.717000	1.772000	1.687500	1.450000	1.450000
Rio Vista ISD	1.630000	1.630000	1.600500	1.180000	1.144500
Venus ISD	1.590000	1.600000	1.140050	1.180000	1.240000
Johnson County:					
County	0.382088	0.382088	0.369004	0.356962	0.306708
FMLR	0.052790	0.052790	0.052790	0.052790	0.052790
Total	0.434878	0.434878	0.421794	0.409752	0.359498
Special District Rates:					
Emergency Service	0.030000	0.030000	0.030000	0.030000	0.030000
Hill College - Alvarado ISD	0.041392	0.045873	0.043862	0.039360	0.025254
Hill College - Cleburne ISD	0.048140	0.050000	0.044988	0.039930	0.030717
Hill College - Godley ISD	0.034769	0.025531	0.015924	0.015843	0.011388
Hill College - Grandview ISD	0.039714	0.045167	0.034489	0.036045	0.031739
Hill College - Joshua ISD	0.040203	0.040203	0.038778	0.034000	0.028234
Hill College - Keene ISD	0.040498	0.046877	0.044475	0.041379	0.035143
Hill College - Rio Vista ISD	0.033976	0.034621	0.028091	0.026756	0.020197
Hill College - Venus ISD	0.039250	0.040007	0.036287	0.031375	0.025562

Source: Johnson County Appraisal District
Texas Municipal Report

<u>2009 Tax Rate</u>	<u>2010 Tax Rate</u>	<u>2011 Tax Rate</u>	<u>2012 Tax Rate</u>	<u>2013 Tax Rate</u>	<u>%Applicable to Johnson County</u>
0.697313	0.722313	0.745050	0.706872	0.700494	100.00%
0.694000	0.710000	0.690000	0.690000	0.690000	77.18%
0.620000	0.706446	0.719990	0.740743	0.804018	100.00%
0.575500	0.640000	0.640000	0.669019	0.696829	0.46%
0.500000	0.500000	0.500000	0.500000	0.500000	100.00%
0.742823	0.742823	0.740003	0.736995	0.743351	100.00%
0.634331	0.685270	0.685270	0.685270	0.705270	100.00%
0.757861	0.797861	0.797861	0.812363	0.847224	100.00%
0.710000	0.710000	0.710000	0.710000	0.710000	4.89%
0.513276	0.564162	0.606535	0.602880	0.597915	100.00%
0.821506	0.841506	0.846975	0.900000	0.900000	86.50%
1.280000	1.316000	1.316000	1.316000	1.461000	100.00%
1.540000	1.540000	1.540000	1.540000	1.540000	67.35%
1.236600	1.236600	1.236600	1.236600	1.236600	100.00%
1.535000	1.535000	1.535000	1.670000	1.670000	1.22%
1.071481	1.122390	1.137090	1.287000	1.172752	85.50%
1.155000	1.140000	1.150000	1.145000	1.145000	2.13%
1.160000	1.270000	1.270000	1.400000	1.400000	97.84%
1.390000	1.390000	1.390000	1.490000	1.490000	100.00%
1.382300	1.490900	1.490900	1.490900	1.490900	100.00%
1.450000	1.496000	1.496000	1.540000	1.527100	5.88%
1.183300	1.386200	1.365300	1.494400	1.590000	99.02%
1.198300	1.270000	1.380000	1.380000	1.380000	100.00%
0.300589	0.327500	0.300500	0.333229	0.371154	100.00%
<u>0.052790</u>	<u>0.052000</u>	<u>0.049000</u>	<u>0.049000</u>	<u>0.049000</u>	100.00%
0.353379	0.379500	0.379500	0.382229	0.420154	
0.030000	0.060000	0.060000	0.060000	0.060000	100.00%
0.022745	0.028883	0.033848	0.037242	0.043494	100.00%
0.030252	0.039049	0.043557	0.048596	0.050000	100.00%
0.009243	0.010931	0.012070	0.012159	0.014541	100.00%
0.031375	0.039672	0.046517	0.050000	0.050000	97.84%
0.025561	0.031394	0.034623	0.040868	0.049265	100.00%
0.030062	0.030062	0.033146	0.039305	0.046349	100.00%
0.020059	0.023200	0.026834	0.028931	0.027497	99.02%
0.020585	0.025394	0.029121	0.039312	0.048885	100.00%

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

Table 7

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
Devon Energy Production Co	\$ 432,861,958	1	3.72%	\$ --	--	--
Oncor Electric Delivery Co	177,414,139	2	1.52%	--	--	--
EOG Resources Inc.	174,681,446	3	1.50%	--	--	--
ETC Texas Processing LTD	147,966,970	4	1.28%	--	--	--
XTO Energy Inc	116,986,567	5	1.00%	--	--	--
Chesapeake Operating Inc	115,646,753	6	0.99%	--	--	--
Halliburton Energy Serv Inc	102,328,114	7	0.88%	--	--	--
Texas Midstream Gas	84,447,530	8	0.72%	--	--	--
Energy Transfer Fuel LP	79,611,883	9	0.68%	--	--	--
Brazos Electric Power Co op	74,997,300	10	0.64%	--	--	--
Wal-Mart Stores East	--	--	--	\$ 110,589,060		2.22%
Manville Sales Corp	--	--	--	50,541,210		1.03%
Oncor Electric	--	--	--	46,710,210		0.95%
Southwestern Bell	--	--	--	44,450,420		0.91%
James Hardie Building	--	--	--	37,027,760		0.76%
Burlington Northern	--	--	--	24,737,460		0.50%
Halliburton Energy Serv Inc	--	--	--	24,259,820		0.50%
Air Liquide America	--	--	--	22,345,350		0.46%
United Coop Services	--	--	--	19,718,806		0.40%
Total	\$ 1,506,942,660		12.93%	\$ 380,380,096		7.76%
Total Taxable Assessed Value	\$ 11,657,833,466			\$ 4,898,680,174		

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 ^a	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 21,353,691	\$ 20,519,404	96.09%	\$ 594,727	\$ 21,114,131	98.88%
2005	23,176,557	22,331,369	96.35%	454,934	22,786,303	98.32%
2006	25,838,712	25,037,560	96.90%	454,778	25,492,338	98.66%
2007	30,456,562	29,799,402	97.84%	401,562	30,200,964	99.16%
2008	35,534,532	34,698,756	97.65%	632,173	35,330,929	99.43%
2009	42,785,252	41,927,084	97.99%	745,121	42,672,205	99.74%
2010	47,628,987	46,699,219	98.05%	712,248	47,411,467	99.54%
2011	45,556,481	44,884,355	98.52%	918,029	45,802,384	100.54%
2012	43,781,351	43,176,224	98.62%	865,970	44,042,194	100.60%
2013	42,811,036	42,074,336	98.28%	951,588	43,025,924	100.50%

Source: Johnson County Tax Assessor-Collector

^a 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				Total	Percentage of Actual Taxable Property Value ^a	Total Debt Per Capita ^b	Percentage of Personal Income
	General Obligation Bonds	Certificates of Obligation	Tax Anticipation Notes	Note Payable				
2004	\$ --	\$ 25,382,279	\$ 300,000	\$ --	\$ 25,682,279	\$ 0.52%	\$ 188.20	0.70%
2005	1,460,000	23,860,684	--	--	25,320,684	0.47%	182.33	0.66%
2006	1,460,000	23,335,903	190,000	--	24,985,903	0.42%	176.85	0.63%
2007	11,180,098	13,430,000	994,000	--	25,604,098	0.37%	178.18	0.62%
2008	10,764,579	12,905,000	2,856,000	--	26,525,579	0.32%	181.55	0.61%
2009	10,652,172	12,265,000	920,000	--	23,837,172	0.20%	160.50	0.53%
2010	14,883,209	7,005,000	400,000	--	22,288,209	0.17%	147.67	0.48%
2011	14,034,246	6,620,000	--	--	20,654,246	0.16%	134.29	0.42%
2012	13,075,283	--	--	1,379,437	13,899,016	0.13%	89.80	0.26%
2013	11,996,322	--	--	1,080,513	13,076,835	0.13%	84.33	0.23%

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

^a Assessed values from the office of the Johnson County Central Appraisal District.

^b Population data taken from BEA, Regional Economic Accounts.

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

As of September 30, 2013

Table 10

<u>Taxing Jurisdiction</u>	<u>Net Bonded Debt as of Sept. 30, 2013</u>	<u>% Applicable to Johnson County</u>	<u>Amount Applicable to Johnson County</u>
<u>Direct Debt</u>			
Johnson County	\$ 14,932,858	100.00%	\$ <u>14,932,858</u>
<u>Overlapping Debt</u>			
<u>Cities</u>			
City of Alvarado	12,229,000	100.00%	12,229,000
City of Burleson	108,005,000	77.18%	83,358,259
City of Cleburne	20,320,413	100.00%	20,320,413
City of Crowley	27,865,000	0.46%	128,179
City of Godley	2,425,000	100.00%	2,425,000
City of Grandview	3,220,000	100.00%	3,220,000
City of Joshua	12,975,000	100.00%	12,975,000
City of Keene	4,865,000	100.00%	4,865,000
City of Mansfield	92,695,000	4.89%	4,532,786
City of Rio Vista	385,000	100.00%	385,000
City of Venus	1,713,000	86.50%	1,481,745
<u>School Districts</u>			
Alvarado ISD	78,964,393	100.00%	78,964,393
Burleson ISD	307,661,943	67.35%	207,210,319
Cleburne ISD	47,805,747	100.00%	47,805,747
Crowley ISD	311,662,845	1.22%	3,802,287
Godley ISD	33,176,396	85.50%	28,365,819
Granbury ISD	45,771,647	2.13%	974,936
Grandview ISD	16,310,000	97.84%	15,957,704
Joshua ISD	68,933,390	100.00%	68,933,390
Keene ISD	14,000,000	100.00%	14,000,000
Mansfield ISD	740,529,963	5.88%	43,543,162
Rio Vista ISD	14,436,890	99.02%	14,295,408
Venus ISD	11,029,203	100.00%	<u>11,029,203</u>
Total Overlapping Debt			<u>680,802,750</u>
Total Direct & Overlapping Debt			<u>\$ 695,735,608</u>

Source: Municipal Advisory Council of Texas

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

Table 11

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assessed value of real property ⁽¹⁾	\$ <u>4,906,680,174</u>	\$ <u>5,351,680,566</u>	\$ <u>6,019,731,680</u>	\$ <u>6,958,259,958</u>	\$ <u>8,364,143,888</u>
Debt limit ⁽²⁾	\$ <u>1,226,670,044</u>	\$ <u>1,337,920,142</u>	\$ <u>1,504,932,920</u>	\$ <u>1,739,564,990</u>	\$ <u>2,091,035,972</u>
Amount of Debt Applicable to Limit ⁽³⁾					
Total long term debt	25,682,279	25,320,684	24,985,903	25,604,098	26,525,579
Less: Assets in debt service fund	<u>341,976</u>	<u>322,090</u>	<u>604,455</u>	<u>1,127,308</u>	<u>1,676,881</u>
Total net debt applicable to limit	<u>25,340,303</u>	<u>24,998,594</u>	<u>24,381,448</u>	<u>24,476,790</u>	<u>24,848,698</u>
Legal debt margin	\$ <u>1,201,329,741</u>	\$ <u>1,312,921,548</u>	\$ <u>1,480,551,472</u>	\$ <u>1,715,088,200</u>	\$ <u>2,066,187,274</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>2.07%</u>	<u>1.87%</u>	<u>1.62%</u>	<u>1.41%</u>	<u>1.19%</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assessed value of real property ⁽¹⁾	\$ <u>11,831,450,070</u>	\$ <u>13,191,818,413</u>	\$ <u>11,391,233,044</u>	\$ <u>10,749,593,979</u>	\$ <u>10,252,143,856</u>
Debt limit ⁽²⁾	\$ <u>2,957,862,518</u>	\$ <u>3,297,954,603</u>	\$ <u>2,847,808,261</u>	\$ <u>2,687,398,495</u>	\$ <u>2,563,035,964</u>
Amount of Debt Applicable to Limit ⁽³⁾					
Total long term debt	24,484,579	22,288,209	20,654,246	13,899,013	13,076,835
Less: Assets in debt service fund	<u>2,094,417</u>	<u>2,248,781</u>	<u>2,590,359</u>	<u>806,876</u>	<u>1,025,329</u>
Total net debt applicable to limit	<u>22,390,162</u>	<u>20,039,428</u>	<u>18,063,887</u>	<u>13,092,137</u>	<u>12,051,506</u>
Legal debt margin	\$ <u>2,935,472,356</u>	\$ <u>3,277,915,175</u>	\$ <u>2,829,744,374</u>	\$ <u>2,674,306,358</u>	\$ <u>2,550,984,458</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.76%</u>	<u>0.61%</u>	<u>0.63%</u>	<u>0.49%</u>	<u>0.47%</u>

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 Position).

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

Table 12

<u>Calendar Year</u>	<u>Estimated Population^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Per Capita Personal Income^b</u>	<u>Unemployment Rate^c</u>
2004	138,833	\$ 3,727,213	\$ 26,850	5.4%
2005	140,692	3,953,405	28,100	4.7%
2006	142,501	4,307,225	30,226	3.7%
2007	145,123	4,666,801	32,158	4.1%
2008	148,635	4,994,132	33,600	6.0%
2009	150,583	4,877,473	32,391	8.0%
2010	151,272	4,962,507	32,805	8.1%
2011	151,940	5,203,192	34,245	8.5%
2012	153,441	5,385,653	35,099	6.8%
2013	155,064	5,569,924	35,920	6.3%

- ^a USBEA population data from 2003 through 2010 has been adjusted based on 2010 census. 2011, 2012 and 2013 data is derived from trended data.
- ^b USBEA Personal & Per Capita Income from 2003 through 2010 has been adjusted based on 2010 census. 2011, 2012 and 2013 data is derived from trended data.
- ^c Unemployment rates were provided by the Texas Workforce Commission and the Bureau of Labor Statistics current population survey as of September 2013.

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

Table 13

Employer	2013			2004		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,469	1	2.02%	N/A	--	N/A
Cleburne ISD	971	2	1.33%	N/A	--	N/A
Wal-Mart Distribution Center	769	3	1.06%	N/A	--	N/A
Joshua ISD	678	4	0.93%	N/A	--	N/A
Sabre Tubular Structures	549	5	0.75%	N/A	--	N/A
Wal-Mart Supercenter (Burleson)	526	6	0.72%	N/A	--	N/A
Johnson County	489	7	0.67%	N/A	--	N/A
Wal-Mart Supercenter (Cleburne)	414	8	0.57%	N/A	--	N/A
Texas Health Resources	411	9	0.56%	N/A	--	N/A
City of Cleburne	383	10	0.53%	N/A	--	N/A
Total	6,659		9.14%	N/A		N/A
Total County Employment	72,789			N/A		N/A

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	87	93	98	106	126	141	135	128	128	123
Highways/streets	77	78	77	74	72	90	79	75	75	75
Law enforcement	243	238	263	293	304	189 ^(a)	198	187	187	191
Administrative justice	54	62	63	70	81	87	89	82	82	78
Financial	12	12	12	12	12	14	14	13	13	13
Public health & welfare	10	10	10	10	9	9	8	5	5	5
Culture & recreation	N/A	N/A	N/A	N/A	N/A	7 ^(b)	6	3	3	4
Total	<u>483</u>	<u>493</u>	<u>523</u>	<u>565</u>	<u>604</u>	<u>530</u>	<u>529</u>	<u>493</u>	<u>493</u>	<u>489</u>

Source: County budget records

N/A - Not available

^(a) 2009 decrease due to outside contracting of jail administration.^(b) 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				
	2004	2005	2006	2007	2008
General Government:					
County Clerk					
Criminal Cases filed	5,446	5,597	6,546	6,317	4,972
Civil Cases filed	1,293	1,370	1,671	1,800	1,723
Juvenile petitions filed	202	177	200	264	309
Personnel					
Positions filed	577	625	675	685	725
Payroll checks processed	14,394	14,546	16,302	16,829	17,816
Public Works					
Permits Issued	1,162	1,333	1,424	1,659	1,561
Septic complaints addressed	N/A	N/A	435	458	408
Purchasing					
Purchase orders issued	7,791	8,014	6,584	6,643	7,018
Competitive bids		31	42	39	55
Tax Assessor/Collector					
County Tax accounts	75,343	77,907	82,549	92,788	114,151
Automobile registrations	129,465	133,814	142,218	146,544	157,150
Elections Administration					
Registered voters	73,939	76,694	80,834	76,890	78,544
Administrative Justice					
District Courts					
Civil cases filed	2,935	2,191	3,134	3,297	3,544
Criminal cases filed	1,630	1,326	1,724	1,881	1,596
County Courts					
Criminal cases disposed	5,344	6,220	6,181	7,238	6,070
Civil cases disposed	1,038	1,026	1,096	1,803	1,859
Juvenile petitions disposed	202	192	188	184	212
District Clerk					
Civil cases disposed	3,086	3,074	3,126	2,835	3,195
Criminal cases disposed	1,851	1,747	2,071	1,798	1,546
Justice of the Peace					
Civil cases filed	1,771	1,585	1,754	1,839	2,804
Criminal cases filed	15,810	16,820	17,551	18,698	18,698
Civil cases disposed	--	--	--	--	--
Criminal cases disposed	--	--	--	--	--

(continued)

Fiscal Year				
2009	2010	2011	2012	2013
4,395	4,316	3,769	3,510	4,333
1,238	1,179	1,724	1,014	920
281	266	183	157	134
608 ⁽¹⁾	607	586	594	603
15,585 ⁽¹⁾	15,903	15,499	15,488	15,873
964	715	681	227	231
256	214	187	124	126
6,507	5,896	5,563	5,542	4,914
63	39	28	22	23
136,166	185,126	202,431	285,381	287,183
158,597	158,676	160,584	163,283	165,217
79,811	81,486	77,802	78,275	80,779
3,397	3,268	3,042	2,697	970
1,366	1,338	2,333	1,014	1,094
4,819	4,871	4,007	3,763	4,019
1,822	1,371	1,688	1,132	880
200	193	183	162	144
3,404	6,264	1,319	1,173	1,137
1,565	1,416	1,453	1,531	1,678
2,168	1,928	2,000	2,044	1,804
16,710	14,789	12,922	14,198	16,046
--	--	1,799	1,706	1,752
--	--	12,217	16,805	15,742

JOHNSON COUNTY, TEXAS*OPERATING INDICATORS BY FUNCTION - Continued*

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2004	2005	2006	2007	2008
Law Enforcement					
County Jail					
Average daily jail population	515	449	503	566	447
Sheriff					
E-911 calls received (approx)	31,922	31,922	31,922	52,231	64,500
Financial					
County Auditor					
A/P checks processed	8,925	7,588	6,312	6,780	6,624
ACH processed	--	--	--	--	--
Wire transactions	--	--	--	--	--
Invoices processed	--	--	--	--	--
Highways and Streets					
Miles of roads resurfaced	180	126	104	299	221
Public Health & Welfare					
Autopsies performed	39	28	36	44	87
Medical Examiner cases	327	344	360	355	460
Indigent clients	421	300	175	128	107
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				
2009	2010	2011	2012	2013
580	564	613	627	673
224,566 ⁽²⁾	37,667	38,883	44,559	38,390
7,131	7,137	6,986	6,195	4,658
--	--	--	647	1,995
--	--	--	220	20
--	19,260	17,706	16,854	14,466
104	114	113	119	68
90	123	49	57	70
399	441	25	437	502
94	160	94	146	174
3,519 ⁽³⁾	7,214	13,246	23,321	18,626

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

Table 16

Function	Fiscal Year				
	2004	2005	2006	2007	2008
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				
2009	2010	2011	2012	2013
	20	20	21	22
	6	5	5	5
	1	2	1	1
	180	158	163	164
	10	8	10	21
	71	72	74	81
	7	8	12	12
	235	251	255	260
	13	18	19	20
	86	74	75	78
	142	140	153	147
	8	12	12	14
	2	21	21	21
	3	5	5	5
	--	1	1	1
	1	1	1	1
	3	4	4	4
	--	2	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

El Campo Office:
201 W. Webb
El Campo, Texas 77437

Houston Office:
10260 Westheimer, Suite 410
Houston, Texas 77042

Independent Auditor's Report

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

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

We have audited, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 24, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kerremey, Masters & Rungford, LLC

Lake Jackson, Texas
March 24, 2014

Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566

El Campo Office:
201 W. Webb
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Houston Office:
10260 Westheimer, Suite 410
Houston, Texas 77042

Independent Auditor's Report

On Compliance for each Major Program and on Internal
Control over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited Johnson County's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major state program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Johnson County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2013.

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

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 over compliance 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 federal 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 federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kennemer, Masters & Hunzford, LLC

Lake Jackson, Texas 77566
March 24, 2014

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

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

9. Low Risk Auditee: Yes.

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.

JOHNSON COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
Year Ended September 30, 2013

None.

JOHNSON COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year Ended September 30, 2013

None.

JOHNSON COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

For the Year Ended September 30, 2013

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-13-126	\$ 670,353
State Aid Program (1)	TJJD-A-14-126	46,511
Commitment Reduction Program (1)	TJJD-C-13-126	66,265
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (1)	TJJD-P-13-126	34,538
Juvenile Justice Alternative Education Program (1)	TJJD-P-14-126	<u>12,467</u>
TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT		<u>\$ 830,134</u>
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>37,308</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		<u>\$ 96,356</u>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	911410	<u>\$ 21,165</u>
TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS		<u>\$ 21,165</u>
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>2,310</u>
TOTAL OFFICE OF ATTORNEY GENERAL		<u>\$ 30,461</u>

JOHNSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued
For the Year Ended September 30, 2013

Exhibit 15
Page 2

<u>State Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Contract/ Program Number</u>	<u>Expenditures or Award Amount</u>
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-13-126	\$ 181,178
Indigent Defense Services	212-14-126	<u>17,384</u>
		198,562
Indigent Defense Improvement	212-13-126	<u>18,901</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		<u>\$ 217,463</u>
TOTAL STATE ASSISTANCE		<u>\$ 1,195,579</u>
TOTAL MAJOR PROGRAMS		<u>\$ 830,134</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, 2013

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 deferred outflows of resources, and current liabilities and deferred inflows of resources 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 unearned revenues until earned.

JOHNSON COUNTY, TEXAS*NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS - Continued*

Year Ended September 30, 2013

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, 2013.

