

JOHNSON COUNTY, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2015

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, 2015

Table of Contents

Page

Introductory Section

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

Financial Section

Independent Auditor's Report	1-3
Management's Discussion and Analysis	5-14
Basic Financial Statements:	
Government Wide Financial Statements:	
Exhibit 1 Statement of Net Position	16
Exhibit 2 Statement of Activities	17
Fund Financial Statements:	
Exhibit 3 Balance Sheet - Governmental Funds	18-19
Exhibit 3R Reconciliation of the Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position	20
Exhibit 4 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Exhibit 4R Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to Governmental Activities Statement of Activities	22-23
Exhibit 5 Statement of Fiduciary Net Position - Fiduciary Funds	24
Notes to the Financial Statements	25-66

Required Supplementary Information

Exhibit 6	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Major Special Revenue Fund (Road and Bridge Fund)	68-69
Exhibit 7	Schedule of Changes in Net Pension Liability and Related Ratios	70
Exhibit 8	Schedule of Employer Contributions	71
	Notes to the Required Supplementary Information	72

Combining and Individual Fund Statements and Schedules

Exhibit 9	Non-Major Governmental Funds Descriptions	74-78
Exhibit 10	Combining Balance Sheet - Nonmajor Governmental Funds	80-91
Exhibit 10	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	92-103
Exhibit 11	Statements of Expenditures – Budget and Actual – By Function, Department and Legal Level of Budgetary Control:	
Exhibit 11	General Fund	104-112
Exhibit 12	Major Special Revenue Fund (Road and Bridge Fund)	113
Exhibit 13	Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual: Special Revenue Funds (Nonmajor):	
Exhibit 13	Right of Way Fund	114
Exhibit 13	Records Management and Preservation Fund	115
Exhibit 13	Record Archives - County Clerk Fund	116
Exhibit 13	Record Archives - District Clerk Fund	117
Exhibit 13	Court Records Preservation Fund	118
Exhibit 13	Justice of the Peace Technology Fund	119
Exhibit 13	Courthouse Security Fund	120
Exhibit 13	County/District Court Technology Fund	121
Exhibit 13	District Court Records Technology Fund	122

JOHNSON COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Year Ended September 30, 2015

Table of Contents - Continued

Page

Combining and Individual Fund Statements and Schedules - Continued

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

Special Revenue Funds (Nonmajor) - Continued

Exhibit 13	Justice Court Building Security Fund.....	123
Exhibit 13	Juvenile Justice Alternative Education Fund.....	124
Exhibit 13	Juvenile Probation Fees Fund	125
Exhibit 13	Juvenile Case Manager Fund.....	126
Exhibit 13	District Attorney Forfeiture Fund.....	127
Exhibit 13	Sheriff Forfeiture Fund	128
Exhibit 13	Law Library Fund.....	129
Exhibit 13	STOP SCU Forfeiture Fund	130
Exhibit 13	STOP SCU Operations Fund.....	131
Exhibit 13	Pre-Trial Bond Supervision Fund.....	132
Exhibit 13	Indigent Health Care Fund.....	133
Exhibit 13	Guardianship Fee Fund	134
Exhibit 13	Election Services Contract Fund.....	135
Exhibit 13	Historical Commission Fund	136

Schedules of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - Debt Service Funds (Nonmajor):

Exhibit 14	General Debt Service Fund.....	137
Exhibit 15	Combining Statement of Changes in Assets and Liabilities - Agency Funds	138-140

Statistical Section

	Statistical Content Description	143
Table 1	Net Position by Components	144-145
Table 2	Changes in Net Position	146-147
Table 3	Fund Balances, Governmental Funds.....	148-149
Table 4	Changes in Fund Balances, Governmental Funds	150-151
Table 5	Assessed Value and Estimated Actual Value of Taxable Property	152-153
Table 6	Direct and Overlapping Property Tax Rates	154-155
Table 7	Principal Property Taxpayers.....	156
Table 8	Property Tax Levies and Collections.....	157
Table 9	Ratios of General Bonded Debt Outstanding.....	158-159
Table 10	Computation of Direct and Overlapping Debt	160
Table 11	Computation of Legal Debt Margin	161
Table 12	Demographic and Economic Statistics.....	162
Table 13	Principal Employers	163
Table 14	Full-time County Government Employees by Function	164
Table 15	Operating Indicators by Function.....	166-169
Table 16	Capital Assets Statistics by Function.....	170-171

JOHNSON COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Year Ended September 30, 2015

Table of Contents - Continued

Page

State Awards Section

	Independent Auditor's Report - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	175-176
	Independent Auditor's Report - Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with Texas Single Audit Circular	177-178
	Schedule of Findings and Questioned Costs	179
	Schedule of Status of Prior Findings	180
	Corrective Action Plan.....	181
Exhibit 16	Schedule of Expenditures of State Awards	182-183
	Notes on Accounting Policies for Federal and State Awards	184-185



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 23, 2016

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, 2015, 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 Texas Single Audit Circular related to this single audit, including the Schedule of Expenditures of State Awards, 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 steady growth, which is expected to continue for several years due to the influence of Dallas and Fort Worth adjacent to our northern border and improved transportation routes.

Johnson County, like most of the state and nation, has seen a slight downturn in the business environment during the past few years but, lately, has begun to take a turn for the better. 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 experienced four consecutive years of loss but 2015 was the turnaround year. Contributing to the upturn was the bottoming-out of the price of natural gas. For several years now, Johnson County has been 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 were in excess of our minimums established by our fund balance policy.

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. Construction of a privately-owned events center was completed last year just two blocks from the town square; further adding to the attraction of the business area of the county seat.

The construction of Highway 121 was completed in 2014. The highway now provides a much needed north-south route from our county seat to the City of Fort Worth. This new freeway will help ensure continued growth of Johnson County. The travel time from city to city has been cut by about half. It was determined that the route would 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 extends 27.6 miles from the Fort Worth central business district to U.S. Highway 67 in Cleburne. The economic impact to Johnson County is proving to be quite significant as evidenced by the residential development on the west side.

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

The plan to expand and renovate the County Jail was completed this year with the plan for the county to issue Certificates of Obligation in the amount of \$ 20,605,000.

Johnson County has completed the first phase of the courts system and it is up and running. The court software meets the new e-filing requirement mandate issued by the State. Our records management software, completed early in the year, has added efficiency and convenience. The law enforcement project began in January, 2015. The goal with this is to create a regional law enforcement system that will allow all agencies in Johnson County to share information.

During the year, Johnson County employed a salary and benefits consulting firm to evaluate our compensation structure. As a result, the County adjusted the compensation of several positions to ensure that we are competitive in our local labor market. This action will be very helpful in the retention of qualified personnel.

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.

Johnson County has begun construction to renovate and add space to the County Jail. This project will ensure that the County will be able to meet the mandated requirements of the State to appropriately house our inmates in a manner that will keep risk as low as possible for those incarcerated and those charged with the safekeeping of prisoners.

Additionally, Johnson County has plans to acquire property in close proximity of our courts building for additional parking and future improvements as it becomes necessary.

FINANCIAL CONDITION

Current Condition. Johnson County currently has large fund balances even though we have used cash for recent capital projects. The unassigned General Fund balance had grown for several consecutive years and it was a prudent decision to use some cash to finance the projects. In fiscal year 2015, the General Fund replenished its unassigned fund balance to the levels prior to the cash-funded projects. The County has always been 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. 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. The County created this fund by transfer of funds that represent some of the tax revenue derived from mineral properties. For a few years, all mineral royalty received was deposited into this unbudgeted, separate fund. However, for reporting purposes, it is considered part of the General Fund. With the knowledge that these mineral royalty revenues will fluctuate with the price of natural gas, the County has not used these funds for things which demand ongoing commitments such as additional personnel.

Significant Financial Policy. It is the policy of Johnson County to maintain an above-average fund balance as evidenced by the Fund Balance Policy. To ensure fund balances remain at these levels the County will strive to balance the General Fund budget each year or use only a minimum amount of the fund balance to finance the budget. 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 receipting and depositing all funds paid to the County. The Treasurer is also the designated County Investment Officer and confers with the County Auditor regarding investments of county funds. The Commissioners Court has adopted an investment policy in compliance with the Public Funds Investment Act.

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.

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 is to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2015, 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 unmodified opinion that the Johnson County, Texas financial statements for the fiscal year ended September 30, 2015 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, 2014. This was the twenty-fourth 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**

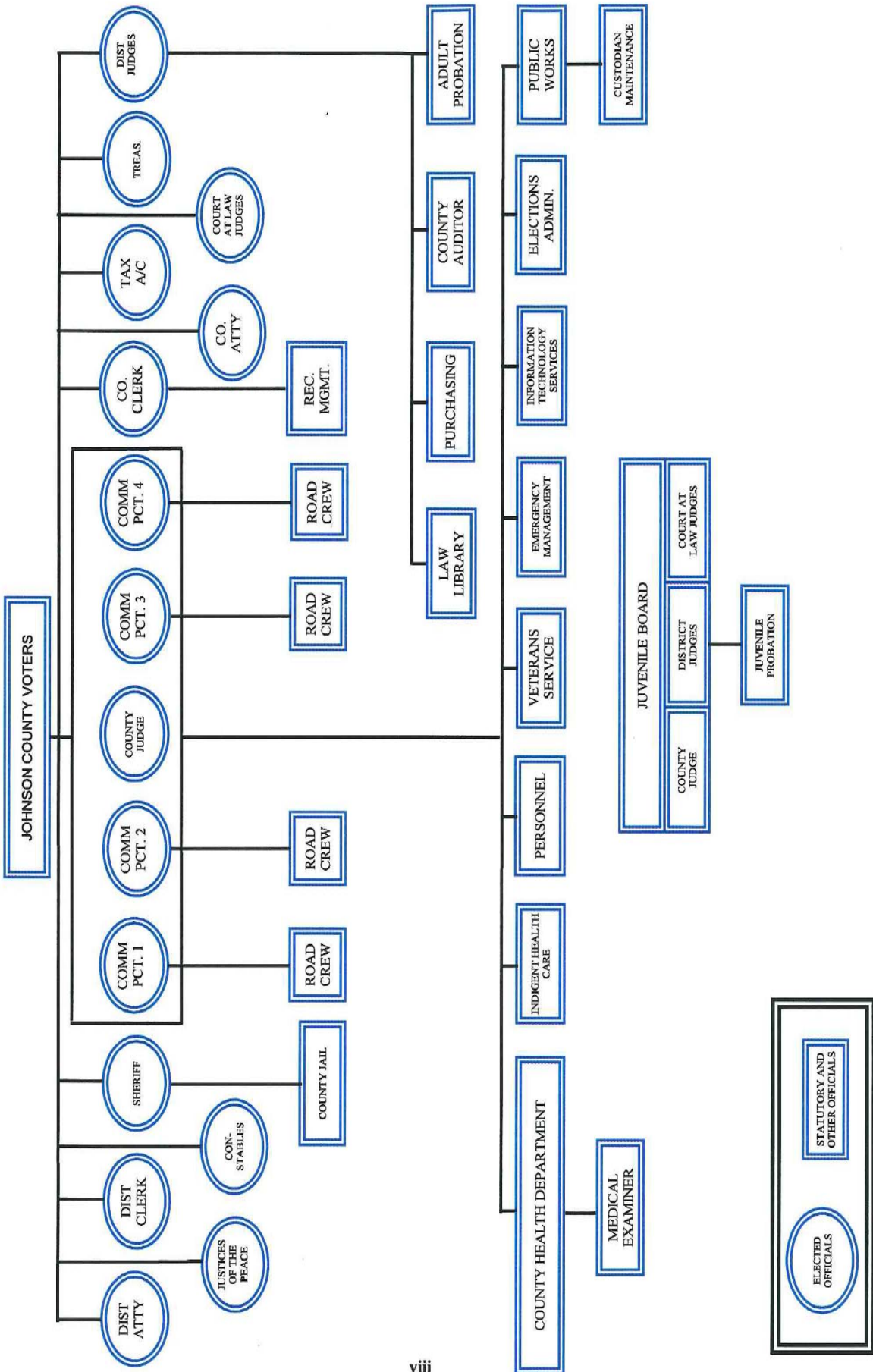
Presented to

**Johnson County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

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

Larry Wooley

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

Steve McClure

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*

Bob Barnes

CHIEF JUVENILE PROBATION OFFICER*

Lisa Tomlinson

FINANCIAL ADMINISTRATION

COUNTY AUDITOR*

J. R. Kirkpatrick

COUNTY TREASURER

Debbie Rice

TAX ASSESSOR—COLLECTOR

Scott Porter

PURCHASING AGENT*

Ralph McBroom

COURT CLERKS

DISTRICT CLERK

David Lloyd

COUNTY CLERK

Becky Ivey

*Denotes appointed officials. All others are elected officials.



FINANCIAL SECTION



Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566
979-297-4075

Angleton Office:
2801 N. Velasco Suite C
Angleton, Texas 77515
979-849-8297

El Campo Office:
201 W. Webb
El Campo, Texas 77437
979-543-6836

Houston Office:
10850 Richmond Ave., Ste 135
Houston, Texas 77042
281-974-3416

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, 2015, 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, each major fund, and the aggregate remaining fund information of Johnson County, Texas, as of September 30, 2015, and the respective changes in financial position, 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 2 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. 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, budgetary comparison information and pension schedules on pages 5 to 14 and pages 68 to 72 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 statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by the Texas *Single Audit Circular* and are also not a required part of the basic financial statements.

The combining and individual fund statements 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 the schedules of expenditures of 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 them.

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 23, 2016, 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.

Kerremers, Masters & Hungford, LLC

Lake Jackson, Texas
March 23, 2016



JOHNSON COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2015

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, 2015. 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 - vi 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 \$ 94,895,175 (net position). Of this amount, \$ 26,616,369 (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 increased for governmental activities by \$ 3,333,222.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 39,393,546. 52.13% of this amount, \$ 20,537,007 (unassigned fund balance), were available for use within the County's fund designations. Of the governmental funds amount, \$ 17,773,364 has been restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 21,394,059 or 41.37% 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four 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, 2015*

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

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

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

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

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

The County maintains fifty (50) 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 forty-seven (47) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 18 through 23 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, 2015*

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 24 and a statement of changes in assets and liabilities – agency funds 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 25 through 66 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 68 through 72 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 74 through 103 of this report.

Government-wide Financial Analysis

With the implementation of GASB statements Nos. 68 and 71, comparable information for the year-ended September 30, 2014 is not available, therefore, only one year is presented. Beginning with September 30, 2016 financial statements, comparative information will resume.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 94,895,175 as of September 30, 2015. This is an increase in net position of \$ 3,333,222 which is primarily due to a net increase in revenues.

The largest portion of the County's net position of \$ 51,667,122 (54.44%) 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 investment in capital assets decreased by \$ 1,591,196 due to a decrease in capital projects for the current fiscal year.

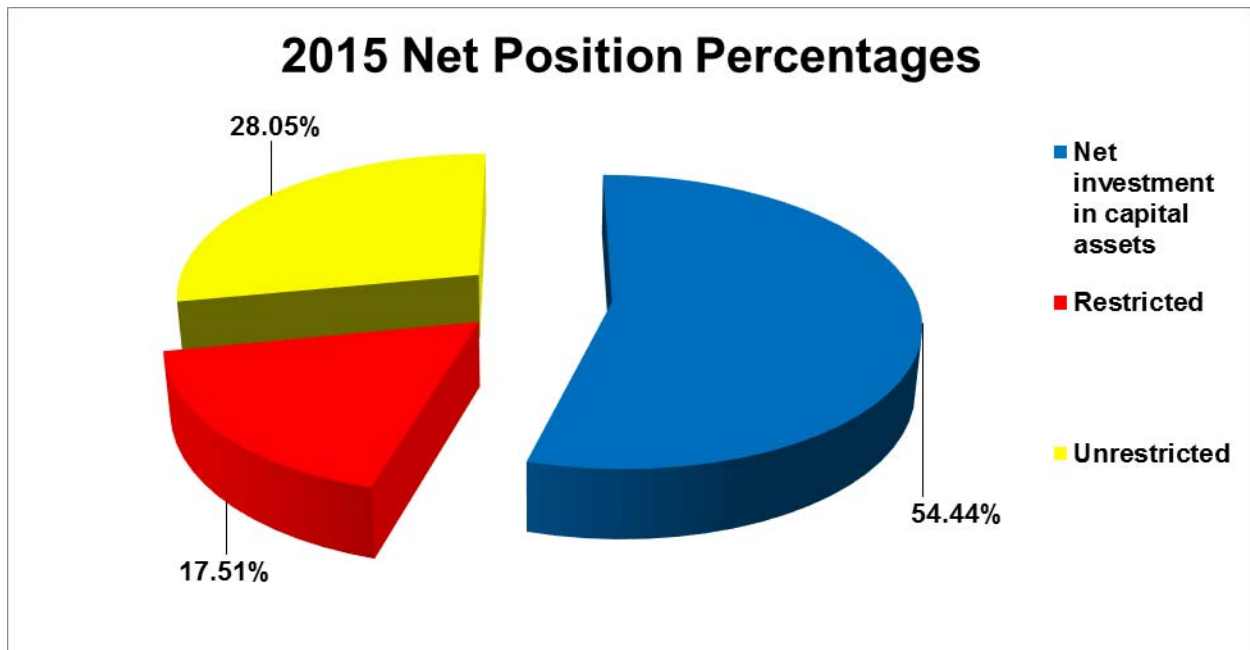
An additional portion of the County's net position of \$ 16,611,684 (17.51%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 26,616,369 (28.05%) may be used to meet the government's ongoing obligations to citizens and creditors.

JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2015

As of September 30, 2015, the County is able to report positive balances in all three categories of net position.

JOHNSON COUNTY'S NET POSITION

	<u>Governmental Activities</u> <u>2015</u>
ASSETS	
Current and other assets	\$ 53,117,347
Capital assets	<u>64,174,900</u>
Total assets	<u>117,292,247</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>2,511,601</u>
Total deferred outflows of resources	<u>2,511,601</u>
LIABILITIES	
Current and other liabilities	5,372,721
Long-term liabilities	<u>19,535,952</u>
Total liabilities	<u>24,908,673</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>
NET POSITION	
Net investment in capital assets	51,667,122
Restricted	16,611,684
Unrestricted	<u>26,616,369</u>
Total net position	<u>\$ 94,895,175</u>



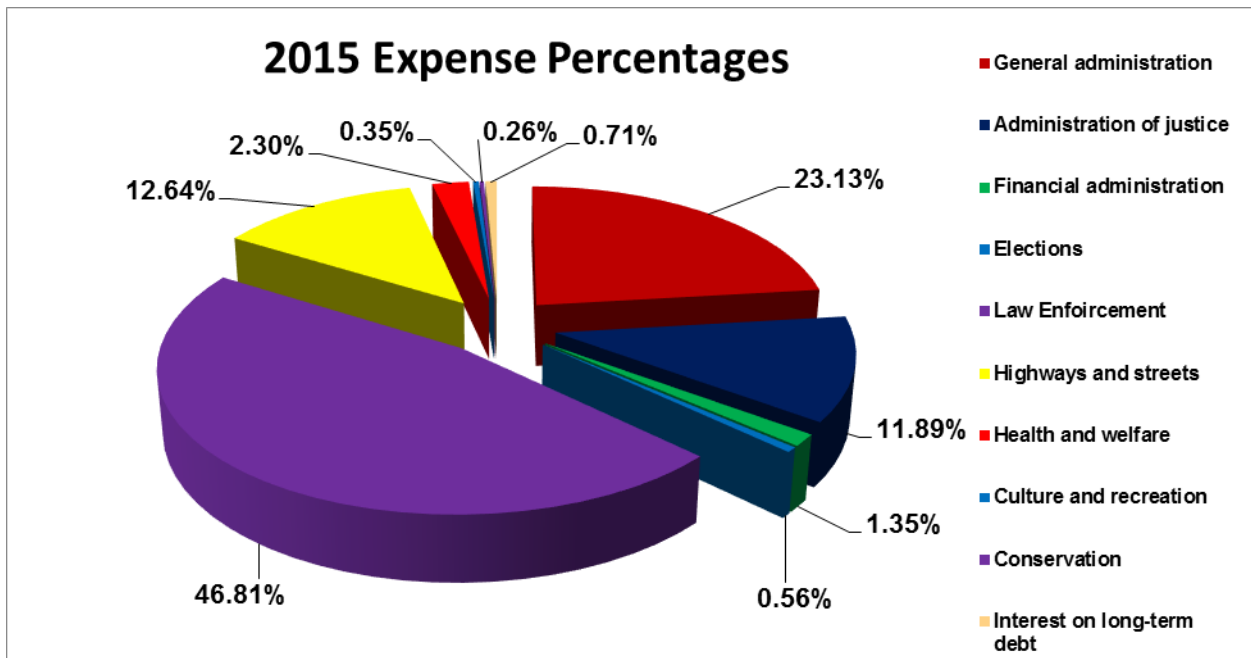
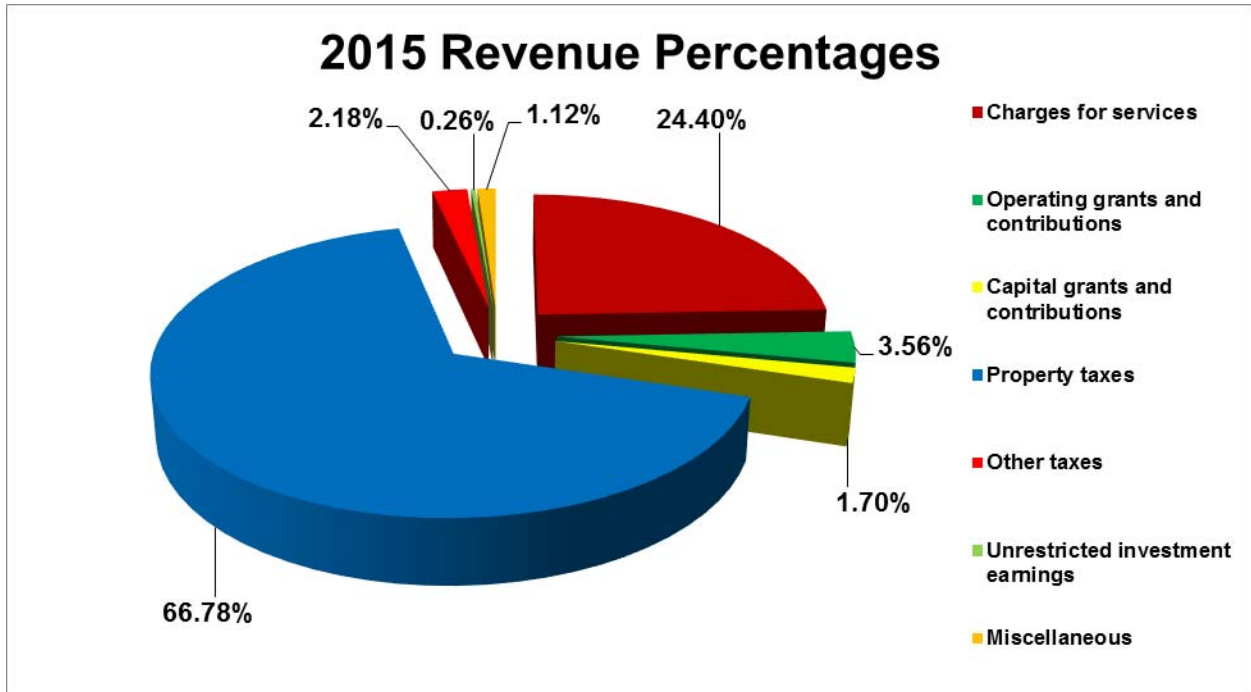
JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2015*

Analysis of the County's Operations. Governmental activities reported an increase in net position in the amount of \$ 3,333,222. The following table provides a summary of the County's operations for the year ended September 30, 2015.

JOHNSON COUNTY'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>
	<u>2015</u>
Revenues:	
Program Revenues:	
Charges for services	\$ 17,330,704
Operating grants and contributions	2,531,965
Capital grants and contributions	1,209,257
General Revenues:	
Property taxes	47,438,475
Other taxes	1,552,118
Unrestricted Investment earnings	183,592
Miscellaneous	<u>791,863</u>
Total revenues	<u>71,037,974</u>
Expenses:	
General administration	15,662,910
Administration of justice	8,046,614
Financial Administration	916,563
Elections	379,181
Law enforcement	31,694,382
Highways and streets	8,559,760
Health and welfare	1,558,199
Culture and recreation	227,205
Conservation	177,799
Interest on long-term debt	<u>482,139</u>
Total expenses	<u>67,704,752</u>
Increase in net position	3,333,222
Net position – October 1, (restated)	<u>91,561,953</u>
Net position - September 30,	<u>\$ 94,895,175</u>



JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2015*

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 39,393,546. The unassigned fund balance of \$ 20,537,007 constitutes 52.13% of ending fund balance. The fund balance is categorized as 1) nonspendable (\$ 1,083,175), 2) restricted (\$ 17,773,364), and 3) unassigned (\$ 20,537,007).

Fund balance of the General Fund increased by \$ 3,086,153; the Road and Bridge (special revenue fund) increased by \$ 458,555; the General Debt Service (debt service fund) increased by \$ 273,380, and, other (non-major) governmental funds decreased by \$ 1,559,258.

The increase in fund balance in the general fund is a result of the increase in tax revenue from the prior year of \$ 3.7 million while the overall expenditures increased only \$ 1.7 million. The cash used last year for various capital projects was not repeated in 2015. As for the Road & Bridge Fund (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 primarily a result of the debt tax being calculated slightly higher than the need to service the debt for the year. The change in fund balance for other governmental funds is primarily the expenditures of capital projects being complete for which the cash transfers from the general fund occurred in the prior year.

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 \$ 783,463 increase including \$ 1,324,739 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 the budget. Revenues were higher across the board. Lower than budgeted expenditures resulted in many areas, primarily in the administration of justice and law enforcement expenditures.

JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2015

Total General Fund revenue exceeded the budget by approximately 0.42% and total General Fund expenditures were under budget by approximately 5.19%.

Capital Assets

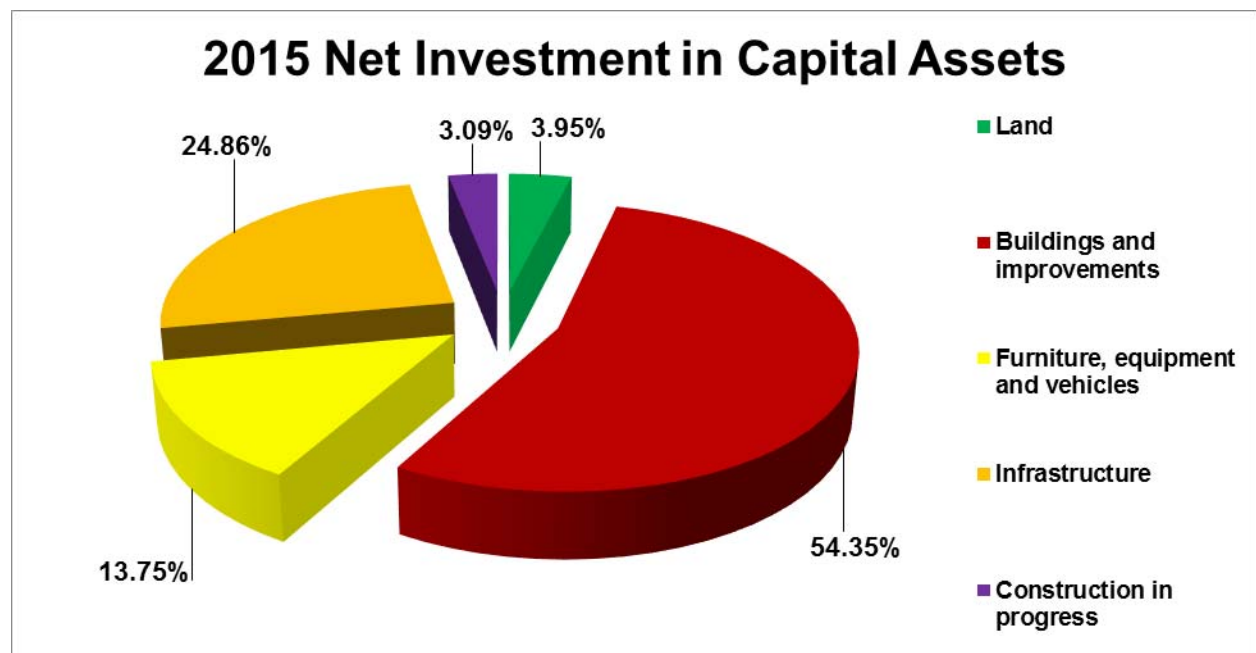
This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

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

- Acquisition of new vehicles, tractors, various road and bridge equipment.
- Construction of new buildings that began in the current year and others completed during the fiscal year.
- Construction of software projects that are still in progress at the end of the fiscal year.

JOHNSON COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

	<u>Governmental Activities</u>
	<u>2015</u>
Land	\$ 2,536,813
Buildings and improvements	34,878,242
Furniture, equipment and vehicles	8,820,885
Infrastructure	15,953,606
Construction in progress	<u>1,985,354</u>
 Total	 <u>\$ 64,174,900</u>



JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2015

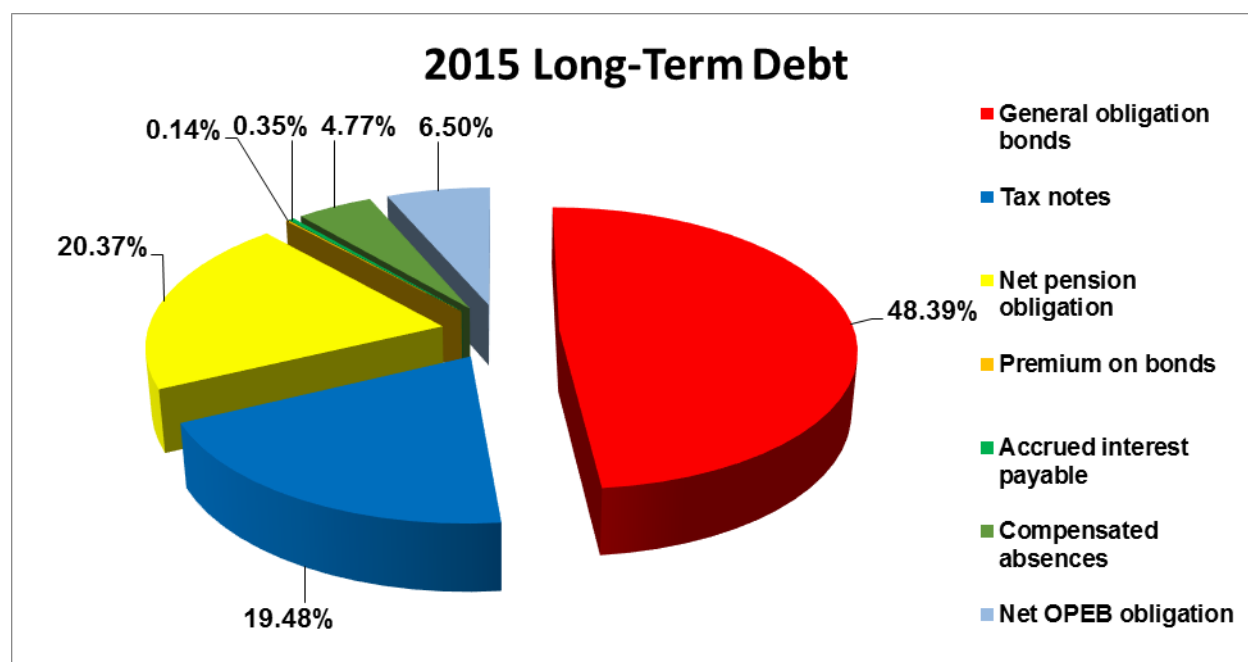
Additional information on the County's capital assets can be found in Note 7 on pages 47 through 48 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded and note debt of \$ 13,258,939, which, comprises bonded and debt backed by the full faith and credit of the County agreement. The bonds and tax notes will be retired with revenues from property taxes and fees for services. During the current fiscal year, the jail facilities loan was extinguished in accordance with the agreement.

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

	<u>Governmental</u> <u>Activities</u>
	<u>2015</u>
General obligation bonds	\$ 9,453,939
Tax notes	3,805,000
Net pension liability	3,979,101
Components of Debt:	
Premium on bonds	27,480
Accrued interest payable	69,122
Compensated absences	931,080
Net OPEB obligation	<u>1,270,230</u>
Total	\$ <u>19,535,952</u>



JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2015*

During the fiscal year, the County's total debt increased \$ 1,432,091 or 7.91%. The net increase was due primarily to the implementation of GASB Nos. 68 and 71 and the recognition of the net pension obligation.

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 the County significantly exceeds the outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 9 on pages 49 through 53 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 2016, Commissioners Court considered the following factors:

- Property tax rate was increased by .67% but was significantly under the rollback rate. It appears the County will continue to increase unencumbered fund balances.
- Employees were given additional compensation of \$ 1,800 each or the position adjusted in excess of this if it was the recommendation of the salary consultant hired by the County to ensure that the compensation level is competitive in the local labor market.

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, 2015

Exhibit 1

	<u>Governmental Activities</u>
ASSETS	
Cash and temporary investments	\$ 31,438,445
Receivables (Net of Allowance for Uncollectibles):	
Taxes	818,498
Accounts	8,711,859
Due from other governments	287,529
Inventories	408,775
Prepaid items	374,400
Investments	10,777,841
Noncurrent Receivables:	
Notes receivable	300,000
Capital Assets:	
Land	2,536,813
Buildings and improvements (net)	34,878,242
Furniture, equipment and vehicles (net)	8,820,885
Infrastructure (net)	15,953,606
Construction in progress	<u>1,985,354</u>
Total assets	<u>117,292,247</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>2,511,601</u>
Total deferred outflows of resources	<u>2,511,601</u>
LIABILITIES	
Accounts and accrued liabilities payable	4,896,559
Unearned revenue	476,162
Noncurrent Liabilities:	
Due within one year	5,466,718
Due in more than one year	<u>14,069,234</u>
Total liabilities	<u>24,908,673</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>
NET POSITION	
Net Investment in Capital Assets	51,667,122
Restricted:	
Debt service	1,364,571
Health services	1,646,998
Public transportation projects	8,737,181
Records management	2,872,026
Other	1,990,908
Unrestricted	<u>26,616,369</u>
Total net position	<u>\$ 94,895,175</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, 2015

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General administration	\$ 15,662,910	\$ 5,006,742	\$ 359,542	\$ (10,296,626)
Administration of justice	8,046,614	2,584,341	1,382,540	(4,079,733)
Financial administration	916,563			(916,563)
Elections	379,181	21,468		(357,713)
Law enforcement	31,694,382	7,623,697	477,855	(22,978,649)
Highways and streets	8,559,760	2,053,735	274,784	(5,636,165)
Health and welfare	1,558,199		37,244	(1,520,955)
Culture and recreation	227,205	40,721		(186,484)
Conservation	177,799			(177,799)
Interest on long-term debt	482,139			(482,139)
Total governmental activities	<u>67,704,752</u>	<u>17,330,704</u>	<u>2,531,965</u>	<u>(46,632,826)</u>
General Revenue:				
Property taxes				47,438,475
Other taxes				1,552,118
Unrestricted investment earnings				183,592
Miscellaneous				<u>791,863</u>
Total general revenues, special items, and transfers				<u>49,966,048</u>
Change in net position				3,333,222
Net position – beginning (restated)				<u>91,561,953</u>
Net position – ending				<u>\$ 94,895,175</u>

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

JOHNSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2015

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 \$	15,289,418	\$ 5,691,759	\$ 1,388,168	\$ 9,069,100	\$ 31,438,445
Receivables (Net of Allowance for Uncollectibles):					
Taxes	659,827	95,627	45,525	17,519	818,498
Accounts	906,689	105,295		20,256	1,032,240
Due from other governments	59,567	132,031		95,931	287,529
Due from other funds	1,146,635			320,197	1,466,832
Inventories		408,775			408,775
Prepaid expenditures	374,400				374,400
Investments	7,821,691	1,280,998		1,675,152	10,777,841
Noncurrent Receivables:					
Notes receivable	300,000				300,000
Total assets	26,558,227	7,714,485	1,433,693	11,198,155	46,904,560
Deferred Outflows of Resources:					
Deferred outflows of resources					-0-
Total deferred outflows of resources	-0-	-0-	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 26,558,227	\$ 7,714,485	\$ 1,433,693	\$ 11,198,155	\$ 46,904,560

(continued)

JOHNSON COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS - Continued

September 30, 2015

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 Balances					
Liabilities:					
Accounts and accrued liabilities payable	\$ 3,830,169	\$ 436,720	\$	\$ 629,670	\$ 4,896,559
Due to other funds	90,415			1,376,417	1,466,832
Unearned revenue	<u>32,083</u>			<u>444,079</u>	<u>476,162</u>
Total liabilities	<u>3,952,667</u>	<u>436,720</u>	<u>-0-</u>	<u>2,450,166</u>	<u>6,839,553</u>
Deferred Inflows of Resources:					
Deferred inflows of resources	<u>537,101</u>	<u>82,687</u>	<u>37,198</u>	<u>14,475</u>	<u>671,461</u>
Total deferred inflows of resources	<u>537,101</u>	<u>82,687</u>	<u>37,198</u>	<u>14,475</u>	<u>671,461</u>
Fund Balances:					
Nonspendable	674,400	408,775			1,083,175
Restricted		6,786,303	1,396,495	9,590,566	17,773,364
Unassigned	<u>21,394,059</u>			<u>(857,052)</u>	<u>20,537,007</u>
Total fund balances	<u>22,068,459</u>	<u>7,195,078</u>	<u>1,396,495</u>	<u>8,733,514</u>	<u>39,393,546</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,558,227</u>	<u>\$ 7,714,485</u>	<u>\$ 1,433,693</u>	<u>\$ 11,198,155</u>	<u>\$ 46,904,560</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, 2015**Exhibit 3R
Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 39,393,546
Amounts reported for <i>governmental activities</i> 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 \$ 127,999,290 in assets less \$ 63,824,390 in accumulated depreciation.	64,174,900
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 \$ 14,120,993 net of allowance for uncollectible accounts of \$ 6,441,374 in the General fund amounted to \$ 7,679,619.	7,679,619
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 general debt service fund amounted to \$ 537,101, \$ 82,687, \$ 14,475 and \$ 37,198, respectively.	671,461
Pension deferred outflows are reported based upon the measurement date of December 31, 2014 and are unavailable at September 30, 2015 to pay for current period expenditures and are not recorded in the funds. Pension deferred outflows of \$ 704,399 (differences between expected and actual earnings of \$ 896,940 less amortization of \$ 224,235, and differences between expected and actual experience of \$ 47,540 less amortization of \$ 15,846).	704,399
Deferred outflows for subsequent pension contributions of \$ 1,807,202 made during the period January 1, 2015 through September 30, 2015 are charged to expenditures in the funds but do not reduce the amount of net pension liability.	1,807,202
Payables for bond principal are not reported in the funds.	(9,453,939)
Payables for note principal are not reported in the funds.	(3,805,000)
Payables for net pension liability are not reported in the funds.	(3,979,101)
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 \$ 27,480 (premium on the sale of bonds of \$ 188,901 less amortization of \$ 161,421).	(27,480)
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 \$ 69,122.	(69,122)
The liability for the underfunded annual required contribution as calculated for the retiree health insurance benefits is not reported in the funds.	(1,270,230)
Payables for compensated absences are not reported in the funds.	(931,080)
Net position of governmental activities - statement of net position (Exhibit 1)	<u>\$ 94,895,175</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, 2015

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 40,939,908	\$ 4,335,225	\$ 2,704,076	\$ 984,364	\$ 48,963,573
Intergovernmental	1,159,273	274,784		1,367,666	2,801,723
Prisoner housing services	6,030,529				6,030,529
Fees	4,413,644	2,053,735		1,155,543	7,622,922
Fines	1,509,951			17,417	1,527,368
Investment income	124,985	23,824	2,071	32,712	183,592
Miscellaneous	1,190,993	352,108		829,586	2,372,687
Total revenues	<u>55,369,283</u>	<u>7,039,676</u>	<u>2,706,147</u>	<u>4,387,288</u>	<u>69,502,394</u>
EXPENDITURES					
Current:					
General administration	13,116,291			789,889	13,906,180
Administration of justice	6,830,528			1,143,734	7,974,262
Financial administration	916,909				916,909
Elections	369,434			11,323	380,757
Law enforcement	28,799,230			904,727	29,703,957
Highways and streets		5,783,272			5,783,272
Health and welfare	735,747			773,661	1,509,408
Culture and recreation	208,172				208,172
Conservation	172,789			4,400	177,189
Capital outlay	377,167	923,613		2,827,539	4,128,319
Debt Service:					
Principal	189,297		1,980,000		2,169,297
Interest and fiscal charges			452,767		452,767
Total expenditures	<u>51,715,564</u>	<u>6,706,885</u>	<u>2,432,767</u>	<u>6,455,273</u>	<u>67,310,489</u>
Excess (deficiency) of revenues over expenditures	<u>3,653,719</u>	<u>332,791</u>	<u>273,380</u>	<u>(2,067,985)</u>	<u>2,191,905</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	40,752	13,764		12,409	66,925
Transfers in	638,380	112,000		1,134,698	1,885,078
Transfers out	(1,246,698)			(638,380)	(1,885,078)
Total other financing sources and (uses)	<u>(567,566)</u>	<u>125,764</u>	<u>-0-</u>	<u>508,727</u>	<u>66,925</u>
Net change in fund balances	3,086,153	458,555	273,380	(1,559,258)	2,258,830
Fund balances - beginning	<u>18,982,306</u>	<u>6,736,523</u>	<u>1,123,115</u>	<u>10,292,772</u>	<u>37,134,716</u>
Fund balances - ending	<u>\$ 22,068,459</u>	<u>\$ 7,195,078</u>	<u>\$ 1,396,495</u>	<u>\$ 8,733,514</u>	<u>\$ 39,393,546</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, 2015

Exhibit 4R

Page 1

Net change in fund balances - total governmental funds (Exhibit 4)	\$ 2,258,830
Amounts reported for <i>governmental activities</i> 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 depreciation of \$ 6,518,731 exceeded capital outlay of \$ 4,128,319 in the current period.	(2,390,412)
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, \$ 595,076 of capital assets were contributed to and accepted by the County.	595,076
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 and General debt service fund amounted to \$ 15,535, \$ 11,621, (\$ 1,603), and \$ 1,467, respectively.	27,020
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 \$ 106,752. (Cost of \$ 1,150,507 less accumulated depreciation of \$ 1,043,755).	(106,752)
Judicial revenues (resulting from accounts receivable net of related allowance for uncollectible accounts) in the governmental activities statement of activities do 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.	309,538
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 \$ 1,980,000 in long-term bond principal payments and \$ 189,297 in long-term note payments.	2,169,297
Extinguishment of debt in the governmental activities statement of activities do not provide current available financial resources and are not reporting as revenues in the funds. The amount of debt that was legally released by the creditor of the County was \$ 603,946.	603,946
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 \$ 6,277.	6,277
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 net pension obligations.	92,912

(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, 2014

Exhibit 4R

Page 2

Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

This is the amount of accretion and accrued interest on long-term debt. Current bond accretion of \$ 76,580 plus the change in accrued interest on notes and bonds of \$ 40,931.

\$(35,649)

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.

(176,760)

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.

20,101

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

\$ 3,333,222

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, 2015

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 7,747,833
Receivables:	
Accounts receivable	151,283
Due from others	1,060,201
Prepaid items	<u>3,534</u>
Total assets	<u>\$ 8,962,851</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 380,987
Amount held for others	<u>8,581,864</u>
Total liabilities	<u>\$ 8,962,851</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, 2015

INDEX

<u>Note</u>	
1	Summary of Significant Accounting Policies 26
2	Change in Accounting Principle and Prior Period Adjustment..... 38
3	Deposits, Investments and Derivatives 39
4	Receivables and Uncollectible Accounts 43
5	Deferred Outflows and Inflows of Resources and Unearned Revenue..... 45
6	Interfund Receivables, Payables and Transfers 46
7	Capital Assets..... 47
8	Disaggregation of Accounts and Accrued Liabilities Payable..... 48
9	Long-Term Debt..... 49
10	Leasing Operations 53
11	Texas County and District Retirement System Pension Plan..... 54
12	Post Employment Health Insurance Benefits..... 61
13	Grants, Entitlements and Shared Revenues..... 63
14	Bail Bond Collateral 63
15	Litigation 63
16	Risk Coverage 65
17	Deficit Fund Balances 65
18	Long-Term Receivable 65
19	Evaluation of Subsequent Events 66

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Johnson County, Texas (the "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, 2015, 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, 2015

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 entity'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. The 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, 2015

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, 2015

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 issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27", was issued June 2012. The statement has been implemented and did have a material effect on 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 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, 2013.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees", was issued April 2013. This statement is effective for periods beginning after June 15, 2013. The statement was implemented and did not have an impact on the County's financial statements.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements – continued

GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68”, was issued November 2013. The statement has been implemented and did have a material effect on the County. This statement is effective for periods beginning after June 15, 2014.

GASB No. 72, “Fair Value Measurement and Application” was issued February 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County, however there will be additional disclosures related to Fair Values. This statement is effective for periods beginning after June 15, 2015.

GASB No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of Statements 67 and 68” was issued June 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2016.

GASB No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” was issued June 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2016.

GASB No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” was issued June 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2017.

GASB No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments” was issued June 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2015.

GASB No. 77 “Tax Abatement Disclosures” was issued in August 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2015.

GASB No. 78 “Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans” was issued in December 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2015.

GASB No. 79 “Certain External Investment Pools and Pool Participants” was issued in December 2015. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2015.

GASB No. 80 “Blending Requirements for Certain Component Units and amendment of GASB No. 14” was issued in January 2016. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2016.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data

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

Annual appropriated budgets are adopted for the General fund, certain special revenue funds (Road and Bridge Fund, Right of Way Fund, Records Management and Preservation Fund, 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, 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, STOP SCU Forfeiture Fund, STOP SCU Operations Fund; Pre-Trial Bond Supervision Fund, Indigent Health Care Fund, Guardianship Fee Fund, Election Services Contract Fund, Historical Commission Fund), and the General Debt Service fund.

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 Commissioners 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. Numerous supplemental budget amendments in the general and special revenue funds were deemed necessary due to the timing of planned expenditures and construction projects.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of September 30, 2015, the County had no encumbrances outstanding.

Cash and Investments

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

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

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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes - continued

The County's 2014 tax levy, supporting the 2015 fiscal period budget, totaled \$ 0.445000 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.371026
Indigent Health Care	0.009200
Road and Bridge	0.039600
Special Road and Bridge:	
Article 6790	-0-
Article 7048a	-0-
Debt Service:	
Interest and Sinking:	
General Obligation Refunding Bonds, Series 2007, and Tax Notes, Series 2013	<u>0.405400</u>
Combined tax rate	<u>\$ 0.445000</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 6 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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment and vehicles, 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, 2015, 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, 2015, computed at pay rates in effect at that time was \$ 931,080.

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, 2015

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).

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 interest and fiscal charge expenses.

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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

Fund Balance Classifications:

The *non-spendable* fund balance includes a 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, prepaid expenditures and long-term receivables.

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, 2015, 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, 2015, 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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2015:

	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	\$	\$ 408,775	\$	\$	\$ 408,775
Prepaid expenditures	374,400				374,400
Long-term receivables	300,000				300,000
Restricted:					
Capital projects				1,635,693	1,635,693
Contributor purposes				30,327	30,327
Court improvements and operations				540,287	540,287
Debt service			1,396,495		1,396,495
Election services				228,614	228,614
Health services				1,632,523	1,632,523
Inmate services				196,176	196,176
Juvenile services				189,852	189,852
Library services				194,810	194,810
Public safety personnel training				17,331	17,331
Public transportation projects		6,786,303		1,459,416	8,245,719
Records management				2,872,026	2,872,026
Special crimes operations				202,812	202,812
County/District attorney services				167,161	167,161
Sheriff services				19,218	19,218
Other				204,320	204,320
Unassigned	<u>21,394,059</u>			<u>(857,052)</u>	<u>20,537,007</u>
Total fund balances	<u>\$ 22,068,459</u>	<u>\$ 7,195,078</u>	<u>\$ 1,396,495</u>	<u>\$ 8,733,514</u>	<u>\$ 39,393,546</u>

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets 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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

	<u>Governmental Activities</u>
Net Position:	
Net investment in capital assets	\$ 51,667,122
Restricted:	
Debt service	1,364,571
Health services	1,646,998
Public transportation projects	8,737,181
Records management	2,872,026
Other:	
Contributor purposes	30,327
Court improvements and operations	540,287
Election services	228,614
Inmate services	196,176
Juvenile services	189,852
Library services	194,810
Public safety personnel training	17,331
Special crime operations	202,812
County/District attorney services	167,161
Sheriff services	19,218
Other	204,320
Unrestricted	<u>26,616,369</u>
Total	<u>\$ 94,895,175</u>

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2015, the District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27", and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment of GASB No. 68". GASB Statement No. 68 establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. GASB Statement 71, amendment of GASB Statement No. 68, addresses the issue regarding application of the transition provisions. It requires a government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a government employer makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, it requires that the government recognize its contribution as a deferred outflow of resources. The following represents the retroactive restatement of net position as a result of implementation of GASB Statements No. 68 and 71 and prior period adjustment as noted above:

	<u>Governmental Activities</u>
Net position, September 30, Previously reported	\$ 93,122,365
Addition of outflows of resources – Subsequent pension contributions	1,784,960
Addition of net pension liability	<u>(3,345,372)</u>
Net position, September 30, restated	<u>\$ 91,561,953</u>

JOHNSON COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2015

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT - Continued

Information was not available to restate the September 30, 2013 net position or the changes in net position for the year ended September 30, 2014, therefore, the MD&A presentation does not report comparative statements for the year ended September 30, 2014. Further, this change in accounting principle had no effect on governmental fund fund balance or changes in fund balance.

NOTE 3 - 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, 2015 are as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 10,122	\$	\$ 10,122
Financial Institution Deposits:			
Demand deposits	26,746,671	7,747,833	34,494,504
Broker-Dealer:			
Demand deposits	244,498		244,498
Local Government Investment Pool:			
Texas CLASS	<u>4,437,154</u>		<u>4,437,154</u>
Sub-total	<u>31,438,445</u>	<u>7,747,833</u>	<u>39,186,278</u>
Investments:			
Broker-Dealer:			
U.S. Treasury Notes	2,607,970		2,607,970
U.S. Agency Securities	<u>8,169,871</u>		<u>8,169,871</u>
Sub-total	<u>10,777,841</u>	<u>-0-</u>	<u>10,777,841</u>
Total Cash and Temporary Investments and Investments	<u>\$ 42,216,286</u>	<u>\$ 7,747,833</u>	<u>\$ 49,964,119</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Deposits

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

At year-end, in addition to petty cash of \$ 10,122, the carrying amount of the County's financial institution deposits, were \$ 34,739,002, while the financial institution balances totaled \$ 31,566,701. Of these balances, \$ 3,800,067 represents amounts controlled by County courts and held by various financial institutions jointly under the name of the County and the court's beneficiaries and carrying the identification number of the beneficiaries. These accounts are entirely covered by federal deposit insurance. Of the remaining balances, \$ 500,000 was covered by federal depository insurance coverage, \$ 244,498 was covered by the Securities Investor Protection Corporation, and \$ 27,022,136 was covered by collateral held by the County's agent in the County's name.

Investments

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

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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

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

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

The County participates in the Texas CLASS Local Government Investment Pool. Texas CLASS is administered by Public Trust Advisors LLC and Wells Fargo Bank of Texas, N.A. as custodian. Together, these organizations provide the powerful partnership of two leaders in financial services with a proven and noted track record in local government pool management.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

The County invests in Texas CLASS to provide its liquidity needs. Texas CLASS is a local government investment pool that was 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.

At September 30, 2015 Texas CLASS had a weighted average maturity of 53 days. Although Texas CLASS had a weighted average maturity of 53 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, 2015, 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:			
Texas CLASS	Varies	\$ <u>4,437,154</u>	53
Total local government investment pools		<u>4,437,154</u>	53
Held by Financial Institutions:			
U.S. Treasury Note	1.50%	508,475	208
U.S. Treasury Note	2.38%	520,340	200
U.S. Treasury Note	2.38%	516,140	133
U.S. Treasury Note	2.88%	525,645	184
U.S. Treasury Note	4.25%	<u>537,370</u>	160
Total held by financial institutions		<u>2,607,970</u>	885
U.S. Agency Securities:			
FFCB	0.80%	528,130	31
FHLB	1.80%	534,240	39
FHLMC	1.25%	524,559	54
FHLMC	2.63%	502,145	23
FHLMC	1.63%	503,180	32
FHLMC	0.38%	507,135	20
FHLMC	0.88%	507,095	15
FHLMC	2.00%	456,142	6
FHLMC	2.50%	502,945	3
FHLMC	2.88%	544,725	46
FNMA	4.75%	524,685	62
FNMA	4.75%	501,265	50
FNMA	0.75%	504,825	25
FNMA	1.63%	500,500	1
FNMA	2.38%	505,575	12
FNMA	2.38%	<u>522,725</u>	22
Total held by broker dealer		<u>8,169,871</u>	441
Total investments		<u>\$ 15,214,995</u>	405

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

Credit Risk – As of September 30, 2015, the LGIP’s (which represent approximately 29.16% of the investment portfolio) are rated AAAM by Standard and Poor’s or AAA by Finch, and the United States securities and agencies (which represent 70.84% of the investment portfolio) were covered by \$ 243,998 of Securities Investor Protection Corporation insurance and \$ 10,533,843 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.

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, 2015, and holds no direct investments in derivatives at September 30, 2015.

NOTE 4 - RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS

Receivables and Allowances

Receivables as of September 30, 2015, for the government’s individual governmental major and nonmajor funds, 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	\$ 2,504,616	\$ 408,381	\$ 202,203	\$ 100,976	\$ 3,216,176
Accounts	906,689	105,295		20,256	1,032,240
Due from other governments	<u>59,567</u>	<u>132,031</u>		<u>95,931</u>	<u>287,529</u>
Gross receivables	3,470,872	645,707	202,203	217,163	4,535,945
Less Allowance for Uncollectible:					
Property taxes	<u>1,844,789</u>	<u>312,754</u>	<u>156,678</u>	<u>83,457</u>	<u>2,397,678</u>
Net receivables	<u>\$ 1,626,083</u>	<u>\$ 332,953</u>	<u>\$ 45,525</u>	<u>\$ 133,706</u>	<u>\$ 2,138,267</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 4 - RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS - Continued

Receivables and Allowances - continued

	<u>Fiduciary Fund</u>
Receivables:	
Accounts:	
Adult probationers	\$ 151,283
Others	<u>1,060,201</u>
Net total receivables	<u>\$ 1,211,484</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.

Amounts due from federal, state, and local governments as of September 30, 2015 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Other</u>	<u>Total</u>
Major Governmental Funds:				
General fund	\$ 15,315	\$ 37,457	\$ 6,795	\$ 59,567
Road and Bridge fund			132,031	132,031
Non-major governmental funds	<u>14,524</u>	<u>81,407</u>		<u>95,931</u>
Total	<u>\$ 29,839</u>	<u>\$ 118,864</u>	<u>\$ 138,826</u>	<u>\$ 287,529</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 4 - RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS - Continued

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, 2015:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 430,963	\$ 129,289	\$ 301,674
County courts	2,131,722	532,930	1,598,792
District courts	<u>11,558,308</u>	<u>5,779,155</u>	<u>5,779,153</u>
Total	<u>\$ 14,120,993</u>	<u>\$ 6,441,374</u>	<u>\$ 7,679,619</u>

NOTE 5 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUE

Governmental Funds

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, 2015, the various components of deferred outflows of resources and unearned revenue reported in the governmental 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	\$ 537,101	\$ 82,687	\$ 37,198	\$ 14,475	\$ 671,461
Unearned Revenue:					
State grants	<u>32,083</u>	<u> </u>	<u> </u>	<u>444,079</u>	<u>476,162</u>
Total	<u>\$ 569,184</u>	<u>\$ 82,687</u>	<u>\$ 37,198</u>	<u>\$ 458,554</u>	<u>\$ 1,147,623</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 5 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUE -
Continued

Governmental Activities

Governmental activities defer the recognition of pension expense for contributions made from the measurement date (December 31, 2014) to the current year-end of September 30, 2015 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of September 30, 2015, the various components of deferred outflows of resources reported in the governmental activities were as follows:

	<u>Deferred Outflows of Resources</u>
TCDRS deferred outflows of resources, less current amortization	\$ 704,399
Pension contributions subsequent to the measurement date	<u>1,807,202</u>
Totals	<u>\$ 2,511,601</u>

There were no deferred inflows of resources reported in the governmental activities as of September 30, 2015. The unearned revenue reported in the governmental funds was also reported in the governmental activities.

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2015 consisted of the following:

Receivable Fund	Payable Fund	09-30-15
General Fund	Other Governmental Funds	\$ 1,146,635
Other Governmental Funds	General Fund	90,415
Other Governmental Funds	Other Governmental Funds	<u>229,782</u>
Total		<u>\$ 1,466,832</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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Interfund transfers for the year ended September 30, 2015 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-15</u>
General Fund	Other Governmental Funds	\$ 1,134,698
General Fund	Road & Bridge Fund	112,000
Other Governmental Funds	General Fund	<u>638,380</u>
Total		<u>\$ 1,885,078</u>

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

NOTE 7 - CAPITAL ASSETS

Capital Transactions

	<u>Balance 10-01-14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments & Transfers</u>	<u>Balance 09-30-15</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 2,558,693	\$	\$ 21,880	\$	\$ 2,536,813
Construction in progress	<u>4,581,941</u>	<u>2,371,295</u>	<u></u>	<u>(4,967,882)</u>	<u>1,985,354</u>
Total capital assets not being depreciated	<u>7,140,634</u>	<u>2,371,295</u>	<u>21,880</u>	<u>(4,967,882)</u>	<u>4,522,167</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	55,843,806	248,925		3,467,882	59,560,613
Furniture, equipment and vehicles	23,638,974	1,440,346	867,867	1,500,000	25,711,453
Infrastructure	<u>37,802,988</u>	<u>662,829</u>	<u>260,760</u>	<u></u>	<u>38,205,057</u>
Total capital assets being depreciated	<u>117,285,768</u>	<u>2,352,100</u>	<u>1,128,627</u>	<u>4,967,882</u>	<u>123,477,123</u>
Less Accumulated Depreciation For:					
Buildings and improvements	22,708,547	1,973,824			24,682,371
Furniture, equipment and vehicles	15,062,874	2,610,689	782,995		16,890,568
Infrastructure	<u>20,577,993</u>	<u>1,934,218</u>	<u>260,760</u>	<u></u>	<u>22,251,451</u>
Total accumulated depreciation	<u>58,349,414</u>	<u>6,518,731</u>	<u>1,043,755</u>	<u>-0-</u>	<u>63,824,390</u>
Total capital assets being depreciated, net	<u>58,936,354</u>	<u>(4,166,631)</u>	<u>84,872</u>	<u>4,967,882</u>	<u>59,652,733</u>
Governmental activities capital assets, net	<u>\$ 66,076,988</u>	<u>\$(1,795,336)</u>	<u>\$ 106,752</u>	<u>\$ -0-</u>	<u>\$ 64,174,900</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 7 - CAPITAL ASSETS - Continued

During the year ended September 30, 2015, the County received equipment and roads from various sources totaling \$ 595,076.

Depreciation

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

	<u>09-30-15</u>
Governmental Activities:	
General government	\$ 1,735,536
Administration of justice	46,114
Law enforcement	1,906,936
Highways and streets	2,767,471
Health and welfare	46,670
Culture and recreation	<u>16,004</u>
Total depreciation expense	<u>\$ 6,518,731</u>

Construction Commitments

Construction in progress for various projects at September 30, 2015 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
Jail construction	\$ 19,717,998	\$ 843,955	\$ 18,874,043
Software projects	<u>4,576,330</u>	<u>3,014,241</u>	<u>1,562,089</u>
Total	<u>\$ 24,294,328</u>	<u>\$ 3,858,196</u>	<u>\$ 20,436,132</u>

NOTE 8 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2015, 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 Fund</u>	<u>Other Governmental Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors	\$ 1,912,352	\$ 214,310	\$	\$ 545,132	\$ 2,671,794
Accrued compensation	1,474,420	222,410		72,906	1,769,736
Due to others	<u>443,397</u>			<u>11,632</u>	<u>455,029</u>
Total	<u>\$ 3,830,169</u>	<u>\$ 436,720</u>	<u>\$ -0-</u>	<u>\$ 629,670</u>	<u>\$ 4,896,559</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 8 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE - Continued

	<u>Fiduciary Funds</u>
Accounts and Accrued Liabilities Payable:	
Vendors	\$ 5,791
Bonds payable	163,865
Accrued compensation	<u>211,331</u>
 Total	 <u>\$ 380,987</u>

NOTE 9 - LONG-TERM DEBT

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2015, are summarized as follows:

	Interest Rate %	<u>Series Dates</u>			Bonds Outstanding 09-30-15
		<u>Issued</u>	<u>Maturity</u>	<u>Callable</u>	
General Obligation Refunding Bonds, Series 2007	4.00 - 5.00	2007	2020		\$ <u>9,453,939</u>
Total					\$ <u>9,453,939</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2015 were as follows:

Bonds outstanding, October 1, 2014	\$ 10,792,359
Accreted	76,580
Maturities	<u>(1,415,000)</u>
 Bonds outstanding, September 30, 2015	 <u>\$ 9,453,939</u>

The \$ 26,061 difference between the general obligation and certificates of obligation bonds outstanding at September 30, 2015 of \$ 9,453,939 and the general obligation and certificates of obligation bond principal requirements of \$ 9,480,000 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, 2015, the amount of ad valorem taxes collected for interest and sinking was \$ 2,704,076, while the debt service requirements for principal and interest were \$ 2,432,767. 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, 2015

NOTE 9 - LONG-TERM DEBT - ContinuedGeneral Obligation Bonded Debt

The following is a summary of general obligation bond requirements by year as of September 30, 2015:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
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	2,090,000	138,918	2,228,918
2020	<u>2,315,000</u>	<u>48,036</u>	<u>2,363,036</u>
Total	<u>\$ 9,480,000</u>	<u>\$ 1,045,867</u>	<u>\$ 10,525,867</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.

Tax Note Debt

On November 26, 2013, the County issued a tax note from American National Bank of Texas in the amount of \$ 4,370,000, with an interest rate of 1.82% and a maturity date of November 15, 2020 and a call date of November 15, 2015 at par value. This tax note debt is to be utilized in the County's software upgrade project.

	<u>Interest Rate %</u>	<u>Issued</u>	<u>Maturity</u>	<u>Callable</u>	<u>Tax Note Outstanding 09-30-15</u>
Tax Note: Series 2013	1.82	2013	2020	2015	\$ <u>3,805,000</u>
Total					\$ <u>3,805,000</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 9 - LONG-TERM DEBT - Continued

Tax Note Debt - continued

Tax note transactions for the year ended September 30, 2015 were as follows:

Tax notes outstanding, October 1, 2014	\$ 4,370,000
Maturities	<u>(565,000)</u>
Tax notes outstanding, September 30, 2015	<u>\$ 3,805,000</u>

The tax note requires 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, 2015, no ad valorem taxes were collected for interest and sinking and no debt service requirements for principal and interest were made. The tax note resolution provides for the acceleration of maturity in the event of default.

The following is a summary of general obligation and certificates of obligation bond requirements by year as of September 30, 2015:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2016	\$ 510,000	\$ 64,610	\$ 574,610
2017	405,000	56,284	461,284
2018	285,000	50,005	335,005
2019	160,000	45,955	205,955
2020	30,000	44,226	74,226
2021	<u>2,415,000</u>	<u>21,976</u>	<u>2,436,976</u>
Total	<u>\$ 3,805,000</u>	<u>\$ 283,056</u>	<u>\$ 4,088,056</u>

Note Payable

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 then the County's obligation to reimburse Southwest Correctional, LLC will be terminated. Pursuant to the agreement, there was a balance of \$ 603,946 as of August 31, 2015 that was extinguished. The extinguishment of debt was recognized as a capital contribution in the governmental activities statement of activities. The balance due on the note payable at September 30, 2015 was \$ -0-. As of September 30, 2015, the County had paid \$ 603,946 less than the initial payment expectation of \$ 1,526,172. The following is a comparison of the initial expectation for payments and those actually paid based upon the revenues noted above:

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 9 - LONG-TERM DEBT - Continued

Note Payable - continued

<u>Year Ending September 30,</u>	<u>Initial Expectation</u>	<u>Actual</u>	<u>Difference</u>	<u>Percent Difference</u>
2012	\$ 254,362	\$ 146,735	\$ 107,627	42.31%
2013	436,049	298,924	137,125	31.45%
2014	436,049	287,270	148,779	34.12%
2015	<u>399,712</u>	<u>189,297</u>	<u>210,415</u>	52.64%
Total	<u>\$ 1,526,172</u>	<u>\$ 922,226</u>	<u>\$ 603,946</u>	39.57%

The following is a summary of the actual revenues collected and the total required to be paid on the note payable at September 30, 2015:

<u>Year Ending September 30,</u>	<u>Additional Transportation</u>	<u>Inmate Phone</u>	<u>Ice Fees</u>	<u>Total</u>
2012	\$	\$	\$ 146,735	\$ 146,735
2013		74,224	224,700	298,924
2014		45,910	241,360	287,270
2015	<u></u>	<u>35,037</u>	<u>154,260</u>	<u>189,297</u>
Total	<u>\$ -0-</u>	<u>\$ 155,171</u>	<u>\$ 767,055</u>	<u>\$ 922,226</u>

Note payable transactions for the year ended September 30, 2015 were as follows:

	<u>2015</u>
Note payable outstanding, October 1, 2014	\$ 793,243
Maturities	(189,297)
Extinguishment of debt	<u>(603,946)</u>
Note payable outstanding, September 30, 2015	<u>\$ -0-</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 9 - LONG-TERM DEBT - Continued

Changes in Long-Term Debt

Transactions for the year ended September 30, 2015 are summarized as follows:

	<u>Balance 10-01-14</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 09-30-15</u>	<u>Due Within One Year</u>
Governmental Type Activities:					
General obligation bonds	\$ 10,792,359	\$ 76,580	\$ 1,415,000	\$ 9,453,939	\$ 1,493,939
Tax note payable	4,370,000		565,000	3,805,000	510,000
Notes payable	793,243		793,243	-0-	-0-
Net pension obligation	3,345,372	3,104,111	2,470,382	3,979,101	2,470,382
Component of Bonded Debt:					
Premium on bonds	33,757		6,277	27,480	6,277
Accrued interest	110,053	69,122	110,053	69,122	69,122
Compensated absences	910,979	1,052,859	1,032,758	931,080	832,998
Net OPEB obligation	<u>1,093,470</u>	<u>354,415</u>	<u>177,655</u>	<u>1,270,230</u>	<u>84,000</u>
Total governmental activities	<u>\$ 21,449,233</u>	<u>\$ 4,657,087</u>	<u>\$ 6,570,368</u>	<u>\$ 19,535,952</u>	<u>\$ 5,466,718</u>

NOTE 10 - 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 2018 through 2020. The County has not determined the cost of these facilities as of September 30, 2015.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2015, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	
2016	\$ 163,812
2017	163,812
2018	163,812
2019	13,500
2020	<u>13,500</u>
Total	<u>\$ 518,436</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2015 was \$ 171,658.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

Plan Description - The County provides retirement and death benefits for all of its full-time employees and retirement for all of its part-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 677 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 20 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.

All eligible employees of the County are required to participate in TCDRS.

The plan provisions are adopted by Commissioner's Court of the County, within the options available in the state statutes governing TCDRS. Plan provisions for the County were as follows:

	<u>Plan Year 2014</u>	<u>Plan Year 2015</u>
Employee deposit rate	7.00%	7.00%
Employer deposit rate	10.24%	10.32%
Matching ratio (County to employee)	2 to 1	2 to 1
Years required for vesting	8	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20	60/8, 0/20

Employees Covered by Benefit Terms:

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	267
Inactive employees entitled to but not yet receiving benefits	409
Active employees	<u>571</u>
	<u>1,247</u>

Contributions - The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, and the employer matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the employer. Under the state laws governing TCDRS, the contribution rate for each employer is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. Participating employers are required to contribute at the actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

Employees of the County were required to contribute 7% of their annual compensation during the fiscal year. The County's required contribution rates were 10.32% and 10.24% in calendar years 2015 and 2014, respectively. The County's contributions to TCDRS for the year ended September 30, 2015 were \$ 2,470,381.

Net Pension Liability/Asset - The County's Net Pension Liability/Asset (NPL/NPA) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/Asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	8.1%, net of pension plan investment expense, including inflation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2014 financial reporting metrics are the same as those used in the December 31, 2014 actuarial valuation analysis for Johnson County.

Following is a description of the assumptions used in the December 31, 2014 actuarial valuation analysis for Johnson County. This information may also be found in the Johnson County December 31, 2014 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions

Real rate of return	5.0%
Inflation	3.0%
Long-term investment return	8.0%

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

TCDRS System-Wide Economic Assumptions - Continued

The long-term investment return of 8% is net of investment expenses and is expected to enable the system to credit interest at the normal annual rates shown below to the following major funds:

Subdivision Accumulation Fund	9.0%
Employees Saving Fund	7.0%
Current Service Annuity Reserve Fund	7.0%

Assuming interest will be credited at these normal annual rates to the various funds, we have then assumed the following:

- An annual rate of 9% for calculating the actuarial accrued liability and normal cost contributions rate for the retirement plan for each participating partner.
- An annual rate of 7% required under the TCDRS Act for: (1) accumulating current service credit and multiple matching credit after the valuation date; (2) accumulating prior service credit after the valuation date; (3) determining the amount of the monthly benefit at future dates of retirement or disability; and (4) calculating the actuarial accrued liability of the system-wide Current Service Annuity Reserve Fund.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Employer Specific Economic Assumptions

Growth in membership	0.0%
Payroll growth	3.5%

The payroll growth assumption is for the aggregate covered payroll of an employer.

The long-term expected rate of return on pension plan investments is 8.1%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS's investment consultant. The numbers shown are based on the January 2015 information for a 7-10 year horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon. The most recent analysis was performed in 2013. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Employer Specific Economic Assumptions - Continued

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Mkt Index	16.50%	5.35%
Private Equities	Cambridge Assoc Global Private Equity & Venture Capital Index ⁽³⁾	12.00%	8.35%
Global Equities	MSCI World (net) index	1.50%	5.65%
International Equities – Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net index + 50% MSCI EM 100% Hedged to USD (net) index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	(0.20%)
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Assoc Real Estate ⁽⁴⁾	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund Of Funds Composite Index	25.00%	5.15%
Total		100.00%	5.10%

⁽¹⁾ Target asset allocation adopted at the April 2015 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate - The discount rate used to measure the Total Pension Liability was 8.1%. This rate reflects the long-term rate of return funding valuation assumption of 8.00%, plus 0.10% adjustment to be gross of administrative expenses. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply. The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Discount Rate - Continued

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where that is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future value, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Discount Rate - Continued

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2013	\$ 81,401,402	\$ 78,056,030	\$ 3,345,372
Changes for the Year:			
Service cost	3,228,313		3,228,313
Interest on total pension liability ⁽¹⁾	6,593,390		6,593,390
Effect of economic/demographic gains or losses	63,386		63,386
Refunds of contributions	(355,573)	(355,573)	-0-
Contributions – employer		2,470,381	(2,470,381)
Contributions – employee		1,688,738	(1,688,738)
Net investment income		5,292,764	(5,292,764)
Benefit payment,	(2,875,852)	(2,875,852)	-0-
Administrative expense		(62,523)	62,523
Other changes ⁽²⁾		(138,000)	138,000
Balance at 12/31/2014	<u>\$ 88,055,066</u>	<u>\$ 84,075,965</u>	<u>\$ 3,979,101</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Related to allocation of system-wide items.

Sensitivity Analysis - The following presents the net pension liability of the county, calculated using the discount rate of 8.10%, as well as what the County’s net pension liability would be if it were calculated using a discount rate of 1 percentage-point lower (7.10%) or 1 percentage-point higher (9.10%) than the current rate:

	1% Decrease In Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase In Discount Rate (9.10%)
Total pension liability	\$ 99,407,194	\$ 88,055,066	\$ 78,700,909
Fiduciary net position	<u>84,075,965</u>	<u>84,075,965</u>	<u>84,075,965</u>
Net pension liability / (asset)	<u>\$ 15,331,229</u>	<u>\$ 3,979,101</u>	<u>\$ (5,375,056)</u>

JOHNSON COUNTY, TEXAS
Notes to the Financial Statements
 For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Pension Expense

<i>Pension Expense (Income):</i>	<u>Year Ended 12-31-14</u>
Service cost	\$ 3,228,313
Interest on total pension liability ⁽¹⁾	6,593,390
Administrative expenses	62,523
Member contributions	(1,688,738)
Expected investment return net of investment expenses	(6,413,939)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	15,847
Recognition of assumption changes or inputs	-0-
Recognition of investment gains or losses	224,235
Other ⁽²⁾	<u>138,000</u>
 Pension expense (income)	 <u>\$ 2,159,631</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Related to allocation of system-wide items.

For the year ended September 30, 2015, the County recognized pension expense of \$ 2,159,631.

Deferred Inflows and Outflows - At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 31,694	\$
Difference between projected and actual investment earnings	672,705	
Contributions subsequent to the measurement date ⁽³⁾	<u>1,807,202</u>	<u> </u>
 Totals	 <u>\$ 2,511,601</u>	 <u>\$ -0-</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 11 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Deferred Inflows and Outflows

The net amounts of the employer’s balances of deferred outflows and inflows or resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>September 30,</u>		
2016	\$	240,081
2017		240,081
2018		224,236
2019		-0-
Thereafter ⁽⁴⁾		-0-

⁽³⁾ If eligible employer contributions were made subsequent to the measurement date through the employer’s fiscal year end, the employer should reflect these contributions, adjusted as outlined in GASB No. 71.

⁽⁴⁾ Total remaining balance to be recognized in future years, if any. Note that additional deferred inflows and outflows of resources may impact these numbers.

NOTE 12 - 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 Commissioners Court during the County budget process and is effective on a fiscal year basis. For the year ended September 30, 2015 the County contributed \$ 84,111 to the post employment health insurance benefits.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 12 - POST EMPLOYMENT HEALTH INSURANCE BENEFITS - Continued

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	\$ 305,209
Interest on net OPEB obligation	49,206
Adjustment to annual required contribution	<u>(93,544)</u>
Annual OPEB cost	260,871
Contributions made	<u>(84,111)</u>
Increase in net OPEB obligation	176,760
Net OPEB obligation – beginning of year	<u>1,093,470</u>
Net OPEB obligation – end of year	<u>\$ 1,270,230</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, 2015 and the preceding two years were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Actual</u> <u>Contribution</u>	<u>% of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
9/30/13	\$ 255,516	\$ 65,737	25.7%	\$ 908,864
9/30/14	243,781	59,175	19.9%	1,093,470
9/30/15	260,871	84,111	32.2%	1,270,230

Funding Status and Funding Progress - As of September 30, 2014, 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 \$ 2,311,018, and the actuarial value of assets was \$ -0- resulting in an unfunded liability (UAAL) of \$ 2,311,018. Annual covered payroll is \$ 22,834,220 and the ratio of the UAAL to the covered payroll was 8.2 percent.

Actuarial Methods and Assumptions - In the September 30, 2014 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 5.5% 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, 2014, was 26 years.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 12 - POST EMPLOYMENT HEALTH INSURANCE BENEFITS - Continued

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. As of September 30, 2015, the County has contributed a total of \$ 419,328 which when compared to the annual OPEB cost results in a net OPEB obligation of \$ 1,270,230. 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 13 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2015, 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 14 - 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, 2015. As of September 30, 2015, bail bonds outstanding totaled \$ 8,906,538 and collateral pledged against these bonds amounted to \$ 275,000, respectively.

NOTE 15 - 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 23, 2016.

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 30, 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. LaSalle Management has stated defense will be provided for all defendants and LaSalle will accept all responsibility and hold the County, Sheriff Alford, and all other named defendants harmless as per the agreement. Awaiting rulings on various Rule 12 Motions to Dismiss filed with U.S. District Court.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 15 - LITIGATION - Continued

Cause No. 3-13-CV-00231, *Jared Fuller vs. Johnson County Sheriff Department et al, In the United States District Court for the Northern District of Texas Dallas Division.* Plaintiff alleges Johnson County Sheriff's Department violated the American Disabilities Act of 1990 by failing to provide Plaintiff with reasonable accommodations for Plaintiff's alleged disabilities and instead discharged plaintiff because of the disability. Plaintiff is seeking compensatory, monetary and punitive damages. An exact settlement figure is unknown at this time. Defendant's original answer denying all claims was filed on behalf of the Johnson County Sheriff's Department on February 13, 2013. On August 20, 2014, defendant's brief in support of its motion for judgment on the pleadings and, in the alternative, motion for summary judgment was filed with the U.S. District Court.

Cause No. DC-C201500232, *Robert Dennis vs. Mark Goetz – Task Force, Police Chief of Cleburne and Presiding Judge, Wayne Bridewell, 249th District Court,* In the 249th Judicial District of Johnson County, Texas. Plaintiff alleges he was asked to perform a crime (under duress) of buying illegal drugs undercover and being coerced (under duress) to do so or face forgery charges. Plaintiff alleges the prosecution was distorted, he was coerced under duress, and placed in danger due to his mental health capacity. Plaintiff is seeking compensatory damages in the amount of \$ 250,000 and punitive damages in the amount of \$ 100,000. On May 8, 2015, the 8th Judicial Region signed an Order of Assignment of F.B. (Bob) McGregor, Jr., Senior District Judge to preside in Cause Number DC-C201500232. Service has not been perfected on any party subject to this suit. Liability is vigorously disputed.

Cause No. 3:14-CV-02088-B-BK, *Tyron McCarrah vs. Milton Kimbrow, Bob Alford, Eddie Williams, Jimmy Johnson, Five Start Food Services Corporation,* In the United States District Court for the Northern District of Texas in the Dallas Division. Plaintiff alleges he was made to purchase items through the commissary at an inflated price and this corruption was a violation of his civil rights. An exact settlement figure is unknown at this time. Service has not been perfected on any party subject to this suit. LaSalle Management has stated defense will be provided for all defendants and LaSalle will accept all responsibility and hold the County, Sheriff Alford, and all other named defendants harmless as per agreement. Liability is vigorously disputed.

Cause No. 3:16-CV-00448-B, *Kristi L. White, individually and on behalf of the Estate of Ronald Ray Beesley and as Next Fried of Ronald Ray Beesley, II, and Alice Diane Miller, individually and on behalf of the Estate of Ronald Ray Beesley v. Southwestern Correctional, LLC, d/b/a/ LaSalle Management Company, LLC, Johnson County, Texas, Bob Alford, Eddie Williams, David Blankenship, John Doe 1-5, and Jane Doe 1-5,* In the United States District Court for the Northern District of Texas Dallas Division. Plaintiffs claim wrongful death of Ronald Ray Beesley while in the Johnson county Law Enforcement Center. Mr. Beesley was placed in the jail on or about May 25, 2015 for an infraction of a probation requirement. Plaintiffs allege Beesley was not given proper medical treatment after sustaining injuries from an automobile accident prior to his incarceration on May 25, 2015. Plaintiffs allege Beesley's death was the proximate result of the grossly inadequate medical care and grossly negligent treatment Beesley received while incarcerated at the Johnson County Law Enforcement Cetner. Plaintiffs are seeking compensatory, punitive, presumed and nominal damages. An exact settlement figure is unknown at this time. LaSalle Management has stated defense will be provided for all defendants and LaSalle will accept all responsibility and hold the County, Sherriff Alford, and all other named defendents harmless as per agreement. Liability is vigorously disputed.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 15 - LITIGATION - Continued

Cause No. DC-C201500502, *Lisa Ann Watson vs. Johnson County*, In the 413th Judicial District of Johnson County, Texas. Plaintiff alleges Johnson County violated the Texas Labor Code by denying her one or more reasonable accommodations to her actual disability and record of disability and claims she is entitled to recover her back pay, front pay, compensatory damages, attorney’s fees and costs of court. Plaintiff is seeking compensatory and monetary damages. An exact settlement figure is unknown at this time. Defendant’s Original Answer denying all claims was filed on behalf of Johnson County on August 10, 2015. Order of recusal was signed February 15, 2016. Liability is vigorously disputed.

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 16 - 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 17 - DEFICIT FUND BALANCES

As of September 30, 2015, one fund of the County had deficit fund balance as itemized below:

	<u>2015</u>
Fund Balances:	
Capital Projects Funds:	
Jail Construction Improvement Fund	\$ 857,052

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

NOTE 18 - LONG-TERM RECEIVABLE

The County and the City of Cleburne (the “City”) entered into an interlocal agreement whereas the County agreed to pay funds in the amount of \$ 300,000 to the City to be used for construction of the entrance and exit ramps to connect the Chisholm Trail Parkway to CR 1125. The City has agreed to use Tax Increment Reinvestment Zone #3 Funds to repay the County. The following is a summary of note receivable requirements, based on the original balance of \$ 300,000 and expectation of revenues collected, by year, as of September 30, 2015:

<u>Year Ended</u> <u>September 30,</u>	
2016	\$ 90,000
2017	30,000
2018	30,000
2019	30,000
2020	30,000
2021-2023	<u>90,000</u>
Total	<u>\$ 300,000</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2015

NOTE 19 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 23, 2016, the date which the financial statements were available to be issued.

On November 9, 2015, the County issued \$ 20,605,000 of Series 2015 Certificates of Obligation Bonds for the renovation and expansion of the County jail and for paying legal, fiscal and engineering fees in connection with such project. The bonds have stated interest rates of 1.704% to 4.627% and will mature in February 2035. The bonds are to be paid from annual ad valorem taxes for interest and bonded indebtedness.

The following is a schedule of principal maturity for the Series 2015 Certificate of Obligation Bonds:

<u>Maturing February 15.</u>	<u>Principal</u>
2016	\$ -0-
2017	-0-
2018	550,000
2019	560,000
2020	570,000
2021-2025	4,860,000
2026-2030	6,270,000
2031-2035	<u>7,795,000</u>
Total	<u>\$ 20,605,000</u>

**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, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 40,480,123	\$ 40,480,123	\$ 40,939,908	\$ 459,785
Intergovernmental	1,176,523	1,236,523	1,159,273	(77,250)
Prisoner housing services	6,600,000	6,600,000	6,030,529	(569,471)
Fees	4,431,900	4,371,900	4,413,644	41,744
Fines	1,543,000	1,543,000	1,509,951	(33,049)
Investment income	231,750	231,250	124,985	(106,265)
Miscellaneous	675,412	675,412	1,190,993	515,581
Total revenues	<u>55,138,708</u>	<u>55,138,208</u>	<u>55,369,283</u>	<u>231,075</u>
Expenditures (Including Capital Outlay)				
Current:				
General administration	14,181,953	13,267,956	13,116,291	151,665
Administration of justice	7,777,271	7,784,085	6,830,528	953,557
Financial administration	999,519	999,519	916,909	82,610
Elections	559,553	559,553	369,434	190,119
Law enforcement	29,856,837	30,328,365	28,799,230	1,529,135
Highways and streets				-0-
Health and welfare	787,343	787,343	735,747	51,596
Culture and recreation	266,674	276,674	208,172	68,502
Conservation	197,185	197,185	172,789	24,396
Capital outlay	138,500	137,879	377,167	(239,288)
Debt Service:				
Principal	<u>325,000</u>	<u>210,000</u>	<u>189,297</u>	<u>20,703</u>
Total expenditures	<u>55,089,835</u>	<u>54,548,559</u>	<u>51,715,564</u>	<u>2,832,995</u>
Excess (deficiency) of revenues over expenditures	<u>48,873</u>	<u>589,649</u>	<u>3,653,719</u>	<u>3,064,070</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	10,000	10,000	40,752	30,752
Transfers in	125,000	318,369	638,380	320,011
Transfers out	(993,756)	(2,318,495)	(1,246,698)	1,071,797
Total other financing sources (uses)	<u>(858,756)</u>	<u>(1,990,126)</u>	<u>(567,566)</u>	<u>1,422,560</u>
Net change in fund balances	(809,883)	(1,400,477)	3,086,153	4,486,630
Fund balances – beginning	<u>18,982,306</u>	<u>18,982,306</u>	<u>18,982,306</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 18,172,423</u>	<u>\$ 17,581,829</u>	<u>\$ 22,068,459</u>	<u>\$ 4,486,630</u>

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 4,434,775	\$ 4,434,775	\$ 4,335,225	\$ (99,550)
68,000		274,784	274,784
			-0-
2,049,000	2,049,000	2,053,735	4,735
			-0-
29,700	29,700	23,824	(5,876)
<u>129,000</u>	<u>129,000</u>	<u>352,108</u>	<u>223,108</u>
<u>6,710,475</u>	<u>6,642,475</u>	<u>7,039,676</u>	<u>397,201</u>
			-0-
			-0-
			-0-
			-0-
			-0-
10,888,975	10,663,453	5,783,272	4,880,181
			-0-
			-0-
			-0-
1,271,500	1,982,500	923,613	1,058,887
			-0-
<u>12,160,475</u>	<u>12,645,953</u>	<u>6,706,885</u>	<u>5,939,068</u>
(<u>5,450,000</u>)	(<u>6,003,478</u>)	<u>332,791</u>	<u>6,336,269</u>
		13,764	13,764
		112,000	112,000
			-0-
<u>-0-</u>	<u>-0-</u>	<u>125,764</u>	<u>125,764</u>
(5,450,000)	(6,003,478)	458,555	6,462,033
<u>6,736,523</u>	<u>6,736,523</u>	<u>6,736,523</u>	<u>-0-</u>
<u>\$ 1,286,523</u>	<u>\$ 733,045</u>	<u>\$ 7,195,078</u>	<u>\$ 6,462,033</u>

JOHNSON COUNTY, TEXAS*REQUIRED SUPPLEMENTARY INFORMATION**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS*

For the Ten Years Ended December 31, 2014

Exhibit 7

	Year Ended December 31, <u>2014</u>
Total Pension Liability	
Service cost	\$ 3,228,313
Interest on total pension liability	6,593,390
Effect of economic/demographic (gains) or losses	63,386
Benefit payments/refunds of contributions	<u>(3,231,425)</u>
Net Change in Total Pension Liability	6,653,664
Total Pension Liability – beginning	<u>81,401,402</u>
Total Pension Liability – ending (a)	<u>\$ 88,055,066</u>
Fiduciary Net Position	
Employer contributions	\$ 2,470,381
Member contributions	1,688,738
Investment Income net of investment expense	5,292,764
Benefit payments/refunds of contributions	(3,231,425)
Administrative expense	(62,523)
Other	<u>(138,000)</u>
Net Change in Fiduciary Net Position	6,019,935
Fiduciary Net Position – beginning	<u>78,056,030</u>
Fiduciary Net Position – ending (b)	<u>\$ 84,075,965</u>
Net Pension Liability/asset, ending (a)-(b)	<u>\$ 3,979,101</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	95.48%
Pensionable covered payroll	\$ 24,124,827
Net Pension Liability as a Percentage of Covered Payroll	16.49%

Note – This schedule is presented to illustrate the requirements to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 68, they should not be shown. Therefore, we have shown only years for which the new GASB statements have been implemented.

JOHNSON COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 For the Ten Years Ended December 31, 2014

Exhibit 8

<u>Year Ended December 31, (Measurement Date)</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll⁽¹⁾</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2005	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A
2006	1,247,432	1,247,432	-0-	17,769,690	7.0%
2007	1,531,258	1,531,258	-0-	20,335,433	7.5%
2008	1,556,594	1,556,594	-0-	21,893,025	7.1%
2009	1,765,911	1,765,911	-0-	21,774,490	8.1%
2010	1,997,412	1,997,415	-0-	22,392,507	8.9%
2011	1,998,023	1,998,023	-0-	22,151,038	9.0%
2012	2,157,393	2,157,393	-0-	22,926,651	9.4%
2013	2,240,034	2,240,034	-0-	22,834,220	9.8%
2014	2,470,381	2,470,381	-0-	24,124,827	10.2%

⁽¹⁾ Payroll is calculated based on contributions as reported to TCDRS.

JOHNSON COUNTY, TEXAS

Notes to the Required Supplementary Information

For The Year Ended September 30, 2015

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 expenditures (salaries and wages and employee benefits; operating expenditures; and capital outlay). 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.

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.

STOP SCU Forfeiture Fund - This fund accounts for the funds received from forfeitures.

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

STOP SCU Federal Forfeitures Fund – This fund accounts for forfeited funds received in a federal case from all other forfeited monies.

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.

Ed Byrne JAG Mobile Command Fund – This fund is used to account for the receipt and expenditure of grant proceeds to acquire and equip a mobile command post/crime scene van.

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.

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

Unclaimed Juvenile Restitution Fund – This fund accounts for funds resulting from unclaimed juvenile restitution payments. Family Code, Section 54.0482 authorized such funds to be used for the same purposes for which the County may expend juvenile state aide.

Pecan Valley MHMR Fund - This fund accounts for proceeds from the sale of and purchase or maintenance of Real Property utilized by Pecan Valley.

TXCDBG Fund - This fund is used to account for the receipt and expenditure of the Texas Community Block Grant current project proceeds to replace sewer lines and rehabilitate lift stations to enhance the services provided by Johnson County Special Utility District.

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.

Jail Construction Improvements Fund - This fund is used to account for capital expenditures incurred in regards to the County's jail improvements.

Motorola Simulcast Radio System Fund – 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, 2015

	Special		
	Right of Way Fund	Records Management and Preservation Fund	Record Archives - County Clerk Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 769,647	\$ 1,075,912	\$ 1,110,815
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Investments	<u>689,769</u>	<u>394,153</u>	<u> </u>
Total assets	<u>1,459,416</u>	<u>1,470,065</u>	<u>1,110,815</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 1,459,416</u>	<u>\$ 1,470,065</u>	<u>\$ 1,110,815</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 8,707	\$
Due to other funds			
Unearned revenue			
Total liabilities	<u>-0-</u>	<u>8,707</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Restricted	1,459,416	1,461,358	1,110,815
Unassigned			
Total fund balance	<u>1,459,416</u>	<u>1,461,358</u>	<u>1,110,815</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,459,416</u>	<u>\$ 1,470,065</u>	<u>\$ 1,110,815</u>

Revenue Funds

Record Archives - 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
\$ 48,821	\$ 175,921	\$ 321,501	\$ 48,670	\$ 37,112	\$ 75,111
		105			
<u>48,821</u>	<u>175,921</u>	<u>321,606</u>	<u>48,670</u>	<u>37,112</u>	<u>75,111</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 48,821</u>	<u>\$ 175,921</u>	<u>\$ 321,606</u>	<u>\$ 48,670</u>	<u>\$ 37,112</u>	<u>\$ 75,111</u>
\$	\$	\$ 59	\$ 3,157	\$	\$
<u>-0-</u>	<u>-0-</u>	<u>59</u>	<u>3,157</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>48,821</u>	<u>175,921</u>	<u>321,547</u>	<u>45,513</u>	<u>37,112</u>	<u>75,111</u>
<u>48,821</u>	<u>175,921</u>	<u>321,547</u>	<u>45,513</u>	<u>37,112</u>	<u>75,111</u>
<u>\$ 48,821</u>	<u>\$ 175,921</u>	<u>\$ 321,606</u>	<u>\$ 48,670</u>	<u>\$ 37,112</u>	<u>\$ 75,111</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2015

	Special		
	Justice Court Building Security Fund	County Attorney Collection Fund	District Attorney 18 th Judicial Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 73,042	\$ 61,826	\$ 4,589
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Investments			
	<u>73,042</u>	<u>61,826</u>	<u>4,589</u>
Total assets	<u>73,042</u>	<u>61,826</u>	<u>4,589</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>\$ 73,042</u>	<u>\$ 61,826</u>	<u>\$ 4,589</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 1,733
Due to other funds			
Unearned revenue			
	<u>-0-</u>	<u>-0-</u>	<u>1,733</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>1,733</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Restricted	73,042	61,826	2,856
Unassigned			
	<u>73,042</u>	<u>61,826</u>	<u>2,856</u>
Total fund balance	<u>73,042</u>	<u>61,826</u>	<u>2,856</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 73,042</u>	<u>\$ 61,826</u>	<u>\$ 4,589</u>

Revenue Funds

District Attorney Collection Fund	Juvenile Probation Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund	Juvenile Case Manager Fund	District Attorney Forfeiture Fund
\$ 4,358	\$ 16,524	\$ 23,821	\$ 62,130	\$ 113,173	\$ 98,121
	46,260	3,354	834		
	20,197				
<u>4,358</u>	<u>82,981</u>	<u>27,175</u>	<u>62,964</u>	<u>113,173</u>	<u>98,121</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 4,358</u>	<u>\$ 82,981</u>	<u>\$ 27,175</u>	<u>\$ 62,964</u>	<u>\$ 113,173</u>	<u>\$ 98,121</u>
\$	\$ 42,056	\$ 13,460	\$	\$	\$
	40,925				
<u>-0-</u>	<u>82,981</u>	<u>13,460</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>4,358</u>	<u></u>	<u>13,715</u>	<u>62,964</u>	<u>113,173</u>	<u>98,121</u>
<u>4,358</u>	<u>-0-</u>	<u>13,715</u>	<u>62,964</u>	<u>113,173</u>	<u>98,121</u>
<u>\$ 4,358</u>	<u>\$ 82,981</u>	<u>\$ 27,175</u>	<u>\$ 62,964</u>	<u>\$ 113,173</u>	<u>\$ 98,121</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2015

	Special		
	Sheriff Forfeiture Fund	County Attorney LEOSE Fund	Combined Constables LEOSE Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 18,963	\$ 1,521	\$ 7,102
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Investments			
	<u>18,963</u>	<u>1,521</u>	<u>7,102</u>
Total assets	<u>18,963</u>	<u>1,521</u>	<u>7,102</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>\$ 18,963</u>	<u>\$ 1,521</u>	<u>\$ 7,102</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	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Restricted	18,963	1,521	7,102
Unassigned			
	<u>18,963</u>	<u>1,521</u>	<u>7,102</u>
Total fund balance	<u>18,963</u>	<u>1,521</u>	<u>7,102</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,963</u>	<u>\$ 1,521</u>	<u>\$ 7,102</u>

Revenue Funds

Sheriff LEOSE Fund	Sheriff Inmate Commissary Fund	Abandoned Vehicle Fund	Law Library Fund	STOP SCU Forfeiture Fund	STOP SCU Operations Fund
\$ 8,708	\$ 201,075	\$ 255	\$ 202,993	\$ 155,486	\$ 49,973
	5,000			302	198
<u>8,708</u>	<u>206,075</u>	<u>255</u>	<u>202,993</u>	<u>155,788</u>	<u>50,171</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 8,708</u>	<u>\$ 206,075</u>	<u>\$ 255</u>	<u>\$ 202,993</u>	<u>\$ 155,788</u>	<u>\$ 50,171</u>
\$	\$ 9,899	\$	\$ 8,183	\$	\$ 5,551
<u>-0-</u>	<u>9,899</u>	<u>-0-</u>	<u>8,183</u>	<u>-0-</u>	<u>5,551</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
8,708	196,176	255	194,810	155,788	44,620
<u>8,708</u>	<u>196,176</u>	<u>255</u>	<u>194,810</u>	<u>155,788</u>	<u>44,620</u>
<u>\$ 8,708</u>	<u>\$ 206,075</u>	<u>\$ 255</u>	<u>\$ 202,993</u>	<u>\$ 155,788</u>	<u>\$ 50,171</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2015

	Special		
	STOP SCU Federal Forfeitures Fund	Pre-Trial Bond Supervision Fund	Indigent Health Care Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 2,404	\$ 65,563	\$ 1,025,091
Receivables (Net of Allowance for Uncollectibles):			
Taxes			17,519
Accounts		9,207	
Due from other governments			
Due from other funds			300,000
Investments			591,230
	2,404	74,770	1,933,840
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	\$ 2,404	\$ 74,770	\$ 1,933,840
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 6,099	\$ 286,842
Due to other funds			
Unearned revenue			
	-0-	6,099	286,842
Total liabilities	-0-	6,099	286,842
Deferred Inflows of Resources:			
Deferred inflows of resources			
	-0-	-0-	14,475
Total deferred inflows of resources	-0-	-0-	14,475
Fund Balance:			
Restricted	2,404	68,671	1,632,523
Unassigned			
	2,404	68,671	1,632,523
Total fund balance	2,404	68,671	1,632,523
Total liabilities, deferred inflows of resources and fund balances	\$ 2,404	\$ 74,770	\$ 1,933,840

Revenue Funds

Cities Readiness Initiative Fund	Indigent Defense Formula/ Improvement Fund	Guardianship Fee Fund	Election Services Contract Fund	TCEQ Aircheck Texas Fund	Ed Byrne JAG Mobile Command Fund
\$	\$ 79,913	\$ 63,073	\$ 237,509	\$ 399,585	\$
3,831	31,793				
<u>3,831</u>	<u>111,706</u>	<u>63,073</u>	<u>237,509</u>	<u>399,585</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 3,831</u>	<u>\$ 111,706</u>	<u>\$ 63,073</u>	<u>\$ 237,509</u>	<u>\$ 399,585</u>	<u>\$ -0-</u>
\$ 266	\$ 1,986	\$	\$ 8,895	\$ 33,299	\$
3,565	31,927				
	<u>77,793</u>			<u>366,286</u>	
<u>3,831</u>	<u>111,706</u>	<u>-0-</u>	<u>8,895</u>	<u>399,585</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
		63,073	228,614		
<u>-0-</u>	<u>-0-</u>	<u>63,073</u>	<u>228,614</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 3,831</u>	<u>\$ 111,706</u>	<u>\$ 63,073</u>	<u>\$ 237,509</u>	<u>\$ 399,585</u>	<u>\$ -0-</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2015

	Special		
	MVIE Special Inventory Fund	Historical Commission Fund	Unclaimed Juvenile Restitution Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 23,031	\$ 30,327	\$ 7
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts	4,610		
Due from other governments			
Due from other funds			
Investments			
	<u>27,641</u>	<u>30,327</u>	<u>7</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			
Total assets and deferred outflows of resources	<u>\$ 27,641</u>	<u>\$ 30,327</u>	<u>\$ 7</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 Inflows of Resources:			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources			
Fund Balance:			
Restricted	27,641	30,327	7
Unassigned			
	<u>27,641</u>	<u>30,327</u>	<u>7</u>
Total fund balance			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,641</u>	<u>\$ 30,327</u>	<u>\$ 7</u>

Revenue Funds			Capital Projects Funds		
Pecan Valley MHMR Funds	Texas CDBG Fund	Total Special Revenue Funds	Equipment Purchase Fund	Jail Construction Improvements Funds	Motorola Simulcast Radio System Fund
\$ 108,001	\$	\$ 6,801,674	\$ 12,284	\$ 460,062	\$
		17,519			
		20,256			
	10,693	95,931			
		320,197			
		1,675,152			
<u>108,001</u>	<u>10,693</u>	<u>8,930,729</u>	<u>12,284</u>	<u>460,062</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>\$ 108,001</u>	<u>\$ 10,693</u>	<u>\$ 8,930,729</u>	<u>\$ 12,284</u>	<u>\$ 460,062</u>	<u>\$ -0-</u>
\$	\$ 10,693	\$ 440,885	\$	\$ 17,114	\$
		76,417		1,300,000	
		444,079			
<u>-0-</u>	<u>10,693</u>	<u>961,381</u>	<u>-0-</u>	<u>1,317,114</u>	<u>-0-</u>
		14,475			
<u>-0-</u>	<u>-0-</u>	<u>14,475</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
108,001		7,954,873	12,284		
<u>-0-</u>				<u>(857,052)</u>	
<u>108,001</u>	<u>-0-</u>	<u>7,954,873</u>	<u>12,284</u>	<u>(857,052)</u>	<u>-0-</u>
<u>\$ 108,001</u>	<u>\$ 10,693</u>	<u>\$ 8,930,729</u>	<u>\$ 12,284</u>	<u>\$ 460,062</u>	<u>\$ -0-</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2015

	Capital Projects Funds		
	Alvarado Sub- Courthouse Fund	Jail Lift Station Fund	Software Projects Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$	\$	\$ 1,795,080
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Investments			
Total assets	-0-	-0-	1,795,080
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ -0-	\$ -0-	\$ 1,795,080
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 171,671
Due to other funds			
Unearned revenue			
Total liabilities	-0-	-0-	171,671
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance:			
Restricted			1,623,409
Unassigned			
Total fund balance	-0-	-0-	1,623,409
Total liabilities, deferred inflows of resources and fund balances	\$ -0-	\$ -0-	\$ 1,795,080

<u>Total Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
\$ 2,267,426	\$ 9,069,100
-0-	17,519
-0-	20,256
-0-	95,931
-0-	320,197
<u>-0-</u>	<u>1,675,152</u>
<u>2,267,426</u>	<u>11,198,155</u>
<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>
<u>\$ 2,267,426</u>	<u>\$ 11,198,155</u>
\$ 188,785	\$ 629,670
1,300,000	1,376,417
<u>-0-</u>	<u>444,079</u>
<u>1,488,785</u>	<u>2,450,166</u>
<u>-0-</u>	<u>14,475</u>
<u>-0-</u>	<u>14,475</u>
1,635,693	9,590,566
<u>(857,052)</u>	<u>(857,052)</u>
<u>778,641</u>	<u>8,733,514</u>
<u>\$ 2,267,426</u>	<u>\$ 11,198,155</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2015

	Special		
	Right of Way Fund	Records Management and Preservation Fund	Record Archives - County Clerk Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees		371,028	305,930
Fines			
Investment income (loss)	8,804	5,846	1,404
Miscellaneous			
Total revenues	<u>8,804</u>	<u>376,874</u>	<u>307,334</u>
Expenditures:			
Current:			
General administration		149,240	
Administration of justice			
Elections			
Law enforcement			
Health and welfare			
Conservation			
Capital outlay			
Total expenditures	<u>-0-</u>	<u>149,240</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>8,804</u>	<u>227,634</u>	<u>307,334</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Transfers in			
Transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>8,804</u>	<u>227,634</u>	<u>307,334</u>
Fund Balance (Deficits):			
Beginning of year	<u>1,450,612</u>	<u>1,233,724</u>	<u>803,481</u>
End of year	<u>\$ 1,459,416</u>	<u>\$ 1,461,358</u>	<u>\$ 1,110,815</u>

Revenue Funds

Record Archives - 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
\$	\$	\$	\$	\$	\$
11,411	30,622	24,560	70,706	7,341	26,184
84	238	468	152	49	91
<u>11,495</u>	<u>30,860</u>	<u>25,028</u>	<u>70,858</u>	<u>7,390</u>	<u>26,275</u>
		11,183			214
			115,984		
<u>25,863</u>			<u>24,969</u>		
<u>25,863</u>	<u>-0-</u>	<u>11,183</u>	<u>140,953</u>	<u>-0-</u>	<u>214</u>
(<u>14,368</u>)	<u>30,860</u>	<u>13,845</u>	(<u>70,095</u>)	<u>7,390</u>	<u>26,061</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(<u>14,368</u>)	<u>30,860</u>	<u>13,845</u>	(<u>70,095</u>)	<u>7,390</u>	<u>26,061</u>
<u>63,189</u>	<u>145,061</u>	<u>307,702</u>	<u>115,608</u>	<u>29,722</u>	<u>49,050</u>
<u>\$ 48,821</u>	<u>\$ 175,921</u>	<u>\$ 321,547</u>	<u>\$ 45,513</u>	<u>\$ 37,112</u>	<u>\$ 75,111</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2015

	Special		
	Justice Court Building Security Fund	County Attorney Collection Fund	District Attorney 18 th Judicial Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			22,051
Fees	6,081	15,852	
Fines			
Investment income (loss)	113	85	7
Miscellaneous			994
Total revenues	<u>6,194</u>	<u>15,937</u>	<u>23,052</u>
Expenditures:			
Current:			
General administration			
Administration of justice	10,380		
Elections			
Law enforcement		3,345	671
Health and welfare			
Conservation			
Capital outlay			
Total expenditures	<u>10,380</u>	<u>3,345</u>	<u>671</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(4,186)</u>	<u>12,592</u>	<u>22,381</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Transfers in			
Transfers out			<u>(20,801)</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>(20,801)</u>
Net change in fund balance	<u>(4,186)</u>	<u>12,592</u>	<u>1,580</u>
Fund Balance (Deficits):			
Beginning of year	<u>77,228</u>	<u>49,234</u>	<u>1,276</u>
End of year	<u>\$ 73,042</u>	<u>\$ 61,826</u>	<u>\$ 2,856</u>

Revenue Funds

District Attorney Collection Fund	Juvenile Probation Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund	Juvenile Case Manager Fund	District Attorney Forfeiture Fund
\$	\$	\$	\$	\$	\$
2,333	837,641	42,143	9,335	31,738	6,719
5		93	291	169	140
<u>2,338</u>	<u>837,641</u>	<u>42,236</u>	<u>9,626</u>	<u>31,907</u>	<u>6,859</u>
	837,641	228,787	47	32,443	1,350
<u>-0-</u>	<u>837,641</u>	<u>228,787</u>	<u>47</u>	<u>32,443</u>	<u>1,350</u>
<u>2,338</u>	<u>-0-</u>	<u>(186,551)</u>	<u>9,579</u>	<u>(536)</u>	<u>5,509</u>
		128,000			
<u>-0-</u>	<u>-0-</u>	<u>128,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
2,338	-0-	(58,551)	9,579	(536)	5,509
<u>2,020</u>	<u></u>	<u>72,266</u>	<u>53,385</u>	<u>113,709</u>	<u>92,612</u>
<u>\$ 4,358</u>	<u>\$ -0-</u>	<u>\$ 13,715</u>	<u>\$ 62,964</u>	<u>\$ 113,173</u>	<u>\$ 98,121</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2015

	Special		
	Sheriff Forfeiture Fund	County Attorney LEOSE Fund	Combined Constables LEOSE Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees		722	3,934
Fines	1,500		
Investment income (loss)	28	2	15
Miscellaneous			
Total revenues	1,528	724	3,949
Expenditures:			
Current:			
General administration			
Administration of justice			
Elections			
Law enforcement		25	2,066
Health and welfare			
Conservation			
Capital outlay			
Total expenditures	-0-	25	2,066
Excess (deficiency) of revenue over (under) expenditures	1,528	699	1,883
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Transfers in			
Transfers out			
Total other financing sources (uses)	-0-	-0-	-0-
Net change in fund balance	1,528	699	1,883
Fund Balance (Deficits):			
Beginning of year	17,435	822	5,219
End of year	\$ 18,963	\$ 1,521	\$ 7,102

Revenue Funds

Sheriff LEOSE Fund	Sheriff Inmate Commissary Fund	Abandoned Vehicle Fund	Law Library Fund	STOP SCU Forfeiture Fund	STOP SCU Operations Fund
\$	\$	\$	\$	\$	\$
					65,735
7,020			97,841		
12	245	1	310	9,198	145
	670,010		9	16,554	2,515
<u>7,032</u>	<u>670,255</u>	<u>1</u>	<u>98,160</u>	<u>25,993</u>	<u>68,395</u>
			111,778		
2,941	501,267	135		4,739	140,872
				6,700	
<u>2,941</u>	<u>501,267</u>	<u>135</u>	<u>111,778</u>	<u>11,439</u>	<u>140,872</u>
<u>4,091</u>	<u>168,988</u>	<u>(134)</u>	<u>(13,618)</u>	<u>14,554</u>	<u>(72,477)</u>
			200	1,102	11,307
	(94,405)				90,504
<u>-0-</u>	<u>(94,405)</u>	<u>-0-</u>	<u>200</u>	<u>1,102</u>	<u>101,811</u>
4,091	74,583	(134)	(13,418)	15,656	29,334
<u>4,617</u>	<u>121,593</u>	<u>389</u>	<u>208,228</u>	<u>140,132</u>	<u>15,286</u>
<u>\$ 8,708</u>	<u>\$ 196,176</u>	<u>\$ 255</u>	<u>\$ 194,810</u>	<u>\$ 155,788</u>	<u>\$ 44,620</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2015

	Special		
	STOP SCU Federal Forfeitures Fund	Pre-Trial Bond Supervision Fund	Indigent Health Care Fund
Revenues:			
Taxes	\$	\$	\$ 984,364
Intergovernmental			37,244
Fees		124,365	
Fines			
Investment income (loss)		82	8,397
Miscellaneous			
Total revenues	-0-	124,447	1,030,005
Expenditures:			
Current:			
General administration			
Administration of justice			
Elections			
Law enforcement		103,351	
Health and welfare			769,341
Conservation			
Capital outlay			
Total expenditures	-0-	103,351	769,341
Excess (deficiency) of revenue over (under) expenditures	-0-	21,096	260,664
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Transfers in			
Transfers out			(202,500)
Total other financing sources (uses)	-0-	-0-	(202,500)
Net change in fund balance	-0-	21,096	58,164
Fund Balance (Deficits):			
Beginning of year	2,404	47,575	1,574,359
End of year	\$ 2,404	\$ 68,671	\$ 1,632,523

Revenue Funds

Cities Readiness Initiative Fund	Indigent Defense Formula/ Improvement Fund	Guardianship Fee Fund	Election Services Contract Fund	TCEQ Aircheck Texas Fund	Ed Byrne JAG Mobile Command Fund
\$ 39,054	\$ 147,927	\$ 8,540	\$	\$ 83,493	\$ 10,235
	270	87	340		
			21,468		
<u>39,054</u>	<u>148,197</u>	<u>8,627</u>	<u>21,808</u>	<u>83,493</u>	<u>10,235</u>
45,727	23,039		11,323	83,493	
					10,325
<u>45,727</u>	<u>23,039</u>	<u>-0-</u>	<u>11,323</u>	<u>83,493</u>	<u>10,325</u>
(<u>6,673</u>)	<u>125,158</u>	<u>8,627</u>	<u>10,485</u>	<u>-0-</u>	(<u>90</u>)
3,754	(127,305)				90
<u>3,754</u>	(<u>127,305</u>)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>90</u>
(2,919)	(2,147)	8,627	10,485	-0-	-0-
<u>2,919</u>	<u>2,147</u>	<u>54,446</u>	<u>218,129</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 63,073</u>	<u>\$ 228,614</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, 2015

	Special		
	MVIE Special Inventory Fund	Historical Commission Fund	Unclaimed Juvenile Restitution Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines			
Investment income (loss)		58	
Miscellaneous	8,629	1,400	7
Total revenues	8,629	1,458	7
Expenditures:			
Current:			
General administration	6,253	11,307	
Administration of justice			
Elections			
Law enforcement			
Health and welfare			
Conservation			
Capital outlay			
Total expenditures	6,253	11,307	-0-
Excess (deficiency) of revenue over (under) expenditures	2,376	(9,849)	7
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Transfers in		10,000	
Transfers out			
Total other financing sources (uses)	-0-	10,000	-0-
Net change in fund balance	2,376	151	7
Fund Balance (Deficits):			
Beginning of year	25,265	30,176	-0-
End of year	\$ 27,641	\$ 30,327	\$ 7

Revenue Funds			Capital Projects Funds		
Pecan Valley MHMR Fund	Texas CDBG Fund	Total Special Revenue Funds	Equipment Purchase Fund	Jail Construction Improvements Fund	Motorola Simulcast Radio System Fund
\$	\$	\$	\$	\$	\$
	82,143	984,364			
		1,367,666			
		1,155,543			
		17,417			
1		28,273	420	549	
108,000		829,586			
108,001	82,143	4,382,849	420	549	-0-
	82,143	489,941	234,145		
		1,143,734			
		11,323			
		876,746	27,981		
		769,341	4,320		
		-0-	4,400		
		67,857	400,711	857,639	87,277
-0-	82,143	3,358,942	671,557	857,639	87,277
108,001	-0-	1,023,907	(671,137)	(857,090)	(87,277)
		12,409			
		232,548	680,252	8,975	28,568
		(445,011)			(193,369)
-0-	-0-	(200,054)	680,252	8,975	(164,801)
108,001	-0-	823,853	9,115	(848,115)	(252,078)
		7,131,020	3,169	(8,937)	252,078
\$ 108,001	\$ -0-	\$ 7,954,873	\$ 12,284	\$ (857,052)	\$ -0-

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2015

	Capital Projects Funds		
	Alvarado Sub- Courthouse Fund	Jail Lift Station Fund	Software Projects Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines			
Investment income (loss)			3,470
Miscellaneous			
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>3,470</u>
Expenditures:			
Current:			
General administration	50,040		15,763
Administration of justice			
Elections			
Law enforcement			
Health and welfare			
Conservation			
Capital outlay	<u>385,913</u>	<u>150,145</u>	<u>877,997</u>
Total expenditures	<u>435,953</u>	<u>150,145</u>	<u>893,760</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(435,953)</u>	<u>(150,145)</u>	<u>(890,290)</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Transfers in	174,407	9,948	
Transfers out			-0-
Total other financing sources (uses)	<u>174,407</u>	<u>9,948</u>	<u>-0-</u>
Net change in fund balance	<u>(261,546)</u>	<u>(140,197)</u>	<u>(890,290)</u>
Fund Balance (Deficits):			
Beginning of year	<u>261,546</u>	<u>140,197</u>	<u>2,513,699</u>
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,623,409</u>

Total Capital Projects Funds	Total Non-Major Governmental Funds
\$ -0-	\$ 984,364
-0-	1,367,666
-0-	1,155,543
-0-	17,417
4,439	32,712
<u>-0-</u>	<u>829,586</u>
 4,439	 4,387,288
 299,948	 789,889
-0-	1,143,734
-0-	11,323
27,981	904,727
4,320	773,661
4,400	4,400
<u>2,759,682</u>	<u>2,827,539</u>
 3,096,331	 6,455,273
 (3,091,892)	 (2,067,985)
 -0-	 12,409
902,150	1,134,698
<u>(193,369)</u>	<u>(638,380)</u>
 708,781	 508,727
 (2,383,111)	 (1,559,258)
 3,161,752	 10,292,772
<u>\$ 778,641</u>	<u>\$ 8,733,514</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2015

Exhibit 11
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	\$ 1,976,346	\$ 1,976,346	\$ 1,796,646	\$ 179,700
Operating expenditures	87,100	87,100	74,860	12,240
Total County Clerk	2,063,446	2,063,446	1,871,506	191,940
County Judge:				
Salaries and wages, and employee benefits	395,018	395,018	367,959	27,059
Operating expenditures	9,950	16,190	9,469	6,721
Capital outlay			6,240	(6,240)
Total County Judge	404,968	411,208	383,668	27,540
County Commissioners:				
Salaries and wages, and employee benefits	511,780	511,780	488,532	23,248
Total County Commissioners	511,780	511,780	488,532	23,248
Veterans:				
Salaries and wages, and employee benefits	165,776	165,776	122,734	43,042
Operating expenditures	9,937	11,837	9,081	2,756
Total Veterans	175,713	177,613	131,815	45,798
Public Works:				
Salaries and wages, and employee benefits	1,320,841	1,320,841	1,198,524	122,317
Operating expenditures	65,028	65,028	42,720	22,308
Total Public Works	1,385,869	1,385,869	1,241,244	144,625
Purchasing:				
Salaries and wages, and employee benefits	292,950	292,950	287,350	5,600
Operating expenditures	28,530	30,530	25,985	4,545
Total Purchasing	321,480	323,480	313,335	10,145
Information Systems:				
Salaries and wages, and employee benefits	721,939	772,481	628,194	144,287
Operating expenditures	973,312	1,217,514	1,173,183	44,331
Capital outlay	3,500	3,500	-0-	3,500
Total Information Systems	1,698,751	1,993,495	1,801,377	192,118
Print Shop:				
Salaries and wages, and employee benefits	48,674	48,674	44,740	3,934
Operating expenditures	41,601	39,601	29,364	10,237
Total Print Shop	90,275	88,275	74,104	14,171

(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, 2015

Exhibit 11
Page 2 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Mail Room:				
Salaries and wages, and employee benefits	\$ 90,407	\$ 90,407	\$ 88,582	\$ 1,825
Operating expenditures	<u>11,000</u>	<u>11,000</u>	<u>10,326</u>	<u>674</u>
Total Mail Room	<u>101,407</u>	<u>101,407</u>	<u>98,908</u>	<u>2,499</u>
Telecommunications:				
Salaries and wages, and employee benefits	<u>41,552</u>	<u>41,552</u>	<u>40,591</u>	<u>961</u>
Total Telecommunications	<u>41,552</u>	<u>41,552</u>	<u>40,591</u>	<u>961</u>
Personnel:				
Salaries and wages, and employee benefits	366,112	366,112	318,772	47,340
Operating expenditures	<u>35,200</u>	<u>35,200</u>	<u>12,703</u>	<u>22,497</u>
Total Personnel	<u>401,312</u>	<u>401,312</u>	<u>331,475</u>	<u>69,837</u>
County Tax Collector:				
Salaries and wages, and employee benefits	1,360,844	1,360,844	1,288,794	72,050
Operating expenditures	<u>293,072</u>	<u>295,382</u>	<u>228,441</u>	<u>66,941</u>
Total County Tax Collector	<u>1,653,916</u>	<u>1,656,226</u>	<u>1,517,235</u>	<u>138,991</u>
Non-departmental:				
Salaries and wages, and employee benefits	251,958	253,549	290,568	(37,019)
Operating expenditures	3,755,026	3,862,244	3,480,133	382,111
Capital outlay	<u>135,000</u>	<u>110,665</u>	<u>12,323</u>	<u>98,342</u>
Total Non-departmental	<u>4,141,984</u>	<u>4,226,458</u>	<u>3,783,024</u>	<u>443,434</u>
Courthouse:				
Operating expenditures	<u>187,200</u>	<u>-0-</u>	<u>120,242</u>	<u>(120,242)</u>
Total Courthouse	<u>187,200</u>	<u>-0-</u>	<u>120,242</u>	<u>(120,242)</u>
Bldg Maint Bank Annex:				
Operating expenditures	<u>196,800</u>	<u>-0-</u>	<u>140,173</u>	<u>(140,173)</u>
Total Bldg Maint Bank Annex	<u>196,800</u>	<u>-0-</u>	<u>140,173</u>	<u>(140,173)</u>
Bldg Maint Guinn Building:				
Operating expenditures	<u>366,800</u>	<u>-0-</u>	<u>348,375</u>	<u>(348,375)</u>
Total Bldg Maint Guinn Bldg	<u>366,800</u>	<u>-0-</u>	<u>348,375</u>	<u>(348,375)</u>
Bldg Maint CASA/United:				
Operating expenditures	<u>21,700</u>	<u>-0-</u>	<u>12,315</u>	<u>(12,315)</u>
Total Bldg Maint CASA/United	<u>21,700</u>	<u>-0-</u>	<u>12,315</u>	<u>(12,315)</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, 2015

Exhibit 11
Page 3 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Bldg Maint JP #1 Bldg:				
Operating expenditures	\$ 8,700	\$ -	\$ 8,924	\$(8,924)
Total Bldg Maint JP #1 Bldg	8,700	-0-	8,924	(8,924)
Bldg Maint Brown Gym:				
Operating expenditures	54,000	-	27,535	(27,535)
Total Bldg Maint Brown Gym	54,000	-0-	27,535	(27,535)
Bldg Maint Alvarado Sub-courthouse:				
Operating expenditures	39,800	-	33,589	(33,589)
Total Bldg Maint Alvarado Sub-courthouse	39,800	-0-	33,589	(33,589)
Bldg Maint Burleson Sub-courthouse :				
Operating expenditures	48,600	-	42,780	(42,780)
Total Bldg Maint Burleson Sub-courthouse	48,600	-0-	42,780	(42,780)
Bldg Maint Law Enforcement Center:				
Operating expenditures	124,700	-	86,996	(86,996)
Total Bldg Maint Law Enforcement Center	124,700	-0-	86,996	(86,996)
Bldg Maint Emergency Mgmt Bldg:				
Operating expenditures	18,200	-	12,771	(12,771)
Total Bldg Maint Emergency Mgmt Bldg	18,200	-0-	12,771	(12,771)
Bldg Maint Health Bldg:				
Operating expenditures	22,700	-	15,320	(15,320)
Total Bldg Maint Health Bldg	22,700	-0-	15,320	(15,320)
Bldg Maint Hamm Creek:				
Operating expenditures	23,500	-	17,314	(17,314)
Total Bldg Maint Hamm Creek	23,500	-0-	17,314	(17,314)
Bldg Maint Mill St. Bldg:				
Operating expenditures	9,000	-	4,438	(4,438)
Total Bldg Maint Mill St. Bldg	9,000	-0-	4,438	(4,438)
Bldg Maint Doty HS:				
Operating expenditures	6,500	-	3,289	(3,289)
Total Bldg Maint Doty HS	6,500	-0-	3,289	(3,289)

(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, 2015

Exhibit 11
Page 4 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Bldg Maint Adult Probation Bldg:				
Operating expenditures	\$ 65,800	\$	\$ 65,426	\$(65,426)
Total Bldg Maint Adult Probation Bldg	65,800	-0-	65,426	(65,426)
Bldg Maint 103 S. Walnut:				
Operating expenditures	19,500		11,125	(11,125)
Total Bldg Maint 103 S. Walnut	19,500	-0-	11,125	(11,125)
Bldg Maint 102 South Main:				
Operating expenditures	4,500		3,777	(3,777)
Total Bldg Maint 120 South Main	4,500	-0-	3,777	(3,777)
Bldg Maint Sheriff – Jail:				
Operating expenditures	110,000		103,651	(103,651)
Total Bldg Maint Sheriff – Jail	110,000	-0-	103,651	(103,651)
Total General Administration	14,320,453	13,382,121	13,134,854	247,267
Administration of Justice:				
County Court at Law I:				
Salaries and wages, and employee benefits	501,674	501,674	484,187	17,487
Operating expenditures	312,200	312,200	290,712	21,488
Total County Court at Law I	813,874	813,874	774,899	38,975
County Court at Law II:				
Salaries and wages, and employee benefits	442,275	442,275	412,228	30,047
Operating expenditures	282,500	287,437	265,934	21,503
Total County Court at Law II	724,775	729,712	678,162	51,550
General District Court:				
Salaries and wages, and employee benefits	77,508	79,980	32,911	47,069
Operating expenditures	82,083	82,088	68,133	13,955
Total General District Court	159,591	162,068	101,044	61,024
249 th District Court:				
Salaries and wages, and employee benefits	272,585	272,585	260,504	12,081
Operating expenditures	526,700	526,700	409,013	117,687
Total 249 th District Court	799,285	799,285	669,517	129,768
18 th District Court:				
Salaries and wages, and employee benefits	247,470	247,470	244,097	3,373
Operating expenditures	502,900	502,900	427,882	75,018
Total 18 th District Court	750,370	750,370	671,979	78,391

(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, 2015

Exhibit 11
Page 5 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
413 th District Court:				
Salaries and wages, and employee benefits	\$ 242,947	\$ 242,947	\$ 240,191	\$ 2,756
Operating expenditures	497,100	497,100	375,684	121,416
Total 413 th District Court	740,047	740,047	615,875	124,172
District Clerk:				
Salaries and wages, and employee benefits	1,174,640	1,174,640	1,118,321	56,319
Operating expenditures	357,580	357,580	65,448	292,132
Total District Clerk	1,532,220	1,532,220	1,183,769	348,451
Justice of the Peace #1:				
Salaries and wages, and employee benefits	259,756	259,756	250,805	8,951
Operating expenditures	11,400	11,400	10,903	497
Total Justice of the Peace #1	271,156	271,156	261,708	9,448
Justice of the Peace #2:				
Salaries and wages, and employee benefits	249,847	249,847	230,933	18,914
Operating expenditures	14,350	14,350	12,323	2,027
Total Justice of the Peace #2	264,197	264,197	243,256	20,941
Justice of the Peace #3:				
Salaries and wages, and employee benefits	229,720	229,720	213,989	15,731
Operating expenditures	12,500	12,500	12,104	396
Total Justice of the Peace #3	242,220	242,220	226,093	16,127
Justice of the Peace #4:				
Salaries and wages, and employee benefits	211,918	211,918	198,526	13,392
Operating expenditures	10,700	10,700	9,386	1,314
Total Justice of the Peace #4	222,618	222,618	207,912	14,706
Non-departmental:				
Operating expenditures			109,421	(109,421)
Capital outlay			85,965	(85,965)
Total Non-departmental	-0-	-0-	195,386	(195,386)
Bail Bonds Office:				
Salaries and wages, and employee benefits	43,217	43,217	45,117	(1,900)
Operating expenditures	2,000	2,000	1,530	470
Total Bail Bonds Office	45,217	45,217	46,647	(1,430)
Adult Probation:				
Operating expenditures	12,150	11,550	9,853	1,697
Total Adult Probation	12,150	11,550	9,853	1,697

(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, 2015

Exhibit 11
Page 6 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
Juvenile Probation:				
Salaries and wages, and employee benefits	\$ 494,751	\$ 494,751	\$ 439,902	\$ 54,849
Operating expenditures	<u>704,800</u>	<u>704,800</u>	<u>590,491</u>	<u>114,309</u>
Total Juvenile Probation	<u>1,199,551</u>	<u>1,199,551</u>	<u>1,030,393</u>	<u>169,158</u>
Total Administration of Justice	<u>7,777,271</u>	<u>7,784,085</u>	<u>6,916,493</u>	<u>867,592</u>
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	768,465	768,465	748,301	20,164
Operating expenditures	<u>59,150</u>	<u>59,150</u>	<u>33,691</u>	<u>25,459</u>
Total County Auditor	<u>827,615</u>	<u>827,615</u>	<u>781,992</u>	<u>45,623</u>
County Treasurer:				
Salaries and wages, and employee benefits	158,204	158,204	125,620	32,584
Operating expenditures	<u>13,700</u>	<u>13,700</u>	<u>9,297</u>	<u>4,403</u>
Total County Treasurer	<u>171,904</u>	<u>171,904</u>	<u>134,917</u>	<u>36,987</u>
Total Financial Administration	<u>999,519</u>	<u>999,519</u>	<u>916,909</u>	<u>82,610</u>
Elections:				
Elections:				
Salaries and wages, and employee benefits	383,403	383,403	303,643	79,760
Operating expenditures	<u>176,150</u>	<u>176,150</u>	<u>65,791</u>	<u>110,359</u>
Total Elections	<u>559,553</u>	<u>559,553</u>	<u>369,434</u>	<u>190,119</u>
Law Enforcement				
County Attorney:				
Salaries and wages, and employee benefits	1,822,572	1,822,572	1,800,911	21,661
Operating expenditures	<u>94,482</u>	<u>94,482</u>	<u>79,354</u>	<u>15,128</u>
Total County Attorney	<u>1,917,054</u>	<u>1,917,054</u>	<u>1,880,265</u>	<u>36,789</u>
District Attorney:				
Salaries and wages, and employee benefits	1,796,223	1,796,223	1,696,119	100,104
Operating expenditures	<u>128,000</u>	<u>128,000</u>	<u>104,776</u>	<u>23,224</u>
Total District Attorney	<u>1,924,223</u>	<u>1,924,223</u>	<u>1,800,895</u>	<u>123,328</u>
County/District Attorney Supplement:				
Salaries and wages, and employee benefits	<u>38,132</u>	<u>38,132</u>	<u>21,041</u>	<u>17,091</u>
Total County/District Attorney Supplement	<u>38,132</u>	<u>38,132</u>	<u>21,041</u>	<u>17,091</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, 2015

Exhibit 11
Page 7 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
Constable - Precinct 1:				
Salaries and wages, and employee benefits	\$ 262,575	\$ 262,575	\$ 252,607	\$ 9,968
Operating expenditures	<u>36,966</u>	<u>38,103</u>	<u>34,977</u>	<u>3,126</u>
Total Constable - Precinct 1	<u>299,541</u>	<u>300,678</u>	<u>287,584</u>	<u>13,094</u>
Constable - Precinct 2:				
Salaries and wages, and employee benefits	212,012	212,012	207,872	4,140
Operating expenditures	<u>29,980</u>	<u>29,980</u>	<u>18,440</u>	<u>11,540</u>
Total Constable - Precinct 2	<u>241,992</u>	<u>241,992</u>	<u>226,312</u>	<u>15,680</u>
Constable - Precinct 3:				
Salaries and wages, and employee benefits	210,002	210,002	204,734	5,268
Operating expenditures	<u>25,420</u>	<u>25,420</u>	<u>14,511</u>	<u>10,909</u>
Total Constable - Precinct 3	<u>235,422</u>	<u>235,422</u>	<u>219,245</u>	<u>16,177</u>
Constable - Precinct 4:				
Salaries and wages, and employee benefits	220,715	221,058	217,144	3,914
Operating expenditures	<u>40,526</u>	<u>40,183</u>	<u>33,258</u>	<u>6,925</u>
Total Constable - Precinct 4	<u>261,241</u>	<u>261,241</u>	<u>250,402</u>	<u>10,839</u>
ASAP-JISD:				
Salaries and wages, and employee benefits	61,483	60,883	58,766	2,117
Operating expenditures	<u>2,950</u>	<u>3,550</u>	<u>2,761</u>	<u>789</u>
Total ASAP-JISD	<u>64,433</u>	<u>64,433</u>	<u>61,527</u>	<u>2,906</u>
ASAP-BISD:				
Salaries and wages, and employee benefits	59,545	58,945	56,761	2,184
Operating expenditures	<u>5,770</u>	<u>6,370</u>	<u>4,503</u>	<u>1,867</u>
Total ASAP-BISD	<u>65,315</u>	<u>65,315</u>	<u>61,264</u>	<u>4,051</u>
ASAP-CISD:				
Salaries and wages, and employee benefits	129,654	128,454	124,148	4,306
Operating expenditures	<u>8,800</u>	<u>11,440</u>	<u>5,781</u>	<u>5,659</u>
Total ASAP-CISD	<u>138,454</u>	<u>139,894</u>	<u>129,929</u>	<u>9,965</u>
Sheriff Admin-Patrol:				
Salaries and wages, and employee benefits	6,719,362	6,731,960	6,304,831	427,129
Operating expenditures	877,785	877,146	669,531	207,615
Capital outlay		<u>23,714</u>	<u>23,714</u>	<u>-0-</u>
Total Sheriff Admin-Patrol	<u>7,597,147</u>	<u>7,632,820</u>	<u>6,998,076</u>	<u>634,744</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, 2015

Exhibit 11
Page 8 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
Sheriff-Jail:				
Salaries and wages, and employee benefits	\$ 1,010,224	\$ 1,010,224	\$ 939,587	\$ 70,637
Operating expenditures	15,193,100	15,708,100	15,154,898	553,202
Capital outlay			248,925	(248,925)
Debt service expenditures	325,000	210,000	189,297	20,703
Total Sheriff-Jail	<u>16,528,324</u>	<u>16,928,324</u>	<u>16,532,707</u>	<u>395,617</u>
Sheriff Licenses and Weights:				
Salaries and wages, and employee benefits	260,630	265,890	261,413	4,477
Operating expenditures	<u>41,300</u>	<u>41,300</u>	<u>26,946</u>	<u>14,354</u>
Total Sheriff Licenses and Weights	<u>301,930</u>	<u>307,190</u>	<u>288,359</u>	<u>18,831</u>
Mansfield Interlocal:				
Salaries and wages, and employee benefits	82,359	82,359	80,550	1,809
Total Mansfield Interlocal	<u>82,359</u>	<u>82,359</u>	<u>80,550</u>	<u>1,809</u>
Texas DPS Office:				
Salaries and wages, and employee benefits	75,435	75,435	72,388	3,047
Operating expenditures	<u>600</u>	<u>600</u>	<u>600</u>	<u>-0-</u>
Total Texas DPS Office	<u>76,035</u>	<u>76,035</u>	<u>72,988</u>	<u>3,047</u>
Texas DPS License Weight:				
Operating expenditures	<u>1,250</u>	<u>1,250</u>	<u>1,217</u>	<u>33</u>
Total Texas DPS License Weight	<u>1,250</u>	<u>1,250</u>	<u>1,217</u>	<u>33</u>
SRO-Godley ISD:				
Salaries and wages, and employee benefits	62,566	61,966	59,967	1,999
Operating expenditures	<u>4,250</u>	<u>4,850</u>	<u>3,152</u>	<u>1,698</u>
Total SRO-Godley ISD	<u>66,816</u>	<u>66,816</u>	<u>63,119</u>	<u>3,697</u>
SRO-Joshua ISD:				
Salaries and wages, and employee benefits	133,280	132,080	127,784	4,296
Operating expenditures	<u>6,400</u>	<u>7,000</u>	<u>4,512</u>	<u>2,488</u>
Total SRO-Joshua ISD	<u>139,680</u>	<u>139,080</u>	<u>132,296</u>	<u>6,784</u>
SRO-Alvarado ISD:				
Salaries and wages, and employee benefits	67,363	66,763	64,575	2,188
Operating expenditures	<u>4,650</u>	<u>5,250</u>	<u>3,707</u>	<u>1,543</u>
Total SRO-Alvarado ISD	<u>72,013</u>	<u>72,013</u>	<u>68,282</u>	<u>3,731</u>
SRO-Venus ISD:				
Salaries and wages, and employee benefits	64,046	63,858	61,647	2,211
Operating expenditures	<u>3,350</u>	<u>3,950</u>	<u>1,508</u>	<u>2,442</u>
Total SRO-Venus ISD	<u>67,396</u>	<u>67,808</u>	<u>63,155</u>	<u>4,653</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, 2015

Exhibit 11
Page 9 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement – Continued:				
SRO-Keene ISD:				
Salaries and wages, and employee benefits	\$ 59,130	\$	\$ 21,472	\$(21,472)
Operating expenditures	<u>3,950</u>		<u>481</u>	<u>(481)</u>
Total SRO-Keene ISD	<u>63,080</u>	<u>-0-</u>	<u>21,953</u>	<u>(21,953)</u>
Total Law Enforcement	<u>30,181,837</u>	<u>30,562,079</u>	<u>29,261,166</u>	<u>1,300,913</u>
Health and Welfare:				
Medical Examiner:				
Salaries and wages, and employee benefits	159,723	159,723	144,651	15,072
Operating expenditures	<u>222,350</u>	<u>222,350</u>	<u>218,692</u>	<u>3,658</u>
Total Medical Examiner	<u>382,073</u>	<u>382,073</u>	<u>363,343</u>	<u>18,730</u>
Non-departmental:				
Operating expenditures	<u>30,000</u>	<u>30,000</u>	<u>10,000</u>	<u>20,000</u>
Total Non-departmental	<u>30,000</u>	<u>30,000</u>	<u>10,000</u>	<u>20,000</u>
Emergency Management:				
Salaries and wages, and employee benefits	128,195	128,195	120,691	7,504
Operating expenditures	<u>247,075</u>	<u>247,075</u>	<u>241,713</u>	<u>5,362</u>
Total Emergency Management	<u>375,270</u>	<u>375,270</u>	<u>362,404</u>	<u>12,866</u>
Total Health and Welfare	<u>787,343</u>	<u>787,343</u>	<u>735,747</u>	<u>51,596</u>
Culture and Recreation:				
Hamm Creek Park:				
Salaries and wages, and employee benefits	231,974	231,974	180,748	51,226
Operating expenditures	<u>34,700</u>	<u>44,700</u>	<u>27,424</u>	<u>17,276</u>
Total Hamm Creek Park	<u>266,674</u>	<u>276,674</u>	<u>208,172</u>	<u>68,502</u>
Total Culture and Recreation	<u>266,674</u>	<u>276,674</u>	<u>208,172</u>	<u>68,502</u>
Conservation:				
County Extension:				
Salaries and wages, and employee benefits	180,885	180,885	159,812	21,073
Operating expenditures	<u>16,300</u>	<u>16,300</u>	<u>12,977</u>	<u>3,323</u>
Total County Extension	<u>197,185</u>	<u>197,185</u>	<u>172,789</u>	<u>24,396</u>
Total Conservation	<u>197,185</u>	<u>197,185</u>	<u>172,789</u>	<u>24,396</u>
Total expenditures	\$ <u>55,089,835</u>	\$ <u>54,548,559</u>	\$ <u>51,715,564</u>	\$ <u>2,832,995</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 12

For the Year Ended September 30, 2015

	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	\$ 1,061,548	\$ 1,061,548	\$ 844,227	\$ 217,321
Operating expenditures	1,622,364	1,694,364	497,667	1,196,697
Capital outlay	855,500	783,500	159,181	624,319
Total Road and Bridge Precinct 1	3,539,412	3,539,412	1,501,075	2,038,337
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	1,042,876	1,042,876	936,764	106,112
Operating expenditures	978,478	1,138,998	500,589	638,409
Capital outlay	135,000	230,000	176,178	53,822
Total Road and Bridge Precinct 2	2,156,354	2,411,874	1,613,531	798,343
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	1,162,775	1,162,775	933,011	229,764
Operating expenditures	2,017,818	1,694,588	526,286	1,168,302
Capital outlay	5,000	585,000	548,342	36,658
Total Road and Bridge Precinct 3	3,185,593	3,442,363	2,007,639	1,434,724
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	1,313,209	1,313,209	1,127,137	186,072
Operating expenditures	1,689,907	1,555,095	417,591	1,137,504
Capital outlay	276,000	384,000	39,912	344,088
Total Road and Bridge Precinct 4	3,279,116	3,252,304	1,584,640	1,667,664
Total expenditures	\$ 12,160,475	\$ 12,645,953	\$ 6,706,885	\$ 5,939,068

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, 2015

	Right of Way Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$	\$ -0-
Investment income (loss)	12,000	12,000	8,804	(3,196)
Total revenues	12,000	12,000	8,804	(3,196)
Expenditures:				
General Administration:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Total expenditures	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over expenditures	12,000	12,000	8,804	(3,196)
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	12,000	12,000	8,804	(3,196)
Fund balances – beginning	1,450,612	1,450,612	1,450,612	-0-
Fund balances – ending	\$ 1,462,612	\$ 1,462,612	\$ 1,459,416	\$(3,196)

Records Management and Preservation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 312,000	\$ 312,000	\$ 371,028	\$ 59,028
<u>2,600</u>	<u>2,600</u>	<u>5,846</u>	<u>3,246</u>
<u>314,600</u>	<u>314,600</u>	<u>376,874</u>	<u>62,274</u>
143,398	143,398	139,487	3,911
<u>60,000</u>	<u>60,000</u>	<u>9,753</u>	<u>50,247</u>
<u>203,398</u>	<u>203,398</u>	<u>149,240</u>	<u>54,158</u>
<u>111,202</u>	<u>111,202</u>	<u>227,634</u>	<u>116,432</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
111,202	111,202	227,634	116,432
<u>1,233,724</u>	<u>1,233,724</u>	<u>1,233,724</u>	<u>-0-</u>
<u>\$ 1,344,926</u>	<u>\$ 1,344,926</u>	<u>\$ 1,461,358</u>	<u>\$ 116,432</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, 2015

	Records Archive County Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 250,000	\$ 250,000	\$ 305,930	\$ 55,930
Investment income	2,000	2,000	1,404	(596)
Total revenues	<u>252,000</u>	<u>252,000</u>	<u>307,334</u>	<u>55,334</u>
Expenditures:				
Administration of Justice:				
Capital outlay	<u>305,000</u>	<u>305,000</u>	<u> </u>	<u>305,000</u>
Total expenditures	<u>305,000</u>	<u>305,000</u>	<u>-0-</u>	<u>305,000</u>
Excess (deficiency) of revenues over expenditures	<u>(53,000)</u>	<u>(53,000)</u>	<u>307,334</u>	<u>360,334</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>(53,000)</u>	<u>(53,000)</u>	<u>307,334</u>	<u>360,334</u>
Fund balances – beginning	<u>803,481</u>	<u>803,481</u>	<u>803,481</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 750,481</u>	<u>\$ 750,481</u>	<u>\$ 1,110,815</u>	<u>\$ 360,334</u>

Record Archives District Clerk Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 9,900	\$ 9,900	\$ 11,411	\$ 1,511
<u>50</u>	<u>50</u>	<u>84</u>	<u>34</u>
<u>9,950</u>	<u>9,950</u>	<u>11,495</u>	<u>1,545</u>
<u>15,000</u>	<u>25,864</u>	<u>25,863</u>	<u>1</u>
<u>15,000</u>	<u>25,864</u>	<u>25,863</u>	<u>1</u>
(5,050)	(15,914)	(14,368)	1,546
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(5,050)	(15,914)	(14,368)	1,546
<u>63,189</u>	<u>63,189</u>	<u>63,189</u>	<u>-0-</u>
<u>\$ 58,139</u>	<u>\$ 47,275</u>	<u>\$ 48,821</u>	<u>\$ 1,546</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, 2015

	Court Records Preservation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 27,800	\$ 27,800	\$ 30,622	\$ 2,822
Investment income (loss)	100	100	238	138
Total revenues	<u>27,900</u>	<u>27,900</u>	<u>30,860</u>	<u>2,960</u>
Expenditures:				
Administration of Justice:				
Operating expenditures				-0-
Total expenditures	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over expenditures	<u>27,900</u>	<u>27,900</u>	<u>30,860</u>	<u>2,960</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	27,900	27,900	30,860	2,960
Fund balances – beginning	<u>145,061</u>	<u>145,061</u>	<u>145,061</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 172,961</u>	<u>\$ 172,961</u>	<u>\$ 175,921</u>	<u>\$ 2,960</u>

Justice of the Peace Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 23,900	\$ 23,900	\$ 24,560	\$ 660
<u>200</u>	<u>200</u>	<u>468</u>	<u>268</u>
<u>24,100</u>	<u>24,100</u>	<u>25,028</u>	<u>928</u>
<u>24,100</u>	<u>25,100</u>	<u>11,183</u>	<u>13,917</u>
<u>24,100</u>	<u>25,100</u>	<u>11,183</u>	<u>13,917</u>
<u>-0-</u>	<u>(1,000)</u>	<u>13,845</u>	<u>14,845</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	(1,000)	13,845	14,845
<u>307,702</u>	<u>307,702</u>	<u>307,702</u>	<u>-0-</u>
<u>\$ 307,702</u>	<u>\$ 306,702</u>	<u>\$ 321,547</u>	<u>\$ 14,845</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, 2015

	Courthouse Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 75,000	\$ 75,000	\$ 70,706	\$(4,294)
Investment income (loss)	<u>100</u>	<u>100</u>	<u>152</u>	<u>52</u>
Total revenues	<u>75,100</u>	<u>75,100</u>	<u>70,858</u>	<u>(4,242)</u>
Expenditures:				
Law Enforcement:				
Salaries and wages, and employee benefits	56,466	56,466	55,184	1,282
Operating expenditures	12,200	40,633	60,800	(20,167)
Capital Outlay	<u> </u>	<u>9,715</u>	<u>24,969</u>	<u>(15,254)</u>
Total expenditures	<u>68,666</u>	<u>106,814</u>	<u>140,953</u>	<u>(34,139)</u>
Excess (deficiency) of revenues over expenditures	<u>6,434</u>	<u>(31,714)</u>	<u>(70,095)</u>	<u>(38,381)</u>
Other Financing Sources (Uses):				
Transfers in	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
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	6,434	(31,714)	(70,095)	(38,381)
Fund balances – beginning	<u>115,608</u>	<u>115,608</u>	<u>115,608</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 122,042</u>	<u>\$ 83,894</u>	<u>\$ 45,513</u>	<u>\$(38,381)</u>

County/District Court Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 7,000	\$ 7,000	\$ 7,341	\$ 341
<u>50</u>	<u>50</u>	<u>49</u>	<u>(1)</u>
<u>7,050</u>	<u>7,050</u>	<u>7,390</u>	<u>340</u>
			-0-
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>7,050</u>	<u>7,050</u>	<u>7,390</u>	<u>340</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
7,050	7,050	7,390	340
<u>29,722</u>	<u>29,722</u>	<u>29,722</u>	<u>-0-</u>
<u>\$ 36,772</u>	<u>\$ 36,772</u>	<u>\$ 37,112</u>	<u>\$ 340</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, 2015

	District Court Records Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 20,000	\$ 20,000	\$ 26,184	\$ 6,184
Investment income (loss)	100	100	91	(9)
Total revenues	<u>20,100</u>	<u>20,100</u>	<u>26,275</u>	<u>6,175</u>
Expenditures:				
Administration of Justice:				
Operating expenditures		214	214	-0-
Total expenditures	-0-	214	214	-0-
Excess (deficiency) of revenues over expenditures	<u>20,100</u>	<u>19,886</u>	<u>26,061</u>	<u>6,175</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	20,100	19,886	26,061	6,175
Fund balances – beginning	<u>49,050</u>	<u>49,050</u>	<u>49,050</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 69,150</u>	<u>\$ 68,936</u>	<u>\$ 75,111</u>	<u>\$ 6,175</u>

Justice Court Building Security Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 6,800	\$ 6,800	\$ 6,081	\$(719)
<u>50</u>	<u>50</u>	<u>113</u>	<u>63</u>
<u>6,850</u>	<u>6,850</u>	<u>6,194</u>	<u>(656)</u>
	<u>10,390</u>	<u>10,380</u>	<u>10</u>
<u>-0-</u>	<u>10,390</u>	<u>10,380</u>	<u>10</u>
<u>6,850</u>	<u>(3,540)</u>	<u>(4,186)</u>	<u>(646)</u>
			<u>-0-</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
6,850	(3,540)	(4,186)	(646)
<u>77,228</u>	<u>77,228</u>	<u>77,228</u>	<u>-0-</u>
<u>\$ 84,078</u>	<u>\$ 73,688</u>	<u>\$ 73,042</u>	<u>\$(646)</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, 2015

	Juvenile Justice Alternative Education Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 119,000	\$ 119,000	\$ 42,143	\$(76,857)
Fines				-0-
Investment income (loss)			93	93
Total revenues	<u>119,000</u>	<u>119,000</u>	<u>42,236</u>	<u>(76,764)</u>
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits	215,311	213,981	189,142	24,839
Operating expenditures	68,500	68,330	39,645	28,685
Capital outlay				-0-
Total expenditures	<u>283,811</u>	<u>282,311</u>	<u>228,787</u>	<u>53,524</u>
Excess (deficiency) of revenues over expenditures	<u>(164,811)</u>	<u>(163,311)</u>	<u>(186,551)</u>	<u>(23,240)</u>
Other Financing Sources (Uses):				
Transfers in	88,000	88,000	128,000	40,000
Transfers out				-0-
Total other financing sources (uses)	<u>88,000</u>	<u>88,000</u>	<u>128,000</u>	<u>40,000</u>
Net change in fund balances	<u>(76,811)</u>	<u>(75,311)</u>	<u>(58,551)</u>	<u>16,760</u>
Fund balances – beginning	<u>72,266</u>	<u>72,266</u>	<u>72,266</u>	<u>-0-</u>
Fund balances – ending	<u>\$(4,545)</u>	<u>\$(3,045)</u>	<u>\$ 13,715</u>	<u>\$ 16,760</u>

Juvenile Probation Fees Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 11,600	\$ 11,600	\$ 9,335	\$ -0-
		<u>291</u>	(2,265)
<u>11,600</u>	<u>11,600</u>	<u>9,626</u>	<u>(1,974)</u>
			-0-
15,000	35,323	47	35,276
<u>20,000</u>	<u>50,000</u>		<u>50,000</u>
<u>35,000</u>	<u>85,323</u>	<u>47</u>	<u>85,276</u>
(23,400)	(73,723)	9,579	83,302
	20,338		(20,338)
			-0-
-0-	20,338	-0-	(20,338)
(23,400)	(53,385)	9,579	62,964
<u>53,385</u>	<u>53,385</u>	<u>53,385</u>	<u>-0-</u>
<u>\$ 29,985</u>	<u>\$ -0-</u>	<u>\$ 62,964</u>	<u>\$ 62,964</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, 2015

	Juvenile Case Manager Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 35,000	\$ 35,000	\$ 31,738	\$(3,262)
Fines				-0-
Investment income (loss)	<u>100</u>	<u>100</u>	<u>169</u>	<u>69</u>
Total revenues	<u>35,100</u>	<u>35,100</u>	<u>31,907</u>	<u>(3,193)</u>
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits	29,720	29,720	32,443	(2,723)
Law Enforcement:				
Operating expenditures				-0-
Total expenditures	<u>29,720</u>	<u>29,720</u>	<u>32,443</u>	<u>(2,723)</u>
Excess (deficiency) of revenues over expenditures	<u>5,380</u>	<u>5,380</u>	<u>(536)</u>	<u>(5,916)</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	5,380	5,380	(536)	(5,916)
Fund balances – beginning	<u>113,709</u>	<u>113,709</u>	<u>113,709</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 119,089</u>	<u>\$ 119,089</u>	<u>\$ 113,173</u>	<u>\$(5,916)</u>

District Attorney Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$ -0-
		6,719	6,719
<u>50</u>	<u>50</u>	<u>140</u>	<u>90</u>
<u>50</u>	<u>50</u>	<u>6,859</u>	<u>6,809</u>
			-0-
	<u>1,350</u>	<u>1,350</u>	<u>-0-</u>
<u>-0-</u>	<u>1,350</u>	<u>1,350</u>	<u>-0-</u>
<u>50</u>	<u>(1,300)</u>	<u>5,509</u>	<u>6,809</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
50	(1,300)	5,509	6,809
<u>92,612</u>	<u>92,612</u>	<u>92,612</u>	<u>-0-</u>
<u>\$ 92,662</u>	<u>\$ 91,312</u>	<u>\$ 98,121</u>	<u>\$ 6,809</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, 2015

	Sheriff Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$ 1,500	\$ 1,500
Investment income (loss)			28	28
Miscellaneous				-0-
Total revenues	-0-	-0-	1,528	1,528
Expenditures:				
General Government:				
Salaries and wages, and employee benefits				-0-
Operating expenditures		1,500		1,500
Capital outlay	11,500	11,500		11,500
Total expenditures	11,500	13,000	-0-	13,000
Excess (deficiency) of revenues over expenditures	(11,500)	(13,000)	1,528	14,528
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	(11,500)	(13,000)	1,528	14,528
Fund balances – beginning	17,435	17,435	17,435	-0-
Fund balances – ending	\$ 5,935	\$ 4,435	\$ 18,963	\$ 14,528

Law Library Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 82,000	\$ 82,000	\$ 97,841	\$ 15,841
200	200	310	110
<u>150</u>	<u>150</u>	<u>9</u>	<u>(141)</u>
<u>82,350</u>	<u>82,350</u>	<u>98,160</u>	<u>15,810</u>
51,154	51,154	50,190	964
102,000	102,000	61,588	40,412
<u>153,154</u>	<u>153,154</u>	<u>111,778</u>	<u>-0-</u>
<u>(70,804)</u>	<u>(70,804)</u>	<u>(13,618)</u>	<u>41,376</u>
		200	200
		<u>200</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>200</u>	<u>200</u>
<u>(70,804)</u>	<u>(70,804)</u>	<u>(13,418)</u>	<u>57,386</u>
<u>208,228</u>	<u>208,228</u>	<u>208,228</u>	<u>-0-</u>
<u>\$ 137,424</u>	<u>\$ 137,424</u>	<u>\$ 194,810</u>	<u>\$ 57,386</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, 2015

	STOP SCU Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fees			9,198	9,198
Investment income (loss)			241	241
Miscellaneous			16,554	16,554
Total revenues	-0-	-0-	25,993	25,993
Expenditures:				
Law Enforcement:				
Operating expenditures	3,000	5,232	4,739	493
Capital outlay			6,700	(6,700)
Total expenditures	3,000	5,232	11,439	(6,207)
Excess (deficiency) of revenues over expenditures	(3,000)	(5,232)	14,554	19,786
Other Financing Sources (Uses):				
Sale of capital assets			1,102	1,102
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	1,102	1,102
Net change in fund balances	(3,000)	(5,232)	15,656	20,888
Fund balances – beginning	140,132	140,132	140,132	-0-
Fund balances – ending	\$ 137,132	\$ 134,900	\$ 155,788	\$ 20,888

STOP SCU Operations Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 65,735	\$ 65,735	\$ 65,735	\$ -0-
50	50	145	-0- 95
<u>65,785</u>	<u>65,785</u>	<u>2,515</u>	<u>2,515</u>
		<u>68,395</u>	<u>2,610</u>
154,039	156,239	140,872	15,367 -0-
<u>154,039</u>	<u>156,239</u>	<u>140,872</u>	<u>15,367</u>
(<u>88,254</u>)	(<u>90,454</u>)	(<u>72,477</u>)	<u>17,977</u>
10,000	10,000	11,307 90,504	11,307 80,504 -0-
<u>10,000</u>	<u>10,000</u>	<u>101,811</u>	<u>91,811</u>
(78,254)	(80,454)	29,334	109,788
<u>15,286</u>	<u>15,286</u>	<u>15,286</u>	<u>-0-</u>
<u>\$(62,968)</u>	<u>\$(65,168)</u>	<u>\$ 44,620</u>	<u>\$ 109,788</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, 2015

	Pre-Trial Bond Supervision Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$	\$	\$ -0-
Intergovernmental				-0-
Fees	105,000	105,000	124,365	19,365
Investment income (loss)	50	50	82	32
Total revenues	<u>105,050</u>	<u>105,050</u>	<u>124,447</u>	<u>19,397</u>
Expenditures				
Law Enforcement:				
Salaries and wages, and employee benefits	88,735	88,735	79,969	8,766
Operating expenditures	41,700	41,700	23,382	18,318
Health and Welfare:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Total expenditures	<u>130,435</u>	<u>130,435</u>	<u>103,351</u>	<u>27,084</u>
Excess (deficiency) of revenues over expenditures	<u>(25,385)</u>	<u>(25,385)</u>	<u>21,096</u>	<u>46,481</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>(25,385)</u>	<u>(25,385)</u>	<u>21,096</u>	<u>46,481</u>
Fund balances – beginning	<u>47,575</u>	<u>47,575</u>	<u>47,575</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 22,190</u>	<u>\$ 22,190</u>	<u>\$ 68,671</u>	<u>\$ 46,481</u>

Indigent Health Care Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 987,871	\$ 987,871	\$ 984,364	\$(3,507)
30,000	30,000	37,244	7,244
11,700	11,700	8,397	(3,303)
<u>1,029,571</u>	<u>1,029,571</u>	<u>1,030,005</u>	<u>434</u>
			-0-
			-0-
108,371	108,371	98,151	10,220
<u>1,005,200</u>	<u>1,005,200</u>	<u>671,190</u>	<u>334,010</u>
<u>1,113,571</u>	<u>1,113,571</u>	<u>769,341</u>	<u>344,230</u>
(84,000)	(84,000)	<u>260,664</u>	<u>344,664</u>
			-0-
<u>-0-</u>	<u>-0-</u>	(202,500)	(202,500)
<u>-0-</u>	<u>-0-</u>	(202,500)	(202,500)
(84,000)	(84,000)	58,164	142,164
<u>1,574,359</u>	<u>1,574,359</u>	<u>1,574,359</u>	<u>-0-</u>
<u>\$ 1,490,359</u>	<u>\$ 1,490,359</u>	<u>\$ 1,632,523</u>	<u>\$ 142,164</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, 2015

	Guardianship Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 7,500	\$ 7,500	\$ 8,540	\$ 1,040
Investment income (loss)	50	50	87	37
Miscellaneous				-0-
Total revenues	<u>7,550</u>	<u>7,550</u>	<u>8,627</u>	<u>1,077</u>
Expenditures				
Elections:				
Operating expenditures				-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>7,550</u>	<u>7,550</u>	<u>8,627</u>	<u>1,077</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	7,550	7,550	8,627	1,077
Fund balances – beginning	<u>54,446</u>	<u>54,446</u>	<u>54,446</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 61,996</u>	<u>\$ 61,996</u>	<u>\$ 63,073</u>	<u>\$ 1,077</u>

Election Services Contract Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$ -0-
		340	340
<u>1,000</u>	<u>1,000</u>	<u>21,468</u>	<u>20,468</u>
<u>1,000</u>	<u>1,000</u>	<u>21,808</u>	<u>20,808</u>
<u>45,000</u>	<u>45,000</u>	<u>11,323</u>	<u>33,677</u>
<u>45,000</u>	<u>45,000</u>	<u>11,323</u>	<u>33,677</u>
<u>(44,000)</u>	<u>(44,000)</u>	<u>10,485</u>	<u>54,485</u>
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(44,000)</u>	<u>(44,000)</u>	<u>10,485</u>	<u>54,485</u>
<u>218,129</u>	<u>218,129</u>	<u>218,129</u>	<u>-0-</u>
<u>\$ 174,129</u>	<u>\$ 174,129</u>	<u>\$ 228,614</u>	<u>\$ 54,485</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, 2015

Exhibit 13
Page 12 of 12

	Historical Commission Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Investment income (loss)	\$ 50	\$ 50	\$ 58	\$ 8
Miscellaneous			1,400	1,400
Total revenues	50	50	1,458	1,408
Expenditures				
General Government:				
Capital outlay	17,500	17,500	11,307	6,193
Total expenditures	17,500	17,500	11,307	6,193
Excess (deficiency) of revenues over expenditures	(17,450)	(17,450)	(9,849)	7,601
Other Financing Sources (Uses):				
Transfers in	10,000	10,000	10,000	-0-
Total other financing sources (uses)	10,000	10,000	10,000	-0-
Net change in fund balances	(7,450)	(7,450)	151	7,601
Fund balances – beginning	30,176	30,176	30,176	-0-
Fund balances – ending	\$ 22,726	\$ 22,726	\$ 30,327	\$ 7,601

JOHNSON COUNTY, TEXAS

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

Exhibit 14
Page 1 of 1

Legal Level of Budgetary Control

For the Year Ended September 30, 2015

	General Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 2,474,443	\$ 2,474,443	\$ 2,704,076	\$ 229,633
Investment income	700	700	2,071	1,371
Total revenues	<u>2,475,143</u>	<u>2,475,143</u>	<u>2,706,147</u>	<u>231,004</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	1,980,000	1,980,000	1,980,000	-0-
Interest on long-term debt	454,443	454,943	452,767	2,176
Total expenditures	<u>2,434,443</u>	<u>2,434,943</u>	<u>2,432,767</u>	<u>2,176</u>
Excess (deficiency) of revenues over expenditures	<u>40,700</u>	<u>40,200</u>	<u>273,380</u>	<u>232,180</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	40,700	40,200	273,380	232,180
Fund balances – beginning	<u>1,123,115</u>	<u>1,123,115</u>	<u>1,123,115</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,163,815</u>	<u>\$ 1,163,315</u>	<u>\$ 1,396,495</u>	<u>\$ 232,180</u>

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

For the Year Ended September 30, 2015

Exhibit 15
Page 1 of 3

	<u>Balance 10-01-14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-15</u>
UNCLAIMED MONEY FUND:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>21,502</u>	\$ <u>694</u>	\$ <u>688</u>	\$ <u>21,508</u>
Total assets	\$ <u><u>21,502</u></u>	\$ <u><u>694</u></u>	\$ <u><u>688</u></u>	\$ <u><u>21,508</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>21,502</u>	\$ <u>694</u>	\$ <u>688</u>	\$ <u>21,508</u>
Total liabilities	\$ <u><u>21,502</u></u>	\$ <u><u>694</u></u>	\$ <u><u>688</u></u>	\$ <u><u>21,508</u></u>
TAX ASSESSOR/COLLECTOR FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 3,140,690	\$ 328,412,111	\$ 328,785,482	\$ 2,767,319
Due from others	<u>923,690</u>	<u>1,060,201</u>	<u>923,690</u>	<u>1,060,201</u>
Total assets	\$ <u><u>4,064,380</u></u>	\$ <u><u>329,472,312</u></u>	\$ <u><u>329,709,172</u></u>	\$ <u><u>3,827,520</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>4,064,380</u>	\$ <u>329,472,312</u>	\$ <u>329,709,172</u>	\$ <u>3,827,520</u>
Total liabilities	\$ <u><u>4,064,380</u></u>	\$ <u><u>329,472,312</u></u>	\$ <u><u>329,709,172</u></u>	\$ <u><u>3,827,520</u></u>
COUNTY CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>1,852,794</u>	\$ <u>1,855,311</u>	\$ <u>2,376,710</u>	\$ <u>1,331,395</u>
Total assets	\$ <u><u>1,852,794</u></u>	\$ <u><u>1,855,311</u></u>	\$ <u><u>2,376,710</u></u>	\$ <u><u>1,331,395</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 161,348	\$ 163,865	\$ 161,348	\$ 163,865
Due to others	<u>1,691,446</u>	<u>1,691,446</u>	<u>2,215,362</u>	<u>1,167,530</u>
Total liabilities	\$ <u><u>1,852,794</u></u>	\$ <u><u>1,855,311</u></u>	\$ <u><u>2,376,710</u></u>	\$ <u><u>1,331,395</u></u>

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

For the Year Ended September 30, 2015

Exhibit 15

Page 2 of 3

	<u>Balance 10-01-14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-15</u>
DISTRICT CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,503,618</u>	\$ <u>2,632,536</u>	\$ <u>2,503,617</u>	\$ <u>2,632,537</u>
Total assets	\$ <u>2,503,618</u>	\$ <u>2,632,536</u>	\$ <u>2,503,617</u>	\$ <u>2,632,537</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>2,503,618</u>	\$ <u>2,632,536</u>	\$ <u>2,503,617</u>	\$ <u>2,632,537</u>
Total liabilities	\$ <u>2,503,618</u>	\$ <u>2,632,536</u>	\$ <u>2,503,617</u>	\$ <u>2,632,537</u>
SHERIFF DEPARTMENT FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>49,958</u>	\$ <u>39,450</u>	\$ <u>48,199</u>	\$ <u>41,209</u>
Total assets	\$ <u>49,958</u>	\$ <u>39,450</u>	\$ <u>48,199</u>	\$ <u>41,209</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>49,958</u>	\$ <u>39,450</u>	\$ <u>48,199</u>	\$ <u>41,209</u>
Total liabilities	\$ <u>49,958</u>	\$ <u>39,450</u>	\$ <u>48,199</u>	\$ <u>41,209</u>
SEIZURE AND RESTITUTION FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>69,514</u>	\$ <u>67,726</u>	\$ <u>50,762</u>	\$ <u>86,478</u>
Total assets	\$ <u>69,514</u>	\$ <u>67,726</u>	\$ <u>50,762</u>	\$ <u>86,478</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>69,514</u>	\$ <u>67,726</u>	\$ <u>50,762</u>	\$ <u>86,478</u>
Total liabilities	\$ <u>69,514</u>	\$ <u>67,726</u>	\$ <u>50,762</u>	\$ <u>86,478</u>

JOHNSON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -

AGENCY FUNDS - Continued

For the Year Ended September 30, 2015

Exhibit 15
Page 3 of 3

	<u>Balance 10-01-14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-15</u>
TDCJ-CJAD:				
<i>Assets</i>				
Cash and temporary investments	\$ 773,001	\$ 4,249,608	\$ 4,155,222	\$ 867,387
Accounts receivable	139,312	295,989	284,018	151,283
Prepaid expenditures	<u>3,534</u>	<u>3,534</u>	<u>3,534</u>	<u>3,534</u>
Total assets	<u>\$ 915,847</u>	<u>\$ 4,549,131</u>	<u>\$ 4,442,774</u>	<u>\$ 1,022,204</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 217,365	\$ 1,083,464	\$ 1,083,707	\$ 217,122
Due to others	<u>698,482</u>	<u>3,465,667</u>	<u>3,359,067</u>	<u>805,082</u>
Total liabilities	<u>\$ 915,847</u>	<u>\$ 4,549,131</u>	<u>\$ 4,442,774</u>	<u>\$ 1,022,204</u>
TOTALS - ALL AGENCY FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 8,411,077	\$ 337,257,436	\$ 337,920,680	\$ 7,747,833
Accounts receivable	139,312	295,989	284,018	151,283
Due from others	923,690	1,060,201	923,690	1,060,201
Prepaid expenditures	<u>3,534</u>	<u>3,534</u>	<u>3,534</u>	<u>3,534</u>
Total assets	<u>\$ 9,477,613</u>	<u>\$ 338,617,160</u>	<u>\$ 339,131,922</u>	<u>\$ 8,962,851</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 378,713	\$ 1,247,329	\$ 1,245,055	\$ 380,987
Due to others	<u>9,098,900</u>	<u>337,369,831</u>	<u>337,886,867</u>	<u>8,581,864</u>
Total liabilities	<u>\$ 9,477,613</u>	<u>\$ 338,617,160</u>	<u>\$ 339,131,922</u>	<u>\$ 8,962,851</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>
----------------	--------------

Financial Trends	1-4
-------------------------	-----

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

Revenue Capacity	5-8
-------------------------	-----

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

Debt Capacity	9-11
----------------------	------

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

Demographic and Economic Indicators	12-14
--	-------

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

Operating Information	15
------------------------------	----

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

Capital Asset Statistics	16
---------------------------------	----

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

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

JOHNSON COUNTY, TEXAS
NET POSITION BY COMPONENTS
 Last Ten Fiscal Years

Table 1

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities:					
Net investment in capital assets	\$ 30,263,589	\$ 35,005,873	\$ 35,509,134	\$ 37,272,013	\$ 38,696,684
Restricted	6,865,408	11,756,299	12,711,090	14,910,199	16,212,538
Unrestricted	<u>20,150,662</u>	<u>17,699,334</u>	<u>21,340,607</u>	<u>24,747,594</u>	<u>31,815,702</u>
Total governmental activities net position	<u>\$ 57,279,659</u>	<u>\$ 64,461,506</u>	<u>\$ 69,560,831</u>	<u>\$ 76,929,806</u>	<u>\$ 86,724,924</u>

Source: Comprehensive Annual Financial Report (Statement of Net Position)
 GASB 68 implemented in 2014-2015 resulted in a restated 2014 Net Position.

<u>2011</u>	<u>2012</u>	<u>2013</u>	Restated <u>2014</u>	<u>2015</u>
\$ 39,260,726	\$ 52,633,294	\$ 51,623,564	\$ 53,258,318	\$ 51,667,122
18,434,100	12,819,186	12,787,174	15,003,481	16,611,684
<u>32,237,818</u>	<u>26,631,406</u>	<u>27,135,113</u>	<u>23,300,154</u>	<u>26,616,369</u>
<u>\$ 89,932,644</u>	<u>\$ 92,083,886</u>	<u>\$ 91,545,851</u>	<u>\$ 91,561,953</u>	<u>\$ 94,895,175</u>

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

Table 2

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses					
Governmental Activities:					
General administration ¹	\$ 8,181,158	\$ 7,763,235	\$ 9,365,726	\$ 9,545,034	\$ 10,182,184
Highways/streets	7,367,643	7,747,391	10,423,688	9,743,940	8,745,648
Law Enforcement	15,769,865	16,139,399	18,163,642	19,374,254	19,220,559
Administration of justice	4,865,771	5,983,462	7,029,121	7,734,733	8,109,384
Financial	533,187	3,012,304	2,906,858	3,444,059	3,822,853
Public health and welfare	1,269,057	1,038,950	1,280,130	1,729,026	2,615,113
Interest on long-term debt	<u>1,169,216</u>	<u>1,497,019</u>	<u>1,177,707</u>	<u>1,145,108</u>	<u>1,159,632</u>
Total expenses	<u>\$ 39,155,897</u>	<u>\$ 43,181,760</u>	<u>\$ 50,346,872</u>	<u>\$ 52,716,154</u>	<u>\$ 53,855,373</u>
Program Revenues					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General administration ¹	\$ 5,153,714	\$ 3,235,707	\$ 3,898,229	\$ 2,150,433	\$ 2,434,504
Highways/streets	2,216,100	2,214,245	2,816,738	2,488,572	2,064,296
Law Enforcement	564,555	1,590,551	1,363,846	1,465,446	839,972
Administration of justice	2,487,519	3,585,853	3,140,098	3,021,563	2,674,906
Financial		862,350	1,043,597	1,079,530	1,039,688
Public health and welfare			31,410	60,856	11,372
Operating grants and contributions	2,628,142	3,065,163	3,834,540	3,855,193	3,992,091
Capital grants and contributions		<u>5,398,255</u>	<u>1,420,109</u>	<u>1,086,130</u>	<u>76,707</u>
Total governmental activities program revenues	<u>13,050,030</u>	<u>19,952,124</u>	<u>17,548,567</u>	<u>15,207,723</u>	<u>13,133,536</u>
Net (expense) revenue	<u>\$(26,105,867)</u>	<u>\$(23,229,636)</u>	<u>\$(32,798,305)</u>	<u>\$(37,508,431)</u>	<u>\$(40,721,837)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes	\$ 26,103,185	\$ 30,432,894	\$ 35,965,010	\$ 43,456,398	\$ 48,031,682
Investment earnings	1,161,504	1,535,829	1,008,287	256,184	131,318
Gain/(loss) on disposal	(282,023)	63,844		58,494	60,093
Miscellaneous	<u>1,216,413</u>	<u>1,221,477</u>	<u>175,565</u>	<u>871,103</u>	<u>2,293,862</u>
Total general revenues	<u>\$ 28,199,079</u>	<u>\$ 33,254,044</u>	<u>\$ 37,148,862</u>	<u>\$ 44,642,179</u>	<u>\$ 50,516,955</u>
Change in position before extraordinary items	\$ 2,093,212	\$ 10,024,408	\$ 4,350,557	\$ 7,133,748	\$ 9,795,118
Extraordinary items					
Change in net position	<u>\$ 2,093,212</u>	<u>\$ 10,024,408</u>	<u>\$ 4,350,557</u>	<u>\$ 7,133,748</u>	<u>\$ 9,795,118</u>
Prior period adjustment	<u>\$(798,098)</u>	<u>\$(2,711,629)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Source: Comprehensive Annual Financial Report (Statement of Activities)

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 10,505,915	\$ 10,233,295	\$ 10,263,410	\$ 14,087,205	\$ 16,447,095
9,529,285	9,803,003	10,213,556	9,712,634	8,559,760
20,066,995	27,745,191	29,021,831	32,888,061	31,694,382
9,284,807	9,499,338	9,356,931	7,011,681	8,046,614
3,902,117	4,187,083	4,287,972	847,977	916,563
2,357,972	1,305,482	1,682,465	1,822,344	1,558,199
<u>821,658</u>	<u>830,473</u>	<u>438,967</u>	<u>549,991</u>	<u>482,139</u>
<u>\$ 56,468,749</u>	<u>\$ 63,603,865</u>	<u>\$ 65,265,132</u>	<u>\$ 66,919,893</u>	<u>\$ 67,704,752</u>

\$ 2,318,818	\$ 2,607,155	\$ 2,663,307	\$ 3,060,143	\$ 5,068,931
1,957,170	1,962,896	2,100,165	2,176,076	2,053,735
585,175	8,371,959	8,706,430	8,951,720	7,623,697
2,488,994	2,551,462	2,916,793	2,394,904	2,584,341
1,171,533	1,210,846	1,255,048	1,226,240	
38,516	23,376	207,577	232,324	
3,853,757	2,752,569	2,210,164	2,171,770	2,531,965
<u>60,135</u>	<u>240,887</u>	<u>557,627</u>	<u>2,104,767</u>	<u>1,209,257</u>
<u>12,474,098</u>	<u>19,721,150</u>	<u>20,617,111</u>	<u>22,317,944</u>	<u>21,071,926</u>
<u>\$(43,994,651)</u>	<u>\$(43,882,715)</u>	<u>\$(44,648,021)</u>	<u>\$(44,601,949)</u>	<u>\$(46,632,826)</u>

\$ 46,512,961	\$ 44,905,171	\$ 43,852,648	\$ 45,515,078	\$ 48,990,593
111,064	116,335	14,784	96,651	183,592
	42,118		24,622	
<u>1,741,776</u>	<u>970,333</u>	<u>404,603</u>	<u>542,112</u>	<u>791,863</u>
<u>\$ 48,365,801</u>	<u>\$ 46,033,957</u>	<u>\$ 44,272,035</u>	<u>\$ 46,178,463</u>	<u>\$ 49,966,048</u>
\$ 4,371,150	\$ 2,151,242	\$(375,986)	\$ 1,576,514	\$ 3,333,222
<u>4,371,150</u>	<u>2,151,242</u>	<u>\$(375,986)</u>	<u>1,576,514</u>	<u>3,333,222</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(1,560,412)</u>

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

Table 3

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund:					
Non-spendable	\$	\$ 1,534,905	\$ 469,717	\$ 555,131	\$ 299,577
Restricted					
Unassigned	<u>7,073,102</u>	<u>10,462,146</u>	<u>14,475,603</u>	<u>16,866,872</u>	<u>24,814,565</u>
Total general fund	<u>\$ 7,073,102</u>	<u>\$ 11,997,051</u>	<u>\$ 14,945,320</u>	<u>\$ 17,422,003</u>	<u>\$ 25,114,142</u>
Road and Bridge Fund:					
Non-spendable	\$	\$ 493,959	\$ 406,313	\$ 439,578	\$ 334,581
Restricted	2,336,572	4,015,628	4,407,191	5,240,717	6,096,140
Unassigned					
Total road and bridge	<u>\$ 2,336,572</u>	<u>\$ 4,509,587</u>	<u>\$ 4,813,504</u>	<u>\$ 5,680,295</u>	<u>\$ 6,430,721</u>
All Other Governmental Funds:					
Non-spendable	\$ 604,455	\$ 1,134,704	\$ 2,089,135	\$ 2,125,037	\$ 2,248,781
Restricted	1,716,845	101,826	2,068,155	426,996	1,183,139
Unassigned	<u>4,473,217</u>	<u>5,444,217</u>	<u>5,177,086</u>	<u>6,454,612</u>	<u>6,424,899</u>
Total all other governmental funds	<u>\$ 6,794,517</u>	<u>\$ 6,680,747</u>	<u>\$ 9,334,376</u>	<u>\$ 9,006,645</u>	<u>\$ 9,856,819</u>
Total all governmental funds	<u>\$ 16,204,191</u>	<u>\$ 23,187,385</u>	<u>\$ 29,093,200</u>	<u>\$ 32,108,943</u>	<u>\$ 41,401,682</u>

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 265,886	\$ 226,301	\$ 312,793	\$ 660,339	\$ 674,400
<u>26,708,198</u>	<u>20,969,138</u>	<u>21,254,587</u>	<u>18,321,967</u>	<u>21,394,059</u>
<u>\$ 26,974,084</u>	<u>\$ 21,195,439</u>	<u>\$ 21,567,380</u>	<u>\$ 18,982,306</u>	<u>\$ 22,068,459</u>
\$ 299,186	\$ 295,773	\$ 308,674	\$ 301,036	\$ 408,775
6,075,835	5,004,218	5,046,266	6,435,487	6,786,303
<u>6,375,021</u>	<u>5,299,991</u>	<u>5,354,940</u>	<u>6,736,523</u>	<u>7,195,078</u>
\$ 1,640	\$ 595	\$	\$ 2,368	\$
11,662,250	10,770,454	7,916,021	11,422,456	10,987,061
(9,731)	(595)	(151,798)	(8,937)	(857,052)
<u>\$ 11,654,159</u>	<u>\$ 10,770,454</u>	<u>\$ 7,764,223</u>	<u>\$ 11,415,887</u>	<u>\$ 10,130,009</u>
<u>\$ 45,003,264</u>	<u>\$ 37,265,884</u>	<u>\$ 34,686,543</u>	<u>\$ 37,134,716</u>	<u>\$ 39,393,546</u>

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

Last Ten Fiscal Years

Table 4

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues:					
Taxes	\$ 26,127,510	\$ 31,235,915	\$ 35,940,947	\$ 43,468,684	\$ 48,055,409
Licenses and permits	2,216,100				
Prisoner Housing					
Intergovernmental	1,965,268	4,041,247	3,471,311	3,364,428	3,919,350
Fees	6,892,207	8,608,032	8,528,155	7,368,544	7,168,758
Fines	1,454,090	1,880,639	2,067,448	2,002,246	1,895,980
Interest	1,161,504	1,535,829	1,008,287	256,184	131,318
Miscellaneous	<u>1,216,413</u>	<u>2,300,966</u>	<u>2,814,390</u>	<u>2,257,478</u>	<u>2,258,740</u>
Total revenues	<u>41,033,092</u>	<u>49,602,628</u>	<u>53,830,538</u>	<u>58,717,564</u>	<u>63,429,555</u>
Expenditures:					
General administration ¹	8,600,515	6,826,813	8,153,121	8,181,184	8,704,409
Highways/streets	5,885,584	5,447,360	8,100,515	7,363,664	6,224,675
Law enforcement	12,884,066	15,159,789	17,116,396	18,118,570	17,892,151
Administration of justice	4,896,102	5,950,970	6,981,582	7,784,305	8,387,209
Financial	533,187	3,008,958	2,896,376	3,440,812	3,818,502
Public health and welfare	1,269,057	1,035,673	1,284,676	1,721,213	2,609,358
Capital outlay	8,603,962	5,720,961	3,334,376	4,637,822	5,000,820
Debt Service:					
Principal	835,000	1,491,000	1,843,000	1,005,000	1,620,000
Interest	1,045,927	1,271,587	1,044,715	961,177	1,041,312
Other					
Total expenditures	<u>44,553,400</u>	<u>45,913,111</u>	<u>50,754,757</u>	<u>53,213,747</u>	<u>55,298,436</u>
Excess of revenues over (under) expenditures	<u>(3,520,308)</u>	<u>3,689,517</u>	<u>3,075,781</u>	<u>5,503,817</u>	<u>8,131,119</u>
Other Financing Sources (Uses):					
Transfers in	3,897,357	442,436	1,223,013	3,760,479	2,112,105
Transfers out	(3,897,357)	(442,436)	(1,223,013)	(3,760,479)	(2,112,105)
Sale of capital asset					
Tax notes					
Other	<u>375,000</u>	<u>2,025,200</u>	<u>2,830,034</u>	<u>132,699</u>	<u>1,161,669</u>
Total other financing sources (uses)	<u>375,000</u>	<u>2,025,200</u>	<u>2,830,034</u>	<u>132,699</u>	<u>1,161,669</u>
Extraordinary items	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>\$(3,145,308)</u>	<u>\$ 5,714,717</u>	<u>\$ 5,905,815</u>	<u>\$ 5,636,516</u>	<u>\$ 9,292,788</u>
Debt service as a percentage of noncapital expenditures	5.2%	6.9%	6.1%	4.0%	5.3%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 46,608,937	\$ 44,830,579	\$ 43,830,189	\$ 45,443,781	\$ 48,963,573
	6,609,928	6,577,588	6,675,022	6,030,529
3,913,791	2,740,468	2,509,665	3,272,840	2,801,723
6,865,970	6,944,502	7,497,817	7,582,746	7,622,922
1,694,236	1,526,291	1,674,359	1,474,592	1,527,368
111,064	116,335	14,784	96,651	183,592
<u>1,741,776</u>	<u>2,371,453</u>	<u>1,776,659</u>	<u>2,083,907</u>	<u>2,372,687</u>
<u>60,935,774</u>	<u>65,139,556</u>	<u>63,881,061</u>	<u>66,629,539</u>	<u>69,502,394</u>
9,375,927	15,786,448	8,982,474	12,490,998	14,672,298
6,876,317	1,251,211	7,407,174	6,934,405	5,783,272
18,748,040	26,601,429	27,402,657	30,917,697	29,703,957
8,729,263	9,432,772	9,283,646	7,006,238	7,974,262
3,961,276	4,162,063	4,256,750	920,170	916,909
2,301,269	166,700	1,668,814	1,791,012	1,509,408
4,950,884	7,136,275	5,669,670	6,574,359	4,128,319
1,735,000	7,826,735	1,478,924	1,592,270	2,169,297
705,726	593,321	379,113	403,479	452,767
<u>57,383,702</u>	<u>72,956,954</u>	<u>66,529,222</u>	<u>68,630,628</u>	<u>67,310,489</u>
<u>3,552,072</u>	<u>(7,817,398)</u>	<u>(2,648,161)</u>	<u>(2,001,089)</u>	<u>2,191,905</u>
4,519,044	11,491,554	2,171,599	5,214,204	1,885,078
(4,519,044)	(11,491,554)	(2,171,599)	(5,214,204)	(1,885,078)
		68,820	79,262	66,925
			4,370,000	
<u>49,460</u>	<u>80,018</u>	<u>68,820</u>	<u>4,449,262</u>	<u>66,925</u>
<u>49,460</u>	<u>80,018</u>	<u>68,820</u>	<u>4,449,262</u>	<u>66,925</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 3,601,532</u>	<u>\$(7,737,380)</u>	<u>\$(2,579,341)</u>	<u>\$ 2,448,173</u>	<u>\$ 2,258,830</u>
4.7%	12.8%	3.1%	3.2%	4.2%

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		
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	5,487,467,860	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
2014	5,092,788,399	1,246,142,809	4,253,295,670	1,745,201,351	2,787,490,025
2015	5,134,525,144	1,243,258,320	4,704,030,325	1,694,692,822	2,991,144,902

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>
\$ 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%
9,549,938,204	9,549,938,204	0.420154	100.00%
9,785,361,709	9,785,361,709	0.445000	100.00%

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

Table 6

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	2006 Tax Rate	2007 Tax Rate	2008 Tax Rate	2009 Tax Rate	2010 Tax Rate
Cities:					
Alvarado	0.750000	0.697315	0.697313	0.697313	0.722313
Burleson	0.629900	0.661825	0.694000	0.694000	0.710000
Cleburne	0.714000	0.650000	0.620000	0.620000	0.706446
Crowley			0.575500	0.575500	0.640000
Godley	0.500000	0.500000	0.500000	0.500000	0.500000
Grandview	0.742823	0.742823	0.742823	0.742823	0.742823
Joshua	0.669000	0.656219	0.653476	0.634331	0.685270
Keene	0.676614	0.821737	0.757861	0.757861	0.797861
Mansfield	0.690000	0.690000	0.710000	0.710000	0.710000
Rio Vista	0.590143	0.528004	0.515560	0.513276	0.564162
Venus	0.794900	0.794900	0.801506	0.821506	0.841506
School Districts:					
Alvarado ISD	1.406883	1.410000	1.306900	1.280000	1.316000
Burleson ISD	1.450050	1.405100	1.468800	1.540000	1.540000
Cleburne ISD	1.238550	1.236800	1.236600	1.236600	1.236600
Crowley ISD	1.671000	1.409850	1.535000	1.535000	1.535000
Godley ISD	1.011963	1.031820	1.081800	1.071481	1.122390
Granbury ISD	1.440000	1.171150	1.170000	1.155000	1.140000
Grandview ISD	1.115050	1.115000	1.160000	1.160000	1.270000
Joshua ISD	1.538850	1.460000	1.390000	1.390000	1.390000
Keene ISD	1.400500	1.040000	1.420000	1.382300	1.490900
Mansfield ISD	1.687500	1.450000	1.450000	1.450000	1.496000
Rio Vista ISD	1.600500	1.180000	1.144500	1.183300	1.386200
Venus ISD	1.140050	1.180000	1.240000	1.198300	1.270000
Johnson County:					
County	0.369004	0.356962	0.306708	0.300589	0.327500
FMLR	0.052790	0.052790	0.052790	0.052790	0.052000
Total	0.421794	0.409752	0.359498	0.353379	0.379500
Special District Rates:					
Emergency Service	0.030000	0.030000	0.030000	0.030000	0.060000
Hill College - Alvarado ISD	0.043862	0.039360	0.025254	0.022745	0.028883
Hill College - Cleburne ISD	0.044988	0.039930	0.030717	0.030252	0.039049
Hill College - Godley ISD	0.015924	0.015843	0.011388	0.009243	0.010931
Hill College - Grandview ISD	0.034489	0.036045	0.031739	0.031375	0.039672
Hill College - Joshua ISD	0.038778	0.034000	0.028234	0.025561	0.031394
Hill College - Keene ISD	0.044475	0.041379	0.035143	0.030062	0.030062
Hill College - Rio Vista ISD	0.028091	0.026756	0.020197	0.020059	0.023200
Hill College - Venus ISD	0.036287	0.031375	0.025562	0.020585	0.025394

Source: Johnson County Appraisal District
Texas Municipal Report

<u>2011 Tax Rate</u>	<u>2012 Tax Rate</u>	<u>2013 Tax Rate</u>	<u>2014 Tax Rate</u>	<u>2015 Tax Rate</u>	<u>% Applicable to Johnson County</u>
0.745050	0.706872	0.700494	0.665469	0.733000	100.00%
0.690000	0.690000	0.690000	0.740000	0.740000	78.56%
0.719990	0.740743	0.804018	0.804018	0.804018	100.00%
0.640000	0.669019	0.696829	0.696829	0.739270	0.33%
0.500000	0.500000	0.500000	0.540000	0.540000	100.00%
0.740003	0.736995	0.743351	0.746311	0.746311	100.00%
0.685270	0.685270	0.705270	0.725270	0.775270	100.00%
0.797861	0.812363	0.847224	0.867018	0.912249	100.00%
0.710000	0.710000	0.710000	0.710000	0.710000	4.64%
0.606535	0.602880	0.597915	0.598185	0.596454	100.00%
0.846975	0.900000	0.900000	0.893269	0.879918	81.18%
1.316000	1.316000	1.461000	1.461000	1.461000	100.00%
1.540000	1.540000	1.540000	1.540000	1.540000	65.33%
1.236600	1.236600	1.236600	1.366600	1.366600	100.00%
1.535000	1.670000	1.670000	1.650000	1.650000	1.10%
1.137090	1.287000	1.172752	1.195500	1.247660	83.95%
1.150000	1.145000	1.145000	1.265000	1.265000	1.69%
1.270000	1.400000	1.400000	1.400000	1.400000	97.88%
1.390000	1.490000	1.490000	1.420000	1.600000	100.00%
1.490900	1.490900	1.490900	1.490900	1.430000	100.00%
1.496000	1.540000	1.527100	1.527100	1.510000	4.96%
1.365300	1.494400	1.590000	1.621300	1.570000	99.04%
1.380000	1.380000	1.380000	1.380000	1.380000	100.00%
0.300500	0.333229	0.371154	0.405400	0.407700	100.00%
<u>0.049000</u>	<u>0.049000</u>	<u>0.049000</u>	<u>0.039600</u>	<u>0.040300</u>	100.00%
0.379500	0.382229	0.420154	0.445000	0.448000	
0.060000	0.060000	0.060000	0.060000	0.060000	100.00%
0.033848	0.037242	0.043494	0.044702	0.048850	100.00%
0.043557	0.048596	0.050000	0.050000	0.049931	100.00%
0.012070	0.012159	0.014541	0.014541	0.016832	100.00%
0.046517	0.050000	0.050000	0.050000	0.050000	97.88%
0.034623	0.040868	0.049265	0.050000	0.048492	100.00%
0.033146	0.039305	0.046349	0.046349	0.047000	100.00%
0.026834	0.028931	0.027497	0.029535	0.032019	99.04%
0.029121	0.039312	0.048885	0.047414	0.048249	100.00%

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

Table 7

Taxpayer	2015			2006		
	2014 Taxable Assessed Value	Rank	% of Total Assessed Value	2015 Taxable Assessed Value	Rank	% of Total Assessed Value
Devon Energy Production Co	\$ 512,734,760	1	5.24%	\$ --	--	--
Chesapeake Operating Inc	191,429,655	2	1.96%	44,090,000	5	0.74%
EOG Resources Inc.	172,815,894	3	1.77%	38,458,931	7	0.65%
ETC Texas Processing LTD	144,956,249	4	1.48%	--	--	--
XTO Energy Inc	132,417,077	5	1.35%	--	--	--
Halliburton Energy Serv Inc	116,059,237	6	1.19%	--	--	--
Energy Transfer Fuel LP	93,218,186	7	0.95%	--	--	--
Texas Midstream Gas	81,371,460	8	0.83%	65,621,240	--	1.10%
Brazos Electric Power Co op	78,780,915	9	0.81%	51,480,781	--	0.87%
James Hardie Building	72,867,578	10	0.74%	70,545,620	2	1.19%
Wal-Mart Stores East	--	--	--	73,885,930	1	1.24%
James Hardie Building	--	--	--	64,811,470	3	1.09%
Oncor Electric	--	--	--	49,382,928	4	0.83%
Southwestern Bell Telephone	--	--	--	41,066,260	6	0.69%
Hallwood Petroleum, LLC	--	--	--	26,842,900	8	0.45%
Burlington Northern	--	--	--	25,733,830	9	0.43%
Air Liquide America Corp.	--	--	--	23,017,320	10	0.39%
Total	<u>\$ 1,596,651,011</u>		<u>16.32%</u>	<u>\$ 574,937,210</u>		<u>9.67%</u>
Total Taxable Assessed Value	<u>\$ 9,785,361,709</u>			<u>\$ 5,946,896,158</u>		

Source: Johnson County Central Appraisal District

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

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End ^a	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	43,525,826	43,176,224	99.20%	865,970	44,042,194	101.19%
2013	43,454,307	42,074,336	96.82%	951,588	43,025,924	99.01%
2014	43,475,291	42,278,798	97.25%	1,062,099	43,340,897	99.69%
2015	47,080,066	46,901,840	99.62%	778,547	47,680,387	101.28%

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

General Bonded Debt and Note Payable Outstanding								Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt	Net Debt
Fiscal Year	General Obligation Bonds (a)	Certificates of Obligation	Tax Anticipation Notes	Note Payable	Accrued Interest	Total Debt			
2006	\$ 1,460,000	\$ 23,335,903	\$ 190,000	\$ --	\$ 130,118	\$ 25,116,021	\$ --	\$ 25,116,021	
2007	10,510,565	14,192,607	994,000	--	127,442	25,824,614	1,706,088	24,118,526	
2008	11,001,993	12,905,000	2,856,000	--	85,858	26,762,993	2,218,705	24,544,288	
2009	10,730,814	12,265,000	920,000	--	78,642	23,915,814	2,550,400	21,365,414	
2010	15,062,504	7,005,000	400,000	--	90,692	22,467,504	2,645,365	19,822,139	
2011	14,174,393	6,620,000	--	--	86,599	20,880,992	451,708	20,429,284	
2012	13,165,600	--	--	1,379,437	49,203	14,594,240	969,233	13,625,007	
2013	12,048,429	--	--	1,080,513	46,228	13,175,170	973,155	12,202,015	
2014	10,826,116	--	4,370,000	793,243	110,053	16,099,412	1,048,793	15,050,619	
2015	9,481,419	--	3,805,000	--	69,122	13,555,541	1,364,571	11,990,970	

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

^a General Obligation bonds include related premiums.

^b Assessed values from the office of the Johnson County Central Appraisal District. Does not include Note Payable.

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

Percentage of Actual Taxable Property Value (b)	Per Capita (c)	Percentage of Personal Income
0.42%	\$ 177.77	0.63%
0.35%	179.72	0.62%
0.29%	183.17	0.62%
0.18%	161.03	0.53%
0.15%	148.86	0.48%
0.17%	135.77	0.43%
0.11%	94.29	0.28%
0.11%	84.97	0.24%
0.15%	103.03	0.28%
0.12%	83.93	0.21%

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

As of September 30, 2015

Table 10

<u>Taxing Jurisdiction</u>	<u>Net Bonded Debt as of Sept. 30, 2015</u>	<u>% Applicable to Johnson County</u>	<u>Amount Applicable to Johnson County</u>
<u>Direct Debt</u>			
Johnson County	\$ 13,258,939	100.00%	\$ <u>13,258,939</u>
<u>Overlapping Debt</u>			
<u>Cities</u>			
City of Alvarado	10,821,290	100.00%	10,821,290
City of Burleson	52,093,619	78.56%	40,924,747
City of Cleburne	15,853,472	100.00%	15,853,472
City of Crowley	23,775,000	0.33%	78,458
City of Godley	1,950,000	100.00%	1,950,000
City of Grandview	2,730,000	100.00%	2,730,000
City of Joshua	11,405,000	100.00%	11,405,000
City of Keene	3,790,000	100.00%	3,790,000
City of Mansfield	113,506,237	4.64%	5,266,689
City of Rio Vista	26,000	100.00%	260,000
City of Venus	1,368,000	81.18%	1,110,542
<u>School Districts</u>			
Alvarado ISD	81,534,293	100.00%	81,534,293
Burleson ISD	291,500,854	65.33%	190,437,508
Cleburne ISD	38,107,546	100.00%	38,107,546
Crowley ISD	309,871,560	1.10%	3,408,587
Godley ISD	28,745,854	83.95%	24,132,144
Granbury ISD	118,960,676	1.69%	2,010,435
Grandview ISD	15,095,552	97.88%	14,775,526
Joshua ISD	109,597,494	100.00%	109,597,494
Keene ISD	14,585,319	100.00%	14,585,319
Mansfield ISD	761,629,813	4.96%	37,776,839
Rio Vista ISD	13,359,172	99.04%	13,230,924
Venus ISD	10,053,015	100.00%	<u>10,053,015</u>
Total Overlapping Debt			<u>633,839,829</u>
Total Direct & Overlapping Debt			<u>\$ 647,098,768</u>

Source: Municipal Advisory Council of Texas

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

Table 11

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed value of real property ⁽¹⁾	\$ <u>6,019,731,680</u>	\$ <u>6,958,259,958</u>	\$ <u>8,364,143,888</u>	\$ <u>11,831,450,070</u>	\$ <u>13,191,818,413</u>
Debt limit ⁽²⁾	\$ <u>1,504,932,920</u>	\$ <u>1,739,564,990</u>	\$ <u>2,091,035,972</u>	\$ <u>2,957,862,518</u>	\$ <u>3,297,954,603</u>
Amount of Debt Applicable to Limit ⁽³⁾					
Total long term debt	24,985,903	25,604,098	26,525,579	24,484,579	22,288,209
Less: Assets in debt service fund	<u>604,455</u>	<u>1,127,308</u>	<u>1,676,881</u>	<u>2,094,417</u>	<u>2,248,781</u>
Total net debt applicable to limit	<u>24,381,448</u>	<u>24,476,790</u>	<u>24,848,698</u>	<u>22,390,162</u>	<u>20,039,428</u>
Legal debt margin	\$ <u>1,480,551,472</u>	\$ <u>1,715,088,200</u>	\$ <u>2,066,187,274</u>	\$ <u>2,935,472,356</u>	\$ <u>3,277,915,175</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>1.62%</u>	<u>1.41%</u>	<u>1.19%</u>	<u>0.76%</u>	<u>0.61%</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed value of real property ⁽¹⁾	\$ <u>12,831,208,341</u>	\$ <u>11,657,833,466</u>	\$ <u>10,252,143,856</u>	\$ <u>9,549,938,204</u>	\$ <u>9,785,361,709</u>
Debt limit ⁽²⁾	\$ <u>3,207,802,085</u>	\$ <u>2,914,458,367</u>	\$ <u>2,563,035,964</u>	\$ <u>2,387,484,551</u>	\$ <u>2,446,340,427</u>
Amount of Debt Applicable to Limit ⁽³⁾					
Total long term debt	20,654,246	13,899,013	13,076,835	15,955,602	13,258,939
Less: Assets in debt service fund	<u>2,590,359</u>	<u>806,876</u>	<u>1,025,329</u>	<u>1,158,846</u>	<u>1,433,693</u>
Total net debt applicable to limit	<u>18,063,887</u>	<u>13,092,137</u>	<u>12,051,506</u>	<u>14,796,756</u>	<u>11,825,246</u>
Legal debt margin	\$ <u>3,189,738,198</u>	\$ <u>2,901,366,230</u>	\$ <u>2,550,984,458</u>	\$ <u>2,372,687,795</u>	\$ <u>2,434,515,181</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.56%</u>	<u>0.45%</u>	<u>0.47%</u>	<u>0.62%</u>	<u>0.48%</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>
2006	142,501	\$ 4,157,557	\$ 29,176	4.6%
2007	145,123	4,482,990	30,891	4.1%
2008	148,635	4,844,843	32,596	4.9%
2009	150,583	4,796,222	31,851	8.9%
2010	150,934	4,930,259	32,665	8.0%
2011	152,037	5,302,075	34,874	7.5%
2012	153,530	5,453,143	35,518	6.2%
2013	154,952	5,660,838	36,533	5.8%
2014	157,456	5,985,884	38,016	4.7%
2015	159,128	6,231,612	39,161	4.3%

- ^a USBEA population data from 2006 through 2010 has been adjusted based on 2010 census. 2011 through 2015 data is derived from trended data.
- ^b USBEA Personal & Per Capita Income from 2006 through 2010 has been adjusted based on 2010 census. 2011 through 2015 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 for Johnson County as of September each year.

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

Table 13

Employer	2015			2006		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,618	1	2.25%	1,200	1	1.69%
Cleburne ISD	975	2	1.36%	1,028	2	1.45%
Wal-Mart Distribution Center	832	3	1.16%	405	7	0.57%
Joshua ISD	712	4	0.99%	N/A	--	N/A
Sabre Tubular Structures	540	5	0.75%	N/A	--	N/A
Johnson County	518	6	0.72%	650	3	0.92%
Wal-Mart Supercenter (Burleson)	424	7	0.59%	530	4	0.75%
Texas Health Resources	406	8	0.57%	389	8	0.55%
Wal-Mart Supercenter (Cleburne)	404	9	0.56%	450	5	0.64%
City of Cleburne	306	10	0.43%	410	6	0.58%
Total	<u>6,735</u>		<u>9.38%</u>	<u>5,062</u>		<u>7.15%</u>
Total County Employment	<u>71,793</u>			<u>70,808</u>		

Source: Johnson County Economic Development Commission
 Individual Employers
 N/A - Not Available

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

Last Ten Fiscal Years

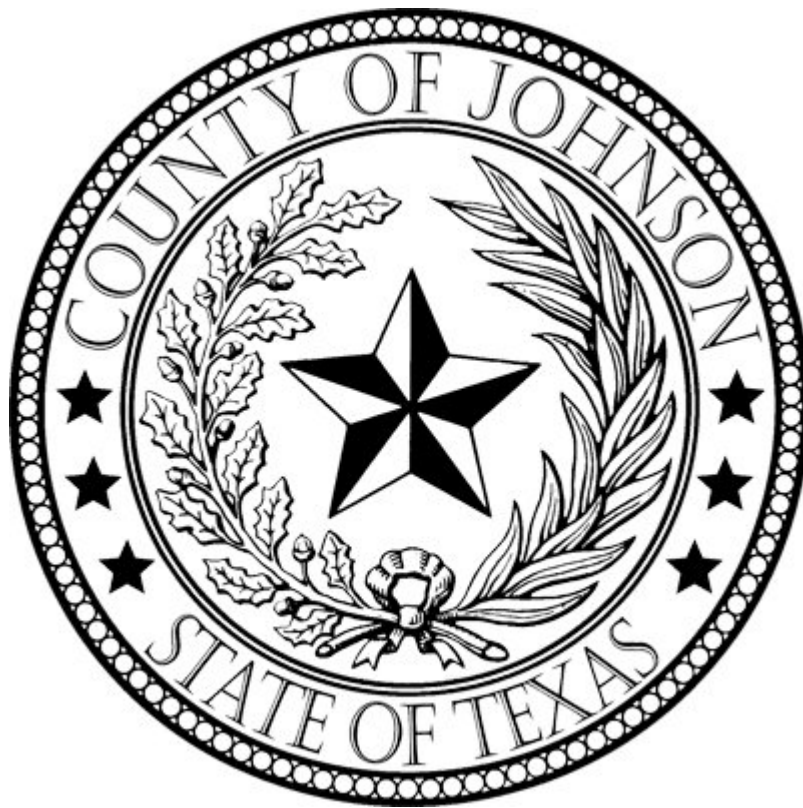
Table 14

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	98	106	126	141	135	128	128	123	129	132
Highways/streets	77	74	72	90	79	75	75	75	73	77
Law enforcement	263	293	304	189 ^(a)	198	187	187	191	196	202
Administrative justice	63	70	81	87	89	82	82	78	83	82
Financial	12	12	12	14	14	13	13	13	14	14
Public health & welfare	10	10	9	9	8	5	5	5	6	7
Culture & recreation	N/A	N/A	N/A	7 ^(b)	6	3	3	4	3	4
Total	<u>523</u>	<u>565</u>	<u>604</u>	<u>537</u>	<u>529</u>	<u>493</u>	<u>493</u>	<u>489</u>	<u>504</u>	<u>518</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				
	2006	2007	2008	2009	2010
General Government:					
County Clerk					
Criminal Cases filed	6,546	6,317	4,972	4,395	4,316
Civil Cases filed	1,671	1,800	1,723	1,238	1,178
Juvenile petitions filed	200	264	309	281	266
Probate/Guardianship Cases Filed	--	--	--	--	--
Mental Health Cases Filed	--	--	--	--	--
Personnel					
Positions filed	675	685	725	608 ⁽¹⁾	607
Payroll checks processed	16,302	16,829	17,816	15,585 ⁽¹⁾	15,903
Public Works					
Permits Issued	1,424	1,659	1,561	964	715
Septic complaints addressed	435	458	408	256	214
Purchasing					
Purchase orders issued	6,584	6,643	7,018	6,507	5,896
Recurring Annual Competitive Bids	42	39	55	63	39
New Competitive Bids					
Tax Assessor/Collector					
County Tax accounts	82,549	92,788	114,151	136,166	185,126
Automobile registrations	142,218	146,544	157,150	158,597	158,676
Elections Administration					
Registered voters	80,834	76,890	78,544	79,811	81,486
Administrative Justice					
District Courts					
Civil cases filed	3,134	3,297	3,544	3,397	3,268
Criminal cases filed	1,724	1,881	1,596	1,366	1,338
County Courts					
Criminal cases disposed	6,181	7,238	6,070	4,819	4,871
Civil cases disposed	1,096	1,803	1,859	1,822	1,371
Juvenile petitions disposed	188	184	212	200	193
Probate/Guardianship Hearings Held	--	--	--	--	--
Mental Health Hearings Held	--	--	--	--	--
District Clerk					
Civil cases disposed	3,126	2,835	3,195	3,404	3,264
Criminal cases disposed	2,071	1,798	1,546	1,565	1,416
Justice of the Peace					
Civil cases filed	1,754	1,839	2,804	2,168	1,928
Criminal cases filed	17,551	18,698	18,698	16,170	14,789
Civil cases disposed	--	--	--	--	--
Criminal cases disposed	--	--	--	--	--

(continued)

Fiscal Year				
2011	2012	2013	2014	2015
3,769	3,510	4,333	3,673	3,024
1,724	1,014	920	916	900
183	157	134	113	125
--	398	433	461	399
--	--	--	65	47
586	594	603	610	625
15,499	15,488	15,873	15,938	16,921
681	227	231	317	338
187	124	126	143	178
5,563	5,542	4,914	3,946	4,267
28	22	23	13 ⁽⁵⁾	17
			22 ⁽⁵⁾	19
202,431	285,381	287,183	298,539	314,034
160,584	163,283	165,217	168,964	167,198
77,802	78,275	80,779	82,377	84,405
3,042	2,697	970	1,288 ⁽⁴⁾	1,365
2,333	1,014	1,094	1,653 ⁽⁴⁾	1,753
4,007	3,763	4,019	3,730	3,346
1,688	1,132	880	1,038	683
183	162	144	195	113
--	385	356	397	510
--	--	--	53	49
1,319	1,173	1,137	1,211 ⁽⁴⁾	830
1,453	1,531	1,678	1,744 ⁽⁴⁾	1,608
2,000	2,044	1,804	1,644	1,789
12,922	14,198	16,046	9,950	9,784
1,799	1,706	1,752	1,880	2,094
12,217	16,805	15,742	11,631	10,183

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

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2006	2007	2008	2009	2010
Law Enforcement					
County Jail					
Average daily jail population	503	566	447	580	564
Sheriff					
E-911 calls received (approx)	31,922	52,231	64,500	224,566 ⁽²⁾	37,667
Financial					
County Auditor					
A/P checks processed	6,312	6,780	6,624	7,131	7,317
ACH processed	--	--	--	--	--
Wire transactions	--	--	--	--	--
Invoices processed	--	--	--	--	19,260
Highways and Streets					
Miles of roads resurfaced	104	299	221	104	114
Public Health & Welfare					
Autopsies performed	36	44	87	90	123
Medical Examiner cases	360	355	460	399	441
Indigent clients	175	128	107	94	160
Culture & Recreation					
Hamm Creek Park Visitors	--	--	--	3,519 ⁽³⁾	7,214

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.
 - (4) Source on recent years match early years from www.courts.state.tx
 - (5) Previous years' bids were combined.
 - (6) Resources re-directed due to storm damage.
 - (7) Park closed in June during storms and flooding.

Fiscal Year				
2011	2012	2013	2014	2015
613	627	673	713	661
38,883	44,559	38,390	40,908	39,141
6,986	6,195	4,658	4,617	4,596
--	647	1,995	2,124	2,102
--	220	20	153	137
17,706	16,854	14,466	13,440	14,750
113	119	68	56	15 ⁽⁶⁾
49	57	70	56	74
25	437	502	627	548
94	146	174	155	136
13,246	23,321	18,626	17,259	12,737 ⁽⁷⁾

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

Table 16

Function	Fiscal Year				
	2006	2007	2008	2009	2010
Administration of Justice					
Furniture and equipment					20
Vehicles & mobile equipment					6
Land & building					1
General Government					
Furniture and equipment					180
Vehicles & mobile equipment					10
Land & building					71
Highways and Streets					
Furniture and equipment					7
Vehicles & mobile equipment					235
Land & building					13
Law Enforcement					
Furniture and equipment					86
Vehicles & mobile equipment					142
Land & building					8
Health & Welfare					
Furniture and equipment					2
Vehicles & mobile equipment					3
Land & building					
Culture & Recreation					
Furniture and equipment					1
Vehicles & mobile equipment					3
Land & building					

Source: Johnson County Financial Records

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

Fiscal Year					
2011	2012	2013	2014	2015	
20	21	22	23	24	
5	5	5	4	4	
2	1	1	1	1	
158	163	164	171	170	
8	10	21	23	23	
72	74	81	83	83	
8	12	12	12	12	
251	255	260	264	273	
18	19	20	20	20	
74	75	78	90	98	
140	153	147	144	135	
12	12	14	14	14	
21	21	21	21	19	
5	5	5	8	7	
1	1	1	2	3	
1	1	1	1	1	
4	4	4	5	5	
2	2	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
979-297-4075

Angleton Office:
2801 N. Velasco Suite C
Angleton, Texas 77515
979-849-8297

El Campo Office:
201 W. Webb
El Campo, Texas 77437
979-543-6836

Houston Office:
10850 Richmond Ave., Ste 135
Houston, Texas 77042
281-974-3416

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, 2015, 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 23, 2016.

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*.

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

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.

Henninger, Masters & Rungford, LLC

Lake Jackson, Texas
March 23, 2016

Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566
979-297-4075

Angleton Office:
2801 N. Velasco Suite C
Angleton, Texas 77515
979-849-8297

El Campo Office:
201 W. Webb
El Campo, Texas 77437
979-543-6836

Houston Office:
10850 Richmond Ave., Ste 135
Houston, Texas 77042
281-974-3416

Independent Auditor's Report

On Compliance for each Major Program and on Internal
Control over Compliance Required by the Texas Single Audit Circular

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

Report on Compliance for Each Major State Program

We have audited Johnson County's (the "County") compliance with the types of compliance requirements described in the *Texas Single Audit Circular* that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2015. 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 state statutes, regulations, and the terms and conditions of its 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 the Texas *Single Audit Circular*. Those standards and the Texas Single Audit Circular 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 State 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, 2015.

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

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 the Texas Single Audit Circular, 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. 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 the Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Kennemer, Masters & Hunzford, LLC

Lake Jackson, Texas 77566
March 23, 2016

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control findings required to be reported in this schedule, were disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that are required to be reported in this schedule, was disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings which are required to be reported under Sec._510(a): No
7. Major programs include:
 - Federal:
 - None.
 - State:
 - TJJD Cluster Programs:
 - TJJD-A-15/16-126 State Aid Program
 - TJJD-C-15-126 Commitment Reduction Program
 - TJJD-N-15-126 Mental Health Program
 - TJJD-P-15/16-126 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, 2015

Page 1 of 1

None.

JOHNSON COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year Ended September 30, 2015

None.

JOHNSON COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2015

Exhibit 16
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-15-126	\$ 604,080
State Aid Program (1)	TJJD-A-16-126	77,378
Commitment Reduction Program (1)	TJJD-C-15-126	66,413
Mental Health Program (1)	TJJD-N-15-126	89,770
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp)(1)	TJJD-P-15-126	33,970
Juvenile Justice Alternative Education Program (Boot Camp)(1)	TJJD-P-16-126	<u>3,354</u>
TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT		\$ <u>874,965</u>
Texas Commission on Environmental Quality:		
Direct:		
Aircheck Texas Repair and Replacement Assistance Program	582-12-20277	\$ 50,194
Aircheck Texas Repair and Replacement Assistance Program	582-12-20277	<u>33,299</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		\$ <u>83,493</u>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	911410	<u>51,310</u>
TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS		\$ <u>51,310</u>
Office of Attorney General:		
Direct Program:		
Texas Victim Information and Notification Everyday (VINE)	1555036	\$ 25,406
Texas Victim Information and Notification Everyday (VINE)	1660018	<u>2,309</u>
		27,715
Sexual Assault Prevention & Crisis Services Program	---	<u>30,212</u>
TOTAL OFFICE OF ATTORNEY GENERAL		\$ <u>57,927</u>

JOHNSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued
 For the Year Ended September 30, 2015

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Formula	212-15-126	\$ 127,171
Indigent Defense Improvement	212-07-126	20,756
Extraordinary Grant – Capital Murder Defense		<u>100,000</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		<u>\$ 247,927</u>
Texas Department of Transportation:		
Direct:		
County Transportation Infrastructure Fund Grant Program	CTIF-01-127	<u>\$ 179,624</u>
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		<u>\$ 179,624</u>
Texas Veterans Commission:		
Direct:		
Officer Training Reimbursement	---	<u>\$ 717</u>
TOTAL TEXAS VETERANS COMMISSION		<u>\$ 717</u>
Texas Department of State Health Services:		
Direct:		
Tobacco Settlement Funds	---	<u>\$ 37,244</u>
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		<u>\$ 37,244</u>
Texas Department of Motor Vehicles:		
Pass Through Tri-County Auto Burglary and Theft Prevention:		
Auto Burglary and Theft Prevention 2015	--	\$ 47,004
Auto Burglary and Theft Prevention 2016	--	<u>5,048</u>
TOTAL TEXAS DEPRATMENT OF MOTOR VEHICLES		<u>\$ 52,052</u>
TOTAL STATE ASSISTANCE		<u>\$ 1,585,259</u>
TOTAL MAJOR PROGRAMS		<u>\$ 874,965</u>
TYPE A PROGRAM		<u>\$ 300,000</u>

(1) Cluster Programs per TJJJ

JOHNSON COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR STATE AWARDS

Year Ended September 30, 2015

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. 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.

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 STATE AWARDS - Continued

Year Ended September 30, 2015

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 the Texas Single Audit Circular
4. Indirect Costs - Johnson County, Texas received no reimbursements for indirect costs during the year ended September 30, 2015.

