

**JOHNSON COUNTY, TEXAS**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2017

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, 2017

## Table of Contents

Page

### Introductory Section

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

### Financial Section

Independent Auditor's Report .....	1-3
Management's Discussion and Analysis .....	4-16
Basic Financial Statements:	
Government Wide Financial Statements:	
Exhibit 1    Statement of Net Position .....	18
Exhibit 2    Statement of Activities .....	19
Fund Financial Statements:	
Exhibit 3    Balance Sheet - Governmental Funds .....	20-21
Exhibit 3R    Reconciliation of the Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position .....	22
Exhibit 4    Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	23
Exhibit 4R    Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to Governmental Activities Statement of Activities .....	24-25
Exhibit 5    Statement of Fiduciary Net Position - Fiduciary Funds .....	26
Notes to the Financial Statements .....	27-64

### 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) .....	66-67
Exhibit 7	Schedule of Changes in Net Pension Liability and Related Ratios .....	68
Exhibit 8	Schedule of Employer Contributions .....	69
	Notes to the Required Supplementary Information .....	70

### Combining and Individual Fund Statements and Schedules

Exhibit 9	Non-Major Governmental Funds Descriptions .....	72-76
Exhibit 10	Combining Balance Sheet - Nonmajor Governmental Funds .....	78-89
Exhibit 10	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	90-101
	Schedules of Expenditures - Budget and Actual - By Function, Department and Legal Level of Budgetary Control:	
Exhibit 11	General Fund .....	102-109
Exhibit 12	Major Special Revenue Fund (Road and Bridge Fund) .....	110
Exhibit 13	General Debt Service Fund .....	111
	Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual: Special Revenue Funds (Nonmajor):	
Exhibit 14	Right of Way Fund .....	112
Exhibit 14	Records Management and Preservation Fund .....	113
Exhibit 14	Record Archives - County Clerk Fund .....	114
Exhibit 14	Record Archives - District Clerk Fund .....	115
Exhibit 14	Court Records Preservation Digital Fund .....	116
Exhibit 14	Justice of the Peace Technology Fund .....	117
Exhibit 14	Courthouse Security Fund .....	118
Exhibit 14	County/District Court Technology Fund .....	119
Exhibit 14	District Court Records Technology Fund .....	120

# JOHNSON COUNTY, TEXAS

## Comprehensive Annual Financial Report

For the Year Ended September 30, 2017

### 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 14	Justice Court Building Security Fund.....	121
Exhibit 14	Juvenile Justice Alternative Education Fund.....	122
Exhibit 14	Juvenile Probation Fees Fund.....	123
Exhibit 14	Juvenile Case Manager Fund.....	124
Exhibit 14	District Attorney Forfeiture Fund.....	125
Exhibit 14	Sheriff Forfeiture Fund.....	126
Exhibit 14	Law Library Fund.....	127
Exhibit 14	STOP SCU Forfeiture Fund.....	128
Exhibit 14	STOP SCU Operations Fund.....	129
Exhibit 14	Pre-Trial Bond Supervision Fund.....	130
Exhibit 14	Indigent Health Care Fund.....	131
Exhibit 14	Guardianship Fee Fund.....	132
Exhibit 14	Election Services Contract Fund.....	133
Exhibit 14	Historical Commission Fund.....	134
Exhibit 15	Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	136-138

#### Statistical Section

	Statistical Content Description.....	141
Table 1	Net Position by Components.....	142-143
Table 2	Changes in Net Position.....	144-145
Table 3	Fund Balances, Governmental Funds.....	146-147
Table 4	Changes in Fund Balances, Governmental Funds.....	148-149
Table 5	Assessed Value and Estimated Actual Value of Taxable Property.....	150-151
Table 6	Direct and Overlapping Property Tax Rates.....	152-153
Table 7	Principal Property Taxpayers.....	154
Table 8	Property Tax Levies and Collections.....	155
Table 9	Ratios of General Bonded Debt Outstanding.....	156-157
Table 10	Computation of Direct and Overlapping Debt.....	158
Table 11	Computation of Legal Debt Margin.....	159
Table 12	Demographic and Economic Statistics.....	160
Table 13	Principal Employers.....	161
Table 14	Full-time County Government Employees by Function.....	162
Table 15	Operating Indicators by Function.....	164-167
Table 16	Capital Assets Statistics by Function.....	168-169

**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> .....	173-174
	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 .....	175-176
	Schedule of Findings and Questioned Costs .....	177
	Schedule of Status of Prior Findings .....	178
	Corrective Action Plan.....	179
Exhibit 16	Schedule of Expenditures of State Awards .....	180-181
	Notes on Accounting Policies for State Awards .....	182-183



**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 12, 2018

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 (the "County"), for the fiscal year ended September 30, 2017, 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 (Uniform Grant Management Standards)* for state awards. Information related to this single audit, 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.

Management's discussion and analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

## **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 is seeing obvious signs of significant future growth. The region has a varied manufacturing and industrial tax base that contributes to the relatively favorable unemployment rate. It should be noted that our data on property values shows that oil and gas is not the significant factor it was a few years ago. This means the County has a more diverse tax base.

At the end of the year, the County was expecting an announcement that an internationally known manufacturer had made the decision to build a facility in our community that would employ 100 to 500 people. Early in October this news became reality. To put this into perspective, that could put the company among our largest employers.

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 in the County is expected to be at a faster pace than seen in the recent past with even the smaller communities seeing impressive residential development. 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. In the past year Johnson County experienced the return of minor league baseball with the new field being constructed just at the south end of the new tollway, and it is expected that several satellite retail endeavors will become a reality around the ballpark. The City of Cleburne, our county seat, saw encouraging growth in residential building with building permits up significantly. The tollway could certainly be considered as a contributing factor for this development. Additionally, it has surely added quality of life to citizens that must commute to Fort Worth, as the travel time is about half of what it was previously.

The County provides a full range of services authorized by statute. These 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**

Construction of the first phase of the County jail was completed. The second phase for renovation of the existing section was underway at year-end. This will serve the needs of the County for many years.

Johnson County has completed the last phases of a new courts system software. The court software meets the new e-filing requirement mandate issued by the State. Also, the law enforcement project, which began January 2015, is now up and running. It will give the County state of the art efficiencies in mobile command, dispatch, and records management. The project will also create a regional law enforcement system that will allow all agencies in Johnson County to share vital information; increasing the level of service of law enforcement to citizens.

## **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 challenging. Also, Johnson County will endeavor to stay ahead of the curve with the expected growth that is fast becoming a reality.

Johnson County will see the last phase of the jail construction completed. 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.

Johnson County has begun construction of an enlarged parking area at our courts building and future improvements as it becomes necessary. Additionally, the County will begin plans on the expansion of the Burluson sub-courthouse. The growth in foot traffic will demand the expanded service of the Tax Office, Justice of the Peace, and County Clerk in this facility where satellite offices already exist.

## **FINANCIAL CONDITION**

**Current Condition.** For several years now, Johnson County has been well positioned, financially, with above average fund balances. This financial strength has been maintained with no hardship even with its decisions to fund capital projects with available cash. The County's Fund Balance Policy and the minimums established by the policy are taken seriously. Fund balances will continue to exceed the popular rules of thumb. The unencumbered fund balance of the General Fund has been at a healthy level for consecutive years and the County has always used prudence in the decisions to use cash to finance projects.

**Long Range Financial Planning.** Johnson County has a determination to manage funds in a conservative and judicious manner. One initiative adopted by the County includes a separate "Operating Reserve" line-item in the budget which ensures that unexpected situations do not create unmanageable conditions. With the knowledge that mineral royalty revenues and mineral values will fluctuate with the price of natural gas, the County has never and will not put itself in a position to depend upon such revenue.

**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 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 individuals to manage various departments.

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 the precinct. The County Commissioners supervise construction and maintenance of the County road systems as well as perform other administrative duties.

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 and reporting. 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 was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2017, 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, 2017 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, 2016. This was the twenty-sixth 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.

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

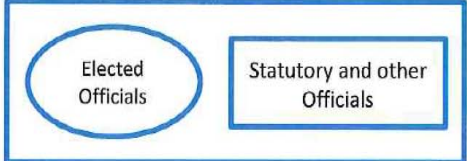
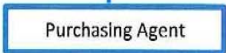
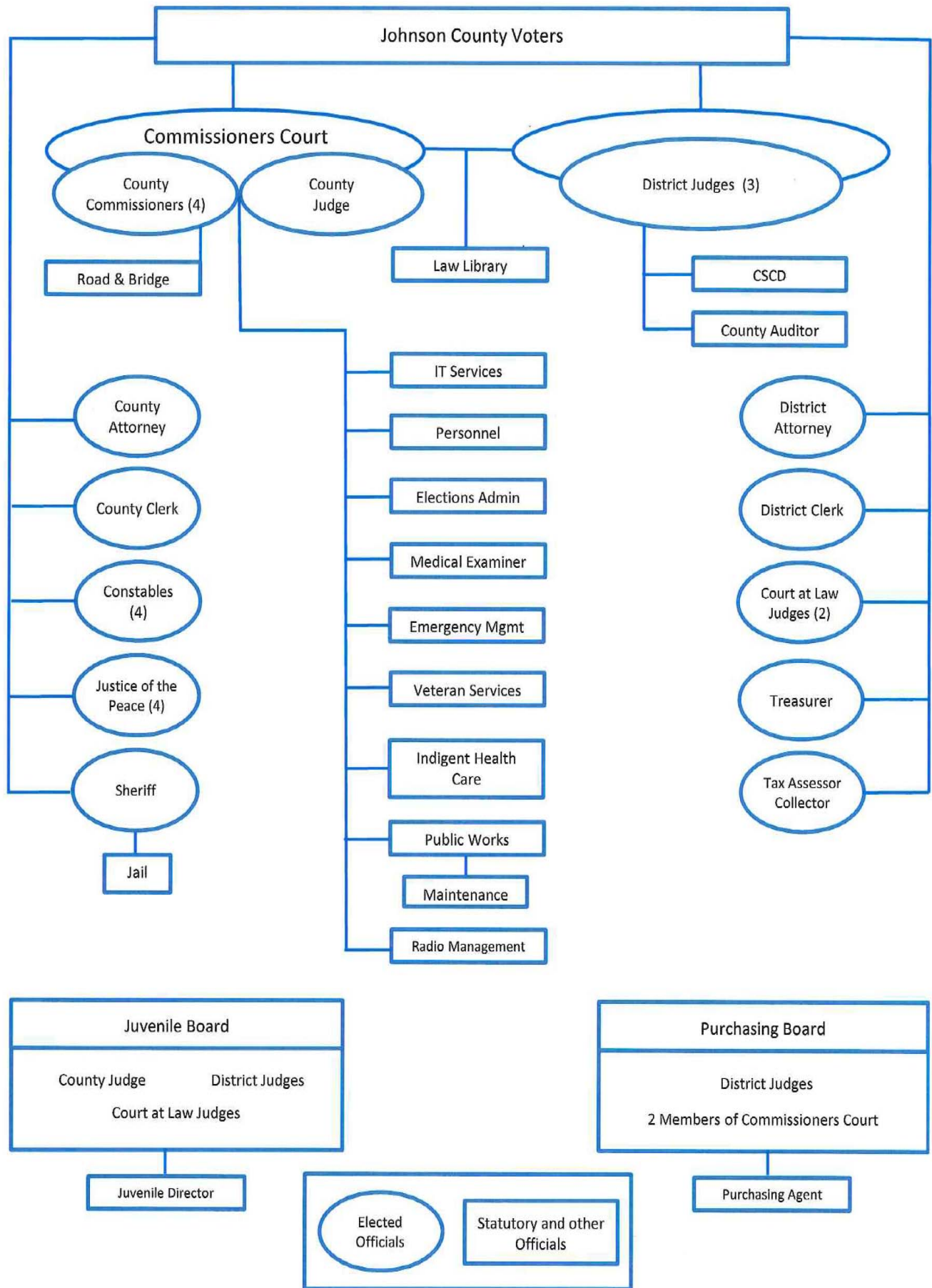
**Johnson County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morill*

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 Woolley

**JUDICIAL**

DISTRICT JUDGE

18<sup>th</sup> Judicial District

John E. Neill

249<sup>th</sup> Judicial District

Wayne Bridewell

413<sup>th</sup> Judicial District

William C. Bosworth, Jr.

COUNTY COURT-AT-LAW I

Robert B. Mayfield, III

COUNTY COURT-AT-LAW II

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

Adam King

CONSTABLES

Precinct 1

Matt Wylie

Precinct 2

Adam Crawford

Precinct 3

Mike White

Precinct 4

Timothy Kinman

COMMUNITY SUPERVISION DIRECTOR\*

Bob Barnes

CHIEF JUVENILE PROBATION OFFICER\*

Cristy Malott

**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, 2017, 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.

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

### ***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, 2017, 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.

### ***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 4 to 16 and pages 66 to 70 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 (Uniform Grant Management Standards)* and is 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 schedule of expenditures of state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2018, 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.

*Kennemer, Masters & Hungford, LLC*

Lake Jackson, Texas  
March 12, 2018

## JOHNSON COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended September 30, 2017*

As management of Johnson County, Texas (the "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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental activities by \$ 92,618,028 (net position). Of this amount, \$ 23,954,375 (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors with the County's fund designation.
- The County's total net position decreased for governmental activities by \$ 4,461,156.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 39,039,800. 55.83% of this amount, \$ 21,796,679 (unassigned fund balance), were available for use within the County's fund designations. Of the governmental funds amount, \$ 16,495,734 has been restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 21,923,095 or 38.17% 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, 2017*

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 18 and 19 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), the General Debt Service (debt service fund), and the Jail C1 Construction Fund (capital projects fund); all of which are considered to be major funds. Data from the other forty-six (46) 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 20 through 25 of this report.

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

## JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis  
For the Year Ended September 30, 2017*

**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 26 and a statement of changes in assets and liabilities – agency funds that can be found on pages 136 through 138.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 64 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 66 through 70 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 72 through 101 of this report.

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

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 \$ 92,618,028 as of September 30, 2017. This is a decrease in net position of \$ 4,461,156 which is primarily due to a net increase in expenses.

The largest portion of the County's net position of \$ 52,035,751 (56.18%) 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 \$ 2,771,929 due to a decrease in capital projects for the current fiscal year.

An additional portion of the County's net position of \$ 16,627,902 (17.95%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 23,954,375 (25.87%) may be used to meet the government's ongoing obligations to citizens and creditors.



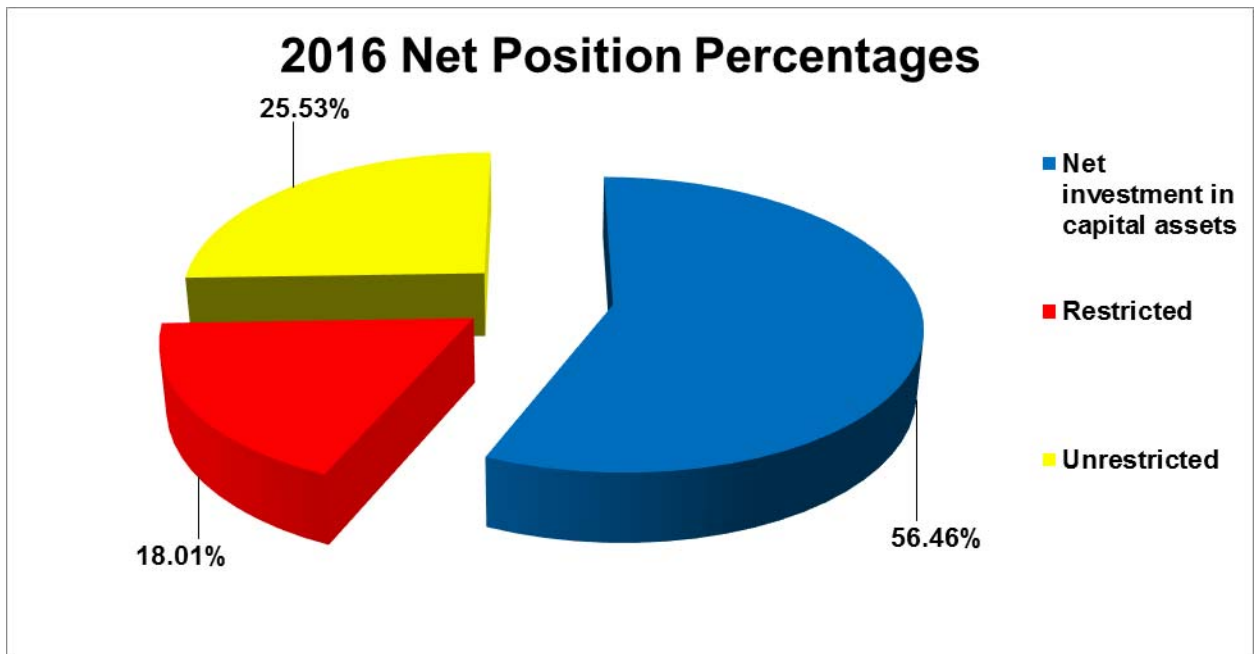
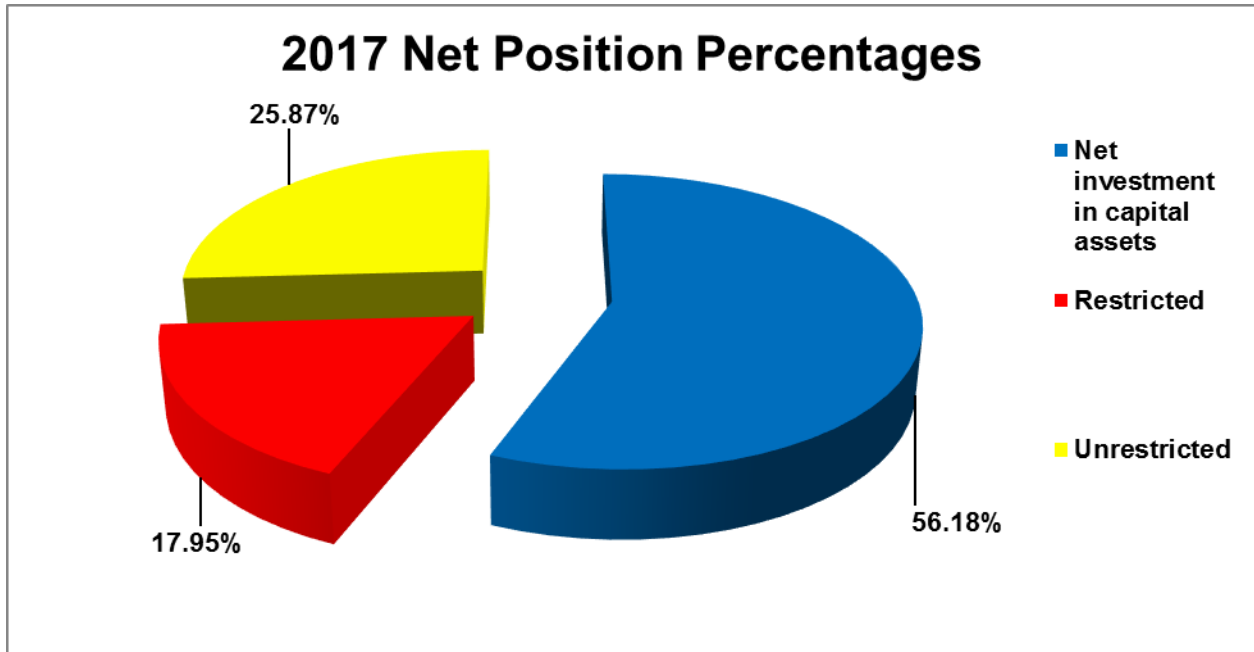
**JOHNSON COUNTY, TEXAS**

Management's Discussion and Analysis  
For the Year Ended September 30, 2017

As of September 30, 2017, 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>Net</u>
	<u>2017</u>	<u>2016</u>	<u>Change</u>
<b>ASSETS</b>			
Current and other assets	\$ 52,321,757	\$ 61,895,484	\$ ( 9,573,727)
Capital assets	<u>81,769,580</u>	<u>77,842,823</u>	<u>3,926,757</u>
Total assets	<u>134,091,337</u>	<u>139,738,307</u>	<u>( 5,646,970)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources	<u>8,323,172</u>	<u>9,482,768</u>	<u>( 1,159,596)</u>
Total deferred outflows of resources	<u>8,323,172</u>	<u>9,482,768</u>	<u>( 1,159,596)</u>
<b>LIABILITIES</b>			
Current and other liabilities	6,058,684	6,945,421	( 886,737)
Long-term liabilities	<u>43,099,184</u>	<u>44,238,550</u>	<u>( 1,139,366)</u>
Total liabilities	<u>49,157,868</u>	<u>51,183,971</u>	<u>( 2,026,103)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources	<u>638,613</u>	<u>957,920</u>	<u>( 319,307)</u>
Total deferred inflows of resources	<u>638,613</u>	<u>957,920</u>	<u>( 319,307)</u>
<b>NET POSITION</b>			
Net investment in capital assets	52,035,751	54,807,680	( 2,771,929)
Restricted	16,627,902	17,487,954	( 860,052)
Unrestricted	<u>23,954,375</u>	<u>24,783,550</u>	<u>( 829,175)</u>
Total net position	<u>\$ 92,618,028</u>	<u>\$ 97,079,184</u>	<u>\$ ( 4,461,156)</u>



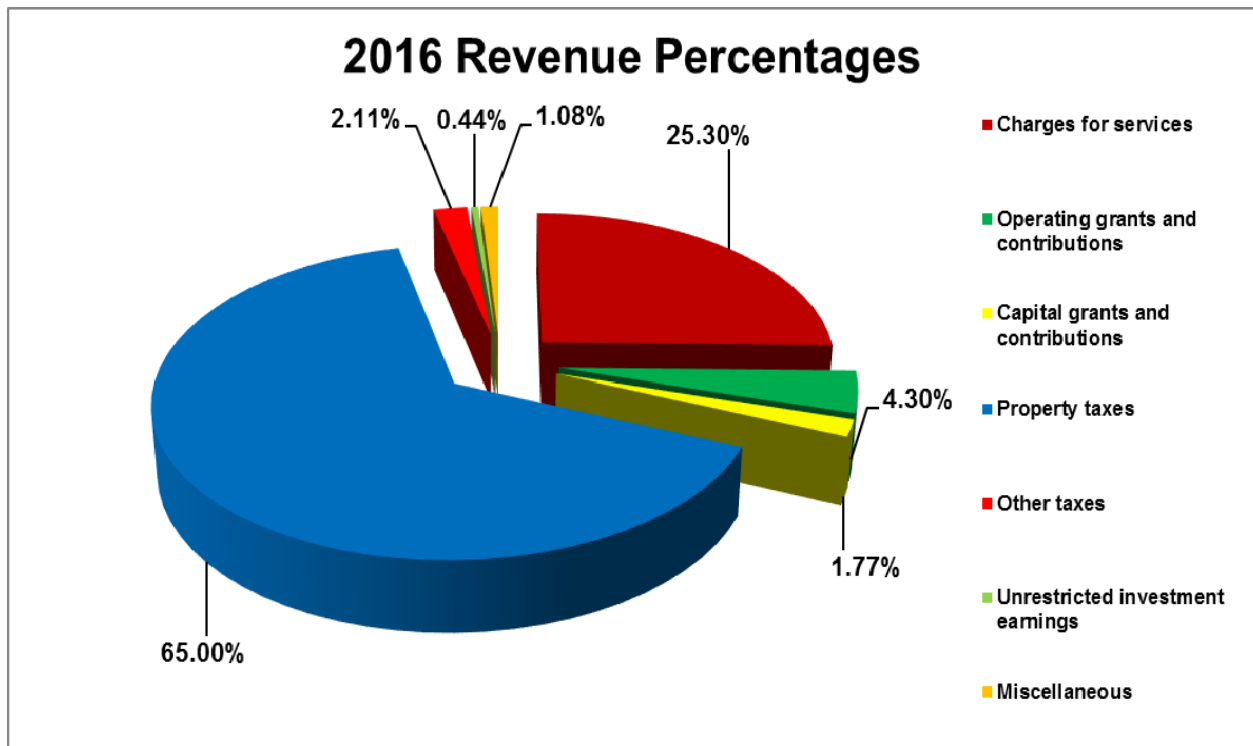
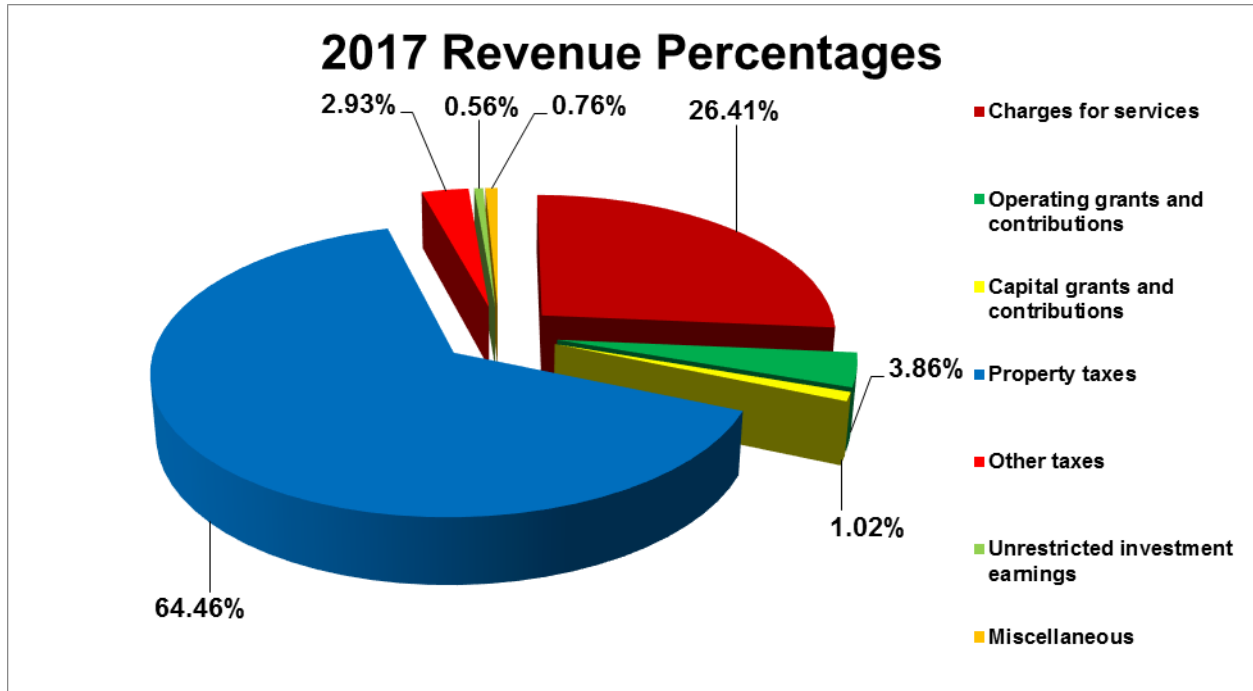
**JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2017*

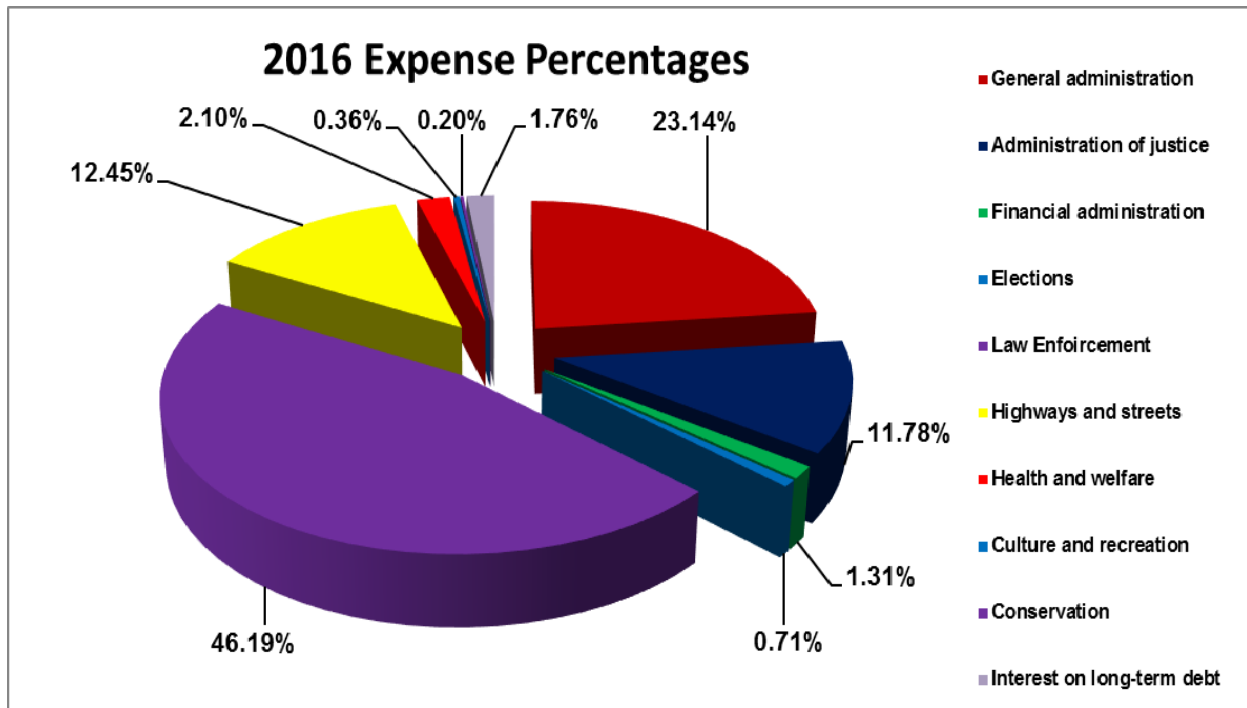
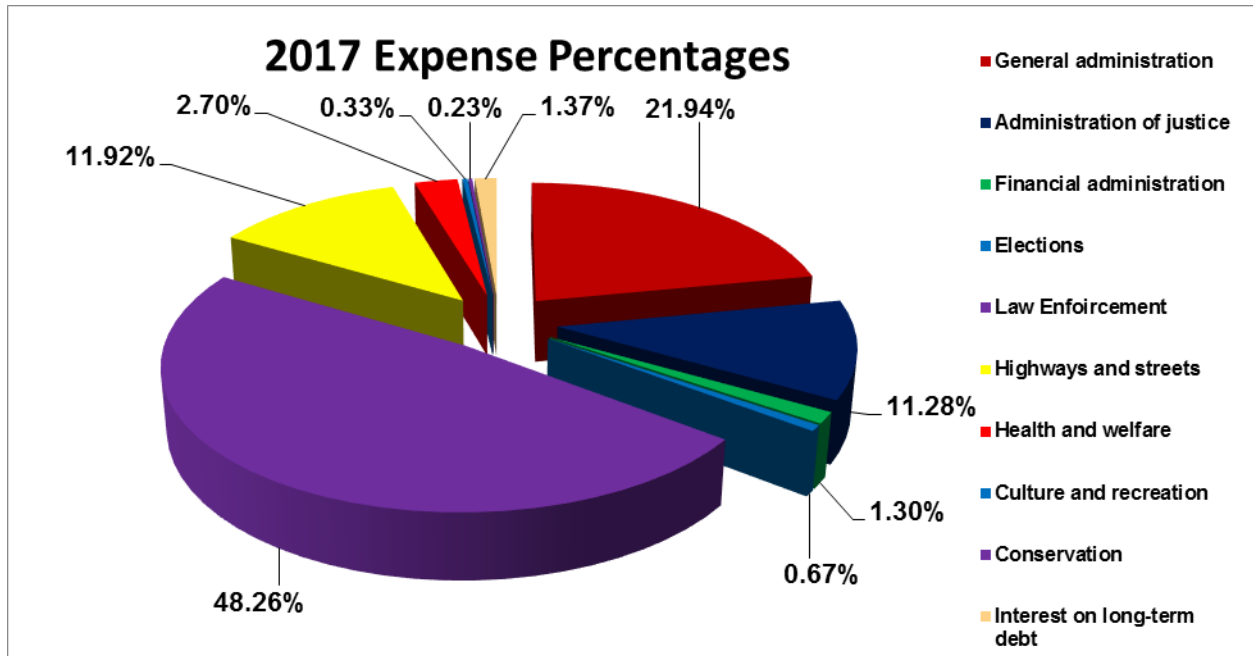
**Analysis of the County's Operations.** Governmental activities reported a decrease in net position in the amount of \$ 4,461,156 due to increased law enforcement expenses. The following table provides a summary of the County's operations for the year ended September 30, 2017.

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

	<u>Governmental Activities</u>		<u>Net</u>
	<u>2017</u>	<u>2016</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 19,890,724	\$ 19,193,848	\$ 696,876
Operating grants and contributions	2,904,929	3,263,020	( 358,091)
Capital grants and contributions	770,880	1,343,092	( 572,212)
General Revenues:			
Property taxes	48,540,033	49,308,528	( 768,495)
Other taxes	2,208,982	1,596,248	612,734
Unrestricted Investment earnings	418,949	333,960	84,989
Miscellaneous	<u>570,124</u>	<u>822,446</u>	<u>( 252,322)</u>
Total revenues	<u>75,304,621</u>	<u>75,861,142</u>	<u>( 556,521)</u>
Expenses:			
General administration	17,499,745	17,047,039	452,706
Administration of justice	8,995,731	8,676,596	319,135
Financial Administration	1,034,334	964,805	69,529
Elections	537,741	522,092	15,649
Law enforcement	38,498,728	34,032,010	4,466,718
Highways and streets	9,501,401	9,170,169	331,232
Health and welfare	2,157,599	1,548,476	609,123
Culture and recreation	265,561	268,618	( 3,057)
Conservation	185,403	150,686	34,717
Interest on long-term debt	<u>1,089,534</u>	<u>1,296,642</u>	<u>( 207,108)</u>
Total expenses	<u>79,765,777</u>	<u>73,677,133</u>	<u>6,088,644</u>
Increase (decrease) in net position	( 4,461,156)	2,184,009	( 6,645,165)
Net position - October 1,	<u>97,079,184</u>	<u>94,895,175</u>	<u>2,184,009</u>
Net position - September 30,	<u>\$ 92,618,028</u>	<u>\$ 97,079,184</u>	<u>\$ ( 4,461,156)</u>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2017*



## JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis  
For the Year Ended September 30, 2017*

### 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 \$ 39,039,800. The unassigned fund balance of \$ 21,796,679 constitutes 55.83% of ending fund balance. The fund balance is categorized as 1) nonspendable (\$ 747,387), 2) restricted (\$ 16,495,734), and 3) unassigned (\$ 21,796,679).

Fund balance of the General Fund increased by \$ 2,132,676; the Road and Bridge Fund (special revenue fund) decreased by \$ 827,265; the General Debt Service Fund (debt service fund) decreased by \$ 719,714, the Jail C1 Construction Fund (capital projects fund) decreased by \$ 4,842,025 and other (non-major) governmental funds decreased by \$ 3,835,108.

The increase in fund balance in the general fund is a result of actual revenue exceeding actual expenditures by \$2.7 million. As for the Road & Bridge Fund (special revenue fund), the decrease in fund balance was the result of setting a lower tax rate than the prior year, combined with an increase in road maintenance expenditures. The decrease in fund balance for the General Debt Service (debt service fund) was primarily a result of the debt tax being calculated slightly lower with the anticipation of using a portion of the surplus fund balance. The decrease in fund balance for other Jail C1 Construction (capital projects fund) is primarily due to capital expenditures without the issuance of debt. The decrease in fund balance for other governmental funds is primarily due to capital expenditures.

**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 an increase of \$4,089,161, with \$2,752,354 being an increase to cover the cost of housing more federal inmates than expected. However, this cost is offset, dollar for dollar, by the amended (increased) federal revenue budget. Another \$1,000,000 was an increase in housing our own County inmates.

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 general administration and administration of justice expenditures. Total General Fund revenue exceeded the budget by approximately 2.2% and total General Fund expenditures were under budget by approximately 4.4%.

**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2017*

**Capital Assets**

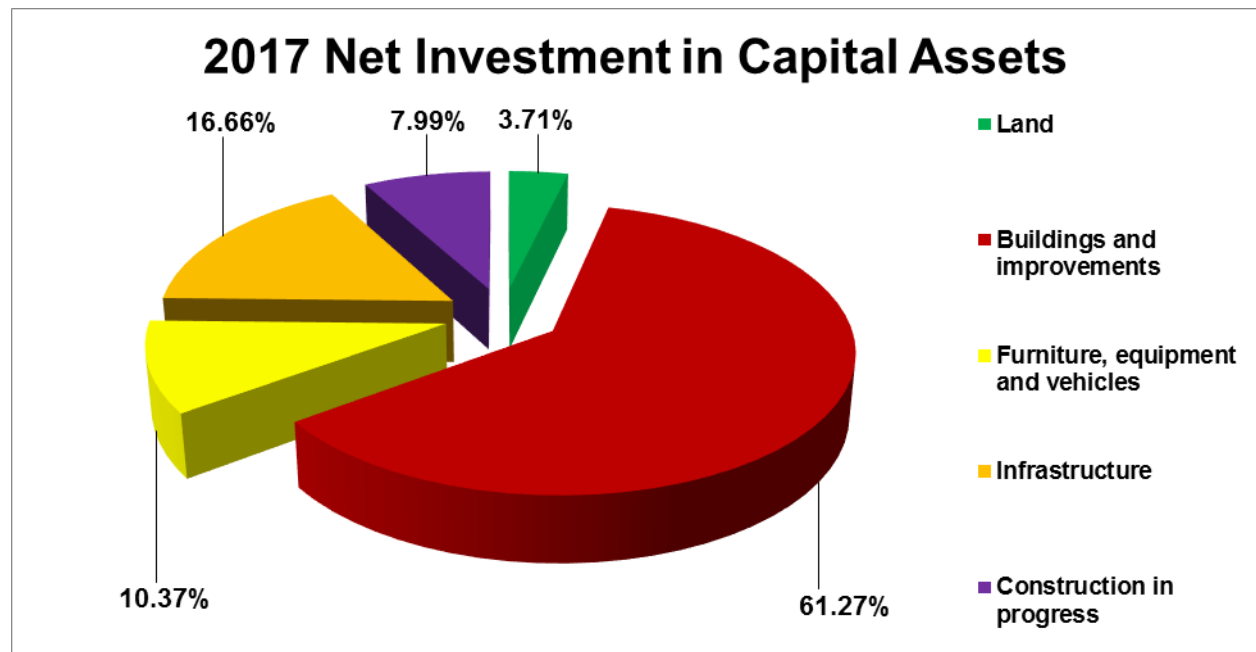
This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

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

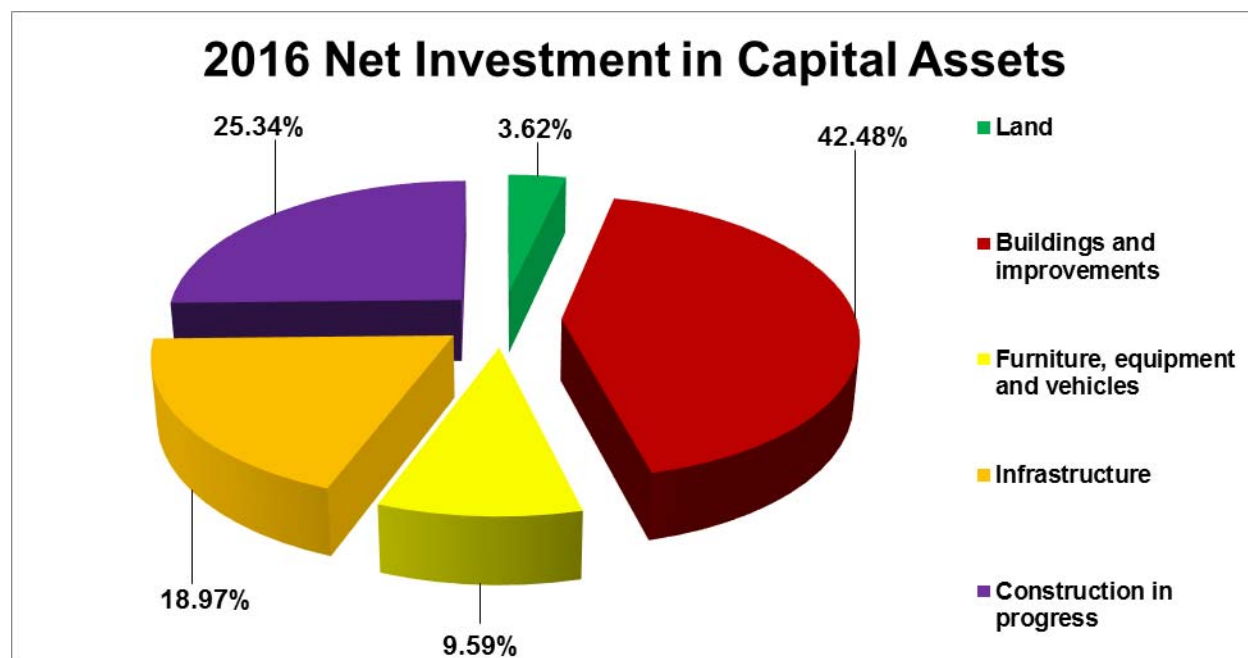
- Acquisition of land and buildings, new vehicles, tractors and various road and bridge equipment
- Renovation of an existing jail building that is still in progress at the end of the fiscal year.
- Construction of a new jail building place in service during the current fiscal year.
- Large software projects place in service during the current fiscal year.

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

	<u>Governmental Activities</u>		<u>Net Change</u>
	<u>2017</u>	<u>2016</u>	
Land	\$ 3,038,291	\$ 2,818,919	\$ 219,372
Buildings and improvements	50,098,046	33,066,488	17,031,558
Furniture, equipment and vehicles	8,481,378	7,463,589	1,017,789
Infrastructure	13,621,648	14,770,696	( 1,149,048)
Construction in progress	<u>6,530,217</u>	<u>19,723,131</u>	<u>( 13,192,914)</u>
 Total	 <u>\$ 81,769,580</u>	 <u>\$ 77,842,823</u>	 <u>\$ 3,926,757</u>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2017*



Additional information on the County's capital assets can be found in Note 6 on pages 48 through 49 of this report.

**DEBT ADMINISTRATION**

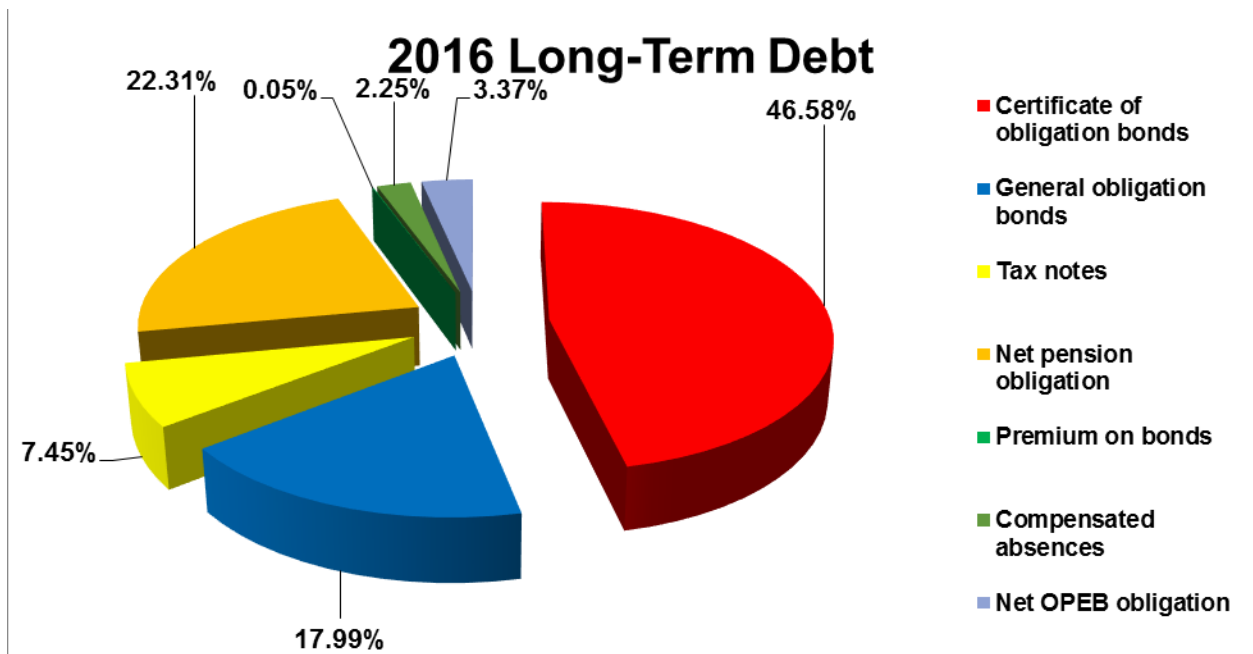
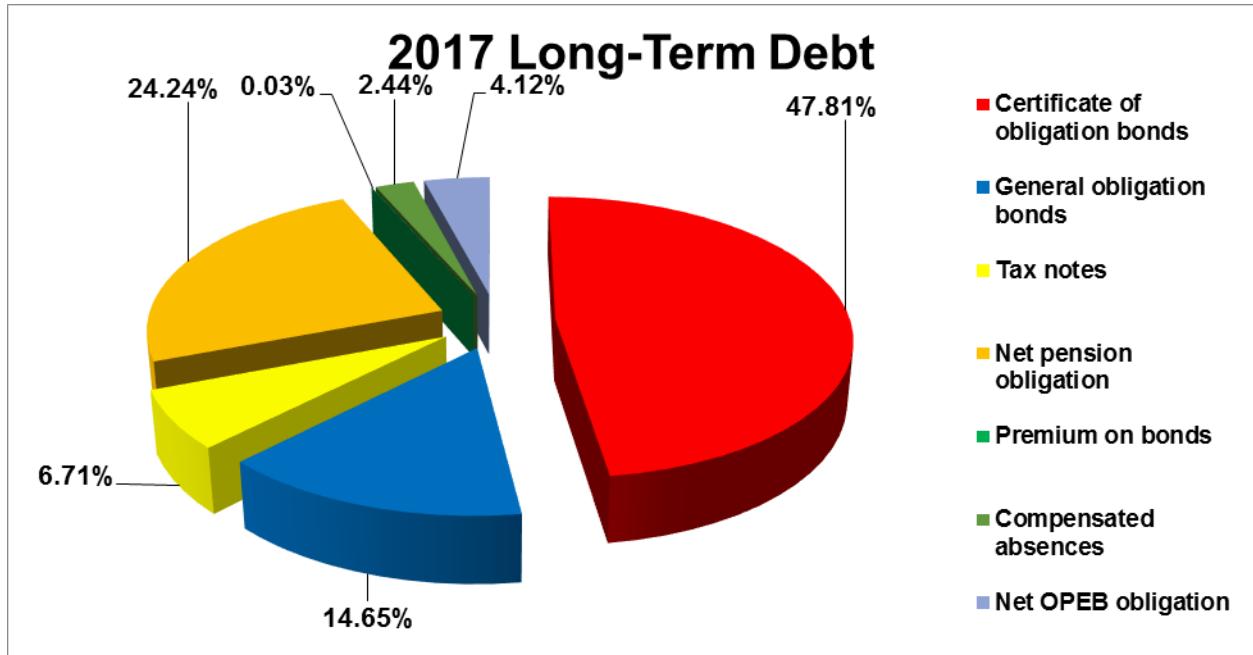
At the end of the current fiscal year, the County had a total bonded and note debt of \$ 29,810,000, which, comprises bonded and debt backed by the full faith and credit of the County agreement. The bonds and tax notes will be retired with revenues from property taxes and fees for services.

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

	Governmental Activities		Net Change
	2017	2016	
General obligation bonds	\$ 6,315,000	\$ 7,960,000	\$ ( 1,645,000)
Certificates of obligation bonds	20,605,000	20,605,000	-0-
Tax note payable	2,890,000	3,295,000	( 405,000)
Net pension obligation	10,446,417	9,870,584	575,833
Premium on bonds	14,927	21,204	( 6,277)
Compensated absences	1,052,219	995,526	56,693
Unfunded OPEB obligation	<u>1,775,621</u>	<u>1,491,236</u>	<u>284,385</u>
Total	<u>\$ 43,099,184</u>	<u>\$ 44,238,550</u>	<u>\$ ( 1,139,366)</u>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2017*



## **JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2017*

During the fiscal year, the County's total debt decreased \$ 1,139,366 or 2.58%. The net decrease was due primarily to the payment of principal on the general obligation bonds..

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 8 on pages 50 through 52 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 fiscal year 2018, Commissioners Court considered the following factors:

- Property tax rate was increased by 2.59% but was significantly under the rollback rate. It appears the County will continue to increase unencumbered fund balances.
- Nothing was budgeted for additional employee compensation but eight new positions were added to cover various needs. The increase in positions represents about 1.5% of our total employment. Other demands such as a new ambulance contract and increase in health insurance costs absorbed most of the new revenue generated by the tax increase.

### **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, 2017**

Exhibit 1

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and temporary investments	\$ 27,164,061
Short-term investments	1,743,000
Receivables (Net of Allowance for Uncollectibles):	
Taxes	782,961
Accounts	8,679,192
Due from other governments	185,657
Inventories	299,585
Prepaid items	418,138
Investments	13,019,499
Noncurrent Receivables:	
Notes receivable	29,664
Capital Assets:	
Land	3,038,291
Buildings and improvements (net)	50,098,046
Furniture, equipment and vehicles (net)	8,481,378
Infrastructure (net)	13,621,648
Construction in progress	<u>6,530,217</u>
Total assets	<u>134,091,337</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<u>8,323,172</u>
Total deferred outflows of resources	<u>8,323,172</u>
<b>LIABILITIES</b>	
Accounts and accrued liabilities payable	5,864,686
Accrued interest payable	159,085
Unearned revenue	34,913
Noncurrent Liabilities:	
Due within one year	3,732,596
Due in more than one year	28,920,171
Net pension liability	<u>10,446,417</u>
Total liabilities	<u>49,157,868</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<u>638,613</u>
Total deferred inflows of resources	<u>638,613</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	52,035,751
Restricted	16,627,902
Unrestricted	<u>23,954,375</u>
Total net position	<u>\$ 92,618,028</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, 2017

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change In Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
General administration	\$ 17,499,745	\$ 4,952,068	\$ 627,115	\$ 36,400	\$( 11,884,162)
Administration of justice	8,995,731	1,107,335	1,566,928		( 6,321,468)
Financial administration	1,034,334				( 1,034,334)
Elections	537,741	49,851			( 487,890)
Law enforcement	38,498,728	12,014,082	452,141		( 26,032,505)
Highways and streets	9,501,401	1,679,048	225,030	734,480	( 6,862,843)
Health and welfare	2,157,599		33,715		( 2,123,884)
Culture and recreation	265,561	88,340			( 177,221)
Conservation	185,403				( 185,403)
Interest on long-term debt	1,089,534				( 1,089,534)
Total governmental activities	<u>79,765,777</u>	<u>19,890,724</u>	<u>2,904,929</u>	<u>770,880</u>	<u>( 56,199,244)</u>
General Revenue:					
Property taxes					48,540,033
Other taxes					2,208,982
Unrestricted investment earnings					418,949
Miscellaneous					<u>570,124</u>
Total general revenues, special items, and transfers					<u>51,738,088</u>
Change in net position					( 4,461,156)
Net position – beginning					<u>97,079,184</u>
Net position – ending					<u>\$ 92,618,028</u>

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

**JOHNSON COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2017

Exhibit 3  
Page 1

	Major Funds				Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Jail C1 Construction Fund	Other Governmental Funds	
Assets and Deferred Outflows of Resources						
Assets:						
Cash and temporary investments	\$ 12,018,965	\$ 6,189,768	\$ 660,787	\$ 624,060	\$ 7,670,481	\$ 27,164,061
Short-Term investments	1,266,696	206,399			269,905	1,743,000
Receivables (Net of Allowance for Uncollectibles):						
Taxes	622,127	93,781	45,218		21,835	782,961
Accounts	1,652,510	210,240			27,567	1,890,317
Due from other governments	4,712				180,945	185,657
Due from other funds	277,970		173,766			451,736
Inventories		299,585				299,585
Prepaid expenditures	402,805				15,333	418,138
Investments	10,486,451	1,097,657			1,435,391	13,019,499
Noncurrent Receivables:						
Notes receivable	<u>29,664</u>					<u>29,664</u>
Total assets	<u>26,761,900</u>	<u>8,097,430</u>	<u>879,771</u>	<u>624,060</u>	<u>9,621,457</u>	<u>45,984,618</u>
Deferred Outflows of Resources:						
Deferred outflows of resources						-0-
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 26,761,900</u>	<u>\$ 8,097,430</u>	<u>\$ 879,771</u>	<u>\$ 624,060</u>	<u>\$ 9,621,457</u>	<u>\$ 45,984,618</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2017

Exhibit 3  
Page 2

	Major Funds				Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Jail C1 Construction Fund	Other Governmental Funds	
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts and accrued liabilities payable	\$ 3,754,539	\$ 854,757	\$	\$ 709,553	\$ 545,837	\$ 5,864,686
Due to other funds	173,766				277,970	451,736
Unearned revenue	<u>12,526</u>				<u>22,387</u>	<u>34,913</u>
Total liabilities	<u>3,940,831</u>	<u>854,757</u>	<u>-0-</u>	<u>709,553</u>	<u>846,194</u>	<u>6,351,335</u>
Deferred Inflows of Resources:						
Deferred inflows of resources	<u>465,505</u>	<u>78,722</u>	<u>33,357</u>		<u>15,899</u>	<u>593,483</u>
Total deferred inflows of resources	<u>465,505</u>	<u>78,722</u>	<u>33,357</u>	<u>-0-</u>	<u>15,899</u>	<u>593,483</u>
Fund Balances:						
Nonspendable	432,469	299,585			15,333	747,387
Restricted		6,864,366	846,414		8,784,954	16,495,734
Unassigned	<u>21,923,095</u>			<u>( 85,493)</u>	<u>( 40,923)</u>	<u>21,796,679</u>
Total fund balances	<u>22,355,564</u>	<u>7,163,951</u>	<u>846,414</u>	<u>( 85,493)</u>	<u>8,759,364</u>	<u>39,039,800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,761,900</u>	<u>\$ 8,097,430</u>	<u>\$ 879,771</u>	<u>\$ 624,060</u>	<u>\$ 9,621,457</u>	<u>\$ 45,984,618</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, 2017

Exhibit 3R

Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 39,039,800
<b>Amounts reported for <i>governmental activities</i> in the statement of net position (Exhibit 1) are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 154,723,553 in assets less \$ 72,953,973 in accumulated depreciation.	81,769,580
Judicial accounts receivables net of related allowance for uncollectible accounts are unavailable to pay for current period expenditures and availability of funds that are uncertain as to availability are not recorded in the funds. Judicial receivables of \$ 12,781,269 net of allowance for uncollectible accounts of \$ 5,992,394 amounted to \$ 6,788,875.	6,788,875
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 \$ 465,505, \$ 78,722, \$ 33,357 and \$ 15,899, respectively.	593,483
Pension deferred outflows are reported based upon the measurement date of December 31, 2016 and are unavailable at September 30, 2017 to pay for current period expenditures and are not recorded in the funds. Pension deferred outflows of \$ 6,185,049 (differences between expected and actual experience, changes in assumptions and net differences between projected and actual experience) and pension deferred inflows of \$ 638,613 (differences in economic/demographic gains or losses).	5,546,436
Deferred outflows for subsequent pension contributions of \$ 2,072,252 made during the period January 1, 2017 through September 30, 2017 are charged to expenditures in the funds but do not reduce the amount of net pension liability.	2,072,252
Payables for bond principal are not reported in the funds.	( 26,920,000)
Payables for tax note principal are not reported in the funds.	( 2,890,000)
Payables for net pension obligation are not reported in the funds.	( 10,446,417)
Other deferred outflows of resources are not available to pay for current year expenditures and, therefore, are not reported in the funds. This is the bond refunding costs, which are amortized over the life of the refunding bonds, or the refunded bonds, whichever is shorter. Net bond refunding costs were \$ 65,871 (bond refunding costs of \$ 75,661 less accumulated amortization of \$ 9,790).	65,871
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 was \$ 14,927 (premium on the sale of bonds of \$ 81,032 less amortization of \$ 66,105).	( 14,927)
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 \$ 159,085.	( 159,085)
The liability for the unfunded annual required contribution as calculated for the retiree health insurance benefits is not reported in the funds.	( 1,775,621)
Payables for compensated absences are not reported in the funds.	( 1,052,219)
Net position of governmental activities - statement of net position (Exhibit 1)	\$ <u>92,618,028</u>
The notes to the financial statements are an integral part of this statement.	



**JOHNSON COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

Exhibit 4

Page 1

For the Year Ended September 30, 2017

	Major Funds				Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Jail C1 Construction Fund	Other Governmental Funds	
<b>REVENUES</b>						
Taxes	\$ 41,696,377	\$ 4,496,407	\$ 3,032,887	\$	\$ 1,512,272	\$ 50,737,943
Intergovernmental	961,459	225,030			1,889,352	3,075,841
Prisoner housing services	10,112,353					10,112,353
Fees	5,057,670	1,679,048			1,248,992	7,985,710
Fines	1,316,187				15,127	1,331,314
Investment income	199,233	78,351	10,127	30,557	100,681	418,949
Miscellaneous	1,037,580	197,175			819,876	2,054,631
<b>Total revenues</b>	<b>60,380,859</b>	<b>6,676,011</b>	<b>3,043,014</b>	<b>30,557</b>	<b>5,586,300</b>	<b>75,716,741</b>
<b>EXPENDITURES</b>						
Current:						
General administration	13,128,083				1,876,576	15,004,659
Administration of justice	6,960,188				1,553,219	8,513,407
Financial administration	983,233					983,233
Elections	504,052				18,754	522,806
Law enforcement	34,500,716				872,271	35,372,987
Highways and streets		6,448,641				6,448,641
Health and welfare	923,803				1,171,901	2,095,704
Culture and recreation	240,978					240,978
Conservation	181,805					181,805
Capital outlay	15,038	1,089,733		5,908,045	3,804,814	10,817,630
Debt Service:						
Principal			2,190,000			2,190,000
Interest and fiscal charges			1,637,067			1,637,067
<b>Total expenditures</b>	<b>57,437,896</b>	<b>7,538,374</b>	<b>3,827,067</b>	<b>5,908,045</b>	<b>9,297,535</b>	<b>84,008,917</b>
Excess (deficiency) of revenues over expenditures	2,942,963	(862,363)	(784,053)	(5,877,488)	(3,711,235)	(8,292,176)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	\$ 92,178	\$ 35,098	\$	\$	\$ 9,125	\$ 136,401
Issuance of certificates of obligation bonds			6,425,000			6,425,000
Payment to escrow agent			(6,360,661)			(6,360,661)
Transfers in	360,147			1,035,463	1,277,848	2,673,458
Transfers out	(1,262,612)				(1,410,846)	(2,673,458)
<b>Total other financing sources and (uses)</b>	<b>(810,287)</b>	<b>35,098</b>	<b>64,339</b>	<b>1,035,463</b>	<b>(123,873)</b>	<b>200,740</b>
<b>Net change in fund balances</b>	<b>2,132,676</b>	<b>(827,265)</b>	<b>(719,714)</b>	<b>(4,842,025)</b>	<b>(3,835,108)</b>	<b>(8,091,436)</b>
Fund balances - beginning	20,222,888	7,991,216	1,566,128	4,756,532	12,594,472	47,131,236
Fund balances - ending	\$ 22,355,564	\$ 7,163,951	\$ 846,414	\$ (85,493)	\$ 8,759,364	\$ 39,039,800

**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, 2017

Exhibit 4R

Page 1

Net change in fund balances - total governmental funds (Exhibit 4) \$( 8,091,436)

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

Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$ 10,817,630 exceeded depreciation of \$ 7,389,359 in the current period.	3,428,271
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, \$ 734,480 of capital assets were contributed to and accepted by the County.	734,480
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 \$ 18,892, \$( 17,009), \$ 5,068, and \$ 4,121, respectively.	11,072
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 \$ 235,994. (Cost of \$ 2,928,627 less accumulated depreciation of \$ 2,692,633).	( 235,994)
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.	( 1,157,672)
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 \$ 2,190,000 in long-term bond principal payments.	2,190,000
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the governmental activities statement of net position. Long-term proceeds in the governmental funds were \$ 6,425,000 for certificates of obligation.	( 6,425,000)
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. Bond premium amortization was \$ 6,277.	6,277
Deferred refunding costs is another use in the governmental funds, but the costs increase long-term assets in the statement of net position. This amount is amortized over the life of the refunding bonds or the refunded bonds, whichever is shorter. The payments to the escrow agent of \$ 6,360,661, less the bond principal refunded of \$ 6,285,000 is the deferred refunding costs, plus current amortization of \$ 9,790.	6,350,871
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 net amount of change in net pension obligations.	( 1,481,993)

(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, 2017

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 change in accrued interest on notes and bonds of \$ 551,046.

\$ 551,046

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.

( 284,385)

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.

56,693

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

\$ (4,461,156)

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, 2017

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 12,130,743
Receivables:	
Accounts receivable	<u>14,487</u>
Total assets	<u>\$ 12,145,230</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 264,304
Amount held for others	<u>11,880,926</u>
Total liabilities	<u>\$ 12,145,230</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, 2017

INDEX

Note

1	Summary of Significant Accounting Policies .....	28
2	Deposits, Investments and Derivatives .....	40
3	Receivables and Uncollectible Accounts .....	45
4	Deferred Outflows and Inflows of Resources and Unearned Revenue.....	46
5	Interfund Receivables, Payables and Transfers .....	47
6	Capital Assets.....	48
7	Disaggregation of Accounts and Accrued Liabilities Payable.....	49
8	Long-Term Debt.....	50
9	Leasing Operations .....	53
10	Texas County and District Retirement System Pension Plan.....	53
11	Post Employment Health Insurance Benefits.....	60
12	Grants, Entitlements and Shared Revenues.....	62
13	Bail Bond Collateral .....	62
14	Litigation .....	62
15	Risk Coverage .....	63
16	Deficit Fund Balances .....	63
17	Long-Term Receivable .....	63
18	Tax Abatements.....	63
19	Evaluation of Subsequent Events .....	64

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

### **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, 2017, 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 County function of Administration of Justice. 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, 2017

### 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. The County's share of this cost is disclosed within the General Fund under the General Government 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, 2017

### 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.

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.



## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

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

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

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.

The *Jail C1 Construction Fund* is utilized to account for funding and expenditures incurred in the renovation of an existing jail facility.

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 Clerk Funds, County Clerk Funds, 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 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 statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2016.

GASB No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" was issued June 2015. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 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 statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2015.

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2017

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

##### New Pronouncements - continued

GASB No. 77 "Tax Abatement Disclosures" was issued in August 2015. 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, 2015.

GASB No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans" was issued in December 2015. 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, 2015.

GASB No. 79, "Certain External Investment Pools and Pool Participants" was issued in December 2015. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which is effective for reporting 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 statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2016.

GASB No. 81 "Irrevocable Split-Interest Agreements" was issued in March 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. The requirements of this Statement are effective for periods beginning after December 15, 2016.

GASB No. 82 "Pension Issues – an amendment of GASB No. 67, No. 68, and No. 73" was issued in March 2016. The statement was implemented and did not have an impact on the County's financial statements. The requirements of this Statement are effective for periods beginning after June 15, 2016.

GASB No. 83 "Certain Asset Retirement Obligations" was issued in November 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. The requirements of this Statement are effective for periods beginning after June 15, 2018.

GASB No. 84 "Fiduciary Activities" was issued in January 2017. 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. The requirements of this Statement are effective for periods beginning after December 15, 2018.

GASB No. 85 "Omnibus 2017" was issued in March 2017. 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. The requirements of this Statement are effective for periods beginning after June 15, 2017.

GASB No. 86 "Certain Debt Extinguishment Issues" was issued in May 2017. 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. The requirements of this Statement are effective for periods beginning after June 15, 2017.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

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

#### New Pronouncements - continued

GASB No. 87 "Leases" was issued in June 2017. 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. The requirements of this Statement are effective for periods beginning after December 15, 2019.

#### 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).

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

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

#### Budgetary Data - continued

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.

#### 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, 2017, 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.

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2017

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

Property Taxes - continued

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

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

The County's 2016 tax levy, supporting the 2017 fiscal period budget, totaled \$ 0.459738 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.379538
Indigent Health Care	0.014384
Road and Bridge	0.037075
Special Road and Bridge:	
Article 6790	-0-
Article 7048a	-0-
Debt Service:	
Interest and Sinking:	
General Debt Service and Equipment	
Interest and Sinking	<u>0.028741</u>
Combined tax rate	<u>\$ 0.459738</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 5 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.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

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

Inventories and Prepaid Items - continued

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

Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment and vehicles, 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 acquisition value on the date of donation. 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, 2017, 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, 2017, computed at pay rates in effect at that time was \$ 1,052,219.

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

# JOHNSON COUNTY, TEXAS

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

## **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, 2017

### 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, 2017, 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, 2017, 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. The general fund is the only fund that reports a positive unassigned fund balance amount.



**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

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

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2017:

	Major Funds				Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Jail C1 Construction Fund	Other Governmental Funds	
Fund Balances:						
Non-spendable:						
Inventories	\$	\$ 299,585	\$	\$	\$	\$ 299,585
Prepaid expenditures	402,805				15,333	418,138
Long-term receivables	29,664					29,664
Restricted:						
Capital projects					136,310	136,310
Contributor purposes					20,708	20,708
Court improvements and operations					546,530	546,530
Debt service			846,414			846,414
Election services					323,442	323,442
Health services					2,493,735	2,493,735
Inmate services					258,965	258,965
Juvenile services					221,224	221,224
Library services					142,170	142,170
Public safety personnel training					19,549	19,549
Public transportation projects		6,864,366			1,356,170	8,220,536
Records management					2,546,634	2,546,634
Special crimes operations					240,301	240,301
County/District attorney services					171,834	171,834
Sheriff services					7,723	7,723
Other					299,659	299,659
Unassigned	<u>21,923,095</u>	<u>          </u>	<u>          </u>	<u>( 85,493)</u>	<u>( 40,923)</u>	<u>21,796,679</u>
Total fund balances	<u>\$ 22,355,564</u>	<u>\$ 7,163,951</u>	<u>\$ 846,414</u>	<u>\$ ( 85,493)</u>	<u>\$ 8,759,364</u>	<u>\$ 39,039,800</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, 2017

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

Net Position:	<u>Governmental</u>
	<u>Activities</u>
Net investment in capital assets	\$ 52,035,751
Restricted:	
Debt service	720,686
Health services	2,509,634
Public transportation projects	8,598,843
Records management	2,546,634
Other:	
Contributor purposes	20,708
Court improvements and operations	546,530
Election services	323,442
Inmate services	258,965
Juvenile services	221,224
Library services	142,170
Public safety personnel training	19,549
Special crime operations	240,301
County/District attorney services	171,834
Sheriff services	7,723
Other	299,659
Unrestricted	<u>23,954,375</u>
Total	<u>\$ 92,618,028</u>

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

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. Investments are classified as either short-term investments or investments. Short-term investments have a maturity of one year or less and investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures. Cash and temporary investments as reported on the financial statements at September 30, 2017 are as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash and change funds accounts)	\$ 12,724	\$	\$ 12,724
Financial Institution Deposits:			
Demand deposits	17,044,219	12,130,743	29,174,962
Broker-Dealer:			
Demand deposits	94,977		94,977
Local Government Investment Pool:			
Texas CLASS	<u>10,012,141</u>		<u>10,012,141</u>
Sub-total	<u>27,164,061</u>	<u>12,130,743</u>	<u>39,294,804</u>

(continued)

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2017

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

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Short-Term Investments:			
Financial Institution Deposits:			
Certificates of deposit	\$ <u>1,743,000</u>	\$ _____	\$ <u>1,743,000</u>
Subtotal	<u>1,743,000</u>	<u>-0-</u>	<u>1,743,000</u>
Investments:			
Broker-Dealer:			
U.S. Treasury Bonds/Notes	5,913,181		5,913,181
U.S. Agency Securities	1,524,461		1,524,461
Certificates of deposit	<u>5,581,857</u>		<u>5,587,857</u>
Sub-total	<u>13,019,499</u>	<u>-0-</u>	<u>13,019,499</u>
Total Cash and Temporary Investments, Short-Term Investments and Investments	<u>\$ 41,926,560</u>	<u>\$ 12,130,743</u>	<u>\$ 54,057,303</u>

Deposits

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

At year-end, in addition to petty cash and change funds accounts of \$ 12,724, the carrying amount of the County's financial institution deposits, was \$ 36,594,796, while the financial institution balances totaled \$ 34,963,514. Of these balances, \$ 4,318,205 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, \$ 5,993,000 was covered by federal depository insurance coverage, \$ 94,977 was covered by the Securities Investor Protection Corporation, \$ 23,951,583 was covered by collateral held by the County's agent in the County's name, and \$ 605,749 was uninsured.

Investments

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

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

## JOHNSON COUNTY, TEXAS

### Notes to the Financial Statements

For The Year Ended September 30, 2017

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

##### Investments - continued

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

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

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

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

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

Investments - continued

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.

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, 2017 Texas CLASS had a weighted average maturity of 54 days. Although Texas CLASS had a weighted average maturity of 54 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, 2017, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Certificates of Deposit	\$ 7,324,857	422
Texas CLASS	10,012,141	54
Government Securities	5,913,181	450
U.S. Agency Securities	<u>1,524,461</u>	<u>349</u>
Total	<u>\$ 24,774,640</u>	<u>275</u>

Credit Risk – As of September 30, 2017, the LGIP’s (which represent approximately 40.41% of the investment portfolio) are rated AAAm by Standard and Poor’s or AAA by Finch, the United States securities and agencies (which represent 30.02% of the investment portfolio) were covered by private insurance and the certificates of deposit (which represents 29.57% of the investment portfolio) were covered by Federal Depository Insurance coverage, respectively, therefore, the County does not have a significant exposure to credit risk. To receive funds from the 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 complement each other in a structured manner that minimizes risk and meets the County’s cash flow requirements.

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2017

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

**Fair Value Measures**

Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the County's assets at fair value as of September 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government Securities	\$ 5,913,181	\$	\$	\$ 5,913,181
U.S. Agency Securities	<u>1,524,461</u>	<u>                    </u>	<u>                    </u>	<u>1,524,461</u>
Total assets at fair value	<u>\$ 7,437,642</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 7,437,642</u>

**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, 2017, and holds no direct investments in derivatives at September 30, 2017.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 3 - RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS**

Receivables and Allowances

Receivables as of September 30, 2017, 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:

	<u>Major Funds</u>			<u>Non-Major Funds</u>	
	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables:					
Property Taxes	\$ 2,569,330	\$ 384,596	\$ 207,928	\$ 107,337	\$ 3,269,191
Accounts	1,652,510	210,240		27,567	1,890,317
Due from other governments	<u>4,712</u>			<u>180,945</u>	<u>185,657</u>
Gross receivables	4,226,552	594,836	207,928	315,849	5,345,165
Less Allowance for Uncollectible:					
Property taxes	<u>1,947,203</u>	<u>290,815</u>	<u>162,710</u>	<u>85,502</u>	<u>2,486,230</u>
Net receivables	<u>\$ 2,279,349</u>	<u>\$ 304,021</u>	<u>\$ 45,218</u>	<u>\$ 230,347</u>	<u>\$ 2,858,935</u>
				<u>Fiduciary Fund</u>	
Receivables:					
Accounts:					
Adult probationers					\$ <u>14,487</u>
Net total receivables					\$ <u>14,487</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, 2017 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Total</u>
Major Governmental Funds:			
General fund	\$	\$ 4,712	\$ 4,712
Non-major governmental funds	<u>10,152</u>	<u>170,793</u>	<u>180,945</u>
Total	<u>\$ 10,152</u>	<u>\$ 175,505</u>	<u>\$ 185,657</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 3 - 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, 2017:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 403,524	\$ 121,057	\$ 282,467
County courts	1,270,143	317,536	952,607
District courts	<u>11,107,602</u>	<u>5,553,801</u>	<u>5,553,801</u>
Total	<u>\$ 12,781,269</u>	<u>\$ 5,992,394</u>	<u>\$ 6,788,875</u>

**NOTE 4 - 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, 2017, the various components of deferred inflows 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 &amp; Bridge Fund</u>	<u>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	
Deferred Inflows of Resources:					
Delinquent property taxes receivable	\$ 465,505	\$ 78,722	\$ 33,357	\$ 15,899	\$ 593,483
Unearned Revenue:					
State grants				22,387	22,387
State allocations	<u>12,526</u>				<u>12,526</u>
Total	<u>\$ 478,031</u>	<u>\$ 78,722</u>	<u>\$ 33,357</u>	<u>\$ 38,286</u>	<u>\$ 628,396</u>



**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 4 - 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, 2016) to the current year-end of September 30, 2017 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, 2017, the various components of deferred outflows and inflows of resources and unearned revenue reported in the governmental activities were as follows:

<u>Governmental Activities:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Unearned Revenue</u>
Bond refunding costs (net of accumulated amortization)	\$ 65,871	\$	\$
Pension Related:			
Differences between expected and actual experience	234,258	638,613	
Differences between projected and actual investment earnings	5,438,598		
Changes in assumptions	512,193		
Subsequent contributions	2,072,252		
Unearned Revenue:			
State grants			22,387
State allocations			12,526
Totals	<u>\$ 8,323,172</u>	<u>\$ 638,613</u>	<u>\$ 34,913</u>

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at September 30, 2017 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-17</u>
General Fund	Other Governmental Funds	\$ 277,970
General Debt Service Funds	Other Governmental Funds	<u>173,766</u>
Total		<u>\$ 451,736</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, 2017

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

Interfund transfers for the year ended September 30, 2017 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-17</u>
General Fund	Other Governmental Funds	\$ 1,171,612
General Fund	Jail C1 Construction Fund	91,000
Other Governmental Funds	Jail C1 Construction Fund	944,463
Other Governmental Funds	General Fund	360,147
Other Governmental Funds	Other Governmental Funds	<u>106,236</u>
Total		<u>\$ 2,673,458</u>

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

**NOTE 6 - CAPITAL ASSETS**

Capital Transactions

	<u>Balance 10-01-16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments &amp; Transfers</u>	<u>Balance 09-30-17</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 2,818,919	\$ 222,097	\$ 2,725	\$	\$ 3,038,291
Construction in progress	<u>19,723,131</u>	<u>9,368,146</u>	<u></u>	<u>( 22,561,060)</u>	<u>6,530,217</u>
Total capital assets not being depreciated	<u>22,542,050</u>	<u>9,590,243</u>	<u>2,725</u>	<u>( 22,561,060)</u>	<u>9,568,508</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	59,388,400	162,075	1,389,405	19,337,314	77,498,384
Furniture, equipment and vehicles	25,965,237	1,112,392	677,248	3,139,063	29,539,444
Infrastructure	<u>38,204,383</u>	<u>687,400</u>	<u>859,249</u>	<u>84,683</u>	<u>38,117,217</u>
Total capital assets being depreciated	<u>123,558,020</u>	<u>1,961,867</u>	<u>2,925,902</u>	<u>22,561,060</u>	<u>145,155,045</u>
Less Accumulated Depreciation For:					
Buildings and improvements	26,321,912	2,303,348	1,224,922		27,400,338
Furniture, equipment and vehicles	18,501,648	3,164,881	608,463		21,058,066
Infrastructure	<u>23,433,687</u>	<u>1,921,130</u>	<u>859,248</u>		<u>24,495,569</u>
Total accumulated depreciation	<u>68,257,247</u>	<u>7,389,359</u>	<u>2,692,633</u>	<u>-0-</u>	<u>72,953,973</u>
Total capital assets being depreciated, net	<u>55,300,773</u>	<u>( 5,427,492)</u>	<u>233,269</u>	<u>22,561,060</u>	<u>72,201,072</u>
Governmental activities capital assets, net	<u>\$ 77,842,823</u>	<u>\$ 4,162,751</u>	<u>\$ 235,994</u>	<u>\$ -0-</u>	<u>\$ 81,769,580</u>

During the year ended September 30, 2017, the County received equipment and roads from various sources totaling \$ 734,480.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 6 - CAPITAL ASSETS - Continued**

Depreciation

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

	<u>09-30-17</u>
Governmental Activities:	
General government	\$ 2,087,306
Administration of justice	57,088
Law enforcement	2,374,074
Highways and streets	2,817,439
Health and welfare	39,905
Culture and recreation	<u>13,547</u>
Total depreciation expense	<u>\$ 7,389,359</u>

Construction Commitments

Construction in progress for various projects at September 30, 2017 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
C1 Jail construction	\$ 7,296,251	\$ 5,851,002	\$ 1,445,249
Building renovation projects	<u>117,185</u>	<u>14,420</u>	<u>102,765</u>
Total	<u>\$ 7,413,436</u>	<u>\$ 5,865,422</u>	<u>\$ 1,548,014</u>

**NOTE 7 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE**

Accounts and accrued liabilities payable as of September 30, 2017, 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 &amp; Bridge Fund</u>	<u>Jail C1 Construction Fund</u>	<u>Other Governmental Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors	\$ 2,462,667	\$ 721,386	\$ 709,553	\$ 338,987	\$ 4,232,593
Other governments	640				640
Accrued compensation	918,548	133,371		42,344	1,094,263
Due to others	<u>372,684</u>			<u>164,506</u>	<u>537,190</u>
Total	<u>\$ 3,754,539</u>	<u>\$ 854,757</u>	<u>\$ 709,553</u>	<u>\$ 545,837</u>	<u>\$ 5,864,686</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 7 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE - Continued**

	<u>Fiduciary Funds</u>
Accounts and Accrued Liabilities Payable:	
Vendors	\$ 19,881
Bonds payable	138,138
Accrued compensation	<u>106,285</u>
 Total	 <u>\$ 264,304</u>

**NOTE 8 - LONG-TERM DEBT**

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2017, are summarized as follows:

	<u>Interest Rate %</u>	<u>Series Dates</u>			<u>Bonds Outstanding 09-30-17</u>
		<u>Issued</u>	<u>Maturity</u>	<u>Callable</u>	
General Obligation Refunding Bonds, Series 2017	4.00 - 4.15	2017	2020		\$ 6,315,000
Certificates of Obligation Bonds Taxable Series 2015	1.704 - 4.627	2015	2035	2025	<u>20,605,000</u>
Total					<u>\$ 26,920,000</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2017 were as follows:

Bonds outstanding, October 1, 2016	\$ 28,565,000
Issued	6,425,000
Refunded	( 6,285,000)
Maturities	<u>( 1,785,000)</u>
 Bonds outstanding, September 30, 2017	 <u>\$ 26,920,000</u>

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, 2017, the amount of ad valorem taxes collected for interest and sinking were \$ 3,016,507, while the debt service requirements for principal and interest was \$ 3,309,246. 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, 2017

**NOTE 8 - LONG-TERM DEBT - Continued**

General Obligation Bonded Debt

The following is a summary of general obligation bond requirements by year as of September 30, 2017:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2018	\$ 2,495,000	\$ 855,196	\$ 3,350,196
2019	2,665,000	818,922	3,483,922
2020	2,835,000	778,451	3,613,451
2021	585,000	749,457	1,334,457
2022	1,020,000	726,859	1,746,859
2023-2027	5,620,000	3,112,629	8,732,629
2028-2032	6,810,000	1,916,917	8,726,917
2033-2035	<u>4,890,000</u>	<u>346,331</u>	<u>5,236,331</u>
Total	<u>\$ 26,920,000</u>	<u>\$ 9,304,762</u>	<u>\$ 39,224,762</u>

On May 24, 2017 the County sold \$ 6,425,000 of General Obligation Refunding Bonds, Series 2017. The net proceeds of \$ 6,360,661 were placed in escrow for the defeasement of \$ 6,285,000 in General Obligation, Series 2007 bonds. These refunding bonds (Series 2017) 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 \$ 243,486. The economic gain resulting from the transaction was \$ 252,186.

On November 1, 2015, the County sold \$ 20,605,000 of Certificate of Obligation Bonds, Taxable Series 2015. These bonds were issued to pay for all or a portion of the County's contractual obligations for the acquisition, construction and equipment of certain public improvements for the renovation and expansion of the County jail and for paying for legal, fiscal and engineering fees in connection with such project.

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 09-30-17</u>
Tax Note: Series 2013	1.82	2013	2020	2015	\$ <u>2,890,000</u>
Total					\$ <u>2,890,000</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 8 - LONG-TERM DEBT - Continued**

Tax Note Debt - continued

Tax note transactions for the year ended September 30, 2017 were as follows:

Tax notes outstanding, October 1, 2016	\$ 3,295,000
Maturities	<u>( 405,000 )</u>
Tax notes outstanding, September 30, 2017	<u>\$ 2,890,000</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, 2017, the amount of ad valorem taxes collected for interest and sinking were \$ 16,379, while the debt service requirements for principal and interest was \$ 461,609. The tax note resolution provides for the acceleration of maturity in the event of default.

The following is a summary of tax note requirements by year as of September 30, 2017:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
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>\$ 2,890,000</u>	<u>\$ 162,162</u>	<u>\$ 3,052,162</u>

Changes in Long-Term Debt

Transactions for the year ended September 30, 2017 are summarized as follows:

	<u>Balance</u> <u>10-01-16</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>09-30-17</u>	<u>Due Within</u> <u>One Year</u>
Governmental Type Activities:					
General obligation bonds	\$ 7,960,000	\$ 6,425,000	\$ 8,070,000	\$ 6,315,000	\$ 1,945,000
Certificates of obligation bonds	20,605,000			20,605,000	550,000
Tax note payable	3,295,000		405,000	2,890,000	285,000
Net pension obligation	9,870,584	7,554,888	6,979,055	10,446,417	
Premium on bonds	21,204		6,277	14,927	6,277
Compensated absences	995,526	1,204,481	1,147,788	1,052,219	946,319
Unfunded OPEB obligation	<u>1,491,236</u>	<u>359,352</u>	<u>74,967</u>	<u>1,775,621</u>	
Total governmental activities	<u>\$ 44,238,550</u>	<u>\$ 15,543,721</u>	<u>\$ 16,683,087</u>	<u>\$ 43,099,184</u>	<u>\$ 3,732,596</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 9 - 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 2019 through 2026. The County has not determined the cost of these facilities as of September 30, 2017.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2017, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	
2018	\$ 162,920
2019	162,920
2020	7,488
2021	4,928
2022	4,928
Thereafter	<u>19,712</u>
Total	<u>\$ 362,896</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2017 was \$ 145,883.

**NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN**

*Plan Description* - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional 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 more than 735 non-traditional defined benefit 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, TX 79768-2034.

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 age 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.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

The plan provisions are adopted by Commissioners 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 2016</u>	<u>Plan Year 2017</u>
Employee deposit rate	7.00%	7.00%
Employer deposit rate	10.15%	10.36%
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, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	318
Inactive employees entitled to but not yet receiving benefits	416
Active employees	<u>585</u>
	<u>1,319</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.

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 of 10.36% and 10.15% in calendar years 2017 and 2016, respectively. The County's contributions to TCDRS for the year ended September 30, 2017 were \$ 2,617,668.

*Net Pension Liability/Asset* - The County's Net Pension Liability/Asset (NPL/NPA) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/Asset was determined by an actuarial valuation as of that date.



# JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

## NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

### Actuarial Assumptions:

The Total Pension Liability in the December 31, 2016 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	8.0%, 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, 2016 financial reporting metrics are the same as those used in the December 31, 2016 actuarial valuation analysis for Johnson County.

Following is a description of the assumptions used in the December 31, 2016 actuarial valuation analysis for Johnson County. This information may also be found in the Johnson County December 31, 2016 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%

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

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.

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2017

### NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

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' investment consultant, Cliffwater LLC. The numbers shown are based on the January 2016 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:

Asset Class	Benchmark	Target Allocation <sup>(1)</sup>	Geometric Real Rate of Return (Expected minus Inflation) <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equities	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	16.00%	7.70%
Global Equities	MSCI World (net) index	1.50%	5.00%
International Equities – Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging	MSCI EM Standard (net) index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index <sup>(4)</sup>	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund Of Funds Composite Index	20.00%	3.85%
Total		100.00%	8.10%

<sup>(1)</sup> Target asset allocation adopted at the April 2017 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 2.0% per Cliffwater's 2017 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

**Discount Rate** – The discount rate is the single rate of return that, when applied to all projected benefit payment 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, 2017

#### NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - 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.

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.

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2017

**NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of December 31, 2015	\$ 93,885,939	\$ 84,015,355	\$ 9,870,584
Changes for the Year:			
Service cost	3,686,376		3,686,376
Interest on total pension liability <sup>(1)</sup>	7,591,733		7,591,733
Effect of plan changes <sup>(2)</sup>			-0-
Effect of economic/demographic gains or losses	291,215		291,215
Effect of assumptions changes or inputs			-0-
Refunds of contributions	( 320,737)	( 320,737)	-0-
Contributions – employer		2,617,668	( 2,617,668)
Contributions – employee		1,805,291	( 1,805,291)
Net investment income		6,229,109	( 6,229,109)
Benefit payment,	( 3,693,699)	( 3,693,699)	-0-
Administrative expense		( 67,695)	67,695
Other changes <sup>(3)</sup>		409,118	( 409,118)
Balance as of December 31, 2016	<u>\$ 101,440,827</u>	<u>\$ 90,994,410</u>	<u>\$ 10,446,417</u>

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

<sup>(2)</sup> No plan changes valued.

<sup>(3)</sup> Relates 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	\$ 114,604,468	\$ 101,440,827	\$ 90,496,721
Fiduciary net position	<u>90,994,410</u>	<u>90,994,410</u>	<u>90,994,410</u>
Net pension liability / (asset)	<u>\$ 23,610,058</u>	<u>\$ 10,446,417</u>	<u>\$ ( 497,689)</u>

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2017

**NOTE 10. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued**

<i>Pension Expense (Income):</i>	<u>Year Ended 12-31-16</u>
Service cost	\$ 3,686,376
Interest on total pension liability <sup>(1)</sup>	7,591,733
Effect of plan changes	-0-
Administrative expenses	67,695
Member contributions	( 1,805,291)
Expected investment return net of investment expenses	( 6,835,025)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	( 230,656)
Recognition of assumption changes or inputs	256,097
Recognition of investment gains or losses	1,847,217
Other <sup>(2)</sup>	<u>( 409,119)</u>
<b>Pension expense (income)</b>	<b>\$ <u>4,169,027</u></b>

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

<sup>(2)</sup> Related to allocation of system-wide items.

*Deferred Inflows and Outflows* - At September 30, 2017, 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	\$ 234,258	\$ 638,613
Difference between projected and actual investment earnings	5,438,598	
Changes in assumptions	512,193	
Contributions subsequent to the measurement date <sup>(3)</sup>	<u>2,072,252</u>	
<b>Totals</b>	<b>\$ <u>8,257,301</u></b>	<b>\$ <u>638,613</u></b>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expenses as follows:

<u>Year Ended September 30,</u>	
2017	\$ 1,872,658
2018	1,856,810
2019	1,695,785
2020	121,183
2021	-0-
Thereafter <sup>(4)</sup>	-0-

<sup>(3)</sup> 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.

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 11 - 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, 2017 the County contributed \$ 74,967 to the post employment health insurance benefits.

*Annual Other Post Employment Benefit (OPEB) Cost*- The County's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The County's annual OPEB cost for the fiscal year ending September 30, 2017 is as follows:

Annual required contribution	\$ 349,200
Interest on net OPEB obligation	59,649
Adjustment to annual required contribution	<u>( 49,497)</u>
Annual OPEB cost	359,352
Contributions made	<u>( 74,967)</u>
Increase in net OPEB obligation	284,385
Net OPEB obligation – beginning of year	<u>1,491,236</u>
Net OPEB obligation – end of year	<u>\$ 1,775,621</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 11 - POST EMPLOYMENT HEALTH INSURANCE BENEFITS - Continued**

The County’s annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2017 and the preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/15	\$ 260,871	\$ 84,111	32.2%	\$ 1,270,230
9/30/16	340,341	119,335	35.1%	1,491,236
9/30/17	359,352	74,967	20.9%	1,775,621

*Funding Status* - As of September 30, 2016, 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 \$ 2,594,047, and the actuarial value of assets was \$ -0- resulting in an unfunded liability (UAAL) of \$ 2,594,047. Annual covered payroll is \$ 22,929,814 and the ratio of the UAAL to the covered payroll was 11.3 percent.

*Actuarial Methods and Assumptions* – The Projected Unit Credit Cost Method is used to calculate the GASB ARC for the County’s retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the County’s employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

*Actuarial Methods and Assumptions*

Inflation Rate	2.50% per annum
Investment rate of return	4.00% per annum, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30 year open amortization
Payroll growth	3.00% per annum
Medical trend	Initial rate of 7.50% declining to an ultimate rate of 5.25% after 11 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County’s retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

### **NOTE 12 - GRANTS, ENTITLEMENTS AND SHARED REVENUES**

During the year ended September 30, 2017, 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 the Uniform Guidance.

The state financial assistance programs are covered by the State of Texas Single Audit Circular (Uniform Grant Management Standards). A single audit was performed on the state financial assistance programs as the state financial assistance programs met the \$ 750,000 threshold, while the federal financial assistance programs did not.

### **NOTE 13 - 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, 2017. As of September 30, 2017, bail bonds outstanding totaled \$ 7,785,000 and collateral pledged against these bonds amounted to \$ 1,742,300, respectively.

### **NOTE 14 - 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 12, 2018.

Cause No. 3:16-CV-00448-B, *Estate of Ronald Ray Beesley v. Southwestern Correctional, LLC, d/b/a LaSalle Management Company, LLC*, in the United States District Court for the Northern District of Texas Dallas Division. The case is currently in litigation, unable to form judgment as to the outcome.

Cause No. DC-C201600236, *Richard Fuller v. Johnson County, Texas*, in the 413<sup>th</sup> District Court of Johnson County, Texas. The case is currently in litigation, unable to form judgement as to the outcome.

Cause No. 3:17-1376-M-BN, *Jake Jenkins v. LaSalle Southwest Corrections and Johnson County, Texas*, in the United States District Court for the Northern District of Texas Dallas Division. The case is currently in litigation, unable to form judgment as to the outcome.

Cause No. 3:17CV-0348N-BH, *Bonnie Allen Thomas v. The State of Texas and Johnson County, Texas*, in the United States District Court for the Northern District of Texas Dallas Division. The case is currently in litigation, unable to form judgement as to the outcome.

Cause No. DC-C201600483, *Ronald E. Wells, Inc. v. A.M.S. Company, Inc., Sedalco, Inc., and Johnson County, Texas*, in the 18<sup>th</sup> District court of Johnson County, Texas. The case is currently in litigation, unable to form judgement as to the outcome.

There were \$ -0- in actual payables related to litigation reported as of September 30, 2017.



**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

**NOTE 15 - 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 16 - DEFICIT FUND BALANCES**

As of September 30, 2017, two funds of the County had deficit fund balances as itemized below:

	<u>2017</u>
Fund Balances:	
Capital Projects Funds:	
Jail C1 Construction Fund	\$ 85,493
Equipment Purchase Fund	25,590

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 17 - LONG-TERM RECEIVABLE**

The County enters into long-term repayment agreements with various entities. The following is a summary of the note receivable requirement, based on the expectation of collections, by year, as of September 30, 2017:

Year Ended <u>September 30,</u>	
2018	\$ 21,443
2019	<u>8,221</u>
Total	<u>\$ 29,664</u>

**NOTE 18 - TAX ABATEMENTS**

The County enters into property tax abatement agreements with taxpayers under the State Property Tax Abatement Act, Tax Code Chapter 312. Under the act, the County may enter into a local agreement with a taxpayer that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. Tax abatements are an economic development toll available to the County to attract new industries and to engage in the retention and development of existing businesses through property tax exemptions or reductions.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2017

### **NOTE 18 - TAX ABATEMENTS-** Continued

For the year ended September 30, 2017, the County abated property taxes totaling \$ 676,442 under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 50 percent property tax abatement to an oil and gas company for the expansion and development of property to include buildings, structures, fixed machinery and equipment, site improvements plus office space and related fixed improvements necessary to the operation and administration of the facility to accommodate an industrial gas plant and all associated transmission equipment and lines. The abatement in the current fiscal year amounted to \$ 127,739.
- A 60 percent property tax abatement to a high technology manufacturer of building materials for the expansion of its current facility. The abatement in the current fiscal year amounted to \$ 106,332.
- A 75 percent property tax abatement to a manufacturer of tools for the construction of a new facility for increased manufacturing capacity and increased employment. The abatement in the current fiscal year amounts to \$ 144,013.
- A 75 percent property tax abatement to a retail company for the construction of a regional distribution center and increased employment. The abatement in the current fiscal year amounts to \$ 149,454.

### **NOTE 19 - EVALUATION OF SUBSEQUENT EVENTS**

The County has evaluated subsequent events through March 12, 2018, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 40,015,742	\$ 41,515,742	\$ 41,696,377	\$ 180,635
Intergovernmental	1,255,751	1,255,751	961,459	( 294,292)
Prisoner housing services	7,360,000	10,112,354	10,112,353	( 1)
Fees	6,394,400	4,894,400	5,057,670	163,270
Fines	1,437,000	1,437,000	1,316,187	( 120,813)
Investment income	282,300	282,200	199,233	( 82,967)
Miscellaneous	442,712	442,712	1,037,580	594,868
Total revenues	<u>57,187,905</u>	<u>59,940,159</u>	<u>60,380,859</u>	<u>440,700</u>
Expenditures (Including Capital Outlay)				
Current:				
General administration	14,249,892	14,327,970	13,128,083	1,199,887
Administration of justice	7,757,849	7,767,216	6,960,188	807,028
Financial administration	1,045,203	1,046,203	983,233	62,970
Elections	505,362	532,792	504,052	28,740
Law enforcement	31,330,667	35,031,826	34,500,716	531,110
Highways and streets				-0-
Health and welfare	944,193	968,871	923,803	45,068
Culture and recreation	266,264	266,264	240,978	25,286
Conservation	178,565	188,072	181,805	6,267
Capital outlay		8,750	15,038	( 6,288)
Total expenditures	<u>56,277,995</u>	<u>60,137,964</u>	<u>57,437,896</u>	<u>2,700,068</u>
Excess (deficiency) of revenues over expenditures	<u>909,910</u>	<u>( 197,805)</u>	<u>2,942,963</u>	<u>3,140,768</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	10,000	10,000	92,178	82,178
Transfers in	197,800	147,800	360,147	212,347
Transfers out	( 1,112,042)	( 1,281,873)	( 1,262,612)	19,261
Total other financing sources (uses)	<u>( 904,242)</u>	<u>( 1,124,073)</u>	<u>( 810,287)</u>	<u>313,786</u>
Net change in fund balances	5,668	( 1,321,878)	2,132,676	3,454,554
Fund balances – beginning	<u>20,222,888</u>	<u>20,222,888</u>	<u>20,222,888</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 20,228,556</u>	<u>\$ 18,901,010</u>	<u>\$ 22,355,564</u>	<u>\$ 3,454,554</u>

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 4,078,338	\$ 4,515,338	\$ 4,496,407	\$ ( 18,931 )
68,000	68,000	225,030	157,030
			-0-
2,035,000	1,610,000	1,679,048	69,048
			-0-
54,900	54,900	78,351	23,451
<u>122,000</u>	<u>110,000</u>	<u>197,175</u>	<u>87,175</u>
<u>6,358,238</u>	<u>6,358,238</u>	<u>6,676,011</u>	<u>317,773</u>
			-0-
			-0-
			-0-
			-0-
			-0-
10,432,579	10,369,851	6,448,641	3,921,210
			-0-
			-0-
			-0-
<u>1,803,337</u>	<u>1,964,837</u>	<u>1,089,733</u>	<u>875,104</u>
<u>12,235,916</u>	<u>12,334,688</u>	<u>7,538,374</u>	<u>4,796,314</u>
( <u>5,877,678</u> )	( <u>5,976,450</u> )	( <u>862,363</u> )	<u>5,114,087</u>
		35,098	35,098
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>35,098</u>	<u>35,098</u>
( <u>5,877,678</u> )	( <u>5,976,450</u> )	( <u>827,265</u> )	5,149,185
<u>7,991,216</u>	<u>7,991,216</u>	<u>7,991,216</u>	<u>-0-</u>
<u>\$ 2,113,538</u>	<u>\$ 2,014,766</u>	<u>\$ 7,163,951</u>	<u>\$ 5,149,185</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 September 30, 2017

Exhibit 7

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability			
Service cost	\$ 3,686,376	\$ 3,356,710	\$ 3,228,313
Interest on total pension liability	7,591,733	7,131,530	6,593,390
Effect of plan changes		( 605,396)	
Effect of assumption changes or inputs		1,024,387	
Effect of economic/demographic (gains) or losses	291,215	( 1,277,227)	63,386
Benefit payments/refunds of contributions	( 4,014,436)	( 3,799,131)	( 3,231,425)
Net Change in Total Pension Liability	7,554,888	5,830,873	6,653,664
Total Pension Liability – beginning	<u>93,885,939</u>	<u>88,055,066</u>	<u>81,401,402</u>
Total Pension Liability – ending (a)	<u>\$ 101,440,827</u>	<u>\$ 93,885,939</u>	<u>\$ 88,055,066</u>
Fiduciary Net Position			
Employer contributions	\$ 2,617,668	\$ 2,511,927	\$ 2,470,381
Member contributions	1,805,291	1,703,829	1,688,738
Investment Income net of investment expense	6,229,109	( 616,199)	5,292,764
Benefit payments/refunds of contributions	( 4,014,436)	( 3,799,131)	( 3,231,425)
Administrative expense	( 67,695)	( 60,576)	( 62,523)
Other	<u>409,118</u>	<u>199,540</u>	<u>( 138,000)</u>
Net Change in Fiduciary Net Position	6,979,055	( 60,610)	6,019,935
Fiduciary Net Position – beginning	<u>84,015,355</u>	<u>84,075,965</u>	<u>78,056,030</u>
Fiduciary Net Position – ending (b)	<u>\$ 90,994,410</u>	<u>\$ 84,015,355</u>	<u>\$ 84,075,965</u>
Net Pension Liability/asset, ending (a)-(b)	<u>\$ 10,446,417</u>	<u>\$ 9,870,584</u>	<u>\$ 3,979,101</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	89.70%	89.49%	95.48%
Pensionable covered payroll	\$ 25,789,868	\$ 24,340,413	\$ 24,124,827
Net Pension Liability as a Percentage of Covered Payroll	40.51%	40.55%	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 September 30, 2017

Exhibit 8

<u>Year Ended December 31, (Measurement Date)</u>	<u>Actuarially Determined Contribution<sup>(1)</sup></u>	<u>Actual Employer Contribution<sup>(1)</sup></u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll<sup>(2)</sup></u>	<u>Actual Contribution as a % of Covered Payroll</u>
2008	\$ 1,531,258	\$ 1,531,258	\$ -0-	\$ 20,335,433	7.5%
2009	1,556,594	1,556,594	-0-	21,893,025	7.1%
2010	1,765,911	1,765,911	-0-	21,774,490	8.1%
2011	1,997,412	1,997,415	-0-	22,392,507	8.9%
2012	1,998,023	1,998,023	-0-	22,151,038	9.0%
2013	2,157,393	2,157,393	-0-	22,926,651	9.4%
2014	2,240,034	2,240,034	-0-	22,834,220	9.8%
2015	2,470,381	2,470,381	-0-	24,124,827	10.2%
2016	2,511,927	2,511,927	-0-	24,340,413	10.3%
2017	2,617,668	2,617,668	-0-	25,789,868	10.1%

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

<sup>(2)</sup> 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, 2017

### **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.



**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 of 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 Digital 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 fees collected and utilized for the purchase and maintenance of technological enhancements, or the cost of continuing education and training of county/district court judges and clerks regarding technological enhancements.

**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.

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

**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 TJJD 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.

**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.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

**STOP SCU Federal Forfeitures Fund** - This fund accounts for the funds received from forfeitures in a federal case.

**Pre-Trial Bond Supervision Fund** - This fund accounts for fees earned and expenditures authorized for participants' successful completion of the pre-trial bond program ordered by the court under the supervision of the Community Service and Corrections Department.

**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.

**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.

**MVIE – Tax A/C Penalty & Interest** - 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 aid.

**TCEQ LEPC Grant Fund** – Funding to purchase goods and services that allow the Local Emergency Planning Committee (LEPC) to establish, maintain, and/or improve their implementation of Emergency Planning and Community Right-to-Know Act (EPCRA).

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds - Continued**

**Texas CDBG 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.

**Vital Statistics Preservation Funds** – The “Vital Statistics” fee collected by the County Clerk pursuant to Health & Safety Code 191.0045 is for the preservation of vital statistical records. This includes preserving records, training regarding vital statistics and ensuring safety and security of vital statistics records.

## 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 C5 Construction Fund** - This fund is used to account for funding and expenditures incurred in the construction of a new jail facility.

**Courthouse Restoration Fund** - This fund is used to account for funding and expenditures incurred in the renovation of the historical courthouse.

**Construction Projects Fund** - This fund is used to record costs incurred in constructing or improving a capital asset that meet the capital construction criteria and are not funded by either grant or borrowed funds.

**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, 2017

	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	\$ 653,991	\$ 1,405,859	\$ 311,362
Short-term investments	111,137	63,508	
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Prepaid expenditures			
Investments	<u>591,042</u>	<u>337,743</u>	
Total assets	<u>1,356,170</u>	<u>1,807,110</u>	<u>311,362</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>\$ 1,356,170</u>	<u>\$ 1,807,110</u>	<u>\$ 311,362</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 6,440	\$
Due to other funds			
Unearned revenue			
Total liabilities	<u>-0-</u>	<u>6,440</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:			
Nonspendable			
Restricted	1,356,170	1,800,670	311,362
Unassigned			
Total fund balance	<u>1,356,170</u>	<u>1,800,670</u>	<u>311,362</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,356,170</u>	<u>\$ 1,807,110</u>	<u>\$ 311,362</u>



Revenue Funds

<u>Record Archives - District Clerk Fund</u>	<u>Court Records Preservation Digital Fund</u>	<u>Justice of the Peace Technology Fund</u>	<u>Courthouse Security Fund</u>	<u>County/District Court Technology Fund</u>	<u>District Court Records Technology Fund</u>
\$ 71,613	\$ 237,640	\$ 376,129	\$ 31,542	\$ 11,269	\$ 125,349
<u>71,613</u>	<u>237,640</u>	<u>376,129</u>	<u>31,542</u>	<u>11,269</u>	<u>125,349</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 71,613</u>	<u>\$ 237,640</u>	<u>\$ 376,129</u>	<u>\$ 31,542</u>	<u>\$ 11,269</u>	<u>\$ 125,349</u>
\$	\$	\$ 2,389	\$ 11,850	\$	\$
<u>-0-</u>	<u>-0-</u>	<u>2,389</u>	<u>11,850</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>
71,613	237,640	373,740	19,692	11,269	125,349
<u>71,613</u>	<u>237,640</u>	<u>373,740</u>	<u>19,692</u>	<u>11,269</u>	<u>125,349</u>
<u>\$ 71,613</u>	<u>\$ 237,640</u>	<u>\$ 376,129</u>	<u>\$ 31,542</u>	<u>\$ 11,269</u>	<u>\$ 125,349</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
**September 30, 2017**

	Special		
	Justice Court Building Security Fund	County Attorney Collection Fund	District Attorney 18 <sup>th</sup> Judicial Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 81,341	\$ 52,610	\$ 1,527
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		170	
Due from other governments			
Prepaid expenditures			
Investments			
<b>Total assets</b>	<b>81,341</b>	<b>52,780</b>	<b>1,527</b>
Deferred Outflows of Resources:			
Deferred outflows of resources			
<b>Total deferred outflows of resources</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 81,341</b>	<b>\$ 52,780</b>	<b>\$ 1,527</b>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
<b>Total liabilities</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
Deferred Inflows of Resources:			
Deferred inflows of resources			
<b>Total deferred inflows of resources</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
Fund Balance:			
Nonspendable			
Restricted	81,341	52,780	1,527
Unassigned			
<b>Total fund balance</b>	<b>81,341</b>	<b>52,780</b>	<b>1,527</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 81,341</b>	<b>\$ 52,780</b>	<b>\$ 1,527</b>

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
\$ 5,989	\$ 137,816	\$ 68,310	\$ 38,449	\$ 114,176	\$ 111,538
	94,967	12,642	5,988		
<u>5,989</u>	<u>232,783</u>	<u>80,952</u>	<u>44,437</u>	<u>114,176</u>	<u>111,538</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 5,989</u>	<u>\$ 232,783</u>	<u>\$ 80,952</u>	<u>\$ 44,437</u>	<u>\$ 114,176</u>	<u>\$ 111,538</u>
\$	\$ 232,783	\$ 9,497	\$ 7,401	\$ 1,443	\$
<u>-0-</u>	<u>232,783</u>	<u>9,497</u>	<u>7,401</u>	<u>1,443</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
5,989		71,455	37,036	112,733	111,538
<u>5,989</u>	<u>-0-</u>	<u>71,455</u>	<u>37,036</u>	<u>112,733</u>	<u>111,538</u>
<u>\$ 5,989</u>	<u>\$ 232,783</u>	<u>\$ 80,952</u>	<u>\$ 44,437</u>	<u>\$ 114,176</u>	<u>\$ 111,538</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2017

	Special		
	Sheriff Forfeiture Fund	County Attorney LEOSE Fund	Combined Constables LEOSE Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 7,723	\$ 1,328	\$ 10,951
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Prepaid expenditures			
Investments			
Total assets	7,723	1,328	10,951
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 7,223	\$ 1,328	\$ 10,951
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 3,125
Due to other funds			
Unearned revenue			
Total liabilities	-0-	-0-	3,125
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance:			
Nonspendable			
Restricted	7,723	1,328	7,826
Unassigned			
Total fund balance	7,723	1,328	7,826
Total liabilities, deferred inflows of resources and fund balances	\$ 7,223	\$ 1,328	\$ 10,951

Revenue Funds

Sheriff LEOSE Fund	Sheriff Inmate Commissary Fund	Abandoned Vehicle Fund	Law Library Fund	STOP SCU Forfeiture Fund	STOP SCU Operations Fund
\$ 10,395	\$ 253,965	\$	\$ 152,806	\$ 175,034	\$ 68,371
	5,000		1	41	
<u>10,395</u>	<u>258,965</u>	<u>-0-</u>	<u>152,807</u>	<u>175,075</u>	<u>68,371</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 10,395</u>	<u>\$ 258,965</u>	<u>\$ -0-</u>	<u>\$ 152,807</u>	<u>\$ 175,075</u>	<u>\$ 68,371</u>
\$	\$	\$	\$ 10,637	\$	\$ 7,590
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,637</u>	<u>-0-</u>	<u>7,590</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
10,395	258,965		142,170	175,075	60,781
<u>10,395</u>	<u>258,965</u>	<u>-0-</u>	<u>142,170</u>	<u>175,075</u>	<u>60,781</u>
<u>\$ 10,395</u>	<u>\$ 258,965</u>	<u>\$ -0-</u>	<u>\$ 152,807</u>	<u>\$ 175,075</u>	<u>\$ 68,371</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2016

	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	\$ 4,445	\$ 141,185	\$ 1,963,265
Short-term investments			95,260
Receivables (Net of Allowance for Uncollectibles):			
Taxes			21,835
Accounts		13,219	3,148
Due from other governments			
Prepaid expenditures			
Investments			506,606
Total assets	<u>4,445</u>	<u>154,404</u>	<u>2,590,114</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>\$ 4,445</u>	<u>\$ 154,404</u>	<u>\$ 2,590,114</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 5,820	\$ 80,480
Due to other funds			
Unearned revenue			
Total liabilities	<u>-0-</u>	<u>5,820</u>	<u>80,480</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>15,899</u>
Fund Balance:			
Nonspendable			
Restricted	4,445	148,584	2,493,735
Unassigned			
Total fund balance	<u>4,445</u>	<u>148,584</u>	<u>2,493,735</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,445</u>	<u>\$ 154,404</u>	<u>\$ 2,590,114</u>

Revenue Funds

<u>Cities Readiness Initiative Fund</u>	<u>Indigent Defense Formula/ Improvement Fund</u>	<u>Guardianship Fee Fund</u>	<u>Election Services Contract Fund</u>	<u>TCEO Aircheck Texas Fund</u>	<u>MVIE Tax A/C Penalty &amp; Interest Fund</u>
\$ 15,531	\$ 90,831	\$ 65,198	\$ 330,805	\$	\$ 36,676
10,152	63,184				
<u>25,693</u>	<u>154,015</u>	<u>65,198</u>	<u>330,805</u>	<u>-0-</u>	<u>36,676</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 25,683</u>	<u>\$ 154,015</u>	<u>\$ 65,198</u>	<u>\$ 330,805</u>	<u>\$ -0-</u>	<u>\$ 36,676</u>
\$ 421	\$ 1,307	\$ 4,710	\$ 7,363	\$	\$
25,262	152,708				
<u>25,683</u>	<u>154,015</u>	<u>4,710</u>	<u>7,363</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>
		60,488	323,442		36,676
<u>-0-</u>	<u>-0-</u>	<u>60,488</u>	<u>323,442</u>	<u>-0-</u>	<u>36,676</u>
<u>\$ 25,683</u>	<u>\$ 154,015</u>	<u>\$ 65,198</u>	<u>\$ 330,805</u>	<u>\$ -0-</u>	<u>\$ 36,676</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2017

	Special		
	Historical Commission Fund	Unclaimed Juvenile Restitution Fund	TCEO LEPC Grant Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 20,708	\$ 485	\$ 7,054
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Prepaid expenditures			15,333
Investments			
Total assets	<u>20,708</u>	<u>485</u>	<u>22,387</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>\$ 20,708</u>	<u>\$ 485</u>	<u>\$ 22,387</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			<u>22,387</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>22,387</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:			
Nonspendable			15,333
Restricted	20,708	485	
Unassigned			<u>( 15,333)</u>
Total fund balance	<u>20,708</u>	<u>485</u>	<u>-0-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,708</u>	<u>\$ 485</u>	<u>\$ 22,387</u>



Revenue Funds			Capital Projects Funds		
Texas CDBG Fund	Vital Statistics Preservation Fund	Total Special Revenue Funds	Equipment Purchase Funds	Jail C5 Construction Fund	Courthouse Restoration Fund
\$	\$ 113,914	\$ 7,307,180 269,905	\$ 123,663	\$	\$ 100,000
		21,835			
		27,567			
		180,945			
		15,333			
		1,435,391			
<u>-0-</u>	<u>113,914</u>	<u>9,258,156</u>	<u>123,663</u>	<u>-0-</u>	<u>100,000</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>\$ 113,914</u>	<u>\$ 9,258,156</u>	<u>\$ 123,663</u>	<u>\$ -0-</u>	<u>\$ 100,000</u>
\$	\$	\$ 393,256 177,970 22,387	\$ 149,253	\$	\$ 100,000
<u>-0-</u>	<u>-0-</u>	<u>593,613</u>	<u>149,253</u>	<u>-0-</u>	<u>100,000</u>
		15,899			
<u>-0-</u>	<u>-0-</u>	<u>15,899</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
		15,333			
	113,914	8,648,644	( 25,590)		
		( 15,333)	( 25,590)		
<u>-0-</u>	<u>113,914</u>	<u>8,648,644</u>	<u>( 25,590)</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ 113,914</u>	<u>\$ 9,258,156</u>	<u>\$ 123,663</u>	<u>\$ -0-</u>	<u>\$ 100,000</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2017

	<u>Capital Projects Funds</u>		
	<u>Construction Projects Fund</u>	<u>Software Projects Fund</u>	<u>Total Capital Projects Funds</u>
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 139,638	\$	\$ 363,301
Short-term investments			-0-
Receivables (Net of Allowance for Uncollectibles):			
Taxes			-0-
Accounts			-0-
Due from other governments			-0-
Prepaid expenditures			-0-
Investments			-0-
	<u>139,638</u>	<u>-0-</u>	<u>363,301</u>
Total assets			
	<u>139,638</u>	<u>-0-</u>	<u>363,301</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>\$ 139,638</u>	<u>\$ -0-</u>	<u>\$ 363,301</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$ 3,328	\$	\$ 152,581
Due to other funds			100,000
Unearned revenue			
	<u>3,328</u>	<u>-0-</u>	<u>252,581</u>
Total liabilities			
	<u>3,328</u>	<u>-0-</u>	<u>252,581</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:			
Nonspendable			-0-
Restricted	136,310		136,310
Unassigned			( 25,590)
	<u>136,310</u>	<u>-0-</u>	<u>110,720</u>
Total fund balance			
	<u>136,310</u>	<u>-0-</u>	<u>110,720</u>
Total liabilities, deferred inflows of resources and fund balances			
	<u>\$ 139,638</u>	<u>\$ -0-</u>	<u>\$ 363,301</u>

<hr/>	
Total Non-Major Governmental Funds	
<hr/>	
\$	7,670,481
	269,905
	21,835
	27,567
	180,945
	15,333
	<u>1,435,391</u>
	<u>9,621,457</u>
<hr/>	
	<u>-0-</u>
\$	<u>9,621,457</u>
\$	545,837
	277,970
	<u>22,387</u>
	<u>846,194</u>
	<u>15,899</u>
	<u>15,899</u>
	15,333
	8,784,954
(	<u>40,923)</u>
	<u>8,759,364</u>
\$	<u>9,621,457</u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2017

	Special		
	Right of Way Fund	Records Management and Preservation Fund	Record Archives - County Clerk Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees		379,034	335,930
Fines			
Investment income (loss)	11,627	11,232	8,318
Miscellaneous			
Total revenues	<u>11,627</u>	<u>390,266</u>	<u>344,248</u>
Expenditures:			
Current:			
General government		164,535	878,258
Administration of justice			
Elections			
Law enforcement			
Health and welfare			
Capital outlay	<u>124,267</u>		
Total expenditures	<u>124,267</u>	<u>164,535</u>	<u>878,258</u>
Excess (deficiency) of revenue over (under) expenditures	<u>( 112,640)</u>	<u>225,731</u>	<u>( 534,010)</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out		<u>( 106,236)</u>	
Total other financing sources (uses)	<u>-0-</u>	<u>( 106,236)</u>	<u>-0-</u>
Net change in fund balances	<u>( 112,640)</u>	<u>119,495</u>	<u>( 534,010)</u>
Fund Balance (Deficits):			
Beginning of year	<u>1,468,810</u>	<u>1,681,175</u>	<u>845,372</u>
End of year	<u>\$ 1,356,170</u>	<u>\$ 1,800,670</u>	<u>\$ 311,362</u>

Revenue Funds

Record Archives - District Clerk Fund	Court Records Preservation Digital Fund	Justice of the Peace Technology Fund	Courthouse Security Fund	County/District Court Technology Fund	District Court Records Technology Fund
\$	\$	\$	\$	\$	\$
11,562	29,783	28,443	73,882	5,310	24,905
462	1,559	2,540	180	161	795
<u>12,024</u>	<u>31,342</u>	<u>30,983</u>	<u>74,062</u>	<u>5,471</u>	<u>25,700</u>
		6,153		3,917 33,778	
			76,974		
<u>-0-</u>	<u>-0-</u>	<u>6,153</u>	<u>76,974</u>	<u>37,695</u>	<u>-0-</u>
<u>12,024</u>	<u>31,342</u>	<u>24,830</u>	<u>( 2,912)</u>	<u>( 32,224)</u>	<u>25,700</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>12,024</u>	<u>31,342</u>	<u>24,830</u>	<u>( 2,912)</u>	<u>( 32,224)</u>	<u>25,700</u>
<u>59,589</u>	<u>206,298</u>	<u>348,910</u>	<u>22,604</u>	<u>43,493</u>	<u>99,649</u>
<u>\$ 71,613</u>	<u>\$ 237,640</u>	<u>\$ 373,740</u>	<u>\$ 19,692</u>	<u>\$ 11,269</u>	<u>\$ 125,349</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2017

	Special		
	Justice Court Building Security Fund	County Attorney Collection Fund	District Attorney 18 <sup>th</sup> Judicial Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			21,964
Fees	7,792	8,083	
Fines			
Investment income (loss)	553	363	30
Miscellaneous			307
<b>Total revenues</b>	<b>8,345</b>	<b>8,446</b>	<b>22,301</b>
Expenditures:			
Current:			
General government			
Administration of justice	4,689		
Elections			
Law enforcement		4,934	782
Health and welfare			
Capital outlay			
<b>Total expenditures</b>	<b>4,689</b>	<b>4,934</b>	<b>782</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>3,656</b>	<b>3,512</b>	<b>21,519</b>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			( 21,964)
<b>Total other financing sources (uses)</b>	<b>-0-</b>	<b>-0-</b>	<b>( 21,964)</b>
<b>Net change in fund balance</b>	<b>3,656</b>	<b>3,512</b>	<b>( 445)</b>
Fund Balance (Deficits):			
Beginning of year	77,685	49,268	1,972
End of year	<u>\$ 81,341</u>	<u>\$ 52,780</u>	<u>\$ 1,527</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
\$	\$	\$	\$	\$	\$
592	1,059,857	57,526	8,439	37,964	1,464
40		920	552	812	769
<u>632</u>	<u>1,059,857</u>	<u>58,446</u>	<u>9,961</u>	<u>38,776</u>	<u>2,233</u>
495	1,059,857	222,466	7,656	46,768	
			26,642		
<u>495</u>	<u>1,059,857</u>	<u>222,466</u>	<u>34,298</u>	<u>46,768</u>	<u>-0-</u>
<u>137</u>	<u>-0-</u>	<u>( 164,020)</u>	<u>( 24,337)</u>	<u>( 7,992)</u>	<u>2,233</u>
		167,440	8,507		
<u>-0-</u>	<u>-0-</u>	<u>167,440</u>	<u>8,507</u>	<u>-0-</u>	<u>-0-</u>
137	-0-	3,420	( 15,830)	( 7,992)	2,233
<u>5,852</u>	<u></u>	<u>68,035</u>	<u>52,866</u>	<u>120,725</u>	<u>109,305</u>
<u>\$ 5,989</u>	<u>\$ -0-</u>	<u>\$ 71,455</u>	<u>\$ 37,036</u>	<u>\$ 112,733</u>	<u>\$ 111,538</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2017

	Special		
	Sheriff Forfeiture Fund	County Attorney LEOSE Fund	Combined Constables LEOSE Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees		952	3,260
Fines	319		
Investment income (loss)	64	9	117
Miscellaneous			
Total revenues	383	961	3,377
Expenditures:			
Current:			
General government			
Administration of justice			
Elections			
Law enforcement	2,195	1,116	2,976
Health and welfare			
Capital outlay			
Total expenditures	2,195	1,116	2,976
Excess (deficiency) of revenue over (under) expenditures	( 1,812)	( 155)	401
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	-0-	-0-	-0-
Net change in fund balance	( 1,812)	( 155)	401
Fund Balance (Deficits):			
Beginning of year	9,535	1,483	7,425
End of year	\$ 7,723	\$ 1,328	\$ 7,826



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
9,659			92,471		
100	1,731		1,090	13,344	618
	<u>763,597</u>		<u>6</u>	<u>1,370</u>	<u>7</u>
<u>9,759</u>	<u>765,328</u>	<u>-0-</u>	<u>93,567</u>	<u>15,885</u>	<u>66,360</u>
			117,422		
10,801	608,483	255		4,363	93,244
<u>10,801</u>	<u>608,483</u>	<u>255</u>	<u>117,422</u>	<u>4,363</u>	<u>93,244</u>
( <u>1,042</u> )	<u>156,845</u>	( <u>255</u> )	( <u>23,855</u> )	<u>11,522</u>	( <u>26,884</u> )
	618				50,000
	( <u>140,652</u> )				
<u>-0-</u>	( <u>140,034</u> )	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50,000</u>
( <u>1,042</u> )	16,811	( <u>255</u> )	( <u>23,855</u> )	11,522	23,116
<u>11,437</u>	<u>242,154</u>	<u>255</u>	<u>166,025</u>	<u>163,553</u>	<u>37,665</u>
<u>\$ 10,395</u>	<u>\$ 258,965</u>	<u>\$ -0-</u>	<u>\$ 142,170</u>	<u>\$ 175,075</u>	<u>\$ 60,781</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2017

	Special		
	STOP SCU Federal Forfeitures Fund	Pre-Trial Bond Supervision Fund	Indigent Health Care Fund
Revenues:			
Taxes	\$	\$	\$ 1,512,272
Intergovernmental			33,715
Fees		172,851	
Fines			
Investment income (loss)	31	875	22,780
Miscellaneous			
Total revenues	31	173,726	1,568,767
Expenditures:			
Current:			
General government			
Administration of justice		108,933	
Elections			
Law enforcement			
Health and welfare			1,163,379
Capital outlay			
Total expenditures	-0-	108,933	1,163,379
Excess (deficiency) of revenue over (under) expenditures	31	64,793	405,388
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	-0-	-0-	-0-
Net change in fund balance	31	64,793	405,388
Fund Balance (Deficits):			
Beginning of year	4,414	83,791	2,088,347
End of year	\$ 4,445	\$ 148,584	\$ 2,493,735

Revenue Funds

Cities Readiness Initiative Fund	Indigent Defense Formula/ Improvement Fund	Guardianship Fee Fund	Election Services Contract Fund	TCEQ Aircheck Texas Fund	MVIE Tax A/C Penalty & Interest Fund
\$ 35,422	\$ 201,280	\$ 10,402	\$	\$ 366,286	\$
	881	486	2,136		220
			49,851		3,601
<u>35,422</u>	<u>202,161</u>	<u>10,888</u>	<u>51,987</u>	<u>366,286</u>	<u>3,821</u>
10,160	29,892	22,254	18,754	366,286	
<u>10,160</u>	<u>29,892</u>	<u>22,254</u>	<u>18,754</u>	<u>366,286</u>	<u>-0-</u>
<u>25,262</u>	<u>172,269</u>	<u>( 11,366)</u>	<u>33,233</u>	<u>-0-</u>	<u>3,821</u>
<u>( 25,262)</u>	<u>( 172,269)</u>				
<u>( 25,262)</u>	<u>( 172,269)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>( 11,366)</u>	<u>33,233</u>	<u>-0-</u>	<u>3,821</u>
<u>-0-</u>	<u>-0-</u>	<u>71,854</u>	<u>290,209</u>	<u>-0-</u>	<u>32,855</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 60,488</u>	<u>\$ 323,442</u>	<u>\$ -0-</u>	<u>\$ 36,676</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2017

	Special		
	Historical Commission Fund	Unclaimed Juvenile Restitution Fund	TCEQ LEPC Grant Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			42,067
Fees			
Fines			
Investment income (loss)	202	9	
Miscellaneous		167	
Total revenues	<u>202</u>	<u>176</u>	<u>42,067</u>
Expenditures:			
Current:			
General government	21,518		5,667
Administration of justice			
Elections			
Law enforcement			
Health and welfare			
Capital outlay			36,400
Total expenditures	<u>21,518</u>	<u>-0-</u>	<u>42,067</u>
Excess (deficiency) of revenue over (under) expenditures	<u>( 21,316)</u>	<u>176</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in	10,000		
Operating transfers out			
Total other financing sources (uses)	<u>10,000</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	<u>( 11,316)</u>	<u>176</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year	<u>32,024</u>	<u>309</u>	<u></u>
End of year	<u>\$ 20,708</u>	<u>\$ 485</u>	<u>\$ -0-</u>

Revenue Funds			Capital Projects Funds		
Texas CDBG Fund	Vital Statistics Preservation Fund	Total Special Revenue Funds	Equipment Purchase Funds	Jail C5 Construction Fund	Courthouse Restoration Fund
\$ 5,500	\$ 7,678	\$ 1,512,272	\$	\$	\$
		1,889,352			
		1,248,992			
		15,127			
		73,433	2,240	19,264	339
		819,876			
<u>5,500</u>	<u>7,678</u>	<u>5,559,052</u>	<u>2,240</u>	<u>19,264</u>	<u>339</u>
5,500		1,573,263	275,141	28,172	
		1,542,446	10,773		
		18,754			
		806,618	65,683		
		1,163,379	8,522		
		187,309	508,038	1,782,586	
<u>5,500</u>	<u>-0-</u>	<u>5,291,769</u>	<u>868,127</u>	<u>1,810,758</u>	<u>-0-</u>
<u>-0-</u>	<u>7,678</u>	<u>267,283</u>	<u>( 865,887)</u>	<u>( 1,791,494)</u>	<u>339</u>
		9,125			
	106,236	333,676	815,342		38,661
		( 466,383)		( 944,463)	
<u>-0-</u>	<u>106,236</u>	<u>( 123,582)</u>	<u>815,342</u>	<u>( 944,463)</u>	<u>38,661</u>
-0-	113,914	143,701	( 50,545)	( 2,735,957)	39,000
		8,504,943	24,955	2,735,957	( 39,000)
<u>\$ -0-</u>	<u>\$ 113,914</u>	<u>\$ 8,648,644</u>	<u>\$ ( 25,590)</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, 2017

	Capital Projects Funds		
	Construction Projects Fund	Software Projects Fund	Total Capital Projects Funds
Revenues:			
Taxes	\$	\$	\$ -0-
Intergovernmental			-0-
Fees			-0-
Fines			-0-
Investment income (loss)		5,405	27,248
Miscellaneous			-0-
Total revenues	-0-	5,405	27,248
Expenditures:			
Current:			
General government			303,313
Administration of justice			10,773
Elections			-0-
Law enforcement			65,653
Health and welfare			8,522
Capital outlay	88,690	1,238,191	3,617,505
Total expenditures	88,690	1,238,191	4,005,766
Excess (deficiency) of revenue over (under) expenditures	( 88,690)	( 1,232,786)	( 3,978,518)
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			-0-
Operating transfers in	50,000	40,169	944,172
Operating transfers out			( 944,463)
Total other financing sources (uses)	50,000	40,169	( 291)
Net change in fund balance	( 38,690)	( 1,192,617)	( 3,978,809)
Fund Balance (Deficits):			
Beginning of year	175,000	1,192,617	4,089,529
End of year	\$ 136,310	\$ -0-	\$ 110,720

Funds

Total  
Non-Major  
Governmental  
Funds

\$ 1,512,272  
1,889,352  
1,248,992  
15,127  
100,681  
819,876  
  
5,586,300

1,876,576  
1,553,219  
18,754  
872,271  
1,171,901  
3,804,814

9,297,535

( 3,711,235 )

9,125  
1,277,848  
( 1,410,846 )

( 123,873 )

( 3,835,108 )

12,594,472

\$ 8,759,364

**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, 2017

Exhibit 11  
Page 1 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration:				
County Clerk:				
Salaries and wages, and employee benefits	\$ 1,984,162	\$ 1,984,162	\$ 1,906,052	\$ 78,110
Operating expenditures	83,300	80,223	73,028	7,195
Total County Clerk	2,067,462	2,064,385	1,979,080	85,305
County Judge:				
Salaries and wages, and employee benefits	394,380	394,380	380,041	14,339
Operating expenditures	9,950	9,950	9,236	714
Total County Judge	404,330	404,330	389,277	15,053
County Commissioners:				
Salaries and wages, and employee benefits	488,989	489,714	484,811	4,903
Total County Commissioners	488,989	489,714	484,811	4,903
Veterans:				
Salaries and wages, and employee benefits	212,501	212,501	166,281	46,220
Operating expenditures	12,800	12,800	9,571	3,229
Total Veterans	225,301	225,301	175,852	49,449
Public Works:				
Salaries and wages, and employee benefits	1,394,034	1,394,034	1,315,980	78,054
Operating expenditures	54,333	71,497	63,243	8,254
Total Public Works	1,448,367	1,465,531	1,379,223	86,308
Building Maintenance:				
Operating expenditures	1,227,700	1,202,886	962,007	240,879
Total Building Maintenance	1,227,700	1,202,886	962,007	240,879
Purchasing:				
Salaries and wages, and employee benefits	311,190	311,190	301,893	9,297
Operating expenditures	32,230	33,230	24,901	8,329
Total Purchasing	343,420	344,420	326,794	17,626
Information Systems:				
Salaries and wages, and employee benefits	843,297	843,297	795,725	47,572
Operating expenditures	1,341,797	1,356,797	1,326,760	30,037
Total Information Systems	2,185,094	2,200,094	2,122,485	77,609
Print Shop:				
Salaries and wages, and employee benefits	50,490	50,490	48,276	2,214
Operating expenditures	32,601	29,623	25,631	3,992
Total Print Shop	83,091	80,113	73,907	6,206

(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, 2017

Exhibit 11  
Page 2 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Mail Room:				
Salaries and wages, and employee benefits	\$ 92,719	\$ 92,719	\$ 92,694	\$ 25
Operating expenditures	<u>11,000</u>	<u>11,000</u>	<u>8,979</u>	<u>2,021</u>
Total Mail Room	<u>103,719</u>	<u>103,719</u>	<u>101,673</u>	<u>2,046</u>
Telecommunications:				
Salaries and wages, and employee benefits	<u>43,141</u>	<u>43,141</u>	<u>43,054</u>	<u>87</u>
Total Telecommunications	<u>43,141</u>	<u>43,141</u>	<u>43,054</u>	<u>87</u>
Personnel:				
Salaries and wages, and employee benefits	330,625	330,625	312,055	18,570
Operating expenditures	<u>29,800</u>	<u>27,105</u>	<u>9,421</u>	<u>17,684</u>
Total Personnel	<u>360,425</u>	<u>357,730</u>	<u>321,476</u>	<u>36,254</u>
County Tax Collector:				
Salaries and wages, and employee benefits	1,376,363	1,376,363	1,333,663	42,700
Operating expenditures	<u>298,883</u>	<u>298,883</u>	<u>162,631</u>	<u>136,252</u>
Total County Tax Collector	<u>1,675,246</u>	<u>1,675,246</u>	<u>1,496,294</u>	<u>178,952</u>
Non-departmental:				
Salaries and wages, and employee benefits	340,223	340,223	308,486	31,737
Operating expenditures	3,253,384	3,331,137	2,963,664	367,473
Capital outlay	<u>8,750</u>	<u>8,750</u>	<u>8,750</u>	<u>-0-</u>
Total Non-departmental	<u>3,593,607</u>	<u>3,680,110</u>	<u>3,280,900</u>	<u>399,210</u>
Total General Administration	<u>14,249,892</u>	<u>14,336,720</u>	<u>13,136,833</u>	<u>1,199,887</u>
Administration of Justice:				
County Court at Law I:				
Salaries and wages, and employee benefits	563,069	563,069	538,835	24,234
Operating expenditures	<u>313,000</u>	<u>314,775</u>	<u>288,354</u>	<u>26,421</u>
Total County Court at Law I	<u>876,069</u>	<u>877,844</u>	<u>827,189</u>	<u>50,655</u>
County Court at Law II:				
Salaries and wages, and employee benefits	441,793	441,793	436,724	5,069
Operating expenditures	<u>328,900</u>	<u>329,858</u>	<u>292,652</u>	<u>37,206</u>
Total County Court at Law II	<u>770,693</u>	<u>771,651</u>	<u>729,376</u>	<u>42,275</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, 2017

Exhibit 11  
Page 3 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice – Continued:				
General District Court:				
Salaries and wages, and employee benefits	\$ 100,885	\$ 100,885	\$ 45,128	\$ 55,757
Operating expenditures	<u>75,769</u>	<u>79,529</u>	<u>77,773</u>	<u>1,756</u>
Total General District Court	<u>176,654</u>	<u>180,414</u>	<u>122,901</u>	<u>57,513</u>
249 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	301,963	301,963	263,974	37,989
Operating expenditures	<u>415,833</u>	<u>416,791</u>	<u>391,583</u>	<u>25,208</u>
Total 249 <sup>th</sup> District Court	<u>717,796</u>	<u>718,754</u>	<u>655,557</u>	<u>63,197</u>
18 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	282,421	282,421	259,669	22,752
Operating expenditures	<u>432,033</u>	<u>432,991</u>	<u>370,256</u>	<u>62,735</u>
Total 18 <sup>th</sup> District Court	<u>714,454</u>	<u>715,412</u>	<u>629,925</u>	<u>85,487</u>
413 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	282,131	282,131	257,018	25,113
Operating expenditures	<u>421,090</u>	<u>422,048</u>	<u>402,141</u>	<u>19,907</u>
Total 413 <sup>th</sup> District Court	<u>703,221</u>	<u>704,179</u>	<u>659,159</u>	<u>45,020</u>
District Clerk:				
Salaries and wages, and employee benefits	1,241,636	1,241,636	1,222,197	19,439
Operating expenditures	<u>75,092</u>	<u>75,092</u>	<u>71,782</u>	<u>3,310</u>
Total District Clerk	<u>1,316,728</u>	<u>1,316,728</u>	<u>1,293,979</u>	<u>22,749</u>
Jury:				
Salaries and wages, and employee benefits			61,489	( 61,489)
Operating expenditures	145,000	145,000	54,446	90,554
Capital outlay			<u>6,288</u>	<u>( 6,288)</u>
Total Jury	<u>145,000</u>	<u>145,000</u>	<u>122,223</u>	<u>22,777</u>
Justice of the Peace #1:				
Salaries and wages, and employee benefits	277,483	277,483	269,204	8,279
Operating expenditures	<u>11,310</u>	<u>11,310</u>	<u>11,098</u>	<u>212</u>
Total Justice of the Peace #1	<u>288,793</u>	<u>288,793</u>	<u>280,302</u>	<u>8,491</u>
Justice of the Peace #2:				
Salaries and wages, and employee benefits	270,546	270,546	254,298	16,248
Operating expenditures	<u>14,350</u>	<u>14,350</u>	<u>13,867</u>	<u>483</u>
Total Justice of the Peace #2	<u>284,896</u>	<u>284,896</u>	<u>268,165</u>	<u>16,731</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, 2017

Exhibit 11  
Page 4 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
Justice of the Peace #3:				
Salaries and wages, and employee benefits	\$ 274,054	\$ 274,054	\$ 260,630	\$ 13,424
Operating expenditures	<u>13,800</u>	<u>13,800</u>	<u>9,688</u>	<u>4,112</u>
Total Justice of the Peace #3	<u>287,854</u>	<u>287,854</u>	<u>270,318</u>	<u>17,536</u>
Justice of the Peace #4:				
Salaries and wages, and employee benefits	233,441	233,441	224,309	9,132
Operating expenditures	<u>10,650</u>	<u>10,650</u>	<u>10,238</u>	<u>412</u>
Total Justice of the Peace #4	<u>244,091</u>	<u>244,091</u>	<u>234,547</u>	<u>9,544</u>
Bail Bonds Office:				
Salaries and wages, and employee benefits	54,466	54,466	54,433	33
Operating expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,542</u>	<u>458</u>
Total Bail Bonds Office	<u>56,466</u>	<u>56,466</u>	<u>55,975</u>	<u>491</u>
Adult Probation:				
Operating expenditures	<u>7,600</u>	<u>7,600</u>	<u>3,133</u>	<u>4,467</u>
Total Adult Probation	<u>7,600</u>	<u>7,600</u>	<u>3,133</u>	<u>4,467</u>
Juvenile Probation:				
Salaries and wages, and employee benefits	417,084	417,084	341,672	75,412
Operating expenditures	<u>750,450</u>	<u>750,450</u>	<u>472,055</u>	<u>278,395</u>
Total Juvenile Probation	<u>1,167,534</u>	<u>1,167,534</u>	<u>813,727</u>	<u>353,807</u>
Total Administration of Justice	<u>7,757,849</u>	<u>7,767,216</u>	<u>6,966,476</u>	<u>800,740</u>
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	810,423	810,423	791,916	18,507
Operating expenditures	<u>58,600</u>	<u>58,600</u>	<u>27,978</u>	<u>30,622</u>
Total County Auditor	<u>869,023</u>	<u>869,023</u>	<u>819,894</u>	<u>49,129</u>
County Treasurer:				
Salaries and wages, and employee benefits	164,980	164,980	153,795	11,185
Operating expenditures	<u>11,200</u>	<u>12,200</u>	<u>9,544</u>	<u>2,656</u>
Total County Treasurer	<u>176,180</u>	<u>177,180</u>	<u>163,339</u>	<u>13,841</u>
Total Financial Administration	<u>1,045,203</u>	<u>1,046,203</u>	<u>983,233</u>	<u>62,970</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, 2017

Exhibit 11  
Page 5 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Elections:				
Elections:				
Salaries and wages, and employee benefits	\$ 376,612	\$ 404,042	\$ 397,702	\$ 6,340
Operating expenditures	<u>128,750</u>	<u>128,750</u>	<u>106,350</u>	<u>22,400</u>
Total Elections	<u>505,362</u>	<u>532,792</u>	<u>504,052</u>	<u>28,740</u>
Law Enforcement				
County Attorney:				
Salaries and wages, and employee benefits	1,888,399	1,888,399	1,868,170	20,229
Operating expenditures	<u>90,054</u>	<u>90,224</u>	<u>80,396</u>	<u>9,828</u>
Total County Attorney	<u>1,978,453</u>	<u>1,978,623</u>	<u>1,948,566</u>	<u>30,057</u>
District Attorney:				
Salaries and wages, and employee benefits	1,955,468	1,926,994	1,826,561	100,433
Operating expenditures	<u>122,500</u>	<u>122,500</u>	<u>93,269</u>	<u>29,231</u>
Total District Attorney	<u>2,077,968</u>	<u>2,049,494</u>	<u>1,919,830</u>	<u>129,664</u>
County/District Attorney Supplement:				
Salaries and wages, and employee benefits	<u>22,064</u>	<u>22,064</u>	<u>21,996</u>	<u>68</u>
Total County/District Attorney Supplement	<u>22,064</u>	<u>22,064</u>	<u>21,996</u>	<u>68</u>
Constable - Precinct 1:				
Salaries and wages, and employee benefits	291,351	291,351	290,205	1,146
Operating expenditures	<u>35,841</u>	<u>36,686</u>	<u>36,035</u>	<u>651</u>
Total Constable - Precinct 1	<u>327,192</u>	<u>328,037</u>	<u>326,240</u>	<u>1,797</u>
Constable - Precinct 2:				
Salaries and wages, and employee benefits	258,414	259,013	259,062	( 49)
Operating expenditures	<u>28,848</u>	<u>30,545</u>	<u>24,470</u>	<u>6,075</u>
Total Constable - Precinct 2	<u>287,262</u>	<u>289,558</u>	<u>283,532</u>	<u>6,026</u>
Constable - Precinct 3:				
Salaries and wages, and employee benefits	248,221	248,221	247,612	609
Operating expenditures	<u>26,570</u>	<u>26,570</u>	<u>15,005</u>	<u>11,565</u>
Total Constable - Precinct 3	<u>274,791</u>	<u>274,791</u>	<u>262,617</u>	<u>12,174</u>
Constable - Precinct 4:				
Salaries and wages, and employee benefits	258,966	258,701	250,425	8,276
Operating expenditures	<u>36,026</u>	<u>39,471</u>	<u>37,396</u>	<u>2,075</u>
Total Constable - Precinct 4	<u>294,992</u>	<u>298,172</u>	<u>287,821</u>	<u>10,351</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, 2017

Exhibit 11  
Page 6 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
ASAP-JISD:				
Salaries and wages, and employee benefits	\$ 64,704	\$ 65,322	\$ 52,223	\$ 13,099
Operating expenditures	3,550	996	813	183
Total ASAP-JISD	68,254	66,318	53,036	13,282
ASAP-CISD:				
Salaries and wages, and employee benefits	127,338	129,273	126,165	3,108
Operating expenditures	10,000	9,800	6,416	3,384
Total ASAP-CISD	137,338	139,073	132,581	6,492
Sheriff Admin-Patrol:				
Salaries and wages, and employee benefits	7,108,698	7,096,193	6,967,146	129,047
Operating expenditures	701,800	767,357	734,940	32,417
Total Sheriff Admin-Patrol	7,810,498	7,863,550	7,702,086	161,464
Sheriff-Jail:				
Salaries and wages, and employee benefits	1,102,726	1,102,726	1,079,498	23,228
Operating expenditures	16,068,800	19,811,155	19,716,108	95,047
Total Sheriff-Jail	17,171,526	20,913,881	20,795,606	118,275
CVE Traffic Enforcement:				
Salaries and wages, and employee benefits	272,810	273,308	260,421	12,887
Operating expenditures	32,300	17,200	14,259	2,941
Total CVE Traffic Enforcement	305,110	290,508	274,680	15,828
Mansfield Interlocal:				
Salaries and wages, and employee benefits	154,291	85,494	84,562	932
Operating expenditures		600	600	
Total Mansfield Interlocal	154,291	86,094	85,162	932
Texas DPS Office:				
Salaries and wages, and employee benefits	73,285	73,285	61,750	11,535
Operating expenditures	750	750	592	158
Total Texas DPS Office	74,035	74,035	62,342	11,693
SRO-Godley ISD:				
Salaries and wages, and employee benefits	\$ 68,904	\$ 69,569	\$ 67,823	\$ 1,746
Operating expenditures	4,850	3,800	1,536	2,264
Total SRO-Godley ISD	73,754	73,369	69,359	4,010

(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, 2017

Exhibit 11  
Page 7 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
SRO-Joshua ISD:				
Salaries and wages, and employee benefits	131,911	144,586	144,518	68
Operating expenditures	<u>7,600</u>	<u>6,000</u>	<u>4,023</u>	<u>1,977</u>
Total SRO-Joshua ISD	<u>139,511</u>	<u>150,586</u>	<u>148,541</u>	<u>2,045</u>
SRO-Alvarado ISD:				
Salaries and wages, and employee benefits	125,215	126,410	123,586	2,824
Operating expenditures	<u>8,413</u>	<u>7,263</u>	<u>3,135</u>	<u>4,128</u>
Total SRO-Alvarado ISD	<u>133,628</u>	<u>133,673</u>	<u>126,721</u>	<u>6,952</u>
Total Law Enforcement	<u>31,330,667</u>	<u>35,031,826</u>	<u>34,500,716</u>	<u>531,110</u>
Health and Welfare:				
Medical Examiner:				
Salaries and wages, and employee benefits	202,265	202,265	191,158	11,107
Operating expenditures	<u>221,050</u>	<u>221,050</u>	<u>211,107</u>	<u>9,943</u>
Total Medical Examiner	<u>423,315</u>	<u>423,315</u>	<u>402,265</u>	<u>21,050</u>
Non-departmental:				
Operating expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>
Total Non-departmental	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>
Emergency Management:				
Salaries and wages, and employee benefits	182,369	182,369	176,648	5,721
Operating expenditures	<u>328,509</u>	<u>315,961</u>	<u>297,664</u>	<u>18,297</u>
Total Emergency Management	<u>510,878</u>	<u>498,330</u>	<u>474,312</u>	<u>24,018</u>
Radio Management:				
Operating expenditures		<u>37,226</u>	<u>37,226</u>	<u>-0-</u>
Total Radio Management	<u>-0-</u>	<u>37,226</u>	<u>37,226</u>	<u>-0-</u>
Total Health and Welfare	<u>944,193</u>	<u>968,871</u>	<u>923,803</u>	<u>45,068</u>
Culture and Recreation:				
Hamm Creek Park:				
Salaries and wages, and employee benefits	\$ 239,114	\$ 239,114	\$ 221,704	\$ 17,410
Operating expenditures	<u>27,150</u>	<u>27,150</u>	<u>19,274</u>	<u>7,876</u>
Total Hamm Creek Park	<u>266,264</u>	<u>266,264</u>	<u>240,978</u>	<u>25,286</u>
Total Culture and Recreation	<u>266,264</u>	<u>266,264</u>	<u>240,978</u>	<u>25,286</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, 2017

Exhibit 11  
Page 8 of 8

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Conservation:				
County Extension:				
Salaries and wages, and employee benefits	164,765	174,272	168,750	5,522
Operating expenditures	<u>13,800</u>	<u>13,800</u>	<u>13,055</u>	<u>745</u>
Total County Extension	<u>178,565</u>	<u>188,072</u>	<u>181,805</u>	<u>6,267</u>
Total Conservation	<u>178,565</u>	<u>188,072</u>	<u>181,805</u>	<u>6,267</u>
Total expenditures	<u>\$ 56,277,995</u>	<u>\$ 60,137,964</u>	<u>\$ 57,437,896</u>	<u>\$ 2,700,068</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, 2017

	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	\$ 1,035,921	\$ 1,051,289	\$ 942,981	\$ 108,308
Operating expenditures	1,614,864	1,440,496	808,560	631,936
Capital outlay	813,000	972,000	670,443	301,557
Total Road and Bridge Precinct 1	<u>3,463,785</u>	<u>3,463,785</u>	<u>2,421,984</u>	<u>1,041,801</u>
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	1,037,312	1,048,646	715,446	333,200
Operating expenditures	1,058,050	1,066,016	404,773	661,243
Capital outlay	252,337	249,837	56,478	193,359
Total Road and Bridge Precinct 2	<u>2,347,699</u>	<u>2,364,499</u>	<u>1,176,697</u>	<u>1,187,802</u>
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	1,214,499	1,230,607	1,040,150	190,457
Operating expenditures	1,638,975	1,617,867	774,381	843,486
Capital outlay	330,000	335,000	203,020	131,980
Total Road and Bridge Precinct 3	<u>3,183,474</u>	<u>3,183,474</u>	<u>2,017,551</u>	<u>1,165,923</u>
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	1,334,770	1,354,765	1,240,435	114,330
Operating expenditures	1,498,188	1,560,165	521,915	1,038,250
Capital outlay	408,000	408,000	159,792	248,208
Total Road and Bridge Precinct 4	<u>3,240,958</u>	<u>3,322,930</u>	<u>1,922,142</u>	<u>1,400,788</u>
Total expenditures	<u>\$ 12,235,916</u>	<u>\$ 12,334,688</u>	<u>\$ 7,538,374</u>	<u>\$ 4,796,314</u>



**JOHNSON COUNTY, TEXAS**

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

Exhibit 13  
Page 1 of 1

Legal Level of Budgetary Control  
For the Year Ended September 30, 2017

	General Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 2,736,466	\$ 2,736,466	\$ 3,032,887	\$ 296,421
Investment income	1,700	1,700	10,127	8,427
Total revenues	<u>2,738,166</u>	<u>2,738,166</u>	<u>3,043,014</u>	<u>304,848</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	2,190,000	2,190,000	2,190,000	-0-
Interest on long-term debt	<u>1,583,166</u>	<u>1,637,379</u>	<u>1,637,067</u>	<u>312</u>
Total expenditures	<u>3,773,166</u>	<u>3,827,379</u>	<u>3,827,067</u>	<u>312</u>
Excess (deficiency) of revenues over expenditures	<u>( 1,035,000)</u>	<u>( 1,089,213)</u>	<u>( 784,053)</u>	<u>305,160</u>
Other Financing Sources (Uses):				
Issuance of certificates of obligation bonds			6,425,000	6,425,000
Payment to escrow agent		( 6,360,662)	( 6,360,661)	1
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>( 6,360,662)</u>	<u>64,339</u>	<u>6,425,001</u>
Net change in fund balances	<u>( 1,035,000)</u>	<u>( 7,449,875)</u>	<u>( 719,714)</u>	<u>6,730,161</u>
Fund balances – beginning	<u>1,566,128</u>	<u>1,566,128</u>	<u>1,566,128</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 531,128</u>	<u>\$( 5,883,747)</u>	<u>\$ 846,414</u>	<u>\$ 6,730,161</u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2017

	Right of Way Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$	\$ -0-
Investment income (loss)	17,400	17,400	11,627	( 5,773)
Total revenues	17,400	17,400	11,627	( 5,773)
Expenditures:				
General Administration:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Highways and Streets:				
Capital outlay		124,269	124,267	2
Total expenditures	-0-	124,269	124,267	2
Excess (deficiency) of revenues over expenditures	17,400	( 106,869)	( 112,640)	( 5,771)
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	17,400	( 106,869)	( 112,640)	( 5,771)
Fund balances – beginning	1,468,810	1,468,810	1,468,810	-0-
Fund balances – ending	\$ 1,486,210	\$ 1,361,941	\$ 1,356,170	\$( 5,771)

Records Management and Preservation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 349,500	\$ 349,500	\$ 379,034	\$ 29,534
<u>11,900</u>	<u>11,900</u>	<u>11,232</u>	<u>( 668 )</u>
<u>361,400</u>	<u>361,400</u>	<u>390,266</u>	<u>28,866</u>
148,885	148,885	145,002	3,883
278,200	171,963	19,533	152,430
<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
<u>427,085</u>	<u>320,848</u>	<u>164,535</u>	<u>156,313</u>
<u>( 65,685 )</u>	<u>40,552</u>	<u>225,731</u>	<u>185,179</u>
<u>          </u>	<u>( 106,237 )</u>	<u>( 106,236 )</u>	<u>-0-</u>
<u>-0-</u>	<u>( 106,237 )</u>	<u>( 106,236 )</u>	<u>1</u>
<u>( 65,685 )</u>	<u>( 65,685 )</u>	<u>119,495</u>	<u>185,180</u>
<u>1,681,175</u>	<u>1,681,175</u>	<u>1,681,175</u>	<u>-0-</u>
<u>\$ 1,615,490</u>	<u>\$ 1,615,490</u>	<u>\$ 1,800,670</u>	<u>\$ 185,180</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, 2017

	Record Archives County Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 290,000	\$ 290,000	\$ 335,930	\$ 45,930
Investment income	<u>1,200</u>	<u>1,200</u>	<u>8,318</u>	<u>7,118</u>
Total revenues	<u>291,200</u>	<u>291,200</u>	<u>344,248</u>	<u>53,048</u>
Expenditures:				
General Government:				
Operating expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>878,258</u>	<u>121,742</u>
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>878,258</u>	<u>121,742</u>
Excess (deficiency) of revenues over expenditures	( 708,800)	( 708,800)	( 534,010)	174,790
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	( 708,800)	( 708,800)	( 534,010)	174,790
Fund balances – beginning	<u>845,372</u>	<u>845,372</u>	<u>845,372</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 136,572</u>	<u>\$ 136,572</u>	<u>\$ 311,362</u>	<u>\$ 174,790</u>

Record Archives District Clerk Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 10,300	\$ 10,300	\$ 11,562	\$ 1,262
<u>100</u>	<u>100</u>	<u>462</u>	<u>362</u>
<u>10,400</u>	<u>10,400</u>	<u>12,024</u>	<u>1,624</u>
			-0-
-0-	-0-	-0-	-0-
<u>10,400</u>	<u>10,400</u>	<u>12,024</u>	<u>1,624</u>
			-0-
			-0-
-0-	-0-	-0-	-0-
10,400	10,400	12,024	1,624
<u>59,589</u>	<u>59,589</u>	<u>59,589</u>	<u>-0-</u>
<u>\$ 69,989</u>	<u>\$ 69,989</u>	<u>\$ 71,613</u>	<u>\$ 1,624</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, 2017

	Court Records Preservation Digital Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 29,000	\$ 29,000	\$ 29,783	\$ 783
Investment income (loss)	<u>300</u>	<u>300</u>	<u>1,559</u>	<u>1,259</u>
Total revenues	<u>29,300</u>	<u>29,300</u>	<u>31,342</u>	<u>2,042</u>
Expenditures:				
Administration of Justice:				
Operating expenditures	<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>29,300</u>	<u>29,300</u>	<u>31,342</u>	<u>2,042</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	29,300	29,300	31,342	2,042
Fund balances – beginning	<u>206,298</u>	<u>206,298</u>	<u>206,298</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 235,598</u>	<u>\$ 235,598</u>	<u>\$ 237,640</u>	<u>\$ 2,042</u>

Justice of the Peace Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 28,100	\$ 28,100	\$ 28,443	\$ 343
<u>500</u>	<u>500</u>	<u>2,540</u>	<u>2,040</u>
<u>28,600</u>	<u>28,600</u>	<u>30,983</u>	<u>2,383</u>
<u>27,500</u>	<u>27,500</u>	<u>6,153</u>	<u>21,347</u>
<u>27,500</u>	<u>27,500</u>	<u>6,153</u>	<u>21,347</u>
<u>1,100</u>	<u>1,100</u>	<u>24,830</u>	<u>23,730</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>1,100</u>	<u>1,100</u>	<u>24,830</u>	<u>23,730</u>
<u>348,910</u>	<u>348,910</u>	<u>348,910</u>	<u>-0-</u>
<u>\$ 350,010</u>	<u>\$ 350,010</u>	<u>\$ 373,740</u>	<u>\$ 23,730</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, 2017

	Courthouse Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 72,000	\$ 72,000	\$ 73,882	\$ 1,882
Investment income (loss)	200	200	180	( 20)
Total revenues	<u>72,200</u>	<u>72,200</u>	<u>74,062</u>	<u>1,862</u>
Expenditures:				
General Government:				
Operating expenditures				
Administration of Justice:				
Operating expenditures				
Law Enforcement:				
Salaries and wages, and employee benefits	62,094	62,694	59,296	3,398
Operating expenditures	<u>30,655</u>	<u>30,055</u>	<u>17,678</u>	<u>12,377</u>
Total expenditures	<u>92,749</u>	<u>92,749</u>	<u>76,974</u>	<u>15,775</u>
Excess (deficiency) of revenues over expenditures	( 20,549)	( 20,549)	( 2,912)	<u>17,637</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	( 20,549)	( 20,549)	( 2,912)	17,637
Fund balances – beginning	<u>22,604</u>	<u>22,604</u>	<u>22,604</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 2,055</u>	<u>\$ 2,055</u>	<u>\$ 19,692</u>	<u>\$ 17,637</u>



County/District Court Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 6,000	\$ 6,000	\$ 5,310	\$( 690)
<u>50</u>	<u>50</u>	<u>161</u>	<u>111</u>
<u>6,050</u>	<u>6,050</u>	<u>5,471</u>	<u>( 579)</u>
	4,350	3,917	433
	33,778	33,778	-0-
			-0-
			-0-
<u>-0-</u>	<u>38,128</u>	<u>37,695</u>	<u>433</u>
<u>6,050</u>	<u>( 32,078)</u>	<u>( 32,224)</u>	<u>( 146)</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
6,050	( 32,078)	( 32,224)	( 146)
<u>43,493</u>	<u>43,493</u>	<u>43,493</u>	<u>-0-</u>
<u>\$ 49,543</u>	<u>\$ 11,415</u>	<u>\$ 11,269</u>	<u>\$( 146)</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, 2017

	District Court Records Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 25,000	\$ 25,000	\$ 24,905	\$( 95)
Investment income (loss)	<u>200</u>	<u>200</u>	<u>795</u>	<u>595</u>
Total revenues	<u>25,200</u>	<u>25,200</u>	<u>25,700</u>	<u>500</u>
Expenditures:				
Administration of Justice:				
Operating expenditures	<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>25,200</u>	<u>25,200</u>	<u>25,700</u>	<u>500</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	25,200	25,200	25,700	500
Fund balances – beginning	<u>99,649</u>	<u>99,649</u>	<u>99,649</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 124,849</u>	<u>\$ 124,849</u>	<u>\$ 125,349</u>	<u>\$ 500</u>

Justice Court Building Security Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 7,600	\$ 7,600	\$ 7,792	\$ 192
<u>100</u>	<u>100</u>	<u>553</u>	<u>453</u>
<u>7,700</u>	<u>7,700</u>	<u>8,345</u>	<u>645</u>
<u>5,000</u>	<u>9,689</u>	<u>4,689</u>	<u>5,000</u>
<u>5,000</u>	<u>9,689</u>	<u>4,689</u>	<u>5,000</u>
<u>2,700</u>	<u>( 1,989)</u>	<u>3,656</u>	<u>5,645</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>2,700</u>	<u>( 1,989)</u>	<u>3,656</u>	<u>5,645</u>
<u>77,685</u>	<u>77,685</u>	<u>77,685</u>	<u>-0-</u>
<u>\$ 80,385</u>	<u>\$ 75,696</u>	<u>\$ 81,341</u>	<u>\$ 5,645</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, 2017

	Juvenile Justice Alternative Education Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 40,500	\$ 38,220	\$ 57,526	\$ 19,306
Fines				-0-
Investment income (loss)			920	920
Miscellaneous				-0-
	<u>40,500</u>	<u>38,220</u>	<u>58,446</u>	<u>20,226</u>
Total revenues				
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits	199,440	197,240	173,922	23,318
Operating expenditures	63,500	64,593	48,544	16,049
Capital outlay				-0-
	<u>262,940</u>	<u>261,833</u>	<u>222,466</u>	<u>39,367</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	( 222,440)	( 223,613)	( 164,020)	59,593
Other Financing Sources (Uses):				
Proceeds from sale of capital assets				-0-
Transfers in	167,440	167,440	167,440	-0-
Transfers out				-0-
	<u>167,440</u>	<u>167,440</u>	<u>167,440</u>	<u>-0-</u>
Total other financing sources (uses)				
Net change in fund balances	( 55,000)	( 56,173)	3,420	59,593
Fund balances – beginning	<u>68,035</u>	<u>68,035</u>	<u>68,035</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 13,035</u>	<u>\$ 11,862</u>	<u>\$ 71,455</u>	<u>\$ 59,593</u>

Juvenile Probation Fees Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
8,900	8,900	8,439	( 461 )
500	500	552	52
<u>          </u>	<u>          </u>	<u>970</u>	<u>970</u>
<u>9,400</u>	<u>9,400</u>	<u>9,961</u>	<u>561</u>
			-0-
21,569	26,220	7,656	18,564
<u>41,395</u>	<u>36,744</u>	<u>26,642</u>	<u>10,102</u>
<u>62,964</u>	<u>62,964</u>	<u>34,298</u>	<u>28,666</u>
( 53,564 )	( 53,564 )	( 24,337 )	<u>29,227</u>
		8,507	8,507
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>8,507</u>	<u>8,507</u>
( 53,564 )	( 53,564 )	( 15,830 )	37,734
<u>52,866</u>	<u>52,866</u>	<u>52,866</u>	<u>-0-</u>
<u>\$( 698 )</u>	<u>\$( 698 )</u>	<u>\$ 37,036</u>	<u>\$ 37,734</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, 2017

	Juvenile Case Manager Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 38,000	\$ 38,000	\$ 37,964	\$( 36)
Fines				-0-
Investment income (loss)	<u>200</u>	<u>200</u>	<u>812</u>	<u>612</u>
Total revenues	<u>38,200</u>	<u>38,200</u>	<u>38,776</u>	<u>576</u>
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits	42,935	46,322	46,323	( 1)
Operating expenditures	5,000	5,000	445	4,555
Law Enforcement:				
Operating expenditures				-0-
Total expenditures	<u>47,935</u>	<u>51,322</u>	<u>46,768</u>	<u>4,554</u>
Excess (deficiency) of revenues over expenditures	<u>( 9,735)</u>	<u>( 13,122)</u>	<u>( 7,992)</u>	<u>5,130</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>( 9,735)</u>	<u>( 13,122)</u>	<u>( 7,992)</u>	<u>5,130</u>
Fund balances – beginning	<u>120,725</u>	<u>120,725</u>	<u>120,725</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 110,990</u>	<u>\$ 107,603</u>	<u>\$ 112,733</u>	<u>\$ 5,130</u>

District Attorney Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
		1,464	-0-
<u>150</u>	<u>150</u>	<u>769</u>	<u>1,464</u>
<u>150</u>	<u>150</u>	<u>2,233</u>	<u>619</u>
			-0-
			-0-
<u>1,350</u>	<u>1,350</u>		<u>1,350</u>
<u>1,350</u>	<u>1,350</u>	<u>-0-</u>	<u>1,350</u>
<u>( 1,200)</u>	<u>( 1,200)</u>	<u>2,233</u>	<u>3,433</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>( 1,200)</u>	<u>( 1,200)</u>	<u>2,233</u>	<u>3,433</u>
<u>109,305</u>	<u>109,305</u>	<u>109,305</u>	<u>-0-</u>
<u>\$ 108,105</u>	<u>\$ 108,105</u>	<u>\$ 111,538</u>	<u>\$ 3,433</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, 2017

	Sheriff Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$	\$ -0-
Fines			319	319
Investment income (loss)	25	25	64	39
Miscellaneous				-0-
Total revenues	<u>25</u>	<u>25</u>	<u>383</u>	<u>358</u>
Expenditures:				
General Government:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Law Enforcement:				
Operating expenditures	6,000	6,000	2,195	3,805
Capital outlay	<u>3,000</u>	<u>3,000</u>		<u>3,000</u>
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>2,195</u>	<u>6,805</u>
Excess (deficiency) of revenues over expenditures	( 8,975)	( 8,975)	( 1,812)	<u>7,163</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	( 8,975)	( 8,975)	( 1,812)	7,163
Fund balances – beginning	<u>9,535</u>	<u>9,535</u>	<u>9,535</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 560</u>	<u>\$ 560</u>	<u>\$ 7,723</u>	<u>\$ 7,163</u>



Law Library Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 88,100	\$ 88,100	\$ 92,471	\$ 4,371
			-0-
300	300	1,090	790
<u>          </u>	<u>          </u>	<u>        6</u>	<u>        6</u>
<u>88,400</u>	<u>88,400</u>	<u>93,567</u>	<u>5,167</u>
52,278	52,278	52,175	103
102,000	102,000	65,247	36,753
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>154,278</u>	<u>154,278</u>	<u>117,422</u>	<u>36,856</u>
( 65,878 )	( 65,878 )	( 23,855 )	42,023
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
( 65,878 )	( 65,878 )	( 23,855 )	42,023
<u>166,025</u>	<u>166,025</u>	<u>166,025</u>	<u>-0-</u>
<u>\$ 100,147</u>	<u>\$ 100,147</u>	<u>\$ 142,170</u>	<u>\$ 42,023</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, 2017

	STOP SCU Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fines			13,344	13,344
Investment income (loss)	300	300	1,171	871
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,370</u>	<u>( 630)</u>
Total revenues	<u>2,300</u>	<u>2,300</u>	<u>15,885</u>	<u>13,585</u>
Expenditures:				
Law Enforcement:				
Operating expenditures	<u>3,000</u>	<u>6,200</u>	<u>4,363</u>	<u>1,837</u>
Total expenditures	<u>3,000</u>	<u>6,200</u>	<u>4,363</u>	<u>1,837</u>
Excess (deficiency) of revenues over expenditures	<u>( 700)</u>	<u>( 3,900)</u>	<u>11,522</u>	<u>15,422</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>( 700)</u>	<u>( 3,900)</u>	<u>11,522</u>	<u>15,422</u>
Fund balances – beginning	<u>163,553</u>	<u>163,553</u>	<u>163,553</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 162,853</u>	<u>\$ 159,653</u>	<u>\$ 175,075</u>	<u>\$ 15,422</u>

STOP SCU Operations Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 65,735	\$ 65,735	\$ 65,735	\$ -0-
200	200	618	418
<u>65,935</u>	<u>65,935</u>	<u>66,360</u>	<u>425</u>
<u>156,239</u>	<u>159,239</u>	<u>93,244</u>	<u>65,995</u>
<u>156,239</u>	<u>159,239</u>	<u>93,244</u>	<u>65,995</u>
( 90,304 )	( 93,304 )	( 26,884 )	<u>66,420</u>
<u>90,504</u>	<u>90,504</u>	<u>50,000</u>	( 40,504 )
<u>90,504</u>	<u>90,504</u>	<u>50,000</u>	( 40,504 )
200	( 2,800 )	23,116	25,916
<u>37,665</u>	<u>37,665</u>	<u>37,665</u>	<u>-0-</u>
<u>\$ 37,865</u>	<u>\$ 34,865</u>	<u>\$ 60,781</u>	<u>\$ 25,916</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, 2017

	Pre-Trial Bond Supervision Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$	\$	\$ -0-
Intergovernmental				-0-
Fees	124,000	124,000	172,851	48,851
Investment income (loss)	100	100	875	775
Total revenues	<u>124,100</u>	<u>124,100</u>	<u>173,726</u>	<u>49,626</u>
Expenditures				
Administration of Justice:				
Salaries and wages, and employee benefits	89,309	89,309	78,047	11,262
Operating expenditures	33,500	33,500	30,886	2,614
Health and Welfare:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Total expenditures	<u>122,809</u>	<u>122,809</u>	<u>108,933</u>	<u>13,876</u>
Excess (deficiency) of revenues over expenditures	<u>1,291</u>	<u>1,291</u>	<u>64,793</u>	<u>63,502</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	1,291	1,291	64,793	63,502
Fund balances – beginning	<u>83,791</u>	<u>83,791</u>	<u>83,791</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 85,082</u>	<u>\$ 85,082</u>	<u>\$ 148,584</u>	<u>\$ 63,502</u>

Indigent Health Care Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,499,694	\$ 1,499,694	\$ 1,512,272	\$ 12,578
30,000	30,000	33,715	3,715
			-0-
<u>14,400</u>	<u>14,400</u>	<u>22,780</u>	<u>8,380</u>
<u>1,544,094</u>	<u>1,544,094</u>	<u>1,568,767</u>	<u>24,673</u>
			-0-
			-0-
110,612	110,612	95,815	14,797
<u>1,435,850</u>	<u>1,135,850</u>	<u>1,067,564</u>	<u>68,286</u>
<u>1,546,462</u>	<u>1,246,462</u>	<u>1,163,379</u>	<u>83,083</u>
( <u>2,368</u> )	<u>297,632</u>	<u>405,388</u>	<u>107,756</u>
			-0-
<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>2,368</u> )	297,632	405,388	107,756
<u>2,088,347</u>	<u>2,088,347</u>	<u>2,088,347</u>	<u>-0-</u>
<u>\$ 2,085,979</u>	<u>\$ 2,385,979</u>	<u>\$ 2,493,735</u>	<u>\$ 107,756</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, 2017

	Guardianship Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 8,500	\$ 8,500	\$ 10,402	\$ 1,902
Investment income (loss)	100	100	486	386
Miscellaneous				-0-
Total revenues	<u>8,600</u>	<u>8,600</u>	<u>10,888</u>	<u>2,288</u>
Expenditures				
Administration of Justice:				
Operating expenditures		26,918	22,254	4,664
Elections:				
Operating expenditures				-0-
Total expenditures	<u>-0-</u>	<u>26,918</u>	<u>22,254</u>	<u>4,664</u>
Excess (deficiency) of revenues over expenditures	<u>8,600</u>	<u>( 18,318)</u>	<u>( 11,366)</u>	<u>6,952</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	8,600	( 18,318)	( 11,366)	6,952
Fund balances – beginning	<u>71,854</u>	<u>71,854</u>	<u>71,854</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 80,454</u>	<u>\$ 53,536</u>	<u>\$ 60,488</u>	<u>\$ 6,952</u>

Election Services Contract Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
350	350	2,136	-0- 1,786
<u>20,000</u>	<u>20,000</u>	<u>49,851</u>	<u>29,851</u>
<u>20,350</u>	<u>20,350</u>	<u>51,987</u>	<u>31,637</u>
			-0-
<u>63,700</u>	<u>63,700</u>	<u>18,754</u>	<u>44,946</u>
<u>63,700</u>	<u>63,700</u>	<u>18,754</u>	<u>44,946</u>
( <u>43,350</u> )	( <u>43,350</u> )	<u>33,233</u>	<u>76,583</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
( <u>43,350</u> )	( <u>43,350</u> )	<u>33,233</u>	<u>76,583</u>
<u>290,209</u>	<u>290,209</u>	<u>290,209</u>	<u>-0-</u>
<u>\$ 246,859</u>	<u>\$ 246,859</u>	<u>\$ 323,442</u>	<u>\$ 76,583</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, 2017

	Historical Commission Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Investment income (loss)	\$ 100	\$ 100	\$ 202	\$ 102
Total revenues	<u>100</u>	<u>100</u>	<u>202</u>	<u>102</u>
Expenditures				
General Government:				
Operating expenditures	<u>17,500</u>	<u>27,500</u>	<u>21,518</u>	<u>5,982</u>
Total expenditures	<u>17,500</u>	<u>27,500</u>	<u>21,518</u>	<u>5,982</u>
Excess (deficiency) of revenues over expenditures	<u>( 17,400)</u>	<u>( 27,400)</u>	<u>( 21,316)</u>	<u>6,084</u>
Other Financing Sources (Uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>
Net change in fund balances	<u>( 7,400)</u>	<u>( 17,400)</u>	<u>( 11,316)</u>	<u>6,084</u>
Fund balances – beginning	<u>32,024</u>	<u>32,024</u>	<u>32,024</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 24,624</u>	<u>\$ 14,624</u>	<u>\$ 20,708</u>	<u>\$ 6,084</u>





**JOHNSON COUNTY, TEXAS**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS

For the Year Ended September 30, 2017

Exhibit 15  
Page 1 of 3

	Balance 10-01-16	Additions	Deductions	Balance 09-30-17
<b>UNCLAIMED MONEY FUND:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>24,752</u>	\$ <u>1,487</u>	\$ <u>-0-</u>	\$ <u>26,239</u>
Total assets	\$ <u><u>24,752</u></u>	\$ <u><u>1,487</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>26,239</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>24,752</u>	\$ <u>1,487</u>	\$ <u>-0-</u>	\$ <u>26,239</u>
Total liabilities	\$ <u><u>24,752</u></u>	\$ <u><u>1,487</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>26,239</u></u>
<b>TAX ASSESSOR/COLLECTOR FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 3,382,756	\$ 355,844,132	\$ 355,431,555	\$ 3,795,333
Due from others	<u>1,261,905</u>	<u>                    </u>	<u>1,261,905</u>	<u>-0-</u>
Total assets	\$ <u><u>4,644,661</u></u>	\$ <u><u>355,844,132</u></u>	\$ <u><u>356,693,460</u></u>	\$ <u><u>3,795,333</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>4,644,661</u>	\$ <u>355,844,132</u>	\$ <u>356,693,460</u>	\$ <u>3,795,333</u>
Total liabilities	\$ <u><u>4,644,661</u></u>	\$ <u><u>355,844,132</u></u>	\$ <u><u>356,693,460</u></u>	\$ <u><u>3,795,333</u></u>
<b>COUNTY CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,444,683</u>	\$ <u>250,751</u>	\$ <u>1,101,447</u>	\$ <u>1,593,987</u>
Total assets	\$ <u><u>2,444,683</u></u>	\$ <u><u>250,751</u></u>	\$ <u><u>1,101,447</u></u>	\$ <u><u>1,593,987</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 151,165	\$	\$ 13,027	\$ 138,138
Due to others	<u>2,293,518</u>	<u>                    </u>	<u>837,669</u>	<u>1,455,849</u>
Total liabilities	\$ <u><u>2,444,683</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>850,696</u></u>	\$ <u><u>1,593,987</u></u>

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

For the Year Ended September 30, 2017

Exhibit 15

Page 2 of 3

	Balance 10-01-16	Additions	Deductions	Balance 09-30-17
<b>DISTRICT CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>3,028,199</u>	\$ <u>3,716,231</u>	\$ <u>1,249,895</u>	\$ <u>5,494,535</u>
Total assets	\$ <u>3,028,199</u>	\$ <u>3,716,231</u>	\$ <u>1,249,895</u>	\$ <u>5,494,535</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>3,028,199</u>	\$ <u>3,716,231</u>	\$ <u>1,249,895</u>	\$ <u>5,494,535</u>
Total liabilities	\$ <u>3,028,199</u>	\$ <u>3,716,231</u>	\$ <u>1,249,895</u>	\$ <u>5,494,535</u>
<b>SHERIFF DEPARTMENT FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>49,235</u>	\$ <u>1,426,866</u>	\$ <u>1,417,114</u>	\$ <u>58,987</u>
Total assets	\$ <u>49,235</u>	\$ <u>1,426,866</u>	\$ <u>1,417,114</u>	\$ <u>58,987</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>49,235</u>	\$ <u>1,426,866</u>	\$ <u>1,417,114</u>	\$ <u>58,987</u>
Total liabilities	\$ <u>49,235</u>	\$ <u>1,426,866</u>	\$ <u>1,417,114</u>	\$ <u>58,987</u>
<b>SEIZURE AND RESTITUTION FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>119,523</u>	\$ <u>25,449</u>	\$ <u>19,526</u>	\$ <u>125,446</u>
Total assets	\$ <u>119,523</u>	\$ <u>25,449</u>	\$ <u>19,526</u>	\$ <u>125,446</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>119,523</u>	\$ <u>25,449</u>	\$ <u>19,526</u>	\$ <u>125,446</u>
Total liabilities	\$ <u>119,523</u>	\$ <u>25,449</u>	\$ <u>19,526</u>	\$ <u>125,446</u>

**JOHNSON COUNTY, TEXAS**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS - Continued

For the Year Ended September 30, 2017

Exhibit 15  
Page 3 of 3

	<u>Balance</u> 10-01-16	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-17
<b>TDCJ-CJAD:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 1,100,806	\$ 3,226,327	\$ 3,290,917	\$ 1,036,216
Accounts receivable		<u>14,487</u>		<u>14,487</u>
Total assets	<u>\$ 1,100,806</u>	<u>\$ 3,240,814</u>	<u>\$ 3,290,917</u>	<u>\$ 1,050,703</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 118,172	\$ 3,037,581	\$ 3,029,587	\$ 126,166
Due to others	<u>982,634</u>	<u>203,233</u>	<u>261,330</u>	<u>924,537</u>
Total liabilities	<u>\$ 1,100,806</u>	<u>\$ 3,240,814</u>	<u>\$ 3,290,917</u>	<u>\$ 1,050,703</u>
<b>TOTALS - ALL AGENCY FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 10,149,954	\$ 364,491,243	\$ 362,510,454	\$ 12,130,743
Accounts receivable		14,487		14,487
Due from others	<u>1,261,905</u>		<u>1,261,905</u>	<u>-0-</u>
Total assets	<u>\$ 11,411,859</u>	<u>\$ 364,505,730</u>	<u>\$ 363,772,359</u>	<u>\$ 12,145,230</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 269,337	\$ 3,037,581	\$ 3,042,614	\$ 264,304
Due to others	<u>11,142,522</u>	<u>361,217,398</u>	<u>360,478,994</u>	<u>11,880,926</u>
Total liabilities	<u>\$ 11,411,859</u>	<u>\$ 364,254,979</u>	<u>\$ 363,521,608</u>	<u>\$ 12,145,230</u>

## **STATISTICAL SECTION**



# JOHNSON COUNTY, TEXAS

Statistical Section

(unaudited)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 1

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

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



<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 51,623,564	\$ 53,258,318	\$ 51,667,122	\$ 54,807,680	\$ 52,035,751
12,787,174	15,003,481	16,611,684	17,487,954	16,627,902
<u>27,135,113</u>	<u>23,300,154</u>	<u>26,616,369</u>	<u>24,783,550</u>	<u>23,954,375</u>
<u>\$ 91,545,851</u>	<u>\$ 91,561,953</u>	<u>\$ 94,895,175</u>	<u>\$ 97,079,184</u>	<u>\$ 92,618,028</u>

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

Table 2

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses</b>					
Governmental Activities:					
General administration <sup>1</sup>	\$ 9,365,726	\$ 9,545,034	\$ 10,182,184	\$ 10,505,915	\$ 10,233,295
Highways/streets	10,423,688	9,743,940	8,745,648	9,529,285	9,803,003
Law Enforcement	18,163,642	19,374,254	19,220,559	20,066,995	27,745,191
Administration of justice	7,029,121	7,734,733	8,109,384	9,284,807	9,499,338
Financial	2,906,858	3,444,059	3,822,853	3,902,117	4,187,083
Public health and welfare	1,280,130	1,729,026	2,615,113	2,357,972	1,305,482
Interest on long-term debt	<u>1,177,707</u>	<u>1,145,108</u>	<u>1,159,632</u>	<u>821,658</u>	<u>830,473</u>
Total expenses	<u>\$ 50,346,872</u>	<u>\$ 52,716,154</u>	<u>\$ 53,855,373</u>	<u>\$ 56,468,749</u>	<u>\$ 63,603,865</u>
<b>Program Revenues</b>					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General administration <sup>1</sup>	\$ 3,898,229	\$ 2,150,433	\$ 2,434,504	\$ 2,318,818	\$ 2,607,155
Highways/streets	2,816,738	2,488,572	2,064,296	1,957,170	1,962,896
Law Enforcement	1,363,846	1,465,446	839,972	585,175	8,371,959
Administration of justice	3,140,098	3,021,563	2,674,906	2,488,994	2,551,462
Financial	1,043,597	1,079,530	1,039,688	1,171,533	1,210,846
Public health and welfare	31,410	60,856	11,372	38,516	23,376
Operating grants and contributions	3,834,540	3,855,193	3,992,091	3,853,757	2,752,569
Capital grants and contributions	<u>1,420,109</u>	<u>1,086,130</u>	<u>76,707</u>	<u>60,135</u>	<u>240,887</u>
Total governmental activities program revenues	<u>17,548,567</u>	<u>15,207,723</u>	<u>13,133,536</u>	<u>12,474,098</u>	<u>19,721,150</u>
Net (expense) revenue	<u>\$(32,798,305)</u>	<u>\$(37,508,431)</u>	<u>\$(40,721,837)</u>	<u>\$(43,994,651)</u>	<u>\$(43,882,715)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes	\$ 35,965,010	\$ 43,456,398	\$ 48,031,682	\$ 46,512,961	\$ 44,905,171
Investment earnings	1,008,287	256,184	131,318	111,064	116,335
Gain/(loss) on disposal		58,494	60,093		42,118
Miscellaneous	<u>175,565</u>	<u>871,103</u>	<u>2,293,862</u>	<u>1,741,776</u>	<u>970,333</u>
Total general revenues	<u>\$ 37,148,862</u>	<u>\$ 44,642,179</u>	<u>\$ 50,516,955</u>	<u>\$ 48,365,801</u>	<u>\$ 46,033,957</u>
Change in position before extraordinary items	\$ 4,350,557	\$ 7,133,748	\$ 9,795,118	\$ 4,371,150	\$ 2,151,242
Extraordinary items	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Change in net position	<u>\$ 4,350,557</u>	<u>\$ 7,133,748</u>	<u>\$ 9,795,118</u>	<u>\$ 4,371,150</u>	<u>\$ 2,151,242</u>
Prior period adjustment	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Source: Comprehensive Annual Financial Report (Statement of Activities)  
<sup>1</sup> Elections, Conservation and Culture & Recreation programs included here.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 10,263,410	\$ 14,087,205	\$ 16,447,095	\$ 17,988,435	\$ 18,488,450
10,213,556	9,712,634	8,559,760	9,170,169	9,501,401
29,021,831	32,888,061	31,694,382	34,032,010	38,498,728
9,356,931	7,011,681	8,046,614	8,676,596	8,995,731
4,287,972	847,977	916,563	964,805	1,034,334
1,682,465	1,822,344	1,558,199	1,548,476	2,157,599
<u>438,967</u>	<u>549,991</u>	<u>482,139</u>	<u>1,296,642</u>	<u>1,089,534</u>
<u>\$ 65,265.132</u>	<u>\$ 66,919,893</u>	<u>\$ 67,704,752</u>	<u>\$ 73,677,133</u>	<u>\$ 79,765,777</u>
\$ 2,663,307	\$ 3,060,143	\$ 5,068,931	\$ 5,077,528	\$ 5,090,259
2,100,165	2,176,076	2,053,735	2,158,370	1,679,048
8,706,430	8,951,720	7,623,697	9,250,903	12,014,082
2,916,793	2,394,904	2,584,341	2,707,047	1,107,335
1,255,048	1,226,240			
207,577	232,324			
2,210,164	2,171,770	2,531,965	3,263,020	2,904,929
<u>557,627</u>	<u>2,104,767</u>	<u>1,209,257</u>	<u>1,343,092</u>	<u>770,880</u>
<u>20,617,111</u>	<u>22,317,944</u>	<u>21,071,926</u>	<u>23,799,960</u>	<u>23,566,533</u>
<u>\$(44,648,021)</u>	<u>\$(44,601,949)</u>	<u>\$(46,632,826)</u>	<u>\$(49,877,173)</u>	<u>\$(56,199,244)</u>
\$ 43,852,648	\$ 45,515,078	\$ 48,990,593	\$ 50,904,776	\$ 50,749,015
14,784	96,651	183,592	333,960	418,949
	24,622			
<u>404,603</u>	<u>542,112</u>	<u>791,863</u>	<u>822,446</u>	<u>570,124</u>
<u>\$ 44,272,035</u>	<u>\$ 46,178,463</u>	<u>\$ 49,966,048</u>	<u>\$ 52,061,182</u>	<u>\$ 51,738,088</u>
\$( 375,986)	\$ 1,576,514	\$ 3,333,222	\$ 2,184,009	\$( 4,461,156)
<u>\$( 375,986)</u>	<u>\$ 1,576,514</u>	<u>\$ 3,333,222</u>	<u>\$ 2,184,009</u>	<u>\$( 4,461,156)</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$( 1,560,412)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

Table 3

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund:					
Non-spendable	\$ 469,717	\$ 555,131	\$ 299,577	\$ 265,886	\$ 226,301
Restricted					
Unassigned	<u>14,475,603</u>	<u>16,866,872</u>	<u>24,814,565</u>	<u>26,708,198</u>	<u>20,969,138</u>
Total general fund	<u>\$ 14,945,320</u>	<u>\$ 17,422,003</u>	<u>\$ 25,114,142</u>	<u>\$ 26,974,084</u>	<u>\$ 21,195,439</u>
Road and Bridge Fund:					
Non-spendable	\$ 406,313	\$ 439,578	\$ 334,581	\$ 299,186	\$ 295,773
Restricted	4,407,191	5,240,717	6,096,140	6,075,835	5,004,218
Unassigned					
Total road and bridge	<u>\$ 4,813,504</u>	<u>\$ 5,680,295</u>	<u>\$ 6,430,721</u>	<u>\$ 6,375,021</u>	<u>\$ 5,299,991</u>
All Other Governmental Funds:					
Non-spendable	\$ 2,089,135	\$ 2,125,037	\$ 2,248,781	\$ 1,640	\$ 595
Restricted	2,068,155	426,996	1,183,139	11,662,250	10,770,454
Unassigned	<u>5,177,086</u>	<u>6,454,612</u>	<u>6,424,899</u>	<u>( 9,731)</u>	<u>( 595)</u>
Total all other governmental funds	<u>\$ 9,334,376</u>	<u>\$ 9,006,645</u>	<u>\$ 9,856,819</u>	<u>\$ 11,654,159</u>	<u>\$ 10,770,454</u>
Total all governmental funds	<u>\$ 29,093,200</u>	<u>\$ 32,108,943</u>	<u>\$ 41,401,682</u>	<u>\$ 45,003,264</u>	<u>\$ 37,265,884</u>

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 312,793	\$ 660,339	\$ 674,400	\$ 774,454	\$ 432,469
<u>21,254,587</u>	<u>18,321,967</u>	<u>21,394,059</u>	<u>19,448,434</u>	<u>21,923,095</u>
<u>\$ 21,567,380</u>	<u>\$ 18,982,306</u>	<u>\$ 22,068,459</u>	<u>\$ 20,222,888</u>	<u>\$ 22,355,564</u>
\$ 308,674	\$ 301,036	\$ 408,775	\$ 317,943	\$ 299,585
5,046,266	6,435,487	6,786,303	7,673,273	6,864,366
<u>\$ 5,354,940</u>	<u>\$ 6,736,523</u>	<u>\$ 7,195,078</u>	<u>\$ 7,991,216</u>	<u>\$ 7,163,951</u>
\$ 7,916,021	\$ 2,368	\$ 10,987,061	\$ 3,687	\$ 15,333
( 151,798)	( 8,937)	( 857,052)	( 39,000)	( 126,416)
<u>\$ 7,764,223</u>	<u>\$ 11,415,887</u>	<u>\$ 10,130,009</u>	<u>\$ 18,917,132</u>	<u>\$ 9,520,285</u>
<u>\$ 34,686,543</u>	<u>\$ 37,134,716</u>	<u>\$ 39,393,546</u>	<u>\$ 47,131,236</u>	<u>\$ 39,039,800</u>

**JOHNSON COUNTY, TEXAS**

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS*

Last Ten Fiscal Years

Table 4

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:					
Taxes	\$ 35,940,947	\$ 43,468,684	\$ 48,055,409	\$ 46,608,937	\$ 44,830,579
Prisoner Housing					6,609,928
Intergovernmental	3,471,311	3,364,428	3,919,350	3,913,791	2,740,468
Fees	8,528,155	7,368,544	7,168,758	6,865,970	6,944,502
Fines	2,067,448	2,002,246	1,895,980	1,694,236	1,526,291
Interest	1,008,287	256,184	131,318	111,064	116,335
Miscellaneous	<u>2,814,390</u>	<u>2,257,478</u>	<u>2,258,740</u>	<u>1,741,776</u>	<u>2,371,453</u>
Total revenues	<u>53,830,538</u>	<u>58,717,564</u>	<u>63,429,555</u>	<u>60,935,774</u>	<u>65,139,556</u>
Expenditures:					
General administration <sup>1</sup>	8,153,121	8,181,184	8,704,409	9,375,927	15,786,448
Highways/streets	8,100,515	7,363,664	6,224,675	6,876,317	1,251,211
Law enforcement	17,116,396	18,118,570	17,892,151	18,748,040	26,601,429
Administration of justice	6,981,582	7,784,305	8,387,209	8,729,263	9,432,772
Financial	2,896,376	3,440,812	3,818,502	3,961,276	4,162,063
Public health and welfare	1,284,676	1,721,213	2,609,358	2,301,269	166,700
Capital outlay	3,334,376	4,637,822	5,000,820	4,950,884	7,136,275
Debt Service:					
Principal	1,843,000	1,005,000	1,620,000	1,735,000	7,826,735
Interest	1,044,715	961,177	1,041,312	705,726	593,321
Other					
Total expenditures	<u>50,754,757</u>	<u>53,213,747</u>	<u>55,298,436</u>	<u>57,383,702</u>	<u>72,956,954</u>
Excess of revenues over (under) expenditures	<u>3,075,781</u>	<u>5,503,817</u>	<u>8,131,119</u>	<u>3,552,072</u>	<u>( 7,817,398)</u>
Other Financing Sources (Uses):					
Transfers in	1,223,013	3,760,479	2,112,105	4,519,044	11,491,554
Transfers out	( 1,223,013)	( 3,760,479)	( 2,112,105)	( 4,519,044)	(11,491,554)
Proceeds from sale of capital asset					
Issuance of tax notes					
Issuance of certificates of obligation bonds					
Other	<u>2,830,034</u>	<u>132,699</u>	<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>
Total other financing sources (uses)	<u>2,830,034</u>	<u>132,699</u>	<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>
Extraordinary items	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>\$ 5,905,815</u>	<u>\$ 5,636,516</u>	<u>\$ 9,292,788</u>	<u>\$ 3,601,532</u>	<u>\$ ( 7,737,380)</u>
Debt service as a percentage of noncapital expenditures	6.1%	4.0%	5.3%	4.7%	12.8%

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

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 43,830,189	\$ 45,443,781	\$ 48,963,573	\$ 50,993,826	\$ 50,737,943
6,577,588	6,675,022	6,030,529	7,149,116	10,112,353
2,509,665	3,272,840	2,801,723	4,124,331	3,075,841
7,497,817	7,582,746	7,622,922	8,250,780	7,985,710
1,674,359	1,474,592	1,527,368	1,670,340	1,331,314
14,784	96,651	183,592	333,960	418,949
<u>1,776,659</u>	<u>2,083,907</u>	<u>2,372,687</u>	<u>2,514,951</u>	<u>2,054,631</u>
<u>63,881,061</u>	<u>66,629,539</u>	<u>69,502,394</u>	<u>75,037,304</u>	<u>75,716,741</u>
8,982,474	12,490,998	14,672,298	16,165,457	15,950,248
7,407,174	6,934,405	5,783,272	6,303,874	6,448,641
27,402,657	30,917,697	29,703,957	32,061,018	35,372,987
9,283,646	7,006,238	7,974,262	8,576,511	8,513,407
4,256,750	920,170	916,909	964,090	983,233
1,668,814	1,791,012	1,509,408	1,499,931	2,095,704
5,669,670	6,574,359	4,128,319	19,920,510	10,817,630
1,478,924	1,592,270	2,169,297	2,030,000	2,190,000
379,113	403,479	452,767	635,848	1,637,067
<u>66,529,222</u>	<u>68,630,628</u>	<u>67,310,489</u>	<u>88,157,239</u>	<u>84,008,917</u>
<u>( 2,648,161)</u>	<u>( 2,001,089)</u>	<u>2,191,905</u>	<u>(13,119,935)</u>	<u>( 8,292,176)</u>
2,171,599	5,214,204	1,885,078	7,239,818	2,673,458
( 2,171,599)	( 5,214,204)	( 1,885,078)	( 7,239,818)	( 2,673,458)
68,820	79,262	66,925	252,625	136,401
	4,370,000		20,605,000	6,425,000
				<u>( 6,360,661)</u>
<u>68,820</u>	<u>4,449,262</u>	<u>66,925</u>	<u>20,857,625</u>	<u>200,740</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$( 2,579,341)</u>	<u>\$ 2,448,173</u>	<u>\$ 2,258,830</u>	<u>\$ 7,737,690</u>	<u>\$( 8,091,436)</u>
3.1%	3.2%	4.2%	3.9%	5.2%

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

Table 5

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Less Exempt, Homestead, Other Exemptions
	Residential Property	Commercial Property	Other Property		
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	1,100,482,073	5,487,467,860	1,887,848,871	2,188,543,958
2012	5,094,516,753	1,153,831,778	5,133,412,323	1,863,245,650	2,495,412,525
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
2016	5,069,484,627	1,368,757,815	5,050,106,841	1,710,101,615	3,176,269,781
2017	5,421,617,645	1,383,963,256	4,342,528,058	1,675,333,272	3,311,636,564

Source: Johnson County Central Appraisal District

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

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

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

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



<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate<sup>c</sup></u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 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%
11,391,233,044	11,391,233,044	0.379500	100.00%
10,749,593,979	10,749,593,979	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%
10,022,181,117	10,022,181,117	0.448000	100.00%
9,511,805,667	9,511,805,667	0.459738	100.00%

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

Table 6

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	2008 Tax Rate	2009 Tax Rate	2010 Tax Rate	2011 Tax Rate	2012 Tax Rate
<b>Cities:</b>					
Alvarado	0.697313	0.697313	0.722313	0.740505	0.706872
Burleson	0.694000	0.694000	0.710000	0.690000	0.690000
Cleburne	0.620000	0.620000	0.706446	0.719990	0.740743
Crowley	0.575500	0.575500	0.640000	0.640000	0.669019
Godley	0.500000	0.500000	0.500000	0.500000	0.500000
Grandview	0.742823	0.742823	0.742823	0.740003	0.736995
Joshua	0.653476	0.634331	0.685270	0.685270	0.685270
Keene	0.757861	0.757861	0.797861	0.797861	0.812363
Mansfield	0.710000	0.710000	0.710000	0.710000	0.710000
Rio Vista	0.515560	0.513276	0.564162	0.606535	0.602880
Venus	0.801506	0.821506	0.841506	0.846975	0.900000
<b>School Districts:</b>					
Alvarado ISD	1.306900	1.280000	1.316000	1.316000	1.316000
Burleson ISD	1.468800	1.540000	1.540000	1.540000	1.540000
Cleburne ISD	1.236600	1.236600	1.236600	1.236600	1.236600
Crowley ISD	1.535000	1.535000	1.535000	1.535000	1.670000
Godley ISD	1.081800	1.071481	1.122390	1.137090	1.258700
Granbury ISD	1.170000	1.155000	1.140000	0.155000	1.145000
Grandview ISD	1.160000	1.160000	1.270000	1.270000	1.400000
Joshua ISD	1.390000	1.390000	1.390000	1.390000	1.490000
Keene ISD	1.420000	1.382300	1.490900	1.490900	1.490900
Mansfield ISD	1.450000	1.450000	1.496000	1.496000	1.540000
Rio Vista ISD	1.144500	1.183300	1.386200	1.365300	1.494400
Venus ISD	1.240000	1.198300	1.270000	1.380000	1.380000
<b>Johnson County:</b>					
County	0.306708	0.300589	0.327500	0.300589	0.333229
FMLR	0.052790	0.052790	0.052000	0.049000	0.049000
Total	0.359498	0.353379	0.379500	0.349589	0.382229
<b>Special District Rates:</b>					
Emergency Service	0.030000	0.030000	0.060000	0.060000	0.060000
Hill College - Alvarado ISD	0.025254	0.022745	0.028883	0.033848	0.037242
Hill College - Cleburne ISD	0.030717	0.030252	0.039049	0.043557	0.048596
Hill College - Godley ISD	0.011388	0.009243	0.010931	0.012070	0.012159
Hill College - Grandview ISD	0.031739	0.031375	0.039672	0.046517	0.050000
Hill College - Joshua ISD	0.028234	0.025561	0.031394	0.034623	0.040868
Hill College - Keene ISD	0.035143	0.030062	0.030062	0.033146	0.039305
Hill College - Rio Vista ISD	0.020197	0.020059	0.023200	0.026834	0.028931
Hill College - Venus ISD	0.025562	0.020585	0.025394	0.029121	0.039312

Source: Johnson County Appraisal District  
Texas Municipal Report

<u>2013 Tax Rate</u>	<u>2014 Tax Rate</u>	<u>2015 Tax Rate</u>	<u>2016 Tax Rate</u>	<u>2017 Tax Rate</u>	<u>% Applicable to Johnson County</u>
0.700494	0.665469	0.733000	0.733000	0.733000	100.00%
0.690000	0.740000	0.740000	0.735000	0.735000	77.91%
0.804018	0.804018	0.804018	0.804018	0.804018	100.00%
0.696829	0.696829	0.739270	0.739270	0.719000	0.30%
0.500000	0.540000	0.540000	0.560000	0.560000	100.00%
0.743351	0.746311	0.746311	0.746311	0.746311	100.00%
0.705270	0.725270	0.775270	0.775270	0.775270	100.00%
0.847224	0.867018	0.912249	0.897823	0.897823	100.00%
0.710000	0.710000	0.710000	0.710000	0.710000	4.76%
0.597915	0.598185	0.596454	0.596454	0.591810	100.00%
0.900000	0.893269	0.879918	0.879918	0.879918	81.80%
1.461000	1.461000	1.461000	1.461000	1.461000	100.00%
1.540000	1.540000	1.540000	1.540000	1.670000	63.35%
1.236600	1.366600	1.366000	1.630000	1.630000	100.00%
1.670000	1.650000	1.650000	1.650000	1.670000	0.95%
1.172752	1.195500	1.247660	1.540000	1.540000	84.86%
1.145000	1.265000	1.265000	1.250000	1.210000	1.44%
1.400000	1.400000	1.400000	1.400000	1.400000	97.75%
1.490000	1.420000	1.600000	1.610000	1.600000	100.00%
1.490900	1.490900	1.430000	1.430000	1.430000	100.00%
1.527100	1.527100	1.510000	1.510000	1.540000	4.47%
1.590000	1.621300	1.570000	1.600000	1.600000	98.99%
1.380000	1.380000	1.380000	1.5876000	1.587600	100.00%
0.371154	0.405400	0.407700	0.422663	0.441700	100.00%
0.049000	0.039600	0.040300	0.037075	0.030300	100.00%
0.420154	0.445000	0.448000	0.459738	0.472000	
0.060000	0.060000	0.060000	0.060000	0.060000	100.00%
0.043494	0.044702	0.048850	0.048850	0.050000	100.00%
0.050000	0.050000	0.049931	0.050000	0.050000	100.00%
0.014541	0.014541	0.016832	0.022349	0.022671	84.86%
0.050000	0.050000	0.050000	0.050000	0.050000	97.75%
0.049265	0.050000	0.048492	0.050000	0.049482	100.00%
0.046349	0.046349	0.047000	0.049435	0.050000	100.00%
0.027497	0.029535	0.032019	0.033806	0.033806	98.99%
0.048885	0.047414	0.048249	0.049824	0.050000	100.00%

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

Table 7

Taxpayer	2017			2008		
	2016 Taxable Assessed Value	Rank	% of Total Assessed Value	2007 Taxable Assessed Value	Rank	% of Total Assessed Value
Devon Energy Products	\$ 202,227,775	1	2.13%	\$ 351,564,944	3	4.20%
ETC Texas Processing	153,127,053	2	1.61%	--	--	--
James Hardie Building	113,171,184	3	1.19%	85,301,060	9	1.02%
Energy Transfer Fuel	70,344,751	4	0.74%	--	--	--
Texas Midstream Gas	70,318,546	5	0.74%	92,148,142	7	1.10%
Brazos Electric Power	61,093,428	6	0.63%	98,941,455	6	1.18%
Halliburton Energy	60,365,592	7	0.63%	114,824,442	5	1.37%
Oncor Electric Delivery	60,112,192	8	0.64%	--	--	--
Johns Manville Corp	58,292,337	9	0.61%	86,814,270	8	1.04%
Atmos Energy/Mid-Tex	51,703,772	10	0.54%	--	--	--
Chesapeake Operating	--	--	--	777,565,756	1	9.30%
EOG Resources Inc.	--	--	--	712,573,550	2	8.52%
XTO Energy Inc.	--	--	--	295,802,237	4	3.54%
Wal-Mart Store East	--	--	--	81,580,330	10	0.98%
Total	\$ <u>900,756,630</u>		<u>9.47%</u>	\$ <u>2,697,119,186</u>		<u>32.25%</u>
Total Taxable Assessed Value	\$ <u>9,511,805,667</u>			\$ <u>8,364,143,888</u>		

Source: Johnson County Central Appraisal District

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

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End <sup>a</sup>	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2016	48,923,628	48,472,441	99.08%	921,542	49,393,983	100.96%
2017	48,488,689	47,546,117	98.06%	982,843	48,528,960	100.08%

Source: Johnson County Tax Assessor-Collector

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

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

Table 9

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			
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	13,355,541	1,364,571	11,990,970	
2016	7,981,204	20,605,000	3,295,000	--	710,131	32,591,335	884,286	31,707,049	
2017	6,329,927	20,605,000	2,890,000	--	159,085	29,984,012	846,414	29,137,598	

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

<sup>a</sup> General Obligation bonds include related premiums.

<sup>b</sup> Assessed values from the office of the Johnson County Central Appraisal District. Does not include Note Payable.

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

Percentage of Actual Taxable Property Value (b)	Per Capita (c)	Percentage of Personal Income
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	0.22%
0.32%	203.71	0.53%
0.31%	181.83	0.47%

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

As of September 30, 2017

Table 10

<u>Taxing Jurisdiction</u>	<u>Net Bonded Debt as of Sept. 30, 2017</u>	<u>% Applicable to Johnson County</u>	<u>Amount Applicable to Johnson County</u>
<b><u>Direct Debt</u></b>			
Johnson County	\$ 29,810,000	100.00%	\$ <u>29,810,000</u>
<b><u>Overlapping Debt</u></b>			
<b><u>Cities</u></b>			
City of Alvarado	10,821,290	100.00%	10,821,290
City of Burleson	55,060,916	77.91%	42,897,960
City of Cleburne	13,033,315	100.00%	13,033,315
City of Crowley	17,137,259	0.30%	51,412
City of Godley	1,445,000	100.00%	1,445,000
City of Grandview	2,475,000	100.00%	2,475,000
City of Joshua	10,090,000	100.00%	10,090,000
City of Keene	332,869	100.00%	332,869
City of Mansfield	127,860,000	4.76%	6,086,136
City of Rio Vista	215,000	100.00%	215,000
City of Venus	1,100,000	81.80%	899,800
<b><u>School Districts</u></b>			
Alvarado ISD	74,826,000	100.00%	74,826,000
Burleson ISD	283,592,716	63.35%	179,655,986
Cleburne ISD	137,251,081	100.00%	137,251,081
Crowley ISD	287,696,076	0.95%	2,733,113
Godley ISD	58,262,645	84.86%	49,441,680
Granbury ISD	111,933,048	1.44%	1,611,836
Grandview ISD	13,376,297	97.75%	13,075,330
Joshua ISD	107,967,430	100.00%	107,967,430
Keene ISD	14,149,040	100.00%	14,149,040
Mansfield ISD	737,130,000	4.47%	32,949,711
Rio Vista ISD	12,952,072	98.99%	12,821,256
Venus ISD	37,386,796	100.00%	<u>37,386,796</u>
Total Overlapping Debt			<u>752,217,040</u>
Total Direct & Overlapping Debt			<u>\$ 782,027,040</u>

Source: Municipal Advisory Council of Texas



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

Table 11

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed value of real property <sup>(1)</sup>	\$ <u>8,364,143,888</u>	\$ <u>11,831,450,070</u>	\$ <u>13,191,818,413</u>	\$ <u>12,831,208,341</u>	\$ <u>11,657,833,466</u>
Debt limit <sup>(2)</sup>	\$ <u>2,091,035,972</u>	\$ <u>2,957,862,518</u>	\$ <u>3,297,954,603</u>	\$ <u>3,207,802,085</u>	\$ <u>2,914,458,367</u>
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total long term debt	26,525,579	24,484,579	22,288,209	20,654,246	13,899,013
Less: Assets in debt service fund	<u>1,676,881</u>	<u>2,094,417</u>	<u>2,248,781</u>	<u>2,590,359</u>	<u>806,876</u>
Total net debt applicable to limit	<u>24,848,698</u>	<u>22,390,162</u>	<u>20,039,428</u>	<u>18,063,887</u>	<u>13,092,137</u>
Legal debt margin	\$ <u>2,066,187,274</u>	\$ <u>2,935,472,356</u>	\$ <u>3,277,915,175</u>	\$ <u>3,189,738,198</u>	\$ <u>2,901,366,230</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>1.19%</u>	<u>0.76%</u>	<u>0.61%</u>	<u>0.56%</u>	<u>0.45%</u>
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed value of real property <sup>(1)</sup>	\$ <u>10,252,143,856</u>	\$ <u>9,549,938,204</u>	\$ <u>9,785,361,709</u>	\$ <u>10,022,181,117</u>	\$ <u>9,511,805,667</u>
Debt limit <sup>(2)</sup>	\$ <u>2,563,035,964</u>	\$ <u>2,387,484,551</u>	\$ <u>2,446,340,427</u>	\$ <u>2,505,545,279</u>	\$ <u>2,377,951,417</u>
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total long term debt	13,076,835	15,955,602	13,258,939	31,860,000	29,810,000
Less: Assets in debt service fund	<u>1,025,329</u>	<u>1,158,846</u>	<u>1,433,693</u>	<u>1,594,417</u>	<u>879,771</u>
Total net debt applicable to limit	<u>12,051,506</u>	<u>14,796,756</u>	<u>11,825,246</u>	<u>30,265,583</u>	<u>28,930,229</u>
Legal debt margin	\$ <u>2,550,984,458</u>	\$ <u>2,372,687,795</u>	\$ <u>2,434,515,181</u>	\$ <u>2,475,279,696</u>	\$ <u>2,349,021,188</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.47%</u>	<u>0.62%</u>	<u>0.48%</u>	<u>1.21%</u>	<u>1.22%</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<sup>a</sup></u>	<u>Personal Income (thousands of dollars)<sup>b</sup></u>	<u>Per Capita Personal Income<sup>b</sup></u>	<u>Unemployment Rate<sup>c</sup></u>
2008	148,637	\$ 4,840,657	\$ 32,567	4.7%
2009	150,582	4,746,660	31,522	9.2%
2010	150,934	4,901,585	32,404	8.3%
2011	151,955	5,267,069	34,662	7.7%
2012	153,313	5,388,351	35,146	6.2%
2013	154,556	5,531,556	35,790	5.9%
2014	156,904	5,822,069	37,106	4.8%
2015	159,674	6,046,039	37,865	4.4%
2016	163,272	6,244,677	38,247	4.6%
2017	164,898	6,431,929	39,088	3.4%

- <sup>a</sup> USBEA population data from 2006 through 2010 has been adjusted based on 2010 census. 2011 through 2017 data is derived from trended data.
- <sup>b</sup> USBEA population data from 2006 through 2010 has been adjusted based on 2010 census. 2011 through 2017 data is derived from trended data.
- <sup>c</sup> Unemployment rates were provided by the Texas Workforce Commission and the Bureau of Labor Statistics current population survey for Johnson County as of September each year.

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

Table 13

Employer	2017			2009		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,482	1	2.00%	1,461	1	2.09%
Cleburne ISD	1,127	2	1.52%	1,047	2	1.50%
Wal-Mart Distribution Center	812	3	1.09%	846	3	1.21%
Joshua ISD	712	4	0.96%	651	4	0.93%
Sabre Tubular Structures	641	5	0.86%	N/A	-	N/A
Johnson County	510	6	0.69%	590	6	0.84%
Wal-Mart Supercenter (Cleburne)	384	7	0.52%	515	7	0.74%
City of Cleburne	349	8	0.47%	374	8	0.53%
Texas Health Resources	302	9	0.41%	N/A	-	N/A
Wal-Mart Supercenter (Burleson)	240	10	0.32%	616	5	0.88%
Total	<u>6,559</u>		<u>8.84%</u>	<u>6,852</u>		<u>9.79%</u>
Total County Employment	<u>74,185</u>			<u>69,985</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

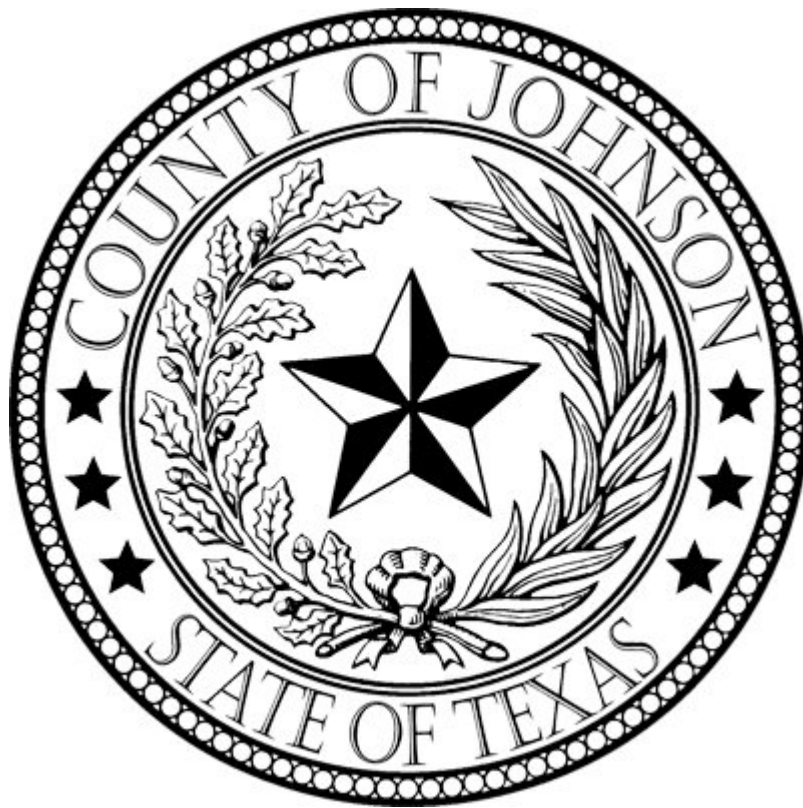
Table 14

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	126	141	135	128	128	123	129	132	140	134
Highways/streets	72	90	79	75	75	75	73	77	67	68
Law enforcement	304	189 <sup>(a)</sup>	198	187	187	191	196	202	202	199
Administrative justice	81	87	89	82	82	78	83	82	83	84
Financial	12	14	14	13	13	13	14	14	13	13
Public health & welfare	9	9	8	5	5	5	6	7	9	8
Culture & recreation	N/A	7 <sup>(b)</sup>	6	3	3	4	3	4	4	4
<b>Total</b>	<b>604</b>	<b>537</b>	<b>529</b>	<b>493</b>	<b>493</b>	<b>489</b>	<b>504</b>	<b>518</b>	<b>518</b>	<b>510</b>

Source: County budget records

N/A - Not available

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



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

Table 15  
 Page 1 of 2

Function	Fiscal Year				
	2008	2009	2010	2011	2012
General Government:					
County Clerk					
Criminal Cases filed	4,972	4,395	4,316	3,769	3,510
Civil Cases filed	1,723	1,238	1,178	1,724	1,014
Juvenile petitions filed	309	281	266	183	157
Probate/Guardianship Cases Filed	--	--	--	--	398
Mental Health Cases Filed	--	--	--	--	--
Personnel					
Positions filed	725	608 <sup>(1)</sup>	607	586	594
Payroll checks processed	17,816	15,585 <sup>(1)</sup>	15,903	15,499	15,488
Public Works					
Permits Issued	1,561	964	715	681	651
Septic complaints addressed	408	256	214	187	124
Purchasing					
Purchase orders issued	7,018	6,507	5,896	5,563	5,542
Recurring Annual Competitive Bids	55	63	39	28	22
New Competitive Bids					
Tax Assessor/Collector					
County Tax accounts	114,151	136,166	185,126	202,431	285,381
Automobile registrations	157,150	158,597	158,676	160,584	163,283
Elections Administration					
Registered voters	78,544	79,811	81,486	77,802	78,275
Administrative Justice					
District Courts					
Civil cases filed	3,544	3,397	3,268	1,462	998
Criminal cases filed	1,596	1,366	1,338	1,416	1,523
County Courts					
Criminal cases disposed	6,070	4,819	4,871	4,007	3,763
Civil cases disposed	1,859	1,822	1,371	1,688	1,132
Juvenile petitions disposed	212	200	193	183	162
Probate/Guardianship Hearings Held	--	--	--	--	385
Mental Health Hearings Held	--	--	--	--	--
District Clerk					
Civil cases disposed	3,195	3,404	3,264	1,171	1,244
Criminal cases disposed	1,546	1,565	1,416	1,427	1,502
Justice of the Peace					
Civil cases filed	2,804	2,168	1,928	2,000	2,044
Criminal cases filed	18,698	16,170	14,789	12,922	14,198
Civil cases disposed	--	--	--	1,799	1,706
Criminal cases disposed	--	--	--	12,217	16,805

(continued)

		Fiscal Year				
2013	2014	2015	2016	2017		
4,333	3,673	3,024	2,685	2,386		
920	916	900	983	1,120		
134	113	125	107	61		
433	461	399	398	459		
--	65	47	77	184		
603	610	625	633	631		
15,873	15,938	16,921	17,132	16,384		
471	628	732	1,035	1,342		
126	143	178	163	134		
4,914	3,946	4,267	3,983	3,823		
23	13 <sup>(5)</sup>	17	14	20		
	22 <sup>(5)</sup>	19	12	14		
287,183	298,539	314,034	309,572	302,255		
165,217	168,964	167,198	169,105	173,718		
80,779	82,377	84,405	90,587	92,999		
970	1,288 <sup>(4)</sup>	1,365	1,036	1,056		
1,094	1,653 <sup>(4)</sup>	1,753	1,643	N/A <sup>(8)</sup>		
4,019	3,730	3,346	3,062	1,985		
880	1,038	683	905	1,298		
144	195	113	110	65		
356	397	510	892	593		
--	53	49	63	289		
1,137	1,211 <sup>(4)</sup>	830	1,233	1,118		
1,678	1,744 <sup>(4)</sup>	1,608	1,492	N/A <sup>(8)</sup>		
1,804	1,644	1,789	1,882	N/A <sup>(8)</sup>		
16,046	9,950	9,784	11,475	N/A <sup>(8)</sup>		
1,752	1,880	2,094	1,792	N/A <sup>(8)</sup>		
15,742	11,631	10,183	10,976	N/A <sup>(8)</sup>		

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

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2008	2009	2010	2011	2012
Law Enforcement					
County Jail					
Average daily jail population	447	580	564	613	627
Sheriff					
E-911 calls received (approx)	64,500	224,566 <sup>(2)</sup>	37,667	38,883	44,559
Financial					
County Auditor					
A/P checks processed	6,624	7,131	7,317	6,986	6,195
ACH processed	--	--	--	--	647
Wire transactions	--	--	--	--	220
Invoices processed	--	--	19,260	17,706	16,854
Highways and Streets					
Miles of roads resurfaced	221	104	114	113	119
Public Health & Welfare					
Autopsies performed	87	90	123	49	57
Medical Examiner cases	460	399	441	408	437
Indigent clients	107	94	160	94	146
Culture & Recreation					
Hamm Creek Park Visitors	--	3,519 <sup>(3)</sup>	7,214	13,246	23,321

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](http://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.
  - (8) Data not available.



Fiscal Year				
2013	2014	2015	2016	2017
673	713	661	679	703
38,390	40,908	39,141	36,751	34,563
4,658	4,617	4,596	5,000	4,559
1,995	2,124	2,102	2,535	2,047
20	153	137	128	230
14,466	13,440	14,750	14,660	14,560
68	56	25 <sup>(6)</sup>	10 <sup>(6)</sup>	59
70	56	74	51	48
502	627	548	602	570
174	155	136	106	60
18,626	17,259	12,737 <sup>(7)</sup>	12,804 <sup>(7)</sup>	27,213

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

Table 16

Function	Fiscal Year				
	2008	2009	2010	2011	2012
Administration of Justice					
Furniture and equipment			20	20	21
Vehicles & mobile equipment			6	5	5
Land & building			1	2	1
General Government					
Furniture and equipment			180	158	163
Vehicles & mobile equipment			10	8	10
Land & building			71	72	74
Highways and Streets					
Furniture and equipment			7	8	12
Vehicles & mobile equipment			235	251	255
Land & building			13	18	19
Law Enforcement					
Furniture and equipment			86	74	75
Vehicles & mobile equipment			142	140	153
Land & building			8	12	12
Health & Welfare					
Furniture and equipment			2	21	21
Vehicles & mobile equipment			3	5	5
Land & building			--	1	1
Culture & Recreation					
Furniture and equipment			1	1	1
Vehicles & mobile equipment			3	4	4
Land & building			--	2	2

Source: Johnson County Financial Records

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

Fiscal Year					
2013	2014	2015	2016	2017	
22	23	24	24	23	
5	4	4	6	4	
1	1	1	--	--	
164	171	170	174	179	
21	23	23	22	22	
81	83	83	84	83	
12	12	12	12	14	
260	264	273	269	272	
20	20	20	20	24	
78	90	98	104	124	
147	144	135	141	140	
14	14	14	14	15	
21	21	19	12	12	
5	8	7	7	8	
1	2	3	3	3	
1	1	1	1	1	
4	5	5	5	4	
2	2	2	2	2	



**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, 2017, 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 12, 2018.

### **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.

*Kennemer, Masters & Rungford, LLC*

Lake Jackson, Texas  
March 12, 2018



# 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* (Uniform Grant Management Standards) that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2017. 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* (Uniform Grant Management Standards). Those standards and the *Texas Single Audit Circular* (Uniform Grant Management Standards) 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, 2017.

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

### 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, (Uniform Grant Management Standards) 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, (Uniform Grant Management Standards). Accordingly, this report is not suitable for any other purpose.

*Kennemer, Masters & Hunsford, LLC*

Lake Jackson, Texas 77566  
March 12, 2018

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended September 30, 2017

Page 1 of 1

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 in accordance with *Texas Single Audit Circular (Uniform Grant Management Standards)* Section 510(a): No
7. Major programs include:
  - TJJD Cluster Programs:
    - TJJD-A-17/18-126 State Aid Program
    - TJJD-R-17/18-126 State Aid Program
    - TJJD-P-17/18-126 Juvenile Justice Alternative Education Program
    - TJJD-W-17-126 Juvenile Alternative Education Program
8. Dollar threshold used to distinguish between Type A and Type B programs: \$ 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 state award.

The audit disclosed no findings required to be reported.

**JOHNSON COUNTY, TEXAS**  
*SCHEDULE OF STATUS OF PRIOR FINDINGS*  
Year Ended September 30, 2017

*Page 1 of 1*

None.

**JOHNSON COUNTY, TEXAS**  
*CORRECTIVE ACTION PLAN*  
Year Ended September 30, 2017

None.

**JOHNSON COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
For the Year Ended September 30, 2017

Exhibit 16  
Page 1

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Juvenile Justice Department:		
Direct Program:		
State Aid Program (1)	TJJD-A-17-126	\$ 786,262
State Aid Program (1)	TJJD-A-18-126	69,031
State Aid Program (1)	TJJD-R-17-126	193,645
State Aid Program (1)	TJJD-R-18-126	10,919
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp)(1)	TJJD-P-17-126	47,076
Juvenile Justice Alternative Education Program (Boot Camp)(1)	TJJD-P-18-126	8,170
Juvenile Justice Alternative Education Program (Supplement)(1)	TJJD-W-17-126	<u>2,280</u>
<b>TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT</b>		<b><u>\$ 1,117,383</u></b>
Texas Commission on Environmental Quality:		
Direct Program:		
Aircheck Texas Repair and Replacement Assistance Program	582-12-20277	\$ 366,286
Direct Program:		
Local Emergency Planning Committee Grant	---	<u>42,067</u>
<b>TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY</b>		<b><u>\$ 408,353</u></b>
Texas Natural Resource Conservation Commission:		
Direct Program:		
Health and Safety Code 361.136(L) (1)	--	<u>\$ 15,137</u>
<b>TOTAL NATURAL RESOURCE CONSERVATION COMMISSION</b>		<b><u>\$ 15,137</u></b>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	---	<u>\$ 23,752</u>
<b>TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS</b>		<b><u>\$ 23,752</u></b>
Office of Attorney General:		
Direct Program:		
Texas Victim Information and Notification Everyday (VINE)	1771211	\$ 25,406
Texas Victim Information and Notification Everyday (VINE)	1877299	<u>2,379</u>
		27,785
Direct Program:		
Sexual Assault Prevention & Crisis Services Program	--	<u>14,994</u>
<b>TOTAL OFFICE OF ATTORNEY GENERAL</b>		<b><u>\$ 42,779</u></b>

**JOHNSON COUNTY, TEXAS****SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued**  
For the Year Ended September 30, 2017Exhibit 16  
Page 2

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Formula	212-17-126	\$ 152,054
Indigent Defense Improvement	212-07-126	<u>49,226</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		<u>\$ 201,280</u>
Texas Department of Transportation:		
Direct Program:		
County Transportation Infrastructure Fund Grant Program	CTIF-01-127	<u>\$ 26,239</u>
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		<u>\$ 26,239</u>
Texas Department of State Health Services:		
Direct Program:		
Tobacco Settlement Funds	--	<u>\$ 33,715</u>
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		<u>\$ 33,715</u>
Secretary of State - Elections Division:		
Direct Program:		
Chapter 19 – Elections Fund Management	--	<u>\$ 8,275</u>
TOTAL SECRETARY OF STATE		<u>\$ 8,275</u>
Texas Department of Motor Vehicles:		
Pass Through Tri-County Auto Burglary and Theft Prevention:		
Auto Burglary and Theft Prevention 2017	--	\$ 54,696
Auto Burglary and Theft Prevention 2018	--	<u>4,712</u>
TOTAL TEXAS DEPARTMENT OF MOTOR VEHICLES		<u>\$ 59,408</u>
TOTAL STATE ASSISTANCE		<u>\$ 1,936,321</u>
TOTAL MAJOR PROGRAMS		<u>\$ 1,117,383</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, 2017

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, 2017

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 (Uniform Grant Management Standards).
4. Indirect Costs - The County received no reimbursements for indirect costs during the year ended September 30, 2017.

