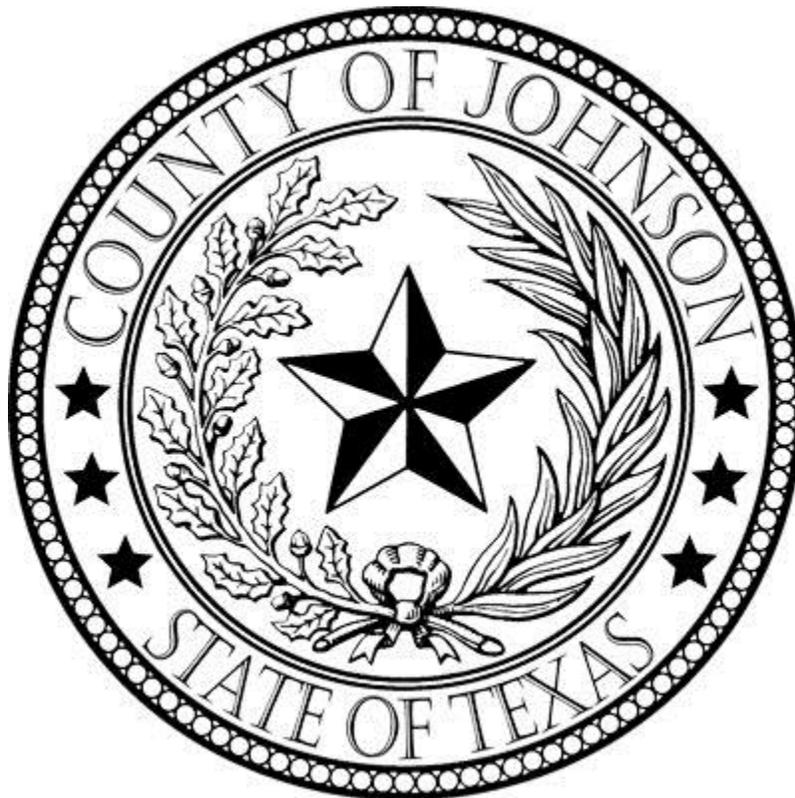


**JOHNSON COUNTY, TEXAS**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2014

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, 2014

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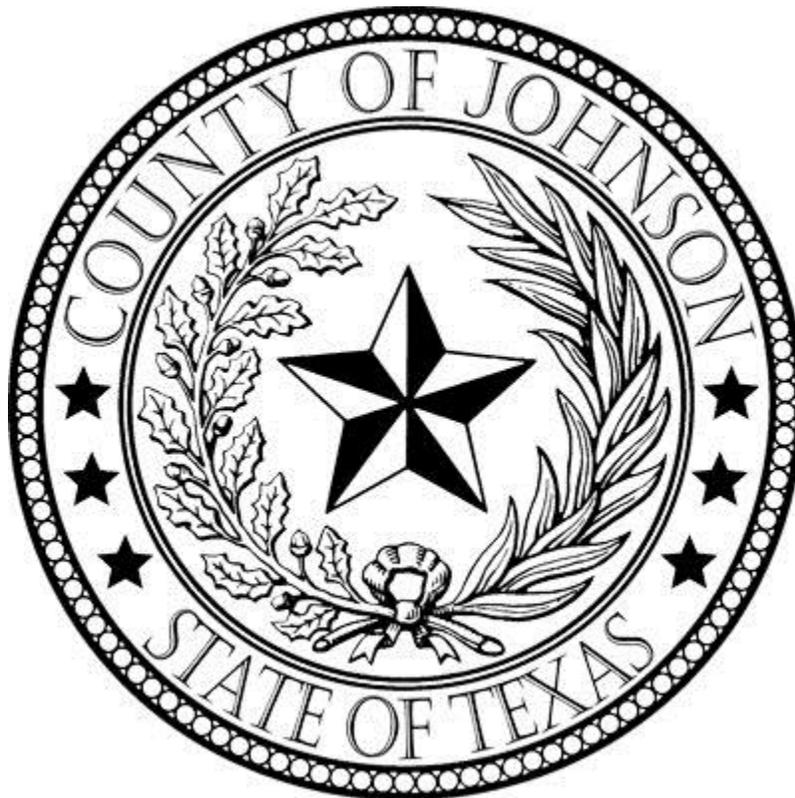
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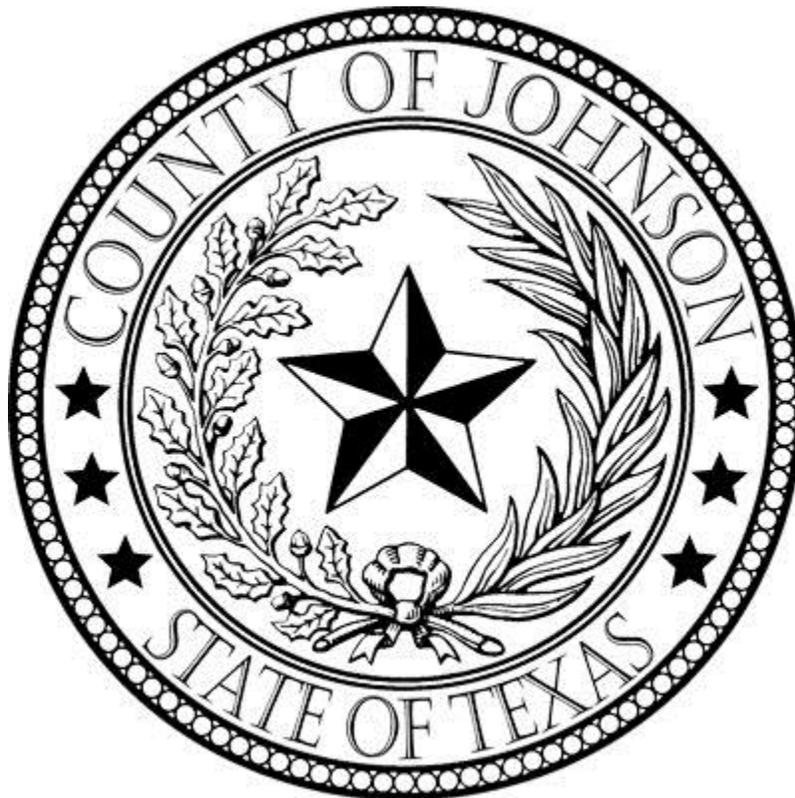
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**INTRODUCTORY SECTION**



# JOHNSON COUNTY



## AUDITOR'S OFFICE

**J.R. Kirkpatrick**  
County Auditor

---

(817) 556-6305

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

Fax (817) 556-6075

March 27, 2015

THE HONORABLE DISTRICT JUDGES AND  
THE HONORABLE COMMISSIONERS COURT:

Gentlemen:

In compliance with the statutory duties of the County Auditor as prescribed by Section 114.025 of the Local Government Code of the State of Texas, the Comprehensive Annual Financial Report of Johnson County, Texas, for the fiscal year ended September 30, 2014, is submitted herewith. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. This report has been prepared using generally accepted accounting principles and guidelines promulgated by the Governmental Accounting Standards Board. We have endeavored to conform substantially to the high standards of public financial reporting as recommended by the Government Finance Officers Association of the United States and Canada. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

Johnson County, like most of the state and nation, has seen a slight downturn in the business environment during the past few years but, lately, has begun to take a turn for the better. The region has a varied manufacturing and industrial tax base that contributes to the relatively favorable unemployment rate. During the past few years the County has seen a decrease in gas exploration due to the declining price of natural gas. However, the royalty income, created by the original drilling activity and continued producing wells, is still boosting the economy, but has a lesser impact than it did a few years ago. The County's tax base experienced three consecutive years of loss but for the immediate future the County will see more growth. This is known due to the fact that, as of this writing, the assessed valuations are in for the next fiscal year, showing the increased value. Contributing to the upturn is the bottoming-out of the price of natural gas. For several years now, Johnson County has been well positioned, financially, with the above average fund balances it maintains; meaning the last few years has not created any unmanageable hardship. Moreover, Johnson County has continued to move forward with capital projects by using some of the very large fund balances that were in excess of our minimums established by our fund balance policy.

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

Population growth continues in Johnson County with significant residential growth in Cleburne, Burleson and other cities. Combined efforts of the cities and county government have proven to be effective in attracting industry as well. The downtown area of Cleburne benefits from aggressive tax incentives approved by the city and county. Construction of a privately-owned events center was completed this year just two blocks from the town square; further adding to the attraction of the business area of the county seat.

The construction of the Highway 121 project was completed in May. The highway now provides a much needed north-south route from our county seat to the City of Fort Worth. This new freeway will help ensure continued growth of Johnson County. The travel time from city to city has been cut by about half. It was determined that the route would be a toll road with the North Texas Tollway Authority having responsibility for the project. NTTA projects are not a part of the state highway system and receive no direct tax funding. The highway will extend 27.6 miles from the Fort Worth central business district to U.S. Highway 67 in Cleburne. This project had been in the planning stages for decades and is now a reality. The economic impact to Johnson County is expected to be quite significant.

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

## **MAJOR INITIATIVES**

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

### **For the Year**

Johnson County has completed the construction of the new sub-courthouse in Alvarado. The Justice of the Peace, Constable and a satellite office for the County Tax Assessor has always shared a building that was determined to be too small several years ago. Now, this new building easily accommodates the functions of all three departments with room to grow. It is very attractive and is a good addition for the City of Alvarado and the residents. This project was funded with no need to issue new debt.

This year saw the completion of the radio tower project. These four towers will relieve operational overloads for the communications needs of County law enforcement, City of Cleburne Police, Fire/EMS Departments and other public radio communications traffic. The system provides clear, reliable radio service for all public safety and other public communications needs.

Johnson County has taken a significant technological leap forward in public safety through the installation of a dual polarization, high definition weather radar at the Emergency Operations Center. Public safety units and our weather forecasting partners at the National Weather Service now have increased clarity on specific storm and weather features. This allows for potential of increased warning times for tornadoes and the ability of public safety units to respond more quickly and effectively to weather related events.

Johnson County released a first of its kind smart phone application geared to provide residents with easy to use tools to communicate with government public safety. The application, developed by the Emergency Management Department, focuses on delivering to citizens a situational awareness of public safety incidents around them such as structure fires or road closures, but also allows them to report non-emergency incidents such as street flooding.

And finally, the County began the installation of four (4) significant software applications. The new payroll system was completed and the first phase of the courts system is up and running. The court software meets the new e-filing requirement mandate issued by the State. Our records management software, completed early in the year, has added efficiency and convenience. The law enforcement project was just begun in January, 2015. The goal with this is to create a regional law enforcement system that will allow all agencies in Johnson County to share information.

### **For the Future**

The growth experienced by the county requires our elected officials to be forward-thinking to address issues before they become problems. As in most Texas counties, the need to accommodate the law enforcement and administration of justice functions is truly a challenge.

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

### **FINANCIAL CONDITION**

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

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

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

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

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

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

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

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

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

## OTHER INFORMATION

**Independent Audit.** The County's financial statements have been audited by Kennemer, Masters and Lunsford, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2014, 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, 2014 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, 2013. This was the twenty-third consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

  
J. R. Kirkpatrick  
Johnson County Auditor



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

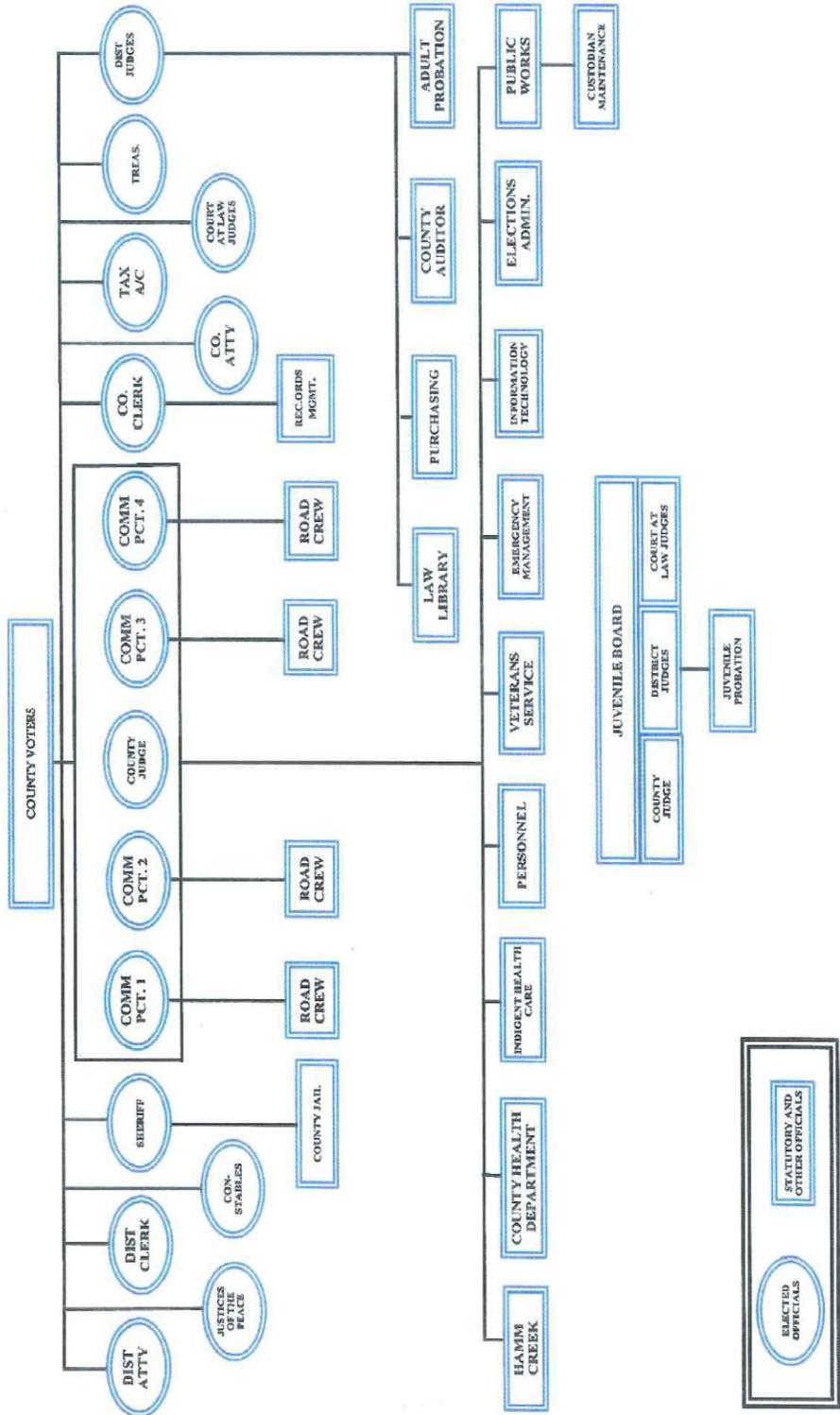
Presented to

**Johnson County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO



**JOHNSON COUNTY, TEXAS**

**PRINCIPAL OFFICIALS**

**COMMISSIONERS COURT**

COUNTY JUDGE

Roger Harmon

COUNTY COMMISSIONERS

Precinct 1

Rick Bailey

Precinct 2

Kenny Howell

Precinct 3

Jerry Stringer

Precinct 4

Don Beeson

**JUDICIAL**

DISTRICT JUDGE

18<sup>th</sup> Judicial District

John E. Neill

249<sup>th</sup> Judicial District

Wayne Bridewell

413<sup>th</sup> Judicial District

William C. Bosworth, Jr.

COUNTY COURT-AT-LAW I

Robert B. Mayfield, III

COUNTY COURT-AT-LAW II

Jerry D. Webber

JUSTICE OF THE PEACE

Precinct 1

Ronald R. McBroom

Precinct 2

Jeff Monk

Precinct 3

Pat Jacobs

Precinct 4

John Bekkelund

**LAW ENFORCEMENT AND LEGAL**

DISTRICT ATTORNEY

Dale Hanna

COUNTY ATTORNEY

Bill Moore

SHERIFF

Bob Alford

CONSTABLES

Precinct 1

Matt Wylie

Precinct 2

Adam Crawford

Precinct 3

Mike White

Precinct 4

Gary Braly

COMMUNITY SUPERVISION DIRECTOR\*

Toby Ross

CHIEF JUVENILE PROBATION OFFICER\*

Lisa Tomlinson

**FINANCIAL ADMINISTRATION**

COUNTY AUDITOR\*

J. R. Kirkpatrick

COUNTY TREASURER

Debbie Rice

TAX ASSESSOR—COLLECTOR

Scott Porter

PURCHASING AGENT\*

Ralph McBroom

**COURT CLERKS**

DISTRICT CLERK

David Lloyd

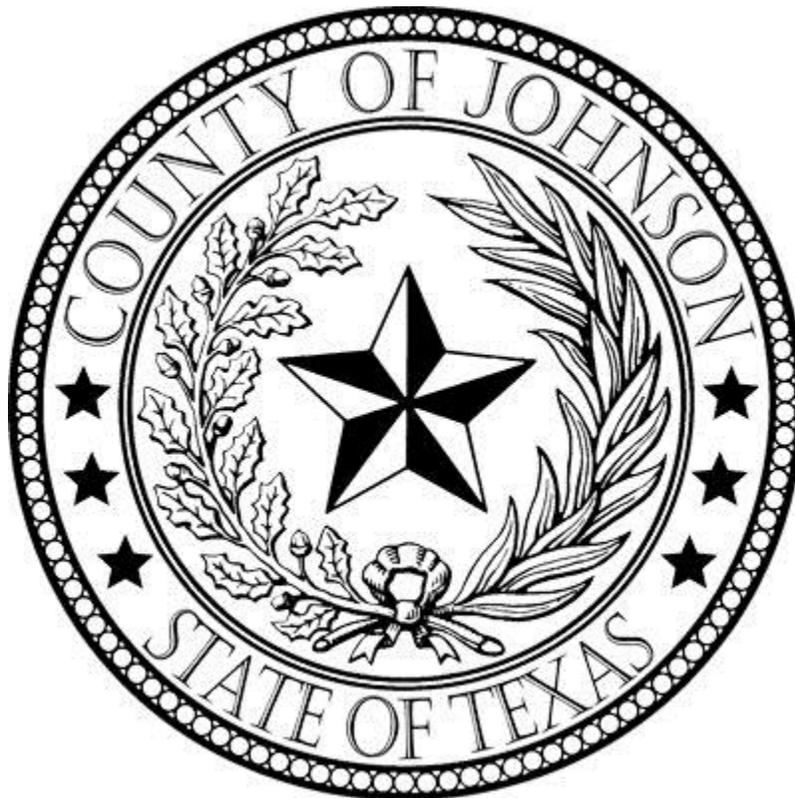
COUNTY CLERK

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

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

**Houston Office:**  
10850 Richmond, Suite 135  
Houston, Texas 77042

## Independent Auditor's Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas (the "County") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas, as of September 30, 2014, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

www.kmandl.com – Email: kmkw@kmandl.com

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

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 to 17 and pages 66 to 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Texas *Single Audit Circular* and are also not a required part of the basic financial statements.

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

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

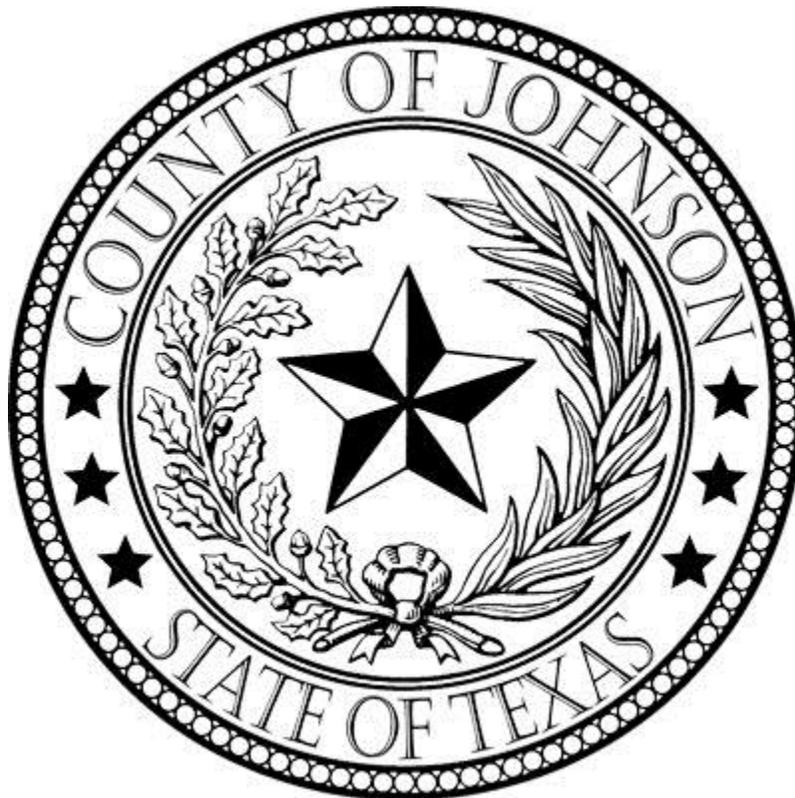
The Honorable County Judge,  
and Members of Commissioners'  
Court of Johnson County, Texas

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Kennebec, Masters & Hunford, LLC*

Lake Jackson, Texas  
March 27, 2015



## JOHNSON COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended September 30, 2014*

As management of Johnson County, Texas ("County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vi of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental activities by \$ 93,122,365 (net position). Of this amount, \$ 24,860,566 (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors with the County's fund designation.
- The County's total net position increased for governmental activities by \$ 1,576,514.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 37,134,716. 49.32% of this amount, \$ 18,313,030 (unassigned fund balance), were available for use within the County's fund designations. Of the governmental funds amount, \$ 17,857,943 has been restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 18,321,967 or 36.61% 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, 2014*

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

The government-wide financial statements can be found on pages 20 and 21 of this report.

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

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

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

The County maintains forty-nine (49) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road and Bridge (special revenue fund), and the General Debt Service (debt service fund); all of which are considered to be major funds. Data from the other forty-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 22 through 27 of this report.

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

## JOHNSON COUNTY, TEXAS

### *Management's Discussion and Analysis For the Year Ended September 30, 2014*

- **Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position on page 28 and a statement of changes in assets and liabilities – agency funds that can be found on pages 137 through 139.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 63 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 69 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 78 through 136 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 \$ 93,122,365 as of September 30, 2014. This is an increase in net position of \$ 1,576,514 which is primarily due to a net increase in revenues.

The largest portion of the County's net position of \$ 53,258,318 (57.19%) 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 increased by \$ 1,634,754 due to an increase in construction in progress related to new buildings and software projects.

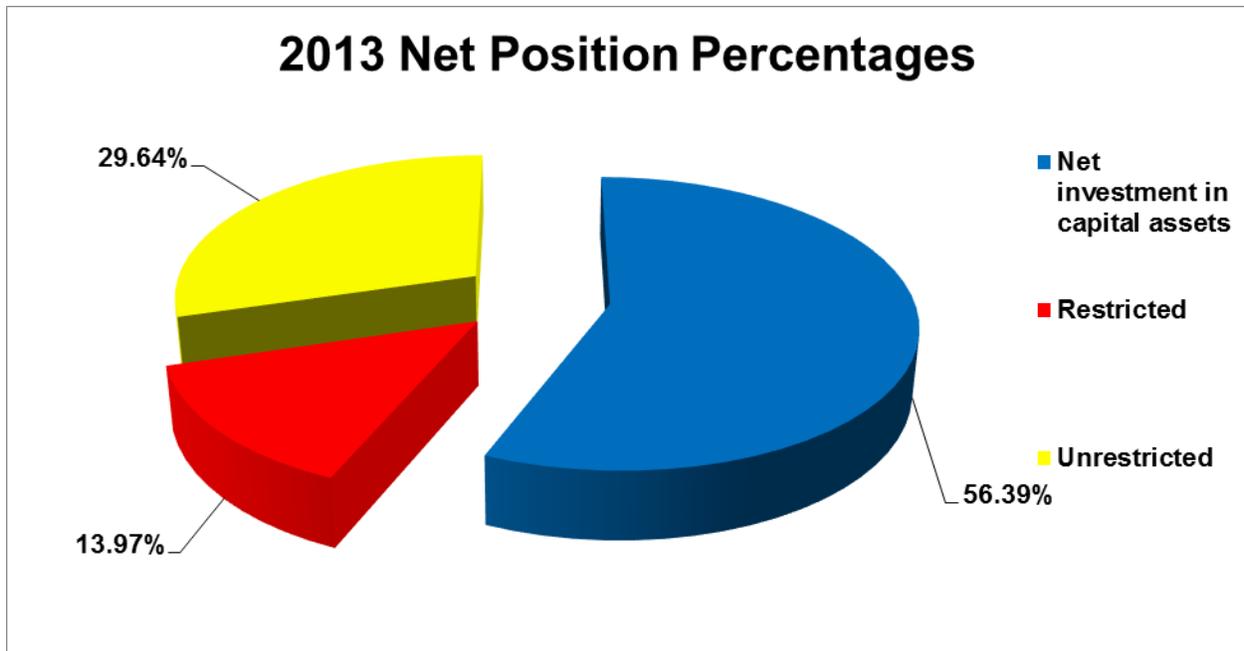
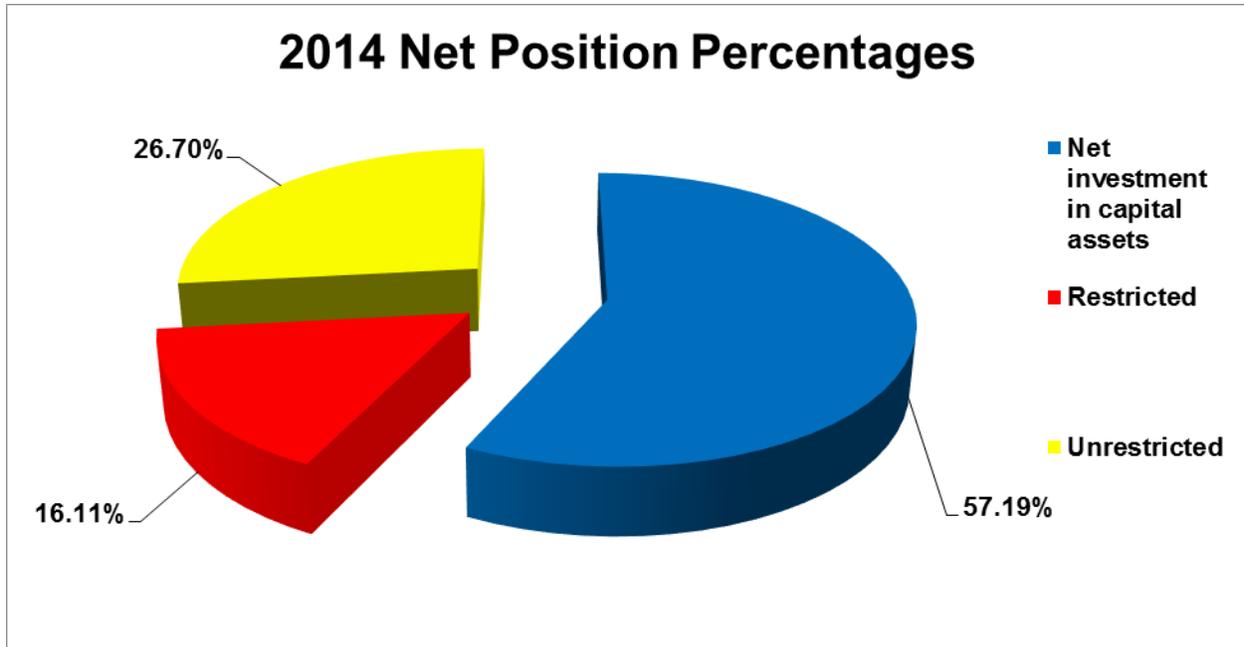
An additional portion of the County's net position of \$ 15,003,481 (16.11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 24,860,566 (26.70%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2014, the County is able to report positive balances in all three categories of net position.

**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2014*

**JOHNSON COUNTY'S NET POSITION**

	<u>Governmental Activities</u>		
	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>	<u>Net</u> <u>Change</u>
<b>ASSETS</b>			
Current and other assets	\$ 51,181,482	\$ 46,794,270	\$ 4,387,212
Capital assets	<u>66,076,988</u>	<u>64,222,440</u>	<u>1,854,548</u>
Total assets	<u>117,258,470</u>	<u>111,016,710</u>	<u>6,241,760</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources	<u>                    </u>	<u>                    </u>	<u>-0-</u>
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>LIABILITIES</b>			
Current and other liabilities	6,032,244	4,538,001	1,494,243
Long-term liabilities	<u>18,103,861</u>	<u>14,932,858</u>	<u>3,171,003</u>
Total liabilities	<u>24,136,105</u>	<u>19,470,859</u>	<u>4,665,246</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources	<u>                    </u>	<u>                    </u>	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	53,258,318	51,623,564	1,634,754
Restricted	15,003,481	12,787,174	2,216,307
Unrestricted	<u>24,860,566</u>	<u>27,135,113</u>	<u>( 2,274,547)</u>
Total net position	<u>\$ 93,122,365</u>	<u>\$ 91,545,851</u>	<u>\$ 1,576,514</u>



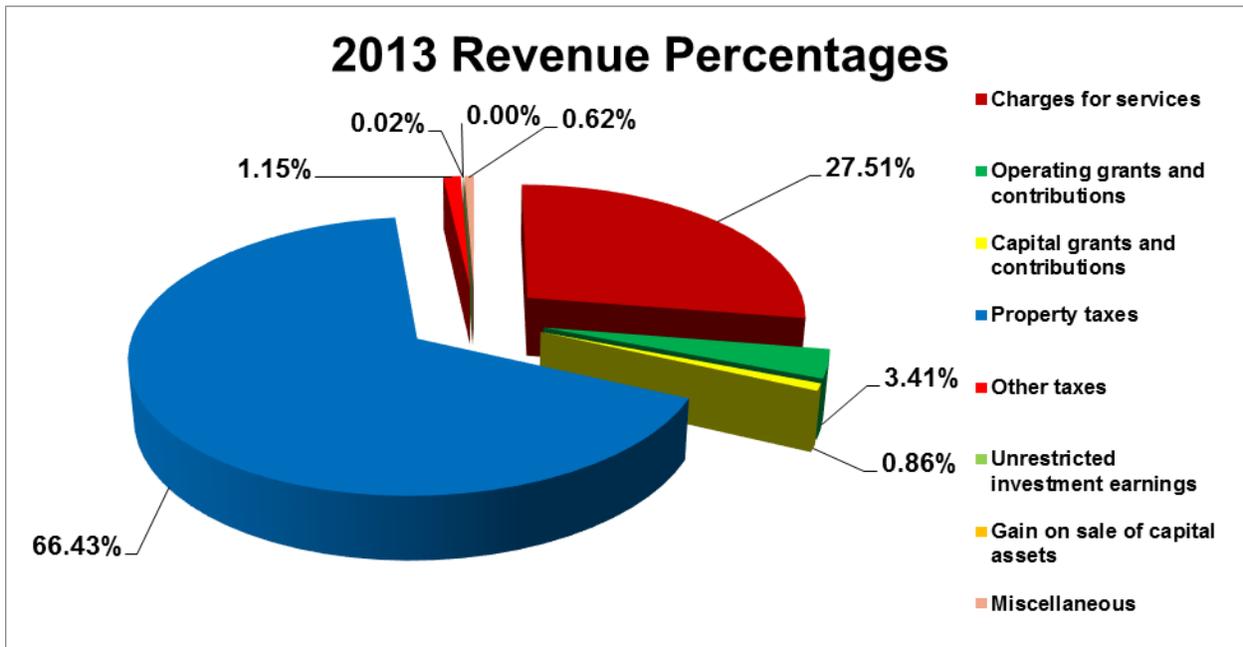
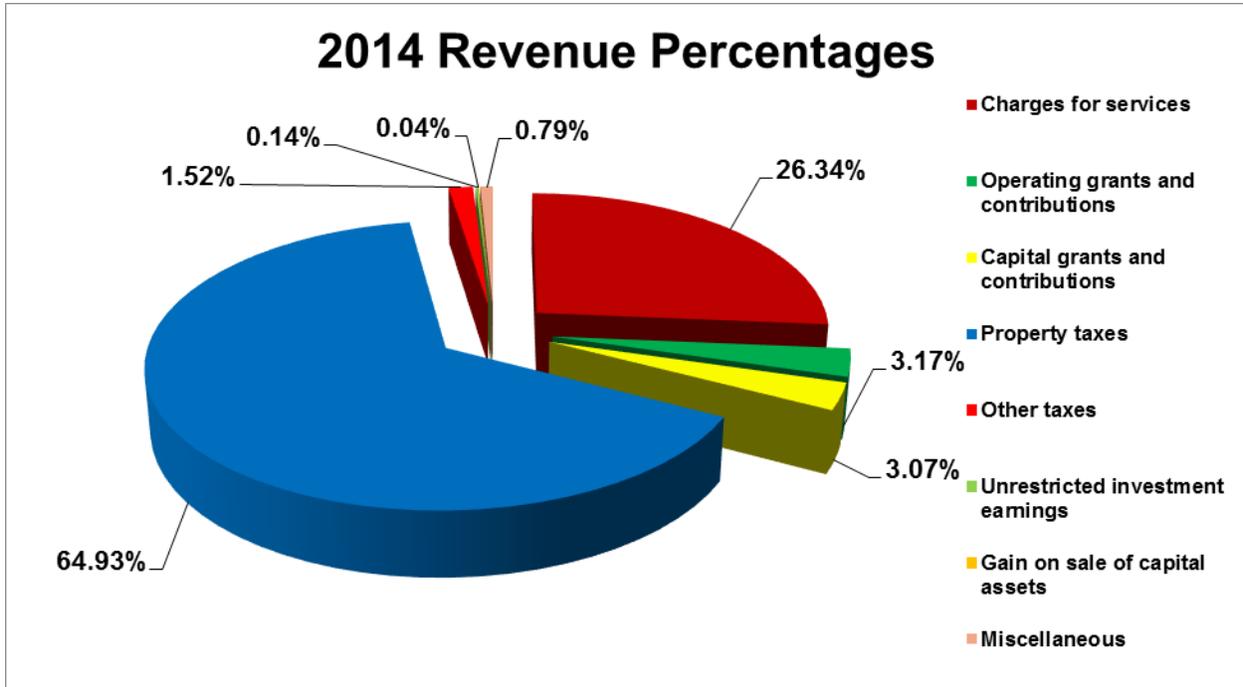
**JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2014*

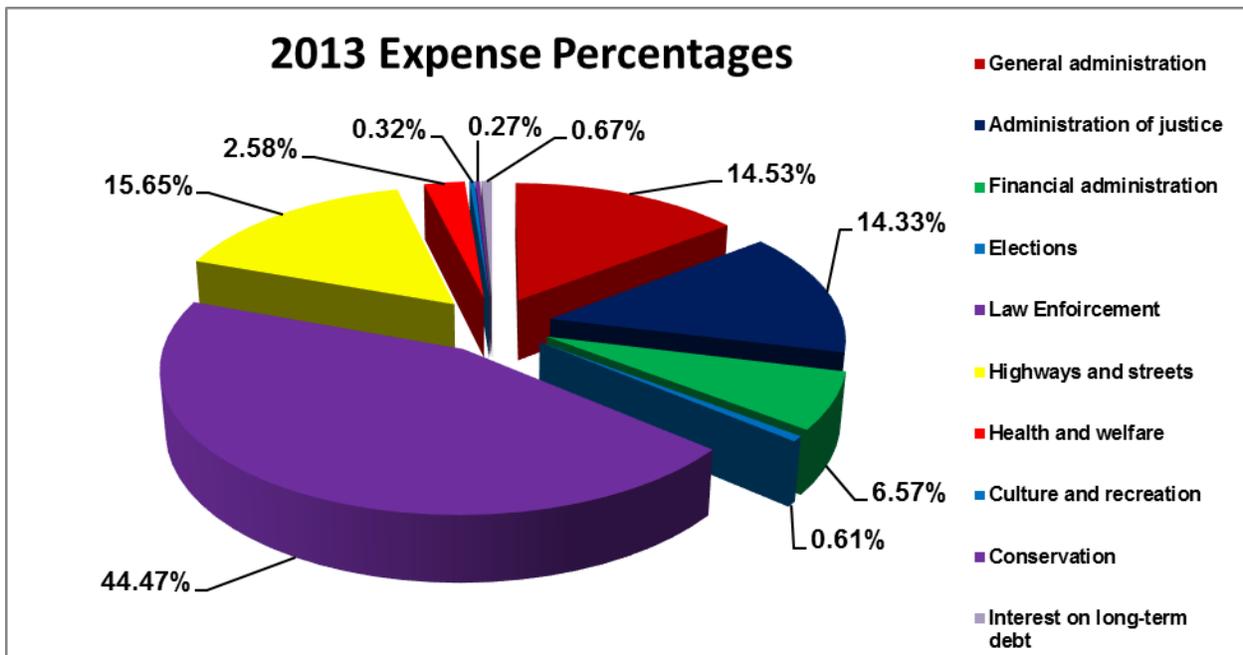
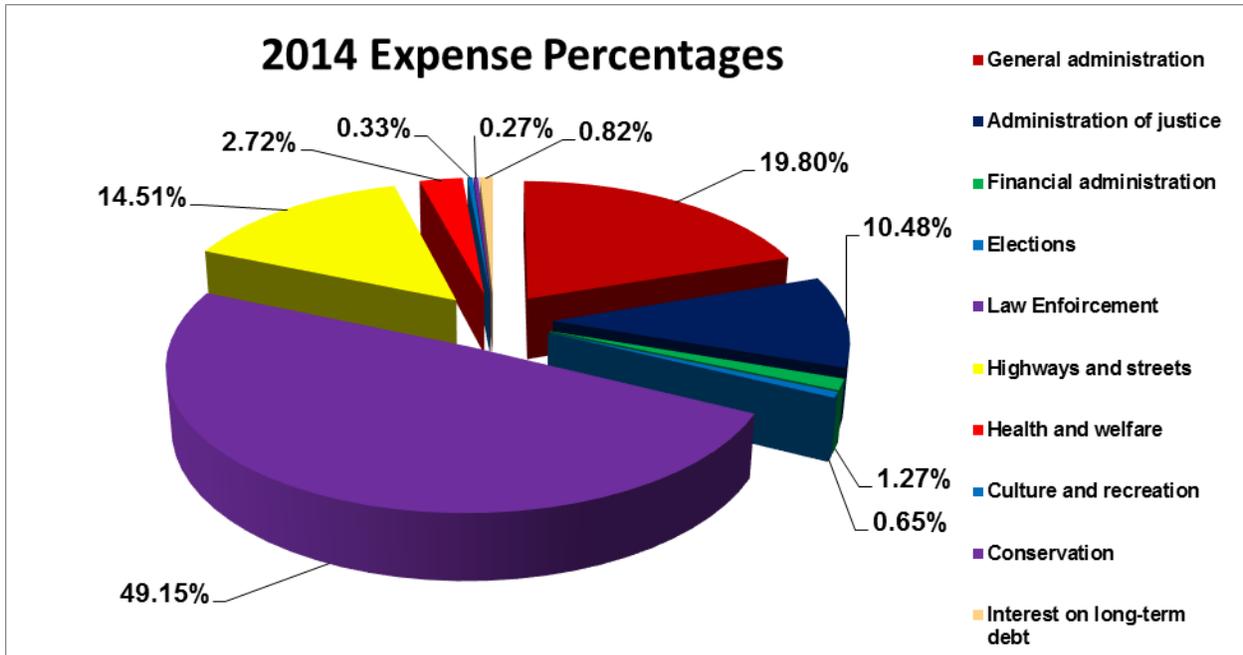
**Analysis of the County's Operations.** Governmental activities reported an increase in net position in the amount of \$ 1,576,514. The following table provides a summary of the County's operations for the year ended September 30, 2014.

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

	<u>Governmental Activities</u>		
	<u>September 30, 2014</u>	<u>September 30, 2013</u>	<u>Net Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 18,041,407	\$ 17,849,320	\$ 192,087
Operating grants and contributions	2,171,770	2,210,164	( 38,394)
Capital grants and contributions	2,104,767	557,627	1,547,140
General Revenues:			
Property taxes	44,476,483	43,106,286	1,370,197
Other taxes	1,038,595	746,362	292,233
Unrestricted Investment earnings	96,651	14,784	81,867
Gain on sale of capital assets	24,622		24,622
Miscellaneous	<u>542,112</u>	<u>404,603</u>	<u>137,509</u>
Total revenues	<u>68,496,407</u>	<u>64,889,146</u>	<u>3,607,261</u>
Expenses:			
General administration	13,252,093	9,483,532	3,768,561
Administration of justice	7,011,681	9,356,931	( 2,345,250)
Financial Administration	847,977	4,287,972	( 3,439,995)
Elections	430,717	400,442	30,275
Law enforcement	32,888,061	29,021,831	3,866,230
Highways and streets	9,712,634	10,213,556	( 500,922)
Health and welfare	1,822,344	1,682,465	139,879
Culture and recreation	223,476	204,804	18,672
Conservation	180,919	174,632	6,287
Interest on long-term debt	<u>549,991</u>	<u>438,967</u>	<u>111,024</u>
Total expenses	<u>66,919,893</u>	<u>65,265,132</u>	<u>1,654,761</u>
Increase (decrease) in net position	1,576,514	( 375,986)	1,952,500
Net position – October 1,	<u>91,545,851</u>	<u>91,921,837</u>	<u>( 375,986)</u>
Net position - September 30,	<u>\$ 93,122,365</u>	<u>\$ 91,545,851</u>	<u>\$ 1,576,514</u>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2014*



## JOHNSON COUNTY, TEXAS

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### Financial Analysis of the County's Funds

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

**Governmental funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, 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 \$ 37,134,716. The unassigned fund balance of \$ 18,313,030 constitutes 49.32% of ending fund balance. The fund balance is categorized as 1) nonspendable (\$ 963,743), 2) restricted (\$ 17,857,943), and 3) unassigned (\$ 18,313,030).

Fund balance of the General Fund decreased by \$ 2,585,074; the Road and Bridge (special revenue fund) increased by \$ 1,381,583; the General Debt Service (debt service fund) increased by \$ 131,820, and, other (non-major) governmental funds increased by \$ 3,519,844.

The decrease in fund balance in the general fund, as compared to the prior year, resulted from the transfer of funds to the capital projects funds for projects that are ongoing for the County. General fund revenues were up slightly and expenditures were up from the prior year due to the overall increases in the cost of operations, during the current year. Regarding the Road & Bridge (special revenue fund), the increase in fund balance was the result of decreased highway and street maintenance and construction. The increase in fund balance for the General Debt Service (debt service fund) was, as compared to the prior year, the result of expected maturities of debt with expected property tax revenue. The change in fund balance for other governmental funds generally is a result of changes in special revenue projects, grants and awards and other capital project expenditures. The related decrease in fund balance in the current year is significantly lower than the prior year decrease in fund balance.

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

The difference between the General Fund original expenditure budget and the revised budget was a \$ 4,107,188 increase including \$ 1,145,582 in transfers out. There were no relatively large amendments approved this year, except for the increase in transfers out for programs and construction projects and anticipated increases in law enforcement costs.

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

**JOHNSON COUNTY, TEXAS**  
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Total General Fund revenue exceeded the budget by approximately 4.58% and total General Fund expenditures were under budget by approximately 6.18%.

**Capital Assets**

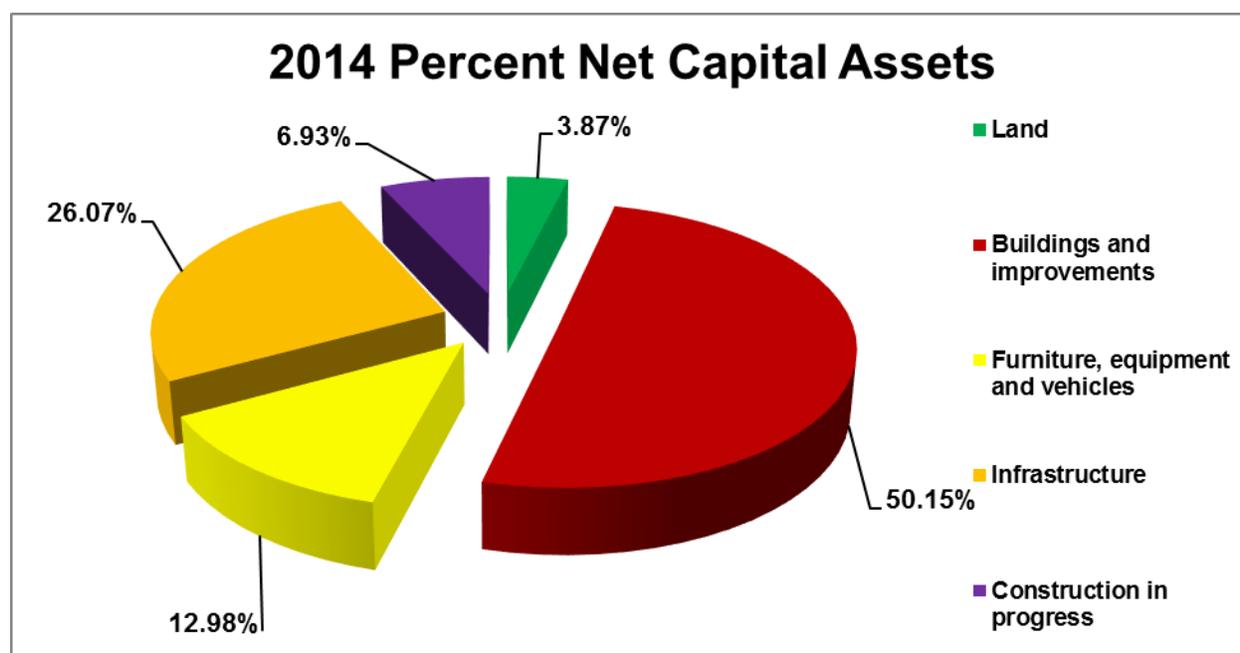
This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

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

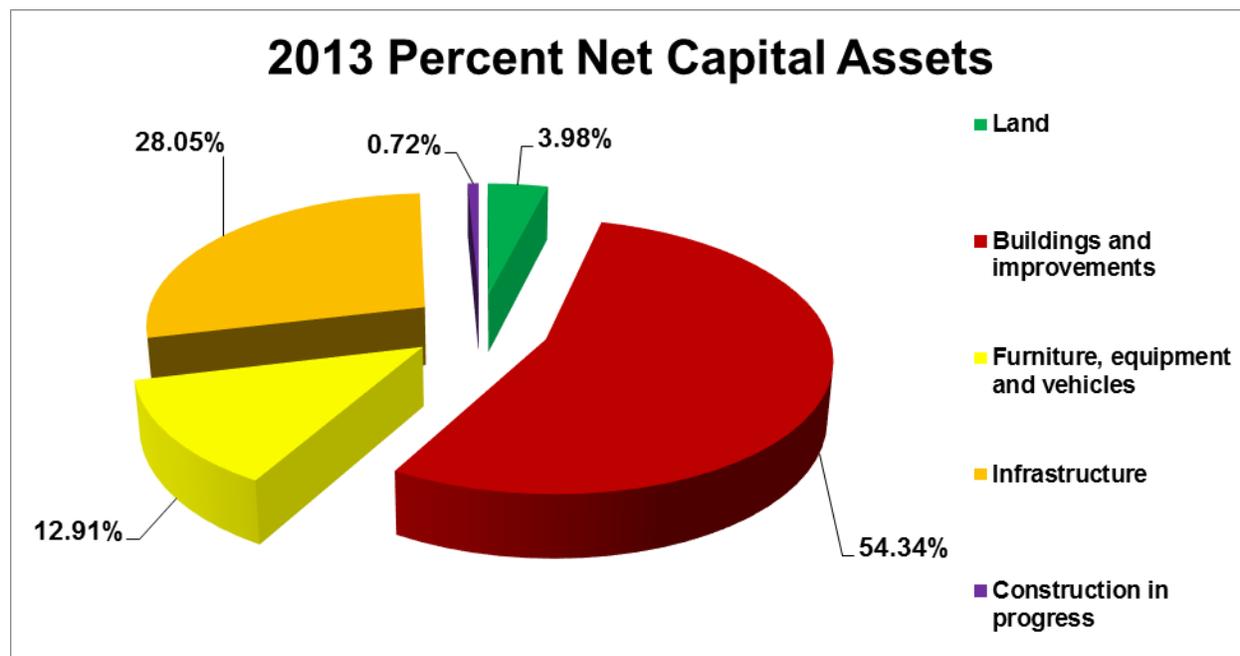
- Acquisition of new vehicles, tractors, various road and bridge equipment.
- Construction of new buildings that are still in progress at the end of the fiscal year.
- Construction of software projects that began in the current fiscal year.

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

	Governmental Activities		
	September 30, 2014	September 30, 2013	Net Change
Land	\$ 2,558,693	\$ 2,558,693	\$ -0-
Buildings and improvements	33,135,259	34,896,564	( 1,761,305)
Furniture, equipment and vehicles	8,576,100	8,288,360	287,740
Infrastructure	17,224,995	18,013,298	( 788,303)
Construction in progress	<u>4,581,941</u>	<u>465,525</u>	<u>4,116,416</u>
Total	<u>\$ 66,076,988</u>	<u>\$ 64,222,440</u>	<u>\$ 1,854,548</u>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2014*



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

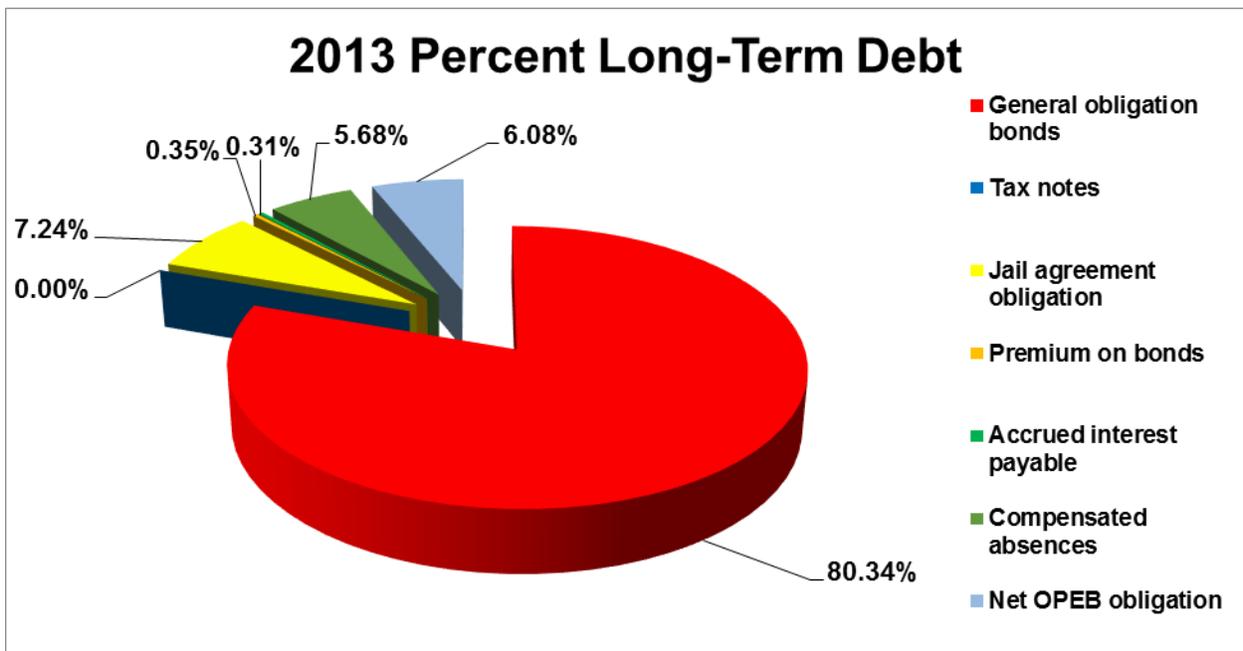
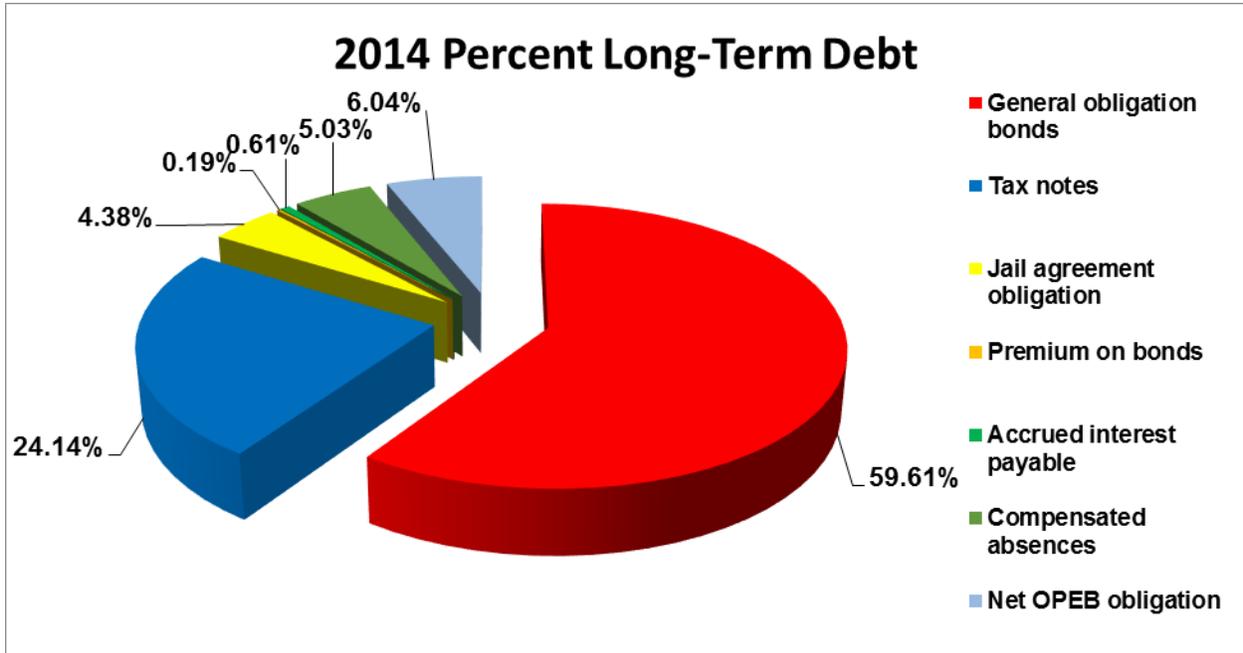
**DEBT ADMINISTRATION**

At the end of the current fiscal year, the County had a total bonded and note debt of \$ 15,955,602, which, comprises bonded and debt backed by the full faith and credit of the County and the jail facilities loan agreement. The bonds and tax notes will be retired with revenues from property taxes and fees for services, while the jail agreement loan will be retired with revenues related to the jail operations.

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

	Governmental Activities		
	September 30, 2014	September 30, 2013	Net Change
General obligation bonds	\$ 10,792,359	\$ 11,996,322	\$( 1,203,963)
Tax notes	4,370,000		4,370,000
Jail agreement obligation	793,243	1,080,513	( 287,270)
Components of Debt:			
Premium on bonds	33,757	52,107	( 18,350)
Accrued interest payable	110,053	46,228	63,825
Compensated absences	910,979	848,824	62,155
Unfunded OPEB obligation	1,093,470	908,864	184,606
<b>Total</b>	<b>\$ 18,103,861</b>	<b>\$ 14,932,858</b>	<b>\$ 3,171,003</b>

**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
 For the Year Ended September 30, 2014



## **JOHNSON COUNTY, TEXAS**

### *Management's Discussion and Analysis For the Year Ended September 30, 2014*

During the fiscal year, the County's total debt increased \$ 3,171,003 or 21.24%. The net increase was due primarily to the issuance of tax notes.

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

Additional information on the County's long-term debt can be found in Note 7 on pages 52 through 56 of this report.

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

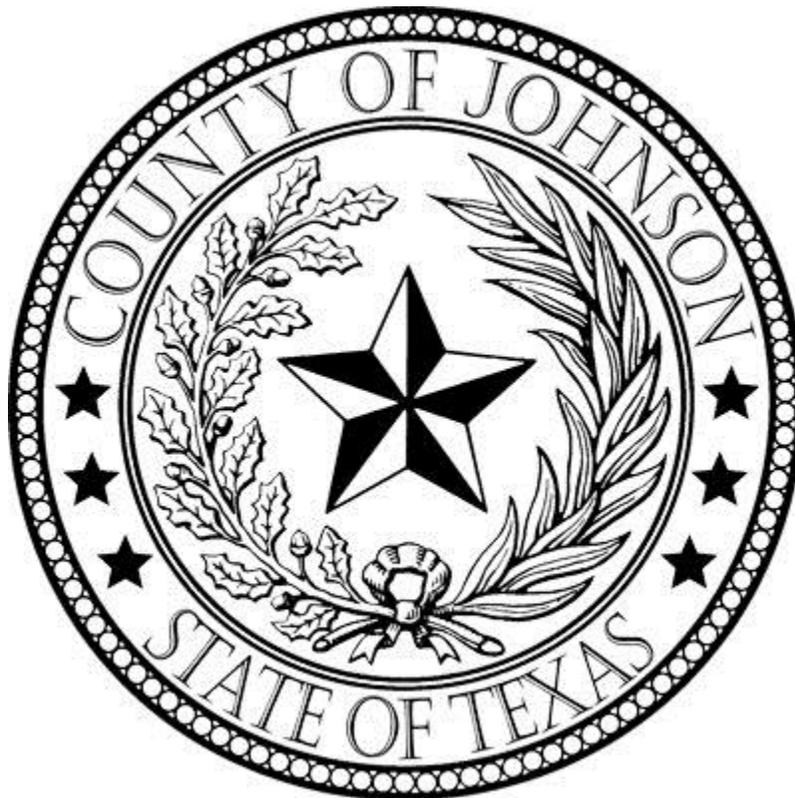
The annual budget is the means by which Commissioners Court sets the direction of the County, and allocates its resources.

In considering the budget for FY 2015, Commissioners Court considered the following factors:

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

### **Request for Information**

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



## **BASIC FINANCIAL STATEMENTS**

**JOHNSON COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
September 30, 2014

Exhibit 1

	<u>Governmental Activities</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
Cash and temporary investments	\$ 29,562,309
Receivables (Net of Allowance for Uncollectibles):	
Taxes	763,529
Accounts	8,498,565
Due from other governments	576,468
Inventories	301,036
Prepaid items	362,707
Investments	10,816,868
Noncurrent Receivables:	
Notes receivable	300,000
Capital Assets:	
Land	2,558,693
Buildings and improvements (net)	33,135,259
Furniture, equipment and vehicles (net)	8,576,100
Infrastructure (net)	17,224,995
Construction in progress	<u>4,581,941</u>
Total assets	<u>117,258,470</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	
Total deferred outflows of resources	<u>-0-</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
Accounts and accrued liabilities payable	5,854,841
Unearned revenue	177,403
Noncurrent Liabilities:	
Due within one year	3,961,589
Due in more than one year	<u>14,142,272</u>
Total liabilities	<u>24,136,105</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	
Total deferred inflows of resources	<u>-0-</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	53,258,318
Restricted:	
Debt service	1,048,793
Health services	1,593,356
Public transportation projects	8,258,202
Records management	2,294,505
Other	1,808,625
Unrestricted	<u>24,860,566</u>
Total net position	<u>\$ 93,122,365</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, 2014

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General administration	\$ 13,252,093	\$ 2,942,937	\$ 56,092	\$ ( 10,253,064)
Administration of justice	7,011,681	2,394,904	1,543,081	( 3,073,696)
Financial administration	847,977	1,226,240		378,263
Elections	430,717	62,676	19,609	( 348,432)
Law enforcement	32,888,061	8,951,720	398,939	5,044 ( 23,532,358)
Highways and streets	9,712,634	2,176,076	63,889	2,099,723 ( 5,372,946)
Health and welfare	1,822,344	232,324	90,160	( 1,499,860)
Culture and recreation	223,476	54,530		( 168,946)
Conservation	180,919			( 180,919)
Interest on long-term debt	549,991			( 549,991)
<b>Total governmental activities</b>	<b>66,919,893</b>	<b>18,041,407</b>	<b>2,171,770</b>	<b>2,104,767 ( 44,601,949)</b>
<b>General Revenue:</b>				
Property taxes				44,476,483
Other taxes				1,038,595
Unrestricted investment earnings				96,651
Gain on sale of capital assets				24,622
Miscellaneous				542,112
<b>Total general revenues</b>				<b>46,178,463</b>
<b>Change in net position</b>				<b>1,576,514</b>
<b>Net position – beginning</b>				<b>91,545,851</b>
<b>Net position – ending</b>				<b>\$ 93,122,365</b>

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

**JOHNSON COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2014

Exhibit 3  
Page 1

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
<b>Assets and Deferred Outflows of Resources</b>					
<b>Assets:</b>					
Cash and temporary investments	\$ 13,232,635	\$ 4,938,141	\$ 1,125,952	\$ 10,265,581	\$ 29,562,309
Receivables (Net of Allowance for Uncollectibles):					
Taxes	625,031	86,257	32,894	19,347	763,529
Accounts	937,563	168,817		22,104	1,128,484
Due from other governments	56,872	473,091		46,505	576,468
Due from other funds	200,017			34,013	234,030
Inventories		301,036			301,036
Prepaid expenditures	360,339			2,368	362,707
Investments	7,860,975	1,280,890		1,675,003	10,816,868
Long-term receivables:					
Accounts	<u>300,000</u>				<u>300,000</u>
<b>Total assets</b>	<u>23,573,432</u>	<u>7,248,232</u>	<u>1,158,846</u>	<u>12,064,921</u>	<u>44,045,431</u>
<b>Deferred Outflows of Resources:</b>					
Deferred outflows of resources					-0-
<b>Total deferred outflows of resources</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 23,573,432</u>	<u>\$ 7,248,232</u>	<u>\$ 1,158,846</u>	<u>\$ 12,064,921</u>	<u>\$ 44,045,431</u>

**JOHNSON COUNTY, TEXAS**

*BALANCE SHEET - GOVERNMENTAL FUNDS - Continued*

September 30, 2014

Exhibit 3

Page 2

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts and accrued liabilities payable	\$ 4,035,548	\$ 433,585	\$	\$ 1,385,708	\$ 5,854,841
Due to other funds	34,013	7,057		192,960	234,030
Unearned revenue				177,403	177,403
<b>Total liabilities</b>	<b>4,069,561</b>	<b>440,642</b>	<b>-0-</b>	<b>1,756,071</b>	<b>6,266,274</b>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows of resources - Property taxes	521,565	71,067	35,731	16,078	644,441
<b>Total deferred inflows of resources</b>	<b>521,565</b>	<b>71,067</b>	<b>35,731</b>	<b>16,078</b>	<b>644,441</b>
<b>Fund Balances:</b>					
Nonspendable	660,339	301,036		2,368	963,743
Restricted		6,435,487	1,123,115	10,299,341	17,857,943
Unassigned	18,321,967			( 8,937 )	18,313,030
<b>Total fund balances</b>	<b>18,982,306</b>	<b>6,736,523</b>	<b>1,123,115</b>	<b>10,292,772</b>	<b>37,134,716</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 23,573,432</b>	<b>\$ 7,248,232</b>	<b>\$ 1,158,846</b>	<b>\$ 12,064,921</b>	<b>\$ 44,045,431</b>

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, 2014

Exhibit 3R

Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 37,134,716
<b>Amounts reported for governmental activities 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 \$ 124,426,402 in assets less \$ 58,349,414 in accumulated depreciation.	66,076,988
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 \$ 13,514,714 net of allowance for uncollectible accounts of \$ 6,144,633 in the General fund amounted to \$ 7,370,081.	7,370,081
Property taxes receivable unavailable to pay for current period expenditures are reported as deferred inflows of resources in the funds. Deferred inflows of resources (property tax revenues) for the General fund, Road and Bridge special revenue fund, Indigent Health Care special revenue fund, and the Law Enforcement Center debt service fund amounted to \$ 521,565, \$ 71,067, \$ 16,078 and \$ 35,731, respectively.	644,441
Payables for bond principal are not reported in the funds.	( 10,792,359 )
Payables for note principal are not reported in the funds.	( 5,163,243 )
Premium on the issuance of bonds provides current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$ 33,757 (premium on the sale of bonds of \$ 188,901 less amortization of \$ 155,144).	( 33,757 )
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 \$ 110,653.	( 110,053 )
The liability for the underfunded annual required contribution as calculated for the retiree health insurance benefits is not reported in the funds.	( 1,093,470 )
Payables for compensated absences are not reported in the funds.	( 910,979 )
Net position of governmental activities - statement of net position (Exhibit 1)	<u>\$ 93,122,365</u>

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

**JOHNSON COUNTY, TEXAS**

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

Exhibit 4

**GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2014

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
<b>REVENUES</b>					
Taxes	\$ 37,211,095	\$ 5,228,763	\$ 1,794,478	\$ 1,209,445	\$ 45,443,781
Intergovernmental	1,107,144	766,162		1,399,534	3,272,840
Prisoner housing services	6,675,022				6,675,022
Fees	4,428,017	2,118,673		1,036,056	7,582,746
Fines	1,418,989			55,603	1,474,592
Investment income	57,247	13,991	1,442	23,971	96,651
Miscellaneous	<u>1,077,755</u>	<u>291,658</u>		<u>714,494</u>	<u>2,083,907</u>
Total revenues	<u>51,975,269</u>	<u>8,419,247</u>	<u>1,795,920</u>	<u>4,439,103</u>	<u>66,629,539</u>
<b>EXPENDITURES</b>					
Current:					
General administration	11,295,481			383,292	11,678,773
Administration of justice	6,811,140			195,098	7,006,238
Financial administration	920,170				920,170
Elections	387,951			39,819	427,770
Law enforcement	28,861,765			2,055,932	30,917,697
Highways and streets		6,881,825		52,580	6,934,405
Health and welfare	686,419			1,104,593	1,791,012
Culture and recreation	191,692			13,197	204,889
Conservation	179,566				179,566
Capital outlay	425,181	746,721		5,402,457	6,574,359
Debt Service:					
Principal	287,270		1,305,000		1,592,270
Interest and fiscal charges			359,100	44,379	403,479
Total expenditures	<u>50,046,635</u>	<u>7,628,546</u>	<u>1,664,100</u>	<u>9,291,347</u>	<u>68,630,628</u>
Excess (deficiency) of revenues over expenditures	<u>1,928,634</u>	<u>790,701</u>	<u>131,820</u>	<u>( 4,852,244 )</u>	<u>( 2,001,089 )</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	52,091	27,171			79,262
Proceeds from tax notes				4,370,000	4,370,000
Transfers in	292,347	563,711		4,358,146	5,214,204
Transfers out	<u>( 4,858,146 )</u>			<u>( 356,058 )</u>	<u>( 5,214,204 )</u>
Total other financing sources and (uses)	<u>( 4,513,708 )</u>	<u>590,882</u>	<u>-0-</u>	<u>8,372,088</u>	<u>4,449,262</u>
Net change in fund balances (	<u>2,585,074 )</u>	<u>1,381,583</u>	<u>131,820</u>	<u>3,519,844</u>	<u>2,448,173</u>
Fund balances - beginning	<u>21,567,380</u>	<u>5,354,940</u>	<u>991,295</u>	<u>6,772,928</u>	<u>34,686,543</u>
Fund balances - ending	<u>\$ 18,982,306</u>	<u>\$ 6,736,523</u>	<u>\$ 1,123,115</u>	<u>\$ 10,292,772</u>	<u>\$ 37,134,716</u>

**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, 2014

Exhibit 4R

Page 1

Net change in fund balances - total governmental funds (Exhibit 4) \$ 2,448,173

**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 \$ 6,574,359 exceeded depreciation of \$ 6,062,621 in the current period.	511,738
Contributions of capital assets are not reported in the funds, however, contributions of capital assets are reported as capital contributions in the governmental activities statement of activities. During the current year, \$ 1,397,450 of capital assets were contributed to and accepted by the County.	1,397,450
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 \$ 40,928, \$ 21,844, \$ 882, and \$ 7,643, respectively.	71,297
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 \$ 54,640. (Cost of \$ 2,489,870 less accumulated depreciation of \$ 2,435,230).	( 54,640)
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.	373,499
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 debt issued was \$ 4,370,000 for tax notes payable.	( 4,370,000)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net position. The funds statements reported \$ 1,305,000 in long-term bond principal payments and \$ 287,270 in long-term note payments.	1,592,270
Premium on the issuance of bonds provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net position. Bond premium amortization was \$ 18,350.	18,350
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of accretion and accrued interest on long-term debt. Current bond accretion of \$ 101,037 plus the change in accrued interest on note and bonds of \$ 63,825.	( 164,862)

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

Exhibit 4R

Page 2

Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount of change in the liability for underfunded annual required contribution for the post employment health insurance benefits.

\$( 184,606 )

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.

( 62,155 )

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

\$ 1,576,514

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, 2014

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 8,411,077
Receivables:	
Accounts receivable	139,312
Due from others	923,690
Prepaid items	<u>3,534</u>
Total assets	<u>\$ 9,477,613</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 378,713
Amount held for others	<u>9,098,900</u>
Total liabilities	<u>\$ 9,477,613</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, 2014

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## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

### **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, 2014, no other organizations have been combined for either blended or discrete presentation in the County's financial statements. The following organizations are not considered "related organizations."

Excluded from the reporting entity:

#### Adult Probation -

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

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2014

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

#### Reporting Entity - continued

Johnson County Appraisal District -

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

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

#### Government-Wide and Fund Financial Statements

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

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

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

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

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

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2014

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

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

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

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

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

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

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

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

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2014

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

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

The County has presented the following major governmental funds:

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

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

The *General Debt Service fund* is utilized to account for the accumulation of resources from property tax collections for the repayment of general obligation bonded debt, interest and related costs of the County.

Additionally, the County reports the following fiduciary funds:

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

#### New Pronouncements

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

GASB Statement No. 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34", was issued November 2010. The statement was implemented and did not have an impact on the County's financial statements. This statement is effective for periods beginning after June 15, 2012.

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", was issued June 2011. The statement was implemented and did not have an impact on the County's financial statements, although it has reclassified certain items previously recorded as assets and liabilities within the County's financial statements as outflows and inflows of resources. This statement is effective for periods beginning after December 15, 2011.

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

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

##### New Pronouncements – continued

GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”, was issued March 2012. The statement was implemented and did have an impact on the County’s financial statements. This statement is effective for periods beginning after December 15, 2012 and was adopted in the prior fiscal year.

GASB Statement No. 66, “Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62”, was issued March 2012. This statement is effective for periods beginning after December 15, 2012. The statement was implemented and did not have an impact on the County’s financial statements.

GASB Statement No. 67, “Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25”, was issued June 2012. This statement is effective for periods beginning after June 15, 2013. The statement was implemented and did not have an impact on the County’s financial statements.

GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”, was issued June 2012. The management of the County does believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2014.

GASB Statement No. 69, “Government Combinations and Disposals of Government Operations”, was issued January 2013. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after December 15, 2013.

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

GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68”, was issued November 2013. The management of the County believes that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2014.

GASB Statement No. 72, “Fair Value Measurement and Application”, was issued February 2015. This statement enhances the transparency and comparability of fair value measurements and disclosures in the state and local government financial statements. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County. This statement is effective for periods beginning after June 15, 2015.

##### Budgetary Data

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

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

#### Budgetary Data - continued

Annual appropriated budgets are adopted for the General fund, certain special revenue funds (Road and Bridge Fund, Lateral Road Fund, Right of Way Fund, Records Management and Preservation Fund, Records Archive – County Clerk Fund, Records Archive – District Clerk Fund, Court Records Preservation Fund, Justice of the Peace Technology Fund, Courthouse Security Fund, County/District Court Technology Fund, District Court Records Technology Fund, Justice Court Building Security Fund, Juvenile Justice Alternative Education Fund, Juvenile Probation Fees Fund, Juvenile Case Manager Fund, District Attorney Forfeiture Fund, Sheriff Forfeiture Fund, Law Library Fund, Special Crimes Operations Fund, Pre-Trial Bond Supervision Fund, Guardianship Fee Fund, Indigent Health Care Fund, Indigent Defense Formula/Improvement Fund, Election Services Contract Fund, Historical Commission Account Fund), and the General Debt Service fund.

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

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

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

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

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

#### 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, 2014, the County had no encumbrances outstanding.

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

##### Cash and Investments

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

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

##### Property Taxes

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

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

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

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Property Taxes - continued

The County's 2013 tax levy, supporting the 2014 fiscal period budget, totaled \$ 0.420154 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.342788
Indigent Health Care	0.010544
Road and Bridge	0.049000
Special Road and Bridge:	
Article 6790	-0-
Article 7048a	-0-
Debt Service:	
Interest and Sinking:	
General Obligation Refunding Bonds, Series 2007, and	
General Obligation Refunding Bonds, Series 2010	<u>0.017822</u>
Combined tax rate	\$ <u>0.420154</u>

Interfund Receivables and Payables

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

Inventories and Prepaid Items

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

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended September 30, 2014, 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, 2014, computed at pay rates in effect at that time was \$ 910,979.

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

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

#### Deferred Outflows and Inflows of Resources

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

#### Long-Term Debt

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

#### Fund Equity

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

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2014

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

#### Fund Equity - continued

##### 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, 2014, 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, 2014, there are no assignments of fund balance.

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2014:

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
Fund Balances:					
Non-spendable:					
Inventories	\$	\$ 301,036	\$	\$	\$ 301,036
Prepaid expenditures	360,339			2,368	362,707
Long-term receivables	300,000				300,000
Restricted:					
Capital projects				3,170,689	3,170,689
Contributor purposes				30,176	30,176
Court improvements and operations				584,706	584,706
Debt service			1,123,115		1,123,115
Election services				218,129	218,129
Health services				1,577,278	1,577,278
Inmate services				121,593	121,593
Juvenile services				239,360	239,360
Library services				208,228	208,228
Public safety personnel training				10,658	10,658
Public transportation projects		6,435,487		1,450,612	7,886,099
Records management				2,294,505	2,294,505
Special crimes operations				155,454	155,454
County/District attorney services				147,289	147,289
Sheriff services				17,824	17,824
Other				72,840	72,840
Unassigned	<u>18,321,967</u>			( 8,937 )	<u>18,313,030</u>
Total fund balances	<u>\$ 18,982,306</u>	<u>\$ 6,736,523</u>	<u>\$ 1,123,115</u>	<u>\$ 10,292,772</u>	<u>\$ 37,134,716</u>

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, 2014

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

	<u>Governmental Activities</u>
Net Position:	
Invested in capital assets, net of related debt	\$ 53,258,318
Restricted:	
Debt service	1,048,793
Health services	1,593,356
Public transportation projects	8,258,202
Records management	2,294,505
Other:	
Contributor purposes	30,176
Court improvements and operations	584,706
Election services	218,129
Inmate services	121,593
Juvenile services	239,360
Library services	208,228
Public safety personnel training	10,658
Special crime operations	157,822
County/District attorney services	147,289
Sheriff services	17,824
Other	72,840
Unrestricted	<u>24,860,566</u>
Total	<u>\$ 93,122,365</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, 2014 are as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 10,056	\$	\$ 10,056
Financial Institution Deposits:			
Demand deposits	24,699,319	8,411,077	33,110,396
Broker-Dealer:			
Demand deposits	121,617		121,617
Local Government Investment Pool:			
Texas CLASS	<u>4,731,317</u>		<u>4,731,317</u>
Sub-total	<u>29,562,309</u>	<u>8,411,077</u>	<u>37,973,386</u>

(continued)

# JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2014

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

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Investments:			
Broker-Dealer:			
U.S. Treasury Notes	\$ 518,595	\$	\$ 518,595
U.S. Agency Securities	<u>10,298,273</u>	<u>                    </u>	<u>10,298,273</u>
Sub-total	<u>10,816,868</u>	<u>-0-</u>	<u>10,816,868</u>
Total Cash and Temporary Investments and Investments	\$ <u>40,379,177</u>	\$ <u>8,411,077</u>	\$ <u>48,790,254</u>

### Deposits

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

At year-end, in addition to petty cash of \$ 10,056, the carrying amount of the County's financial institution deposits, were \$ 33,110,396, while the financial institution balances totaled \$ 31,566,701. Of these balances, \$ 4,195,064 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, \$ 250,000 was covered by federal depository insurance coverage, \$ 121,617 was covered by the Securities Investor Protection Corporation, and \$ 27,000,020 was covered by collateral held by the County's agent in the County's name.

### Investments

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

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

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

## JOHNSON COUNTY, TEXAS

### Notes to the Financial Statements

For The Year Ended September 30, 2014

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

##### Investments - continued

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

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

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

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

**JOHNSON COUNTY, TEXAS***Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

The County invests in Texas CLASS to provide its liquidity needs. Texas CLASS is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code.

At September 30, 2014 Texas CLASS had a weighted average maturity of 43 days. Although Texas CLASS had a weighted average maturity of 43 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, 2014, the County had the following investments:

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Local Government Investment Pools:			
Texas CLASS	Varies	\$ <u>4,731,317</u>	43.0
Government Securities:			
U.S. Treasury Note	2.38%	<u>518,595</u>	1,035.0
U.S. Agency Securities:			
FFCB	1.63%	501,040	50.0
FFCB	4.88%	546,060	840.0
FHLB	0.38%	500,990	332.0
FHLB	4.88%	550,390	960.0
FHLMC	0.88%	502,105	747.0
FHLMC	1.00%	501,415	890.0
FHLMC	2.00%	513,260	695.0
FHLMC	2.50%	516,675	605.0
FHLMC	2.88%	504,880	132.0
FHLMC	4.75%	476,163	476.0
FHLMC	4.75%	525,140	412.0
FHLMC	5.50%	562,365	1,058.0
FNMA	0.75%	500,680	80.0
FNMA	1.38%	507,465	777.0
FNMA	1.63%	507,525	391.0
FNMA	2.38%	514,700	559.0
FNMA	2.38%	508,875	301.0
FNMA	4.63%	500,880	15.0
FNMA	5.00%	513,150	197.0
FNMA	5.25%	<u>544,515</u>	716.0
Total held by U.S. Agency		<u>10,298,273</u>	519.1
Total investments		\$ <u>15,548,185</u>	391.4

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Investments - continued

Credit Risk – As of September 30, 2014, the LGIP’s (which represent approximately 30.43% of the investment portfolio) are rated AAAM by Standard and Poor’s or AAA by Finch, and the United States securities and agencies (which represent 69.57% of the investment portfolio) were covered by \$ 378,383 of Securities Investor Protection Corporation insurance and \$ 10,438,485 of private insurance, respectively, therefore, the County does not have a significant exposure to credit risk. To receive funds from Johnson County an investment pool must be rated no lower than AAA or AAAM or equivalent.

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

Derivatives

Interest in derivative products has increased in recent years. Derivatives are investment products, which may be a security or contract, which derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The County made no direct investments in derivatives during the year ended September 30, 2014, and holds no direct investments in derivatives at September 30, 2014.

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

Receivables and Allowances

Receivables as of September 30, 2014, for the government’s individual governmental major and nonmajor funds, proprietary major fund, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds			Non-Major Funds	
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Receivables:					
Property Taxes	\$ 2,330,385	\$ 411,642	\$ 186,341	\$ 99,788	\$ 3,028,156
Accounts	937,563	168,817		22,104	1,128,484
Due from other governments	<u>56,872</u>	<u>473,091</u>		<u>46,505</u>	<u>576,468</u>
Gross receivables	3,324,820	1,053,550	186,341	168,397	4,733,108
Less Allowance for Uncollectible:					
Property taxes	<u>1,705,354</u>	<u>325,385</u>	<u>153,447</u>	<u>80,441</u>	<u>2,264,627</u>
Net receivables	<u>\$ 1,619,466</u>	<u>\$ 728,165</u>	<u>\$ 32,894</u>	<u>\$ 87,956</u>	<u>\$ 2,468,481</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Receivables and Allowances - continued

	<u>Fiduciary Fund</u>
Receivables:	
Accounts:	
Adult probationers	\$ <u>139,312</u>
Net total receivables	\$ <u>139,312</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, 2014 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Total</u>
Major Governmental Funds:			
General fund	\$ 33,945	\$ 22,927	\$ 56,872
Road and Bridge fund		473,091	473,091
Non-major governmental funds	<u>8,961</u>	<u>37,544</u>	<u>46,505</u>
Total	<u>\$ 42,906</u>	<u>\$ 533,562</u>	<u>\$ 576,468</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

**NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUES - 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, 2014:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 400,751	\$ 120,225	\$ 280,526
County courts	2,130,296	532,574	1,597,722
District courts	<u>10,983,667</u>	<u>5,491,834</u>	<u>5,491,833</u>
Total	<u>\$ 13,514,714</u>	<u>\$ 6,144,633</u>	<u>\$ 7,370,081</u>

Deferred Inflows of Resources and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2014, the various components of deferred outflows of resources and unearned revenue reported in the governmental and proprietary funds were as follows:

	<u>Governmental Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	
Deferred Inflows of Resources:					
Delinquent property taxes receivable	\$ 521,565	\$ 71,067	\$ 35,731	\$ 16,078	\$ 644,441
Unearned Revenue:					
State grants				<u>177,403</u>	<u>177,403</u>
Total	<u>\$ 521,565</u>	<u>\$ 71,067</u>	<u>\$ 35,731</u>	<u>\$ 193,481</u>	<u>\$ 821,844</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Interfund receivables and payables at September 30, 2014 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-14</u>
General Fund	Other Governmental Funds	\$ 192,960
General Fund	Road & Bridge Fund	7,057
Other Governmental Funds	General Fund	<u>34,013</u>
Total		<u>\$ 234,030</u>

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

Interfund transfers for the year ended September 30, 2014 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-14</u>
General Fund	Other Governmental Funds	\$ 4,358,146
General Fund	Road & Bridge Fund	500,000
Other Governmental Funds	General Fund	105,269
Other Governmental Funds	Road & Bridge Fund	63,711
Other Governmental Funds	Other Governmental Funds	<u>187,078</u>
Total		<u>\$ 5,214,204</u>

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

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2014

**NOTE 5 - CAPITAL ASSETS**

Capital Transactions

	<u>Balance 10-01-13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments &amp; Transfers</u>	<u>Balance 09-30-14</u>
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 2,558,693	\$	\$	\$	\$ 2,558,693
Construction in progress	<u>465,525</u>	<u>5,287,485</u>	<u>1,171,069</u>	<u></u>	<u>4,581,941</u>
Total capital assets not being depreciated	<u>3,024,218</u>	<u>5,287,485</u>	<u>1,171,069</u>	<u>-0-</u>	<u>7,140,634</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	55,721,983	121,823			55,843,806
Furniture, equipment and vehicles	22,649,023	2,558,462	1,568,511		23,638,974
Infrastructure	<u>37,549,239</u>	<u>1,175,108</u>	<u>921,359</u>	<u></u>	<u>37,802,988</u>
Total capital assets being depreciated	<u>115,920,245</u>	<u>3,855,393</u>	<u>2,489,870</u>	<u>-0-</u>	<u>117,285,768</u>
Less Accumulated Depreciation For:					
Buildings and improvements	20,825,419	1,883,128			22,708,547
Furniture, equipment and vehicles	14,360,663	2,251,367	1,549,156		15,062,874
Infrastructure	<u>19,535,941</u>	<u>1,928,126</u>	<u>886,074</u>	<u></u>	<u>20,577,993</u>
Total accumulated depreciation	<u>54,722,023</u>	<u>6,062,621</u>	<u>2,435,230</u>	<u>-0-</u>	<u>58,349,414</u>
Total capital assets being depreciated, net	<u>61,198,222</u>	<u>( 2,207,228 )</u>	<u>54,640</u>	<u>-0-</u>	<u>58,936,354</u>
Governmental activities capital assets, net	<u>\$ 64,222,440</u>	<u>\$ 3,080,257</u>	<u>\$ 1,225,709</u>	<u>\$ -0-</u>	<u>\$ 66,076,988</u>

During the year ended September 30, 2014, the County received equipment and roads from various sources totaling \$ 1,397,450.

Depreciation

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

	<u>09-30-14</u>
Governmental Activities:	
General government	\$ 1,449,219
Administration of justice	20,969
Law enforcement	1,809,227
Highways and streets	2,746,657
Health and welfare	21,834
Culture and recreation	<u>14,715</u>
Total depreciation expense	<u>\$ 6,062,621</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

**NOTE 5 - CAPITAL ASSETS - Continued**

Construction Commitments

Construction in progress for various projects at September 30, 2014 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
Motorola simulcast radio system	\$ 587,093	\$ 528,384	\$ 58,709
Jail construction	1,071,390	128,475	942,915
Alvarado sub-courthouse	2,693,129	2,105,633	587,496
Jail lift station	163,285	13,140	150,145
Software projects	<u>4,576,330</u>	<u>2,021,260</u>	<u>2,555,070</u>
Total	<u>\$ 9,091,227</u>	<u>\$ 4,796,892</u>	<u>\$ 4,294,335</u>

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

Accounts and accrued liabilities payable as of September 30, 2014, 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>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors	\$ 2,322,919	\$ 191,660	\$	\$ 1,304,555	\$ 3,819,134
Accrued compensation	1,343,433	241,925		70,179	1,655,537
Due to others	<u>369,196</u>			<u>10,974</u>	<u>380,170</u>
Total	<u>\$ 4,035,548</u>	<u>\$ 433,585</u>	<u>\$ -0-</u>	<u>\$ 1,385,708</u>	<u>\$ 5,854,841</u>
				<u>Fiduciary Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors				\$ 17,138	
Bonds payable				161,348	
Accrued compensation				<u>200,227</u>	
Total				<u>\$ 378,713</u>	

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

**NOTE 7 - LONG-TERM DEBT**

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2014, are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-14
		Issued	Maturity	Callable	
General Obligation Refunding Bonds, Series 2007	4.00 - 5.00	2007	2020		\$ 10,792,359
General Obligation Refunding Bonds, Series 2010	2.00	2010	2014		<u>-0-</u>
Total					<u>\$ 10,792,359</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2014 were as follows:

Bonds outstanding, October 1, 2013	\$ 11,996,322
Accreted	101,037
Maturities	<u>( 1,305,000)</u>
Bonds outstanding, September 30, 2014	<u>\$ 10,792,359</u>

The \$ 102,641 difference between the general obligation and certificates of obligation bonds outstanding at September 30, 2014 of \$ 10,792,359 and the general obligation and certificates of obligation bond principal requirements of \$ 10,895,000 represents the amount of capital appreciation bonds to be accreted as interest over the life of these bonds.

The bond ordinances require that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. For the year ended September 30, 2014, the amount of ad valorem taxes collected for interest and sinking was \$ 1,794,478, while the debt service requirements for principal and interest were \$ 1,664,100. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

General Obligation Bonded Debt

The following is a summary of general obligation bond requirements by year as of September 30, 2014:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2015	\$ 1,415,000	\$ 340,712	\$ 1,755,712
2016	1,520,000	340,713	1,860,713
2017	1,675,000	298,838	1,973,838
2018	1,880,000	219,362	2,099,362
2019	2,090,000	138,918	2,228,918
2020	<u>2,315,000</u>	<u>48,036</u>	<u>2,363,036</u>
Total	<u>\$ 10,895,000</u>	<u>\$ 1,386,579</u>	<u>\$ 12,281,579</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

General Obligation Bonded Debt - continued

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

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

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

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

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 09-30-14</u>
Tax Note: Series 2013	1.82	2013	2020	2015	\$ <u>4,370,000</u>
Total					\$ <u>4,370,000</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Tax Note Debt - continued

Tax note transactions for the year ended September 30, 2014 were as follows:

Tax notes outstanding, October 1, 2013	\$ -0-
Issued	<u>4,370,000</u>
Tax notes outstanding, September 30, 2014	<u>\$ 4,370,000</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, 2014, no ad valorem taxes were collected for interest and sinking and no debt service requirements for principal and interest were made. The tax note resolution provides for the acceleration of maturity in the event of default.

The following is a summary of general obligation and certificates of obligation bond requirements by year as of September 30, 2014:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2015	\$ 565,000	\$ 111,729	\$ 676,729
2016	510,000	64,610	574,610
2017	405,000	56,284	461,284
2018	285,000	50,005	335,005
2019	160,000	45,955	205,955
2020	30,000	44,226	74,226
2021	<u>2,415,000</u>	<u>21,976</u>	<u>2,436,976</u>
Total	<u>\$ 4,370,000</u>	<u>\$ 394,785</u>	<u>\$ 4,764,785</u>

Note Payable

On February 28, 2011 the County entered into an agreement with Southwest Correctional, LLC where Southwest Correctional, LLC was to construct an addition to the current County jail facility. Per the agreement, the County took ownership of the new facility on February 29, 2012 at which time the County became liable for a note payable to Southwest Correctional, LLC for \$ 1,526,172, which is the total of the construction costs. No interest is payable on this note. The note payable has monthly payments which are based on the County's monthly revenue for additional transportation and additional inmate telephone revenue, all of which result from the new facility. The total of all note payments are not to exceed \$ 1,526,172. The payment period ends on August 31, 2015, if not paid in full prior to that date. In the event there is an unpaid balance due then the County's obligation to reimburse Southwest Correctional, LLC will be terminated. The balance due on the note payable at September 30, 2014 was \$ 793,242. As of September 30, 2014, the County had paid \$ 393,531 less than the initial payment expectation of \$ 1,126,460. The following is a comparison of the initial expectation for payments and those actually paid based upon the revenues noted above:

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Note Payable - continued

<u>Year Ending September 30,</u>	<u>Initial Expectation</u>	<u>Actual</u>	<u>Difference</u>	<u>Percent Difference</u>
2012	\$ 254,362	\$ 146,735	\$ 107,627	42.31%
2013	436,049	298,924	137,125	31.45%
2014	<u>436,049</u>	<u>287,270</u>	<u>148,779</u>	34.12%
Total	1,126,460	\$ <u>732,929</u>	\$ <u>393,531</u>	34.94%
2015	<u>399,712</u>			
Total	\$ <u>1,526,172</u>			

The following is a summary of the actual revenues collected and the total required to be paid on the note payable at September 30, 2014:

<u>Year Ending September 30,</u>	<u>Additional Transportation</u>	<u>Inmate Phone</u>	<u>Ice Fees</u>	<u>Total</u>
2012	\$	\$	\$ 146,735	\$ 146,735
2013		96,379	202,545	298,924
2014		<u>46,790</u>	<u>240,480</u>	<u>287,270</u>
Total	\$ <u>-0-</u>	\$ <u>143,169</u>	\$ <u>589,760</u>	\$ <u>732,929</u>

Note payable transactions for the year ended September 30, 2014 were as follows:

	<u>2014</u>
Note payable outstanding, October 1, 2013	
Assumed	\$ 1,080,513
Maturities	<u>( 287,270)</u>
Note payable outstanding, September 30, 2014	\$ <u>793,243</u>

The following is a summary of note payable requirements, based on the original balance of \$ 1,526,172 and expectation of revenues collected, by year, as of September 30, 2014:

<u>Year Ending September 30,</u>	<u>Total Requirement</u>
2015	\$ <u>793,243</u>
Total	\$ <u>793,243</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

Changes in Long-Term Debt

Transactions for the year ended September 30, 2014 are summarized as follows:

	<u>Balance</u> <u>10-01-13</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>09-30-14</u>	<u>Due Within</u> <u>One Year</u>
Governmental Type Activities:					
General obligation bonds	\$ 11,996,322	\$ 101,037	\$ 1,305,000	\$ 10,792,359	\$ 1,516,037
Tax note		4,370,000		4,370,000	565,000
Notes payable	1,080,513		287,270	793,243	793,243
Component of Bonded Debt:					
Premium on bonds	52,107		18,350	33,757	6,277
Accrued interest	46,228	110,053	46,228	110,053	110,053
Compensated absences	848,824	872,698	810,543	910,979	910,979
Unfunded OPEB obligation	<u>908,864</u>	<u>243,781</u>	<u>59,175</u>	<u>1,093,470</u>	<u>60,000</u>
Total governmental activities	<u>\$ 14,932,858</u>	<u>\$ 5,697,569</u>	<u>\$ 2,526,566</u>	<u>\$ 18,103,861</u>	<u>\$ 3,961,589</u>

**NOTE 8 - LEASING OPERATIONS**

Operating Leases - Lessor

The County is involved in various operating leases as lessor. These leases are for facilities rental. These leases expire from 2014 through 2015. These assets are, in many cases, undivided spaces therefore, the County has not determined the cost or accumulated depreciation of these facilities as of September 30, 2014.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2014, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	
2015	\$ <u>13,500</u>
Total	\$ <u><u>13,500</u></u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2014 was \$ 172,108.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

**NOTE 8 - LEASING OPERATIONS - Continued**

Operating Leases - Lessee

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

Minimum future rentals to be paid on noncancelable leases, as of September 30, 2014, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	
2015	\$ 3,600
2016	3,600
2017	3,600
2018	3,600
2019	3,600
2020-2022	<u>10,800</u>
Total	<u>\$ 28,800</u>

Gross rental expenditures for this operating lease for the year ended September 30, 2014 were \$ 3,600.

**NOTE 9 - PENSION PLAN**

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

#### Plan Description - continued

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

#### Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 10.24% for the months on the accounting year in 2014, and 9.81% for the months of the accounting year in 2013.

The contribution rate payable by the employee members for calendar years 2014 and 2013 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

#### Annual Pension Cost

For the employer's accounting years ending September 30, 2014 and 2013, the annual pension cost for the TCDRS plan for its employees was \$ 2,169,217 and \$ 2,216,698, and the actual contributions were \$ 2,169,217 and \$ 2,216,698, respectively.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012 and December 31, 2013, the basis for determining the contribution rates for calendar years 2013 and 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2014

**NOTE 9 - PENSION PLAN - Continued**

Annual Pension Cost - continued

Actuarial Valuation Information

Actuarial valuation date	12/31/11	12/31/12	12/31/13
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method	SAF: 10 Year smoothed value ESP: Fund value	SAF: 10 Year smoothed value ESP: Fund value	SAF: 5 Year smoothed value ESP: Fund value
	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/13</u>
Actuarial Assumptions:			
Investment return <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/12	\$ 2,108,149	100.00%	\$ -0-
9/30/13	2,216,698	100.00%	-0-
9/30/14	2,169,217	100.00%	-0-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>1</sup> (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 47,988,144	\$ 55,362,781	\$ 7,374,637	86.68%	\$ 22,151,038	33.29%
12/31/12	51,939,019	60,597,284	8,658,265	85.71%	22,926,651	37.77%
12/31/13	56,409,050	64,846,145	8,437,095	86.99%	22,834,220	36.95%

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

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

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

*Funding Policy* - The County may contribute all, part, or none of the premium payment and the County's contribution, if any, is determined annually by Commissioners Court during the County budget process and is effective on a fiscal year basis. For the year ended September 30, 2014 the County contributed \$ 59,175 to the post employment health insurance benefits.

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

Annual required contribution	\$ 296,319
Interest on net OPEB obligation	41,006
Adjustment to annual required contribution	<u>( 93,544)</u>
Annual OPEB cost	243,781
Contributions made	<u>( 59,175)</u>
Increase in net OPEB obligation	184,606
Net OPEB obligation – beginning of year	<u>908,864</u>
Net OPEB obligation – end of year	<u>\$ 1,093,470</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2014 and the preceding two years were as follows:

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2014

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/12	\$ 248,074	\$ 42,633	17.2%	\$ 719,085
9/30/13	255,516	65,737	25.7%	908,864
9/30/14	243,781	59,175	19.9%	1,093,470

*Funding Status and Funding Progress* - As of September 30, 2014, the most recent actuarial valuation date, the plan was 0% funded as the County is using a pay-as-you-go approach. The actuarial accrued liability for benefits was \$ 2,311,018, and the actuarial value of assets was \$ -0- resulting in an unfunded liability (UAAL) of \$ 2,311,018. Annual covered payroll is \$ 22,834,220 and the ratio of the UAAL to the covered payroll was 8.2 percent.

*Actuarial Methods and Assumptions* - In the September 30, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.5% investment rate of return. An inflation rate of 3.0%, salary growth rate of 3.0% and a health care cost trend rate ranging from 9% down to 5.5% after 9 years is used. An interest discount rate of 4.5% was used to value the liability. The UAAL is being amortized over a closed period of thirty years using the level percent of payroll method. The remaining amortization period at September 30, 2014, was 26 years.

The County has made contributions each year which are below the required annual required contribution (ARC), therefore a liability has been reported within the Governmental Activities financial statements. As of September 30, 2014, the County has contributed a total of \$ 377,850 which when compared to the annual OPEB cost results in a net OPEB obligation of \$ 1,093,470. The County's general fund is considered responsible for liquidating the net OPEB obligation on an ongoing basis. The County's general fund fund balance would be used to eliminate the net OPEB obligation.

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

During the year ended September 30, 2014, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund, various special revenue funds, and capital projects fund. For the most part, these grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal financial assistance programs are covered by the requirements of the Single Audit Act and OMB Circular A-133.

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

### NOTE 12 - BAIL BOND COLLATERAL

The County holds, as collateral, time deposits and other cash equivalents and real property pledged toward bail bonds. The County does not have access to the assets unless the bond is violated; therefore, these assets are not reported in the financial statements of the County as of September 30, 2014. As of September 30, 2014, bail bonds outstanding totaled \$ 6,187,800 and collateral pledged against these bonds amounted to \$ 275,000, respectively.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

### **NOTE 13 - LITIGATION**

The County is involved in the following legal actions, and is represented by legal counsel. The stated probable outcome and the possible effect are the opinion of legal counsel based upon conditions existing as of March 27, 2015.

Cause No. 3-13-CV-04089, *Bonnie Allen-Pieroni, Brian Allen, Steve Gibbs and Mark Gibbs, Individually and as Heirs of Law to the Estate of Ivan Earl Allen, deceased vs. Southwestern Correctional, LLC d/b/a LaSalle Southwest Corrections, LaSalle Management, LLD, Johnson County, Sheriff Bob Alford, John Does 1-5 and Jane Does 1-5, in the United States District Court for the Northern District of Texas in the Dallas Division.* Plaintiffs claim wrongful death of Ivan Earl Allen while in the Johnson County jail. Mr. Allen was placed in the jail on or about October 9, 2011 for an infraction of a probation requirement. Plaintiffs claim Allen was denied medical attention and later died on or about October 30, 2011 at Harris Methodist Hospital. Plaintiffs are seeking compensatory, punitive, presumed and normal damages. An exact settlement figure is unknown at this time. Jail was privatized and Johnson County has been under contract with LaSalle Southwest Corrections since June 1, 2010. Pursuant to Section 11.1, Article XI, of the contract with LaSalle Southwest Corrections, Johnson County intends to and will assert its right to indemnification in this alleged wrongful death.

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

Cause No. 3-14-CV-03724, *Oliver Vaughn, Jr. vs. Southwestern Correctional, LLC d/b/a LaSalle Southwest Corrections, LaSalle Corrections Transport, LLC, Johnson County, Texas, Robert Alford, and Eddie Williams, in the United States District Court for the Northern District of Texas Dallas Division.* Plaintiff claims he was unlawfully detained without any legal authority for 22 days. Plaintiff claims said detainment violated the Fourth Amendment and the Due Process Clause of the Fourteenth Amendment to the United States Constitution. An exact settlement figure is unknown at this time. On December 22, 2014, the parties signed an agreed joint stipulation of dismissal with prejudice and compromise settlement agreement and release and payment in the amount of \$ 125,000.00 was paid to plaintiff by LaSalle Defendants. Defendants Johnson County and Sheriff Alford received a full release after LaSalle Defendants payment in full to plaintiff.

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

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

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2014

**NOTE 15 - EVALUATION OF SUBSEQUENT EVENTS**

The County has evaluated subsequent events through March 27, 2015, the date which the financial statements were available to be issued.

**NOTE 16 - DEFICIT FUND BALANCES**

As of September 30, 2014, various funds of the County had deficit fund balances as itemized below:

	<u>2014</u>
Fund Balances:	
Capital Projects Funds:	
Jail Construction Improvement Fund	\$ 8,937

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

**NOTE 17 - LONG-TERM RECEIVABLE**

The County and the City of Cleburne (the "City") entered into an interlocal agreement whereas the County agreed to pay funds in the amount of \$ 300,000 to the City to be used for construction of the entrance and exit ramps to connect the Chisholm Trail Parkway to CR 1125. The City has agreed to use Tax Increment Reinvestment Zone #3 Funds to repay the County. The following is a summary of note receivable requirements, based on the original balance of \$ 300,000 and expectation of revenues collected, by year, as of September 30, 2014:

<u>Year Ended</u> <u>September 30,</u>	
2015	\$ 60,000
2016	30,000
2017	30,000
2018	30,000
2019	30,000
2020-2023	<u>120,000</u>
Total	<u>\$ 300,000</u>



**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

For the Year Ended September 30, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 36,061,904	\$ 36,061,904	\$ 37,211,095	\$ 1,149,191
Intergovernmental	1,104,130	1,241,208	1,107,144	( 134,064)
Prisoner housing services	6,000,000	6,000,000	6,675,022	675,022
Fees	4,115,600	4,115,600	4,428,017	312,417
Fines	1,570,000	1,570,000	1,418,989	( 151,011)
Investment income	83,400	83,400	57,247	( 26,153)
Miscellaneous	626,882	626,882	1,077,755	450,873
Total revenues	49,561,916	49,698,994	51,975,269	2,276,275
Expenditures (Including Capital Outlay)				
Current:				
General administration	12,660,269	12,402,818	11,295,481	1,107,337
Administration of justice	7,785,601	7,868,448	6,811,140	1,057,308
Financial administration	976,846	976,846	920,170	56,676
Elections	531,244	531,244	387,951	143,293
Law enforcement	27,115,861	29,667,065	28,861,765	805,300
Highways and streets				-0-
Health and welfare	520,021	696,616	686,419	10,197
Culture and recreation	261,705	254,675	191,692	62,983
Conservation	196,178	196,178	179,566	16,612
Capital outlay	10,000	425,441	425,181	260
Debt Service:				
Principal	325,000	325,000	287,270	37,730
Total expenditures	50,382,725	53,344,331	50,046,635	3,297,696
Excess (deficiency) of revenues over expenditures	( 820,809)	( 3,645,337)	1,928,634	5,573,971
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	2,000	2,000	52,091	50,091
Transfers in	1,530,034	1,557,759	292,347	( 1,265,415)
Transfers out	( 5,252,940)	( 6,398,522)	( 4,858,146)	1,540,376
Total other financing sources (uses)	( 3,720,906)	( 4,838,763)	( 4,513,708)	325,055
Net change in fund balances	( 4,541,715)	( 8,484,100)	( 2,585,074)	5,899,026
Fund balances – beginning	21,567,380	21,567,380	21,567,380	-0-
Fund balances – ending	\$ 17,025,665	\$ 13,083,280	\$ 18,982,306	\$ 5,899,026

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 5,159,345	\$ 5,159,345	\$ 5,228,763	\$ 69,418
		766,162	766,162
			-0-
1,865,000	1,865,000	2,118,673	253,673
			-0-
12,900	12,900	13,991	1,091
<u>98,000</u>	<u>98,000</u>	<u>291,658</u>	<u>193,658</u>
<u>7,135,245</u>	<u>7,135,245</u>	<u>8,419,247</u>	<u>1,284,002</u>
			-0-
			-0-
			-0-
			-0-
			-0-
11,079,745	11,112,982	6,881,825	4,231,157
			-0-
			-0-
			-0-
1,220,500	1,239,500	746,721	492,779
			-0-
<u>12,300,245</u>	<u>12,352,482</u>	<u>7,628,546</u>	<u>4,723,936</u>
( 5,165,000 )	( 5,217,237 )	790,701	6,007,938
			-0-
25,000	25,000	27,171	2,171
500,000	563,711	563,711	-0-
			-0-
<u>525,000</u>	<u>588,711</u>	<u>590,882</u>	<u>2,171</u>
( 4,640,000 )	( 4,628,526 )	1,381,583	6,010,109
<u>5,354,940</u>	<u>5,354,940</u>	<u>5,354,940</u>	<u>-0-</u>
<u>\$ 714,940</u>	<u>\$ 726,414</u>	<u>\$ 6,736,523</u>	<u>\$ 6,010,109</u>

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

## LAST THREE YEARS

Exhibit 7

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability* (AAL)-	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll**	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
12-31-11	\$ 47,988,144	\$ 55,362,781	\$ 7,374,637	86.68%	\$ 22,151,038	33.29%
12-31-12	\$ 51,939,019	\$ 60,597,284	\$ 8,658,265	85.71%	\$ 22,926,651	37.77%
12-31-13	\$ 56,409,050	\$ 64,846,145	\$ 8,437,095	86.99%	\$ 22,834,220	36.95%

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

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

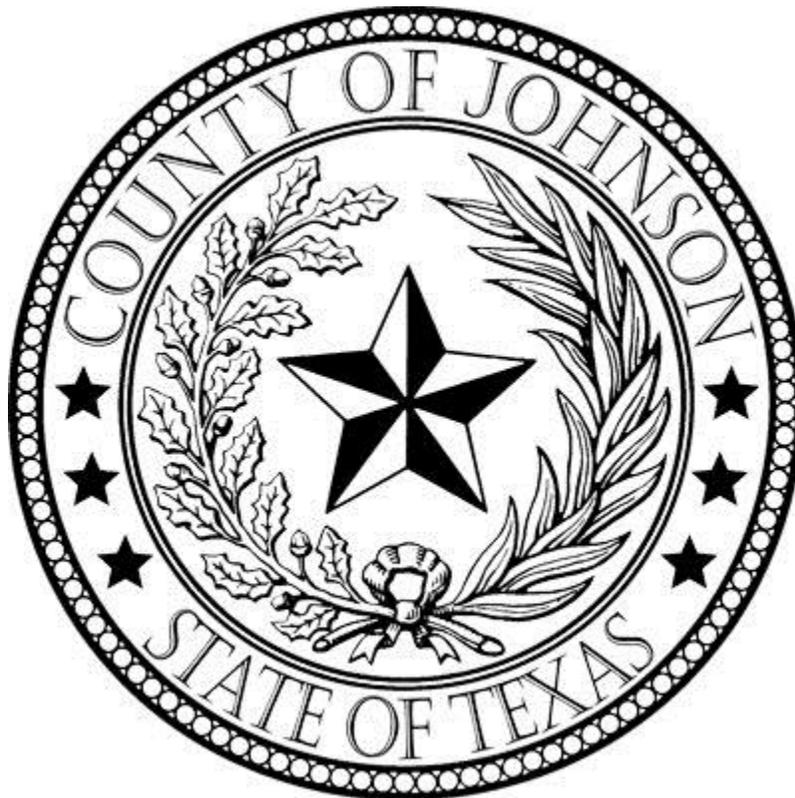
## **JOHNSON COUNTY, TEXAS**

*Notes to the Required Supplementary Information*  
For The Year Ended September 30, 2014

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

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

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



**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

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

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

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

**Ed Byrne JAG Reporting Crime Fund** – This fund is a shared program with the City of Cleburne police department to fund crime reporting and analysis software to more effectively deploy personnel to fight crime.

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Capital Projects Funds

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

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

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

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

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

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

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

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



**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2014

	Lateral Road Fund	Right of Way Fund	Special Records Management and Preservation Fund
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets:</b>			
Cash and temporary investments	\$	\$ 760,907	\$ 847,997
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Prepaid expenditures			
Investments		689,705	394,124
Total assets	-0-	1,450,612	1,242,121
<b>Deferred Outflows of Resources:</b>			
Deferred outflows of resources			
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ -0-	\$ 1,450,612	\$ 1,242,121
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts and accrued liabilities payable	\$	\$	\$ 8,397
Due to other funds			
Unearned revenue			
Total liabilities	-0-	-0-	8,397
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources			
Total deferred inflows of resources	-0-	-0-	-0-
<b>Fund Balance:</b>			
Nonspendable			
Restricted		1,450,612	1,233,724
Unassigned			
Total fund balance	-0-	1,450,612	1,233,724
Total liabilities, deferred inflows of resources and fund balances	\$ -0-	\$ 1,450,612	\$ 1,242,121

Revenue Funds

Record Archives - County Clerk Fund	Record Archives - District Clerk Fund	Court Records Preservation Fund	Justice of the Peace Technology Fund	Courthouse Security Fund	County/ District Court Technology Fund
\$ 803,481	\$ 63,189	\$ 145,061	\$ 307,978	\$ 119,085	\$ 29,722
<u>803,481</u>	<u>63,189</u>	<u>145,061</u>	<u>307,978</u>	<u>119,085</u>	<u>29,722</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 803,481</u>	<u>\$ 63,189</u>	<u>\$ 145,061</u>	<u>\$ 307,978</u>	<u>\$ 119,085</u>	<u>\$ 29,722</u>
\$	\$	\$	\$ 276	\$ 3,477	\$
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>276</u>	<u>3,477</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
803,481	63,189	145,061	307,702	115,608	29,722
<u>803,481</u>	<u>63,189</u>	<u>145,061</u>	<u>307,702</u>	<u>115,608</u>	<u>29,722</u>
<u>\$ 803,481</u>	<u>\$ 63,189</u>	<u>\$ 145,061</u>	<u>\$ 307,978</u>	<u>\$ 119,085</u>	<u>\$ 29,722</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2014

	District Court Records Technology Fund	Justice Court Building Security Fund	Special County Attorney Collection Fund
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets:</b>			
Cash and temporary investments	\$ 49,050	\$ 77,228	\$ 49,234
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds			
Prepaid expenditures			
Investments			
	<u>49,050</u>	<u>77,228</u>	<u>49,234</u>
<b>Total assets</b>	<u>49,050</u>	<u>77,228</u>	<u>49,234</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total deferred outflows of resources</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 49,050</u>	<u>\$ 77,228</u>	<u>\$ 49,234</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total liabilities</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total deferred inflows of resources</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Fund Balance:</b>			
Nonspendable			
Restricted	49,050	77,228	49,234
Unassigned			
	<u>49,050</u>	<u>77,228</u>	<u>49,234</u>
<b>Total fund balance</b>	<u>49,050</u>	<u>77,228</u>	<u>49,234</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 49,050</u>	<u>\$ 77,228</u>	<u>\$ 49,234</u>

Revenue Funds

District Attorney 18 <sup>th</sup> Judicial Fund	District Attorney Collection Fund	Juvenile Probation Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund	Juvenile Case Manager Fund
\$ 3,009	\$ 2,020	\$ 131,335	\$ 80,798	\$ 52,549	\$ 115,687
				836	
		256	6,536 28		14
<u>3,009</u>	<u>2,020</u>	<u>131,591</u>	<u>87,362</u>	<u>53,385</u>	<u>115,701</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 3,009</u>	<u>\$ 2,020</u>	<u>\$ 131,591</u>	<u>\$ 87,362</u>	<u>\$ 53,385</u>	<u>\$ 115,701</u>
\$ 1,733		\$ 52,737	\$ 15,096		\$ 1,992
		<u>78,854</u>			
<u>1,733</u>	<u>-0-</u>	<u>131,591</u>	<u>15,096</u>	<u>-0-</u>	<u>1,992</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
1,276	2,020	-0-	72,266	53,385	113,709
<u>1,276</u>	<u>2,020</u>	<u>-0-</u>	<u>72,266</u>	<u>53,385</u>	<u>113,709</u>
<u>\$ 3,009</u>	<u>\$ 2,020</u>	<u>\$ 131,591</u>	<u>\$ 87,362</u>	<u>\$ 53,385</u>	<u>\$ 115,701</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2014

	Special		
	District Attorney Forfeiture Fund	Sheriff Forfeiture Fund	County Attorney LEOSE Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 87,856	\$ 17,435	\$ 822
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts	4,756		
Due from other governments			
Due from other funds			
Prepaid expenditures			
Investments			
Total assets	92,612	17,435	822
Deferred Outflows of Resources:			
Deferred outflows of resources			
Total deferred outflows of resources	-0-	-0-	-0-
Total assets and deferred outflows of resources	\$ 92,612	\$ 17,435	\$ 822
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
Total liabilities	-0-	-0-	-0-
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	-0-	-0-	-0-
Fund Balance:			
Nonspendable			
Restricted	92,612	17,435	822
Unassigned			
Total fund balance	92,612	17,435	822
Total liabilities, deferred inflows of resources and fund balances	\$ 92,612	\$ 17,435	\$ 822

Revenue Funds

Combined Constables LEOSE Fund	Sheriff LEOSE Fund	Sheriff Inmate Commissary Fund	Abandoned Vehicle Fund	Law Library Fund	Special Crimes Operation Fund
\$ 5,219	\$ 4,617	\$ 125,834	\$ 389	\$ 215,697	\$ 144,353
		5,000			194
<u>5,219</u>	<u>4,617</u>	<u>130,834</u>	<u>389</u>	<u>215,697</u>	<u>144,547</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 5,219</u>	<u>\$ 4,617</u>	<u>\$ 130,834</u>	<u>\$ 389</u>	<u>\$ 215,697</u>	<u>\$ 144,547</u>
\$	\$	\$ 9,241	\$	\$ 7,469	\$ 4,415
<u>-0-</u>	<u>-0-</u>	<u>9,241</u>	<u>-0-</u>	<u>7,469</u>	<u>4,415</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
5,219	4,617	121,593	389	208,228	140,132
<u>5,219</u>	<u>4,617</u>	<u>121,593</u>	<u>389</u>	<u>208,228</u>	<u>140,132</u>
<u>\$ 5,219</u>	<u>\$ 4,617</u>	<u>\$ 130,834</u>	<u>\$ 389</u>	<u>\$ 215,697</u>	<u>\$ 144,547</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2014

	Special		
	STOP Operations Fund	STOP Federal Forfeitures Fund	Pre-Trial Bond Supervision Fund
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets:</b>			
Cash and temporary investments	\$ 21,499	\$ 2,404	\$ 44,667
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			9,056
Due from other governments			
Due from other funds			
Prepaid expenditures	2,368		
Investments			
<b>Total assets</b>	<b><u>23,867</u></b>	<b><u>2,404</u></b>	<b><u>53,723</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows of resources			
<b>Total deferred outflows of resources</b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 23,867</u></b>	<b><u>\$ 2,404</u></b>	<b><u>\$ 53,723</u></b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts and accrued liabilities payable	\$ 8,581	\$	\$ 6,148
Due to other funds			
Unearned revenue			
<b>Total liabilities</b>	<b><u>8,581</u></b>	<b><u>-0-</u></b>	<b><u>6,148</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources			
<b>Total deferred inflows of resources</b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>
<b>Fund Balance:</b>			
Nonspendable	2,368		
Restricted	12,918	2,404	47,575
Unassigned			
<b>Total fund balance</b>	<b><u>15,286</u></b>	<b><u>2,404</u></b>	<b><u>47,575</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 23,867</u></b>	<b><u>\$ 2,404</u></b>	<b><u>\$ 53,723</u></b>

Revenue Funds

Indigent Health Care Fund	Cities Readiness Initiative Fund	Indigent Defense Formula/Improvement Fund	Guardianship Fee Fund	Election Services Contract Fund	TCEQ Aircheck Texas Fund
\$ 1,145,449		\$ 261,885	\$ 54,446	\$ 219,518	\$
19,347					
	8,961	31,008			
591,174					
1,755,970	8,961	292,893	54,446	219,518	-0-
-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 1,755,970</u>	<u>\$ 8,961</u>	<u>\$ 292,893</u>	<u>\$ 54,446</u>	<u>\$ 219,518</u>	<u>\$ -0-</u>
\$ 165,533	\$ 160	\$ 5,119	\$	\$ 1,389	\$
	5,882	187,078			
		98,549			
165,533	6,042	290,746	-0-	1,389	-0-
16,078					
16,078	-0-	-0-	-0-	-0-	-0-
1,574,359	2,919	2,147	54,446	218,129	
1,574,359	2,919	2,147	54,446	218,129	-0-
<u>\$ 1,755,970</u>	<u>\$ 8,961</u>	<u>\$ 292,893</u>	<u>\$ 54,446</u>	<u>\$ 219,518</u>	<u>\$ -0-</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2014

	Special		
	Ed Byrne JAG Reporting Crime Fund	MVIE Special Inventory Fund	Historical Commission Account Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$	\$ 23,003	\$ 30,319
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		2,262	
Due from other governments			
Due from other funds			
Prepaid expenditures			
Investments			
	_____	_____	_____
Total assets	<u>-0-</u>	<u>25,265</u>	<u>30,319</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>\$ -0-</u>	<u>\$ 25,265</u>	<u>\$ 30,319</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 143
Due to other funds			
Unearned revenue			
	_____	_____	_____
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>143</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		25,265	30,176
Unassigned			
	_____	_____	_____
Total fund balance	<u>-0-</u>	<u>25,265</u>	<u>30,176</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -0-</u>	<u>\$ 25,265</u>	<u>\$ 30,319</u>

Revenue Funds	Capital Projects Funds				
Total Special Revenue Funds	Equipment Purchase Fund	Jail Construction Improvements Fund	CSCD Construction Fund	Motorola Simulcast Radio System Funds	Alvarado Sub- Courthouse Fund
\$ 6,043,742	\$ 56	\$ 6,702	\$	\$ 252,078	\$ 764,970
19,347					
22,104					
46,505					
298	33,715				
2,368					
<u>1,675,003</u>					
<u>7,809,367</u>	<u>33,771</u>	<u>6,702</u>	<u>-0-</u>	<u>252,078</u>	<u>764,970</u>
<u>-0-</u>					
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 7,809,367</u>	<u>\$ 33,771</u>	<u>\$ 6,702</u>	<u>\$ -0-</u>	<u>\$ 252,078</u>	<u>\$ 764,970</u>
\$ 291,906	\$ 30,602	\$ 15,639	\$	\$	\$ 503,424
192,960					
<u>177,403</u>					
<u>662,269</u>	<u>30,602</u>	<u>15,639</u>	<u>-0-</u>	<u>-0-</u>	<u>503,424</u>
<u>16,078</u>					
<u>16,078</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
2,368					
7,128,652	3,169			252,078	261,546
<u>-0-</u>		<u>( 8,937)</u>			
<u>7,131,020</u>	<u>3,169</u>	<u>( 8,937)</u>	<u>-0-</u>	<u>252,078</u>	<u>261,546</u>
<u>\$ 7,809,367</u>	<u>\$ 33,771</u>	<u>\$ 6,702</u>	<u>\$ -0-</u>	<u>\$ 252,078</u>	<u>\$ 764,970</u>

(continued)

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

	<u>Capital Projects Funds</u>		
	<u>Jail Lift Station Fund</u>	<u>Software Projects Fund</u>	<u>Total Capital Projects Fund</u>
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets:</b>			
Cash and temporary investments	\$ 140,197	\$ 3,057,836	\$ 4,221,839
Receivables (Net of Allowance for Uncollectibles):			
Taxes			-0-
Accounts			-0-
Due from other governments			-0-
Due from other funds			33,715
Prepaid expenditures			-0-
Investments			-0-
	<u>140,197</u>	<u>3,057,836</u>	<u>4,255,554</u>
<b>Total assets</b>			
	<u>140,197</u>	<u>3,057,836</u>	<u>4,255,554</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total deferred outflows of resources</b>			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total assets and deferred outflows of resources</b>			
	<u>\$ 140,197</u>	<u>\$ 3,057,836</u>	<u>\$ 4,255,554</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts and accrued liabilities payable	\$	\$ 544,137	\$ 1,093,802
Due to other funds			
Unearned revenue			
	<u>-0-</u>	<u>544,137</u>	<u>1,093,802</u>
<b>Total liabilities</b>			
	<u>-0-</u>	<u>544,137</u>	<u>1,093,802</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total deferred inflows of resources</b>			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Fund Balance:</b>			
Nonspendable			-0-
Restricted	140,197	2,513,699	3,170,689
Unassigned			( 8,937 )
	<u>140,197</u>	<u>2,513,699</u>	<u>3,161,752</u>
<b>Total fund balance</b>			
	<u>140,197</u>	<u>2,513,699</u>	<u>3,161,752</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>			
	<u>\$ 140,197</u>	<u>\$ 3,057,836</u>	<u>\$ 4,255,554</u>

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Total  
Non-Major  
Governmental  
Funds

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\$ 10,265,581

19,347

22,104

46,505

34,013

2,368

1,675,003

12,064,921

-0-

-0-

\$ 12,064,921

\$ 1,385,708

192,960

177,403

1,756,071

16,078

16,078

2,368

10,299,341

( 8,937 )

10,292,772

\$ 12,064,921

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

	Special		
	Lateral Road Fund	Right of Way Fund	Records Management and Preservation Fund
<b>Revenues:</b>			
Taxes	\$ 68,300	\$	\$
Intergovernmental			
Fees			328,526
Fines			
Investment income (loss)	10	3,501	2,274
Miscellaneous		57,403	
	<u>68,310</u>	<u>60,904</u>	<u>330,800</u>
<b>Total revenues</b>			
<b>Expenditures:</b>			
<b>Current:</b>			
General administration			144,563
Administration of justice			
Elections			
Law enforcement			
Highways and streets	52,580		
Health and welfare			
Culture and recreation			
Capital outlay			
<b>Debt Service:</b>			
Interest and fees			
	<u>52,580</u>	<u>-0-</u>	<u>144,563</u>
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<u>15,730</u>	<u>60,904</u>	<u>186,237</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from tax notes			
Operating transfers in			
Operating transfers out	( 63,711 )		
	<u>( 63,711 )</u>	<u>-0-</u>	<u>-0-</u>
<b>Total other financing sources (uses)</b>			
<b>Net change in fund balances</b>	( 47,981 )	60,904	186,237
<b>Fund Balance (Deficits):</b>			
Beginning of year	<u>47,981</u>	<u>1,389,708</u>	<u>1,047,487</u>
End of year	<u>\$ -0-</u>	<u>\$ 1,450,612</u>	<u>\$ 1,233,724</u>

Revenue Funds

Record Archives - County Clerk Fund	Record Archives - District Clerk Fund	Court Records Preservation Fund	Justice of the Peace Technology Fund	Courthouse Security Fund	County/ District Court Technology Fund
\$	\$	\$	\$	\$	\$
258,545	10,243	27,990	25,025	69,461	7,314
772	56	194	260	176	38
<u>259,317</u>	<u>10,299</u>	<u>28,184</u>	<u>25,285</u>	<u>69,637</u>	<u>7,352</u>
			14,680		
				64,768	
			5,962	5,061	
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>20,642</u>	<u>69,829</u>	<u>-0-</u>
<u>259,317</u>	<u>10,299</u>	<u>28,184</u>	<u>4,643</u>	<u>( 192 )</u>	<u>7,352</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>259,317</u>	<u>10,299</u>	<u>28,184</u>	<u>4,643</u>	<u>( 192 )</u>	<u>7,352</u>
<u>544,164</u>	<u>52,890</u>	<u>116,877</u>	<u>303,059</u>	<u>115,800</u>	<u>22,370</u>
<u>\$ 803,481</u>	<u>\$ 63,189</u>	<u>\$ 145,061</u>	<u>\$ 307,702</u>	<u>\$ 115,608</u>	<u>\$ 29,722</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

	Special		
	District Court Records Technology Fund	Justice Court Building Security Fund	County Attorney Collection Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	20,745	6,199	20,756
Fines			
Investment income	73	111	76
Miscellaneous			
Total revenues	<u>20,818</u>	<u>6,310</u>	<u>20,832</u>
Expenditures:			
Current:			
General administration			
Administration of justice	13,920		17,260
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			11,680
Debt Service:			
Interest and fees			
Total expenditures	<u>13,920</u>	<u>-0-</u>	<u>28,940</u>
Excess (deficiency) of revenue over (under) expenditures	<u>6,898</u>	<u>6,310</u>	<u>( 8,108 )</u>
Other Financing Sources (Uses):			
Proceeds from tax notes			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	6,898	6,310	( 8,108 )
Fund Balance (Deficits):			
Beginning of year	<u>42,152</u>	<u>70,918</u>	<u>57,342</u>
End of year	<u>\$ 49,050</u>	<u>\$ 77,228</u>	<u>\$ 49,234</u>

Revenue Funds

District Attorney 18 <sup>th</sup> Judicial Fund	District Attorney Collection Fund	Juvenile Probation Fund	Juvenile Justice Alternative Education Fund	Juvenile Probation Fees Fund	Juvenile Case Manager Fund
\$	\$	\$	\$	\$	\$
	2,085	835,288	117,526	8,019	34,639
6	4		211	746	169
<u>22,504</u>					
<u>22,510</u>	<u>2,089</u>	<u>835,288</u>	<u>117,737</u>	<u>8,765</u>	<u>34,808</u>
1,409	3,465	835,288	257,514		29,330
<u>1,409</u>	<u>3,465</u>	<u>835,288</u>	<u>257,514</u>	<u>-0-</u>	<u>29,330</u>
<u>21,101</u>	<u>( 1,376)</u>	<u>-0-</u>	<u>( 139,777)</u>	<u>8,765</u>	<u>5,478</u>
			206,000		
<u>( 23,173)</u>					
<u>( 23,173)</u>	<u>-0-</u>	<u>-0-</u>	<u>206,000</u>	<u>-0-</u>	<u>-0-</u>
<u>( 2,072)</u>	<u>( 1,376)</u>	<u>-0-</u>	<u>66,223</u>	<u>8,765</u>	<u>5,478</u>
<u>3,348</u>	<u>3,396</u>		<u>6,043</u>	<u>44,620</u>	<u>108,231</u>
<u>\$ 1,276</u>	<u>\$ 2,020</u>	<u>\$ -0-</u>	<u>\$ 72,266</u>	<u>\$ 53,385</u>	<u>\$ 113,709</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

	Special		
	District Attorney Forfeiture Fund	Sheriff Forfeiture Fund	County Attorney LEOSE Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines	34,316		715
Investment income	65	22	1
Miscellaneous			
Total revenues	34,381	22	716
Expenditures:			
Current:			
General administration			
Administration of justice			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Debt Service:			
Interest and fees			
Total expenditures	-0-	-0-	-0-
Excess (deficiency) of revenue over (under) expenditures	34,381	22	716
Other Financing Sources (Uses):			
Proceeds from tax notes			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	-0-	-0-	-0-
Net change in fund balance	34,381	22	716
Fund Balance (Deficits):			
Beginning of year	58,231	17,413	106
End of year	\$ 92,612	\$ 17,435	\$ 822

Revenue Funds

Combined Constables LEOSE Fund	Sheriff LEOSE Fund	Sheriff Inmate Commissary Fund	Abandoned Vehicle Fund	Law Library Fund	Special Crimes Operation Fund
\$	\$	\$	\$	\$	\$
3,116	9,471			87,325	
9	5	245		192	18,883
		561,270		1	290
					5,588
<u>3,125</u>	<u>9,476</u>	<u>561,515</u>	<u>-0-</u>	<u>87,518</u>	<u>24,761</u>
				106,046	
1,553	5,146	513,854			50,768
					31,728
<u>1,553</u>	<u>5,146</u>	<u>513,854</u>	<u>-0-</u>	<u>106,046</u>	<u>82,496</u>
<u>1,572</u>	<u>4,330</u>	<u>47,661</u>	<u>-0-</u>	<u>( 18,528 )</u>	<u>( 57,735 )</u>
		<u>( 82,096 )</u>			
<u>-0-</u>	<u>-0-</u>	<u>( 82,096 )</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
1,572	4,330	( 34,435 )	-0-	( 18,528 )	( 57,735 )
<u>3,647</u>	<u>287</u>	<u>156,028</u>	<u>389</u>	<u>226,756</u>	<u>197,867</u>
<u>\$ 5,219</u>	<u>\$ 4,617</u>	<u>\$ 121,593</u>	<u>\$ 389</u>	<u>\$ 208,228</u>	<u>\$ 140,132</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

	Special		
	STOP Operations Fund	STOP Federal Forfeitures Fund	Pre-Trial Bond Supervision Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	64,798		
Fees			107,862
Fines		2,404	
Investment income (loss)	100		59
Miscellaneous	1,102		375
Total revenues	<u>66,000</u>	<u>2,404</u>	<u>108,296</u>
Expenditures:			
Current:			
General administration			
Administration of justice			
Elections			
Law enforcement	137,321		106,006
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Debt Service:			
Interest and fees			
Total expenditures	<u>137,321</u>	<u>-0-</u>	<u>106,006</u>
Excess (deficiency) of revenue over (under) expenditures	<u>( 71,321 )</u>	<u>2,404</u>	<u>2,290</u>
Other Financing Sources (Uses):			
Proceeds from tax notes			
Operating transfers in	90,504		
Operating transfers out			
Total other financing sources (uses)	<u>90,504</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	19,183	2,404	2,290
Fund Balance (Deficits):			
Beginning of year	<u>( 3,897 )</u>	<u>-0-</u>	<u>45,285</u>
End of year	<u>\$ 15,286</u>	<u>\$ 2,404</u>	<u>\$ 47,575</u>

Revenue Funds

Indigent Health Care Fund	Cities Readiness Initiative Fund	Indigent Defense Formula/Improvement Fund	Guardianship Fee Fund	Election Services Contract Fund	TCEQ Aircheck Texas Fund
\$ 1,141,145	\$ 45,510	\$ 210,685	\$ 8,020	\$ 19,609	\$ 54,757
44,650					
3,970		296	75	287	
				62,676	
<u>1,189,765</u>	<u>45,510</u>	<u>210,981</u>	<u>8,095</u>	<u>82,572</u>	<u>54,757</u>
					54,757
		39,139		39,819	
1,052,169	50,292				
<u>1,052,169</u>	<u>50,292</u>	<u>39,139</u>	<u>-0-</u>	<u>39,819</u>	<u>54,757</u>
<u>137,596</u>	<u>(4,782)</u>	<u>171,842</u>	<u>8,905</u>	<u>42,753</u>	<u>-0-</u>
	14,277	17,383			
		(187,078)			
<u>-0-</u>	<u>14,277</u>	<u>(169,695)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
137,596	9,495	2,147	8,095	42,753	-0-
<u>1,436,763</u>	<u>(6,576)</u>		<u>46,351</u>	<u>175,376</u>	
<u>\$ 1,574,359</u>	<u>\$ 2,919</u>	<u>\$ 2,147</u>	<u>\$ 54,446</u>	<u>\$ 218,129</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, 2014

	Special		
	Ed Byrne JAG Reporting/ Crime Fund	MVIE Special Inventory Fund	Historical Commission Account Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	6,711		
Fees			
Fines			
Investment income (loss)		1,254	34
Miscellaneous		1,653	1,922
Total revenues	<u>6,711</u>	<u>2,907</u>	<u>1,956</u>
Expenditures:			
Current:			
General administration			
Administration of justice			
Elections			
Law enforcement	1,667		
Highways and streets			
Health and welfare			
Culture and recreation			13,197
Capital outlay	5,044		
Debt Service:			
Interest and fees			
Total expenditures	<u>6,711</u>	<u>-0-</u>	<u>13,197</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>2,907</u>	<u>( 11,241 )</u>
Other Financing Sources (Uses):			
Proceeds from tax notes			
Operating transfers in			10,000
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>10,000</u>
Net change in fund balance	-0-	2,907	( 1,241 )
Fund Balance (Deficits):			
Beginning of year		22,358	31,417
End of year	<u>\$ -0-</u>	<u>\$ 25,265</u>	<u>\$ 30,176</u>

Revenue Funds		Capital Projects Funds			
Total Special Revenue Fund	Equipment Purchase Fund	Jail Construction Improvements Fund	CSCD Construction Fund	Motorola Simulcast Radio System Fund	Alvarado Sub- Courthouse Fund
\$ 1,209,445	\$	\$	\$	\$	\$
1,399,534					
1,036,056					
55,603					
15,581	135	38	1	856	2,235
<u>714,494</u>					
<u>4,430,713</u>	<u>135</u>	<u>38</u>	<u>1</u>	<u>856</u>	<u>2,235</u>
199,320	130,787				16,722
191,045	4,053				
39,819					
2,008,089	47,843				
52,580					
1,102,461	2,132				
13,197					
59,475	563,302	138,975		418,844	2,176,218
-0-					
<u>3,665,986</u>	<u>748,117</u>	<u>138,975</u>	<u>-0-</u>	<u>418,844</u>	<u>2,192,940</u>
<u>764,727</u>	<u>( 747,982 )</u>	<u>( 138,937 )</u>	<u>1</u>	<u>( 417,988 )</u>	<u>( 2,190,705 )</u>
-0-					
338,164	757,535	130,000	8,970	200,000	2,571,085
<u>( 356,058 )</u>					
<u>( 17,894 )</u>	<u>757,535</u>	<u>130,000</u>	<u>8,971</u>	<u>200,000</u>	<u>2,571,085</u>
746,833	9,553	( 8,937 )	8,971	( 217,988 )	380,380
<u>6,384,187</u>	<u>( 6,384 )</u>		<u>( 8,971 )</u>	<u>470,066</u>	<u>( 118,834 )</u>
<u>\$ 7,131,020</u>	<u>\$ 3,169</u>	<u>\$ ( 8,937 )</u>	<u>\$ -0-</u>	<u>\$ 252,078</u>	<u>\$ 261,546</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

	Capital Projects Funds		
	Jail Lift Station Fund	Software Projects Fund	Total Capital Projects Funds
Revenues:			
Taxes	\$	\$	\$ -0-
Intergovernmental			-0-
Fees			-0-
Fines			-0-
Investment income (loss)	97	5,028	8,390
Miscellaneous			-0-
	97	5,028	8,390
Total revenues			8,390
Expenditures:			
Current:			
General administration		36,463	183,972
Administration of justice			4,053
Elections			-0-
Law enforcement			47,843
Highways and streets			-0-
Health and welfare			2,132
Culture and recreation			-0-
Capital outlay	13,140	2,032,503	5,342,982
Debt Service:			
Interest and fees		44,379	44,379
	13,140	2,113,345	5,625,361
Total expenditures			5,625,361
Excess (deficiency) of revenue over (under) expenditures	( 13,043 )	( 2,108,317 )	( 5,616,971 )
Other Financing Sources (Uses):			
Proceeds from tax notes		4,370,000	4,370,000
Operating transfers in	93,240	259,152	4,019,982
Operating transfers out			-0-
	93,240	4,629,152	8,389,982
Total other financing sources (uses)			8,389,982
Net change in fund balance	80,197	2,520,835	2,773,011
Fund Balance (Deficits):			
Beginning of year	60,000	( 7,136 )	388,741
End of year	\$ 140,197	\$ 2,513,699	\$ 3,161,752

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	Total Non-Major Governmental Funds
\$	1,209,445
	1,399,534
	1,036,056
	55,603
	23,971
	<u>714,494</u>
	<u>4,439,103</u>
	383,292
	195,098
	39,819
	2,055,932
	52,580
	1,104,593
	13,197
	5,402,457
	<u>44,379</u>
	<u>9,291,347</u>
(	<u>4,852,244</u> )
	4,370,000
	4,358,146
(	<u>356,058</u> )
	<u>8,372,088</u>
	3,519,844
	<u>6,772,928</u>
\$	<u><u>10,292,772</u></u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

Exhibit 10  
Page 1 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration:				
County Clerk:				
Salaries and wages, and employee benefits	\$ 1,924,385	\$ 1,924,385	\$ 1,766,481	\$ 157,904
Operating expenditures	86,100	86,100	71,215	14,885
Total County Clerk	2,010,485	2,010,485	1,837,696	172,789
County Judge:				
Salaries and wages, and employee benefits	386,106	386,093	379,053	7,040
Operating expenditures	12,100	12,113	7,748	4,365
Total County Judge	398,206	398,206	386,801	11,405
County Commissioners:				
Salaries and wages, and employee benefits		20,382		20,382
Total County Commissioners	-0-	20,382	-0-	20,382
Veterans:				
Salaries and wages, and employee benefits	152,821	148,727	148,338	389
Operating expenditures	9,000	7,671	6,966	705
Total Veterans	161,821	156,398	155,304	1,094
Public Works:				
Salaries and wages, and employee benefits	1,202,138	1,202,138	1,109,910	92,228
Operating expenditures	78,200	78,200	45,023	33,177
Total Public Works	1,280,338	1,280,338	1,154,933	125,405
Purchasing:				
Salaries and wages, and employee benefits	283,694	283,694	279,033	4,661
Operating expenditures	28,530	28,530	15,431	13,099
Total Purchasing	312,224	312,224	294,464	17,760
Information Systems:				
Salaries and wages, and employee benefits	634,686	614,536	490,984	123,552
Operating expenditures	837,546	833,994	812,468	21,526
Capital outlay		23,702	23,702	-0-
Total Information Systems	1,472,232	1,472,232	1,327,154	145,078
Print Shop:				
Salaries and wages, and employee benefits	46,841	46,841	34,591	12,250
Operating expenditures	41,601	41,601	26,380	15,221
Total Print Shop	88,442	88,442	60,971	27,471

(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, 2014

Exhibit 10  
Page 2 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Mail Room:				
Salaries and wages, and employee benefits	\$ 86,202	\$ 86,202	\$ 75,610	\$ 10,592
Operating expenditures	10,500	10,500	8,164	2,336
Total Mail Room	96,702	96,702	83,774	12,928
Telecommunications:				
Salaries and wages, and employee benefits	39,733	39,733	39,244	489
Total Telecommunications	39,733	39,733	39,244	489
Personnel:				
Salaries and wages, and employee benefits	346,955	346,955	310,292	36,663
Operating expenditures	35,200	35,200	12,936	22,264
Total Personnel	382,155	382,155	323,228	58,927
County Tax Collector:				
Salaries and wages, and employee benefits	1,272,495	1,272,495	1,223,279	49,216
Operating expenditures	281,517	281,517	181,782	99,735
Total Personnel	1,554,012	1,554,012	1,405,061	148,951
Non-departmental:				
Salaries and wages, and employee benefits	297,143	291,360	217,039	74,321
Operating expenditures	3,374,121	3,160,948	3,080,980	79,968
Capital outlay	10,000	193,745	193,491	254
Total Non-departmental	3,681,264	3,646,053	3,491,510	154,543
Courthouse:				
Operating expenditures	176,110	209,110	199,692	9,418
Total Courthouse	176,110	209,110	199,692	9,418
Bldg Maint Bank Annex:				
Operating expenditures	192,400	151,900	114,320	37,580
Total Bldg Maint Bank Annex	192,400	151,900	114,320	37,580
Bldg Maint Guinn Building:				
Operating expenditures	391,000	380,000	349,010	30,990
Total Bldg Maint Guinn Bldg	391,000	380,000	349,010	30,990
Bldg Maint CASA/United:				
Operating expenditures	17,300	11,421	9,883	1,588
Total Bldg Maint CASA/United	17,300	11,421	9,883	1,588

(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, 2014

Exhibit 10  
Page 3 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Bldg Maint JP #1 Bldg:				
Operating expenditures	\$ 8,700	\$ 8,700	\$ 6,387	\$ 2,313
Total Bldg Maint Alvarado Sub-courthouse	8,700	168,700	6,387	2,313
Bldg Maint Brown Gym:				
Operating expenditures	77,000	37,874	21,576	16,298
Total Bldg Maint Brown Gym	77,000	37,874	21,576	16,298
Bldg Maint Alvarado Sub-courthouse:				
Operating expenditures	28,700	28,228	16,206	12,022
Total Bldg Maint Alvarado Sub-courthouse	28,700	28,228	16,206	12,022
Bldg Maint Burleson Sub-courthouse :				
Operating expenditures	78,500	78,500	37,497	41,003
Total Bldg Maint Burleson Sub-courthouse	78,500	78,500	37,497	41,003
Bldg Main Law Enforcement Center:				
Operating expenditures	105,145	104,445	84,032	20,413
Total Bldg Maint Law Enforcement Center	105,145	104,445	84,032	20,413
Bldg Main Emergency Mgmt Bldg:				
Operating expenditures	13,000	14,500	13,987	513
Total Bldg Maint Emergency Mgmt Bldg	136,000	14,500	13,987	513
Bldg Maint Health Bldg:				
Operating expenditures	6,700	6,700	929	5,771
Total Bldg Maint Health Bldg	6,700	6,700	929	5,771
Bldg Maint Hamm Creek:				
Operating expenditures	28,500	28,500	17,453	11,047
Total Bldg Maint Hamm Creek	28,500	28,500	17,453	11,047
Bldg Maint Mill St. Bldg:				
Operating expenditures	9,200	8,500	7,885	615
Total Bldg Maint Mill St. Bldg	9,200	8,500	7,885	615
Bldg Maint Doty HS:				
Operating expenditures	6,000	7,400	3,506	3,894
Total Bldg Maint Doty HS	6,000	7,400	3,506	3,894

(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, 2014

Exhibit 10  
Page 4 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Bldg Maint Adult Probation Bldg:				
Operating expenditures	\$ 54,400	\$ 54,400	\$ 53,075	\$ 1,325
Total Bldg Maint Adult Probation Bldg	54,400	54,400	53,075	1,325
Bldg Maint 103 S. Walnut:				
Operating expenditures	-0-	20,675	13,056	7,619
Total Bldg Maint 103 S. Walnut	-0-	20,675	13,056	7,619
Bldg Maint 102 South Main:				
Operating expenditures	-0-	12,050	4,090	7,960
Total Bldg Maint 120 South Main	-0-	12,050	4,090	7,960
Total General Administration	12,670,269	12,620,265	11,512,674	1,107,591
Administration of Justice:				
County Court at Law I:				
Salaries and wages, and employee benefits	492,563	489,551	488,607	944
Operating expenditures	268,200	297,397	293,483	3,914
Total County Court at Law I	760,763	786,948	782,090	4,858
County Court at Law II:				
Salaries and wages, and employee benefits	432,865	413,287	413,280	7
Operating expenditures	272,100	324,655	315,862	8,793
Total County Court at Law II	704,965	737,942	729,142	8,800
General District Court:				
Salaries and wages, and employee benefits	49,377	74,925	74,881	44
Operating expenditures	71,523	62,776	62,046	730
Total General District Court	120,900	137,701	136,927	774
249 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	265,816	256,744	255,342	1,402
Operating expenditures	525,700	495,862	399,626	96,236
Total 249 <sup>th</sup> District Court	791,516	752,606	654,968	97,638
18 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	240,749	241,655	239,739	1,916
Operating expenditures	490,900	552,844	433,008	119,836
Total 18 <sup>th</sup> District Court	731,649	794,499	672,747	121,752

(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, 2014

Exhibit 10  
Page 5 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
413 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	\$ 237,233	\$ 237,838	\$ 234,221	\$ 3,617
Operating expenditures	496,000	500,935	405,307	95,628
Total 413 <sup>th</sup> District Court	<u>733,233</u>	<u>738,773</u>	<u>639,528</u>	<u>99,245</u>
District Clerk:				
Salaries and wages, and employee benefits	1,131,183	1,120,949	1,102,126	18,823
Operating expenditures	346,080	356,314	55,656	300,658
Total District Clerk	<u>1,477,263</u>	<u>1,477,263</u>	<u>1,157,782</u>	<u>319,481</u>
Justice of the Peace #1:				
Salaries and wages, and employee benefits	251,120	250,902	247,014	3,888
Operating expenditures	10,900	11,118	8,505	2,613
Total Justice of the Peace #1	<u>262,020</u>	<u>262,020</u>	<u>255,519</u>	<u>6,501</u>
Justice of the Peace #2:				
Salaries and wages, and employee benefits	241,124	241,124	234,022	7,102
Operating expenditures	13,750	13,750	12,118	1,632
Total Justice of the Peace #2	<u>254,874</u>	<u>254,874</u>	<u>246,140</u>	<u>8,734</u>
Justice of the Peace #3:				
Salaries and wages, and employee benefits	222,885	222,885	213,209	9,676
Operating expenditures	13,300	13,300	12,016	1,284
Total Justice of the Peace #3	<u>236,185</u>	<u>236,185</u>	<u>225,225</u>	<u>10,960</u>
Justice of the Peace #4:				
Salaries and wages, and employee benefits	205,116	205,116	193,780	11,336
Operating expenditures	9,650	9,650	6,312	3,338
Total Justice of the Peace #4	<u>214,766</u>	<u>214,766</u>	<u>200,092</u>	<u>14,674</u>
Non-departmental:				
Operating expenditures	263,182	240,576	140,675	99,901
Capital outlay		23,306	23,306	-0-
Total Non-departmental	<u>263,182</u>	<u>263,882</u>	<u>163,981</u>	<u>99,901</u>
Bail Bonds Office:				
Salaries and wages, and employee benefits	42,547	42,557	42,071	486
Operating expenditures	2,000	2,000	577	1,423
Total Bail Bonds Office	<u>44,547</u>	<u>44,557</u>	<u>42,648</u>	<u>1,909</u>
Adult Probation:				
Operating expenditures	10,950	10,950	10,287	663
Total Adult Probation	<u>10,950</u>	<u>10,950</u>	<u>10,287</u>	<u>663</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, 2014

Exhibit 10  
Page 6 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
Juvenile Probation:				
Salaries and wages, and employee benefits	\$ 461,688	\$ 461,688	\$ 429,450	\$ 32,238
Operating expenditures	717,100	717,100	487,920	229,180
Total Juvenile Probation	1,178,788	1,178,788	917,370	261,418
Total Administration of Justice	7,785,601	7,891,754	6,834,446	1,057,308
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	748,108	748,108	735,202	12,906
Operating expenditures	58,900	58,900	29,174	29,726
Total County Auditor	807,008	807,008	764,376	42,632
County Treasurer:				
Salaries and wages, and employee benefits	156,138	156,138	146,294	9,844
Operating expenditures	13,700	13,700	9,500	4,200
Total County Treasurer	169,838	169,838	155,794	14,044
Total Financial Administration	976,846	976,846	920,170	56,676
Elections:				
Elections:				
Salaries and wages, and employee benefits	374,210	374,210	293,102	81,108
Operating expenditures	157,034	157,034	94,849	62,185
Total Elections	531,244	531,244	387,951	143,293
Law Enforcement				
County Attorney:				
Salaries and wages, and employee benefits	1,726,396	1,722,133	1,705,285	16,848
Operating expenditures	88,482	92,745	73,334	19,411
Total County Attorney	1,814,878	1,814,878	1,778,619	36,259
District Attorney:				
Salaries and wages, and employee benefits	1,709,182	1,709,182	1,693,634	15,548
Operating expenditures	116,500	119,000	96,216	22,784
Total District Attorney	1,825,682	1,828,182	1,789,850	38,332
County/District Attorney Supplement:				
Salaries and wages, and employee benefits	52,062	52,062	24,079	27,983
Total County/District Attorney Supplement	52,062	52,062	24,079	27,983

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

Exhibit 10  
Page 7 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
Constable - Precinct 1:				
Salaries and wages, and employee benefits	\$ 209,385	\$ 209,385	\$ 203,611	\$ 5,774
Operating expenditures	<u>33,000</u>	<u>36,921</u>	<u>35,679</u>	<u>1,242</u>
Total Constable - Precinct 1	<u>242,385</u>	<u>246,306</u>	<u>239,290</u>	<u>7,016</u>
Constable - Precinct 2:				
Salaries and wages, and employee benefits	205,347	205,347	201,226	4,121
Operating expenditures	<u>26,920</u>	<u>26,920</u>	<u>18,516</u>	<u>8,404</u>
Total Constable - Precinct 2	<u>232,267</u>	<u>232,267</u>	<u>219,742</u>	<u>12,525</u>
Constable - Precinct 3:				
Salaries and wages, and employee benefits	203,233	201,792	199,815	1,977
Operating expenditures	<u>25,420</u>	<u>30,861</u>	<u>22,423</u>	<u>8,438</u>
Total Constable - Precinct 3	<u>228,653</u>	<u>232,653</u>	<u>222,238</u>	<u>10,415</u>
Constable - Precinct 4:				
Salaries and wages, and employee benefits	213,925	212,021	208,745	3,276
Operating expenditures	<u>39,912</u>	<u>41,816</u>	<u>39,542</u>	<u>2,274</u>
Total Constable - Precinct 4	<u>253,837</u>	<u>253,837</u>	<u>248,287</u>	<u>5,550</u>
ASAP-JISD:				
Salaries and wages, and employee benefits	59,671	59,875	57,449	2,426
Operating expenditures	<u>2,950</u>	<u>2,950</u>	<u>2,193</u>	<u>757</u>
Total ASAP-JISD	<u>62,621</u>	<u>62,825</u>	<u>59,642</u>	<u>3,183</u>
ASAP-BISD:				
Salaries and wages, and employee benefits	57,547	57,711	55,278	2,433
Operating expenditures	<u>5,270</u>	<u>5,270</u>	<u>3,907</u>	<u>1,363</u>
Total ASAP-BISD	<u>62,817</u>	<u>62,981</u>	<u>59,185</u>	<u>3,796</u>
ASAP-CISD:				
Salaries and wages, and employee benefits	125,812	126,184	121,938	4,246
Operating expenditures	<u>10,240</u>	<u>10,240</u>	<u>5,936</u>	<u>4,304</u>
Total ASAP-CISD	<u>136,052</u>	<u>136,424</u>	<u>127,874</u>	<u>8,550</u>
Sheriff Admin-Patrol:				
Salaries and wages, and employee benefits	6,357,877	6,257,507	6,077,221	180,286
Operating expenditures	806,772	844,822	738,158	106,664
Capital outlay		<u>45,268</u>	<u>45,268</u>	<u>-0-</u>
Total Sheriff Admin-Patrol	<u>7,164,649</u>	<u>7,147,597</u>	<u>6,860,647</u>	<u>286,950</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, 2014

Exhibit 10  
Page 8 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
Sheriff-Jail:				
Salaries and wages, and employee benefits	\$ 898,949	\$ 903,615	\$ 863,270	\$ 40,345
Operating expenditures	13,268,289	15,855,009	15,581,853	273,156
Debt service expenditures	325,000	325,000	287,270	37,730
Total Sheriff-Jail	14,492,238	17,083,624	16,732,393	351,231
Sheriff Licenses and Weights:				
Salaries and wages, and employee benefits	256,122	263,777	259,938	3,839
Operating expenditures	38,000	36,036	28,464	7,572
Total Sheriff Licenses and Weights	294,122	299,813	288,402	11,411
Mansfield Interlocal:				
Salaries and wages, and employee benefits	80,468	80,894	78,103	2,791
Total Mansfield Interlocal	80,468	80,894	78,103	2,791
Texas DPS Office:				
Salaries and wages, and employee benefits	105,867	105,867	93,784	12,083
Operating expenditures	600	600	600	-0-
Total Texas DPS Office	106,467	106,467	94,384	12,083
Texas DPS License Weight:				
Operating expenditures	1,250	1,250	959	291
Total Texas DPS License Weight	1,250	1,250	959	291
SRO-Godley ISD:				
Salaries and wages, and employee benefits	60,817	61,753	58,893	2,860
Operating expenditures	3,450	3,450	2,443	1,007
Total SRO-Godley ISD	64,267	65,203	61,336	3,867
SRO-Joshua ISD:				
Salaries and wages, and employee benefits	129,432	130,423	124,916	5,507
Operating expenditures	5,800	5,800	4,300	1,500
Total SRO-Joshua ISD	135,232	136,223	129,216	7,007
SRO-Alvarado ISD:				
Salaries and wages, and employee benefits	65,067	65,339	62,882	2,457
Operating expenditures	3,450	3,450	2,438	1,012
Total SRO-Alvarado ISD	68,517	68,789	65,320	3,469
SRO-Venus ISD:				
Salaries and wages, and employee benefits	59,676	62,174	56,498	5,676
Operating expenditures	3,350	3,350	1,665	1,685
Total SRO-Venus ISD	63,026	65,524	58,163	7,361

(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, 2014

Exhibit 10  
Page 9 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement – Continued:				
SRO-Keene ISD:				
Salaries and wages, and employee benefits	\$ 56,121	\$ 56,284	\$ 54,381	\$ 1,903
Operating expenditures	<u>3,250</u>	<u>3,250</u>	<u>2,193</u>	<u>1,057</u>
Total SRO-Keene ISD	<u>59,371</u>	<u>59,534</u>	<u>56,574</u>	<u>2,960</u>
Total Law Enforcement	<u>27,440,861</u>	<u>30,037,333</u>	<u>29,194,303</u>	<u>843,030</u>
Health and Welfare:				
Medical Examiner:				
Salaries and wages, and employee benefits	154,198	151,699	150,433	1,266
Operating expenditures	219,250	221,629	218,698	2,931
Capital outlay		<u>26,915</u>	<u>26,914</u>	<u>1</u>
Total Medical Examiner	<u>373,448</u>	<u>400,243</u>	<u>396,045</u>	<u>4,198</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	124,473	122,173	119,238	2,935
Operating expenditures	12,100	191,115	188,050	3,065
Capital outlay		<u>105,475</u>	<u>105,471</u>	<u>4</u>
Total Emergency Management	<u>136,573</u>	<u>418,763</u>	<u>412,759</u>	<u>6,004</u>
Total Health and Welfare	<u>520,021</u>	<u>829,006</u>	<u>818,804</u>	<u>10,202</u>
Culture and Recreation:				
Hamm Creek Park:				
Salaries and wages, and employee benefits	226,005	218,975	171,004	47,971
Operating expenditures	35,700	35,700	20,688	15,012
Capital outlay		<u>7,030</u>	<u>7,029</u>	<u>1</u>
Total Hamm Creek Park	<u>261,705</u>	<u>261,705</u>	<u>198,721</u>	<u>62,984</u>
Total Culture and Recreation	<u>261,705</u>	<u>261,705</u>	<u>198,721</u>	<u>62,984</u>
Conservation:				
County Extension:				
Salaries and wages, and employee benefits	179,878	179,878	167,000	12,878
Operating expenditures	<u>16,300</u>	<u>16,300</u>	<u>12,566</u>	<u>3,734</u>
Total County Extension	<u>196,178</u>	<u>196,178</u>	<u>179,566</u>	<u>16,612</u>
Total Conservation	<u>196,178</u>	<u>196,178</u>	<u>179,566</u>	<u>16,612</u>
Total expenditures	<u>\$ 50,382,725</u>	<u>\$ 53,344,331</u>	<u>\$ 50,046,635</u>	<u>\$ 3,297,696</u>

**JOHNSON COUNTY, TEXAS**

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

Exhibit 11

For the Year Ended September 30, 2014

	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	\$ 1,195,356	\$ 1,195,356	\$ 1,008,047	\$ 187,309
Operating expenditures	1,565,230	1,565,230	695,772	869,458
Capital outlay	855,500	855,500	219,725	635,775
Total Road and Bridge Precinct 1	<u>3,616,086</u>	<u>3,616,086</u>	<u>1,923,544</u>	<u>1,692,542</u>
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	1,175,974	1,175,974	1,083,858	92,116
Operating expenditures	817,242	869,479	543,149	326,330
Capital outlay	135,000	135,000	55,836	79,164
Total Road and Bridge Precinct 2	<u>2,128,216</u>	<u>2,180,453</u>	<u>1,682,843</u>	<u>497,610</u>
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	1,295,581	1,294,614	1,120,946	173,668
Operating expenditures	1,816,629	1,794,596	691,567	1,103,029
Capital outlay	2,000	25,000	314,158	( 289,158 )
Total Road and Bridge Precinct 3	<u>3,114,210</u>	<u>3,114,210</u>	<u>2,126,671</u>	<u>987,539</u>
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	1,459,591	1,459,591	1,257,689	201,902
Operating expenditures	1,754,142	1,758,142	480,797	1,277,345
Capital outlay	228,000	224,000	157,002	66,998
Total Road and Bridge Precinct 4	<u>3,441,733</u>	<u>3,441,733</u>	<u>1,895,488</u>	<u>1,546,245</u>
Total expenditures	<u>\$ 12,300,245</u>	<u>\$ 12,352,482</u>	<u>\$ 7,628,546</u>	<u>\$ 4,723,936</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, 2014

	Lateral Road Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 66,000	\$ 66,000	\$ 68,300	\$ 2,300
Investment income (loss)	100	100	10	( 90 )
Miscellaneous				-0-
Total revenues	<u>66,100</u>	<u>66,100</u>	<u>68,310</u>	<u>2,210</u>
Expenditures:				
Highways and Streets:				
Operating expenditures	66,100	66,100	52,580	13,520
Capital outlay				
Total expenditures	<u>66,100</u>	<u>66,100</u>	<u>52,580</u>	<u>13,520</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>15,730</u>	<u>15,730</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out		( 63,711 )	( 63,711 )	-0-
Total other financing sources (uses)	<u>-0-</u>	<u>( 63,711 )</u>	<u>( 63,711 )</u>	<u>-0-</u>
Net change in fund balances	-0-	( 63,711 )	( 47,981 )	15,730
Fund balances – beginning	<u>47,981</u>	<u>47,981</u>	<u>47,981</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 47,981</u>	<u>\$( 15,730 )</u>	<u>\$ -0-</u>	<u>\$ 15,730</u>

Right of Way Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,700	\$ 1,700	\$ 3,501	\$ -0- 1,801
		<u>57,403</u>	<u>57,403</u>
<u>1,700</u>	<u>1,700</u>	<u>60,904</u>	<u>59,204</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>1,700</u>	<u>1,700</u>	<u>60,904</u>	<u>59,204</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
1,700	1,700	60,904	59,204
<u>1,389,708</u>	<u>1,389,708</u>	<u>1,389,708</u>	<u>-0-</u>
<u>\$ 1,391,408</u>	<u>\$ 1,391,408</u>	<u>\$ 1,450,612</u>	<u>\$ 59,204</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, 2014

	Records Management and Preservation Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees	\$ 239,200	\$ 239,200	\$ 328,526	\$ 89,326
Investment income	1,200	1,200	2,274	1,074
Total revenues	<u>240,400</u>	<u>240,400</u>	<u>330,800</u>	<u>90,400</u>
Expenditures:				
General Administration:				
Salaries and wages, and employee benefits	137,901	137,901	132,383	5,518
Operating expenditures	80,000	80,000	12,180	67,820
Capital outlay				-0-
Total expenditures	<u>217,901</u>	<u>217,901</u>	<u>144,563</u>	<u>73,338</u>
Excess (deficiency) of revenues over expenditures	<u>22,499</u>	<u>22,499</u>	<u>186,237</u>	<u>163,738</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	22,499	22,499	186,237	163,738
Fund balances – beginning	<u>1,047,487</u>	<u>1,047,487</u>	<u>1,047,487</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,069,986</u>	<u>\$ 1,069,986</u>	<u>\$ 1,233,724</u>	<u>\$ 163,738</u>

<u>Record Archives - County Clerk Fund</u>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ 165,000	\$ 165,000	\$ 258,545	\$ 93,545
<u>1,500</u>	<u>1,500</u>	<u>772</u>	<u>( 728 )</u>
<u>166,500</u>	<u>166,500</u>	<u>259,317</u>	<u>92,817</u>
			-0-
470,000	470,000		470,000
<u>470,000</u>	<u>470,000</u>	<u>-0-</u>	<u>470,000</u>
<u>( 303,500 )</u>	<u>( 303,500 )</u>	<u>259,317</u>	<u>562,817</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>( 303,500 )</u>	<u>( 303,500 )</u>	<u>259,317</u>	<u>562,817</u>
<u>544,164</u>	<u>544,164</u>	<u>544,164</u>	<u>-0-</u>
<u>\$ 240,664</u>	<u>\$ 240,664</u>	<u>\$ 803,481</u>	<u>\$ 562,817</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, 2014

	Record Archives - District Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 10,600	\$ 10,600	\$ 10,243	\$( 357 )
Investment income (loss)	50	50	56	6
Total revenues	<u>10,650</u>	<u>10,650</u>	<u>10,299</u>	<u>( 351 )</u>
Expenditures:				
Administration of Justice:				
Operating expenditures		15,000		15,000
Total expenditures	<u>-0-</u>	<u>15,000</u>	<u>-0-</u>	<u>15,000</u>
Excess (deficiency) of revenues over expenditures	<u>10,650</u>	<u>( 4,350 )</u>	<u>10,299</u>	<u>14,649</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	10,650	( 4,350 )	10,299	14,649
Fund balances – beginning	<u>52,890</u>	<u>52,890</u>	<u>52,890</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 63,540</u>	<u>\$ 48,540</u>	<u>\$ 63,189</u>	<u>\$ 14,649</u>

Court Records Preservation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 28,000	\$ 28,000	\$ 27,990	\$( 10 )
<u>100</u>	<u>100</u>	<u>194</u>	<u>94</u>
<u>28,100</u>	<u>28,100</u>	<u>28,184</u>	<u>84</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>28,100</u>	<u>28,100</u>	<u>28,184</u>	<u>84</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>28,100</u>	<u>28,100</u>	<u>28,194</u>	<u>84</u>
<u>116,877</u>	<u>116,877</u>	<u>116,877</u>	<u>-0-</u>
<u>\$ 144,977</u>	<u>\$ 144,977</u>	<u>\$ 145,061</u>	<u>\$ 84</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, 2014

	Justice of the Peace Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 38,800	\$ 38,800	\$ 25,025	\$( 13,775)
Investment income (loss)	310	310	260	( 50)
Total revenues	<u>39,110</u>	<u>39,110</u>	<u>25,285</u>	<u>( 13,825)</u>
Expenditures:				
Administration of Justice:				
Salaries and benefits				-0-
Operating expenditures	25,000	32,962	20,642	12,320
Capital Outlay				-0-
Total expenditures	<u>25,000</u>	<u>32,962</u>	<u>20,642</u>	<u>12,320</u>
Excess (deficiency) of revenues over expenditures	<u>14,110</u>	<u>6,148</u>	<u>4,643</u>	<u>( 1,505)</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	14,110	6,148	4,643	( 1,505)
Fund balances – beginning	<u>303,059</u>	<u>303,059</u>	<u>303,059</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 317,169</u>	<u>\$ 309,207</u>	<u>\$ 307,702</u>	<u>\$( 1,505)</u>

Courthouse Security Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 78,000	\$ 78,000	\$ 69,461	\$( 8,539)
<u>150</u>	<u>150</u>	<u>176</u>	<u>26</u>
<u>78,150</u>	<u>78,150</u>	<u>69,637</u>	<u>( 8,513)</u>
56,917	56,707	54,931	1,776
	16,210	9,837	6,373
	<u>5,100</u>	<u>5,061</u>	<u>39</u>
<u>56,917</u>	<u>78,017</u>	<u>69,829</u>	<u>8,188</u>
<u>21,233</u>	<u>133</u>	<u>( 192)</u>	<u>( 325)</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
21,233	133	( 192)	( 325)
<u>115,800</u>	<u>115,800</u>	<u>115,800</u>	<u>-0-</u>
<u>\$ 137,033</u>	<u>\$ 115,933</u>	<u>\$ 115,608</u>	<u>\$( 325)</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, 2014

	County/District Court Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 7,300	\$ 7,300	\$ 7,314	\$ 14
Investment income (loss)	20	20	38	18
Total revenues	<u>7,320</u>	<u>7,320</u>	<u>7,352</u>	<u>32</u>
Expenditures:				
Administration of Justice:				
Operating expenditures				-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>7,320</u>	<u>7,320</u>	<u>7,352</u>	<u>32</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	7,320	7,320	7,352	32
Fund balances – beginning	<u>22,370</u>	<u>22,370</u>	<u>22,370</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 29,690</u>	<u>\$ 29,690</u>	<u>\$ 29,722</u>	<u>\$ 32</u>

District Court Records Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 12,000	\$ 12,000	\$ 20,745	\$ 8,745
<u>40</u>	<u>40</u>	<u>73</u>	<u>33</u>
<u>12,040</u>	<u>12,040</u>	<u>20,818</u>	<u>8,778</u>
		<u>13,920</u>	<u>( 13,920 )</u>
<u>-0-</u>	<u>-0-</u>	<u>13,920</u>	<u>( 13,920 )</u>
<u>12,040</u>	<u>12,040</u>	<u>6,898</u>	<u>( 5,142 )</u>
			<u>-0-</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>12,040</u>	<u>12,040</u>	<u>6,898</u>	<u>( 5,142 )</u>
<u>42,152</u>	<u>42,152</u>	<u>42,152</u>	<u>-0-</u>
<u>\$ 54,192</u>	<u>\$ 54,192</u>	<u>\$ 49,050</u>	<u>\$( 5,142 )</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, 2014

	Justice Court Building Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenue	\$	\$	\$	\$ -0-
Fees	10,000	10,000	6,199	( 3,801)
Investment income (loss)	80	80	111	31
<b>Total revenues</b>	<b>10,080</b>	<b>10,080</b>	<b>6,310</b>	<b>( 3,770)</b>
Expenditures:				
Law Enforcement:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
<b>Total expenditures</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>10,080</b>	<b>10,080</b>	<b>6,310</b>	<b>( 3,770)</b>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
<b>Total other financing sources (uses)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Net change in fund balances</b>	<b>10,080</b>	<b>10,080</b>	<b>6,310</b>	<b>( 3,770)</b>
Fund balances – beginning	70,918	70,918	70,918	-0-
Fund balances – ending	<u>\$ 80,998</u>	<u>\$ 80,998</u>	<u>\$ 77,228</u>	<u>\$( 3,770)</u>

Juvenile Justice Alternative Education Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 45,000	\$ 45,000	\$ 117,526	\$ 72,526
<u>75</u>	<u>75</u>	<u>211</u>	<u>136</u>
<u>45,075</u>	<u>45,075</u>	<u>117,737</u>	<u>72,662</u>
194,363	208,189	207,592	597
<u>69,500</u>	<u>55,674</u>	<u>49,922</u>	<u>5,752</u>
<u>263,863</u>	<u>263,863</u>	<u>257,514</u>	<u>6,349</u>
( 218,788 )	( 218,788 )	( 139,777 )	79,011
206,000	206,000	206,000	-0-
<u>206,000</u>	<u>206,000</u>	<u>206,000</u>	<u>-0-</u>
( 12,788 )	( 12,788 )	66,223	79,011
<u>6,043</u>	<u>6,043</u>	<u>6,043</u>	<u>-0-</u>
\$( <u>6,745</u> )	\$( <u>6,745</u> )	\$ <u>72,266</u>	\$ <u>79,011</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, 2014

	Juvenile Probation Fees Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 10,200	\$ 10,200	\$ 8,019	\$( 2,181)
Investment income (loss)	80	80	746	666
Total revenues	<u>10,280</u>	<u>10,280</u>	<u>8,765</u>	<u>( 1,515)</u>
Expenditures:				
Law Enforcement:				
Salaries and wages, and employee benefits				-0-
Operating expenditures	34,000	34,000		34,000
Capital outlay	<u>15,000</u>	<u>15,000</u>		<u>15,000</u>
Total expenditures	<u>49,000</u>	<u>49,000</u>	<u>-0-</u>	<u>49,000</u>
Excess (deficiency) of revenues over expenditures	<u>( 38,720)</u>	<u>( 38,720)</u>	<u>8,765</u>	<u>47,485</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>( 38,720)</u>	<u>( 38,720)</u>	<u>8,765</u>	<u>47,485</u>
Fund balances – beginning	<u>44,620</u>	<u>44,620</u>	<u>44,620</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 5,900</u>	<u>\$ 5,900</u>	<u>\$ 53,385</u>	<u>\$ 47,485</u>

Juvenile Case Manager Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 46,000	\$ 46,000	\$ 34,639	\$( 11,361 )
<u>120</u>	<u>120</u>	<u>169</u>	<u>49</u>
<u>46,120</u>	<u>46,120</u>	<u>34,808</u>	<u>( 11,312 )</u>
50,158	50,158	29,330	20,828
<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
<u>50,158</u>	<u>50,158</u>	<u>29,330</u>	<u>20,828</u>
<u>( 4,038 )</u>	<u>( 4,038 )</u>	<u>5,478</u>	<u>9,516</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>( 4,038 )</u>	<u>( 4,038 )</u>	<u>5,478</u>	<u>9,516</u>
<u>108,231</u>	<u>108,231</u>	<u>108,231</u>	<u>-0-</u>
<u>\$ 104,193</u>	<u>\$ 104,193</u>	<u>\$ 113,709</u>	<u>\$ 9,516</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, 2014

	District Attorney Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$ 34,316	\$ 34,316
Investment income (loss)	50	50	65	15
Total revenues	50	50	34,381	34,331
Expenditures:				
Law Enforcement:				
Operating expenditures				-0-
Capital outlay				-0-
Total expenditures	-0-	-0-	-0-	-0-
Excess (deficiency) of revenues over expenditures	50	50	34,381	34,331
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	50	50	34,381	34,331
Fund balances – beginning	58,231	58,231	58,231	-0-
Fund balances – ending	\$ 58,281	\$ 58,281	\$ 92,612	\$ 34,331

Sheriff Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$		\$	\$
50	50	22	-0- ( 28 )
50	50	22	( 28 )
5,000	5,000		5,000
11,500	11,500		11,500
16,500	16,500	-0-	16,500
( 16,450 )	( 16,450 )	22	16,472
			-0-
			-0-
-0-	-0-	-0-	-0-
( 16,450 )	( 16,450 )	22	16,472
17,413	17,413	17,413	-0-
\$ 963	\$ 963	\$ 17,435	\$ 16,472

(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, 2014

	Law Library			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 93,000	\$ 93,000	\$ 87,325	\$( 5,675 )
Fines				-0-
Investment income (loss)	225	225	192	( 33 )
Miscellaneous	500	500	1	( 499 )
Total revenues	<u>93,725</u>	<u>93,725</u>	<u>87,518</u>	<u>( 6,207 )</u>
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits	49,315	49,315	48,855	460
Operating expenditures	102,100	102,100	57,191	44,909
Law Enforcement:				
Operating expenditures				-0-
Capital outlay				-0-
Total expenditures	<u>151,415</u>	<u>151,415</u>	<u>106,046</u>	<u>45,369</u>
Excess (deficiency) of revenues over expenditures	<u>( 57,690 )</u>	<u>( 57,690 )</u>	<u>( 18,528 )</u>	<u>39,162</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>( 57,690 )</u>	<u>( 57,690 )</u>	<u>( 18,528 )</u>	<u>39,162</u>
Fund balances – beginning	<u>226,756</u>	<u>226,756</u>	<u>226,756</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 169,066</u>	<u>\$ 169,066</u>	<u>\$ 208,228</u>	<u>\$ 39,162</u>

Special Crimes Operation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
		18,883	-0-
350	350	290	18,883
		5,588	( 60 )
		<u>5,588</u>	<u>5,588</u>
<u>350</u>	<u>350</u>	<u>24,761</u>	<u>24,411</u>
			-0-
			-0-
40,543	61,943	50,768	11,175
<u>30,000</u>	<u>54,100</u>	<u>31,728</u>	<u>22,372</u>
<u>70,543</u>	<u>116,043</u>	<u>82,496</u>	<u>33,547</u>
( 70,193 )	( 115,693 )	( 57,735 )	57,958
			-0-
			-0-
-0-	-0-	-0-	-0-
( 70,193 )	( 115,693 )	( 57,735 )	57,958
<u>197,867</u>	<u>197,867</u>	<u>197,867</u>	<u>-0-</u>
<u>\$ 127,674</u>	<u>\$ 82,174</u>	<u>\$ 140,132</u>	<u>\$ 57,958</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, 2014

	Pre-Trial Bond Supervision Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 120,000	\$ 120,000	\$ 107,862	\$( 12,138 )
Investment income (loss)	50	50	59	9
Miscellaneous			375	375
Total revenues	<u>120,050</u>	<u>120,050</u>	<u>108,296</u>	<u>( 11,754 )</u>
Expenditures				
Law Enforcement:				
Salaries and wages, and employee benefits	82,625	82,625	79,030	3,595
Operating expenditures	<u>41,700</u>	<u>41,700</u>	<u>26,976</u>	<u>14,724</u>
Total expenditures	<u>124,325</u>	<u>124,325</u>	<u>106,006</u>	<u>18,319</u>
Excess (deficiency) of revenues over expenditures	<u>( 4,275 )</u>	<u>( 4,275 )</u>	<u>2,290</u>	<u>6,565</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>( 4,275 )</u>	<u>( 4,275 )</u>	<u>2,290</u>	<u>6,565</u>
Fund balances – beginning	<u>45,285</u>	<u>45,285</u>	<u>45,285</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 41,010</u>	<u>\$ 41,010</u>	<u>\$ 47,575</u>	<u>\$ 6,565</u>

Guardianship Fee Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 7,500	\$ 7,500	\$ 8,020	\$ 520
50	50	75	25
<u>7,550</u>	<u>7,550</u>	<u>8,095</u>	<u>-0-</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>7,550</u>	<u>7,550</u>	<u>8,095</u>	<u>545</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
7,550	7,550	8,095	545
<u>46,351</u>	<u>46,351</u>	<u>46,351</u>	<u>-0-</u>
<u>\$ 53,901</u>	<u>\$ 53,901</u>	<u>\$ 54,446</u>	<u>\$ 545</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

	Indigent Health Care Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,089,720	\$ 1,089,720	\$ 1,141,145	\$ 51,425
Intergovernmental	26,000	26,000	44,650	18,650
Investment income (loss)	1,800	1,800	3,970	2,170
Miscellaneous	6,000	6,000		( 6,000)
Total revenues	<u>1,123,520</u>	<u>1,123,520</u>	<u>1,189,765</u>	<u>66,245</u>
Expenditures				
Administration of Justice:				
Salaries and wages, and employee benefits				-0-
Health and Welfare:				
Salaries and wages, and employee benefits	118,370	118,370	94,842	23,528
Operating expenditures	<u>1,005,150</u>	<u>1,008,310</u>	<u>957,327</u>	<u>50,983</u>
Total expenditures	<u>1,123,520</u>	<u>1,126,680</u>	<u>1,052,169</u>	<u>74,511</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>( 3,160)</u>	<u>137,596</u>	<u>140,756</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>-0-</u>	<u>( 3,160)</u>	<u>137,596</u>	<u>140,756</u>
Fund balances – beginning	<u>1,436,763</u>	<u>1,436,763</u>	<u>1,436,763</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,436,763</u>	<u>\$ 1,433,603</u>	<u>\$ 1,574,359</u>	<u>\$ 140,756</u>

Indigent Defense Formula/Improvement Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
		210,685	-0-
		296	210,685
			296
			-0-
		210,981	210,981
		39,139	( 39,139 )
			-0-
			-0-
		39,139	( 39,139 )
		171,842	171,842
		17,383	17,383
		( 187,078 )	( 187,078 )
		( 169,695 )	( 169,695 )
		2,147	2,147
			-0-
\$	\$	\$	\$
-0-	-0-	2,147	2,147

(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, 2014

	Election Services Contract Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$ 19,609	\$ 19,609
Investment income (loss)	200	200	287	87
Miscellaneous	75,000	75,000	62,676	( 12,324 )
Total revenues	<u>75,200</u>	<u>75,200</u>	<u>82,572</u>	<u>7,372</u>
Expenditures				
Elections:				
Salaries and wages, and employee benefits	10,000	10,000		10,000
Operating expenditures	45,000	45,000	39,819	5,181
Culture and Recreation:				
Operating expenditures				-0-
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>39,819</u>	<u>15,181</u>
Excess (deficiency) of revenues over expenditures	<u>20,200</u>	<u>20,200</u>	<u>42,753</u>	<u>22,553</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	20,200	20,200	42,753	22,553
Fund balances – beginning	<u>175,376</u>	<u>175,376</u>	<u>175,376</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 195,576</u>	<u>\$ 195,576</u>	<u>\$ 218,129</u>	<u>\$ 22,553</u>

Historical Commission Account Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 50	\$ 50	\$ 34	\$ -0- ( 16 )
		<u>1,922</u>	<u>1,922</u>
<u>50</u>	<u>50</u>	<u>1,956</u>	<u>1,906</u>
			-0-
			-0-
<u>41,973</u>	<u>41,973</u>	<u>13,197</u>	<u>28,776</u>
<u>41,973</u>	<u>41,973</u>	<u>13,197</u>	<u>28,776</u>
( <u>41,923</u> )	( <u>41,923</u> )	( <u>11,241</u> )	<u>30,682</u>
<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	-0- -0-
<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	-0-
( <u>31,923</u> )	( <u>31,923</u> )	( <u>1,241</u> )	30,682
<u>31,417</u>	<u>31,417</u>	<u>31,417</u>	-0-
\$( <u>506</u> )	\$( <u>506</u> )	\$ <u>30,176</u>	\$ <u>30,682</u>

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - DEBT SERVICE FUNDS (NONMAJOR)*  
For the Year Ended September 30, 2014

Exhibit 13  
Page 1 of 1

	General Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,688,260	\$ 1,688,260	\$ 1,794,478	\$ 106,218
Investment income	1,100	1,100	1,442	342
Total revenues	<u>1,689,360</u>	<u>1,689,360</u>	<u>1,795,920</u>	<u>106,560</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	1,305,000	1,305,000	1,305,000	-0-
Interest on long-term debt	<u>355,763</u>	<u>361,100</u>	<u>359,100</u>	<u>2,000</u>
Total expenditures	<u>1,660,763</u>	<u>1,666,100</u>	<u>1,664,100</u>	<u>2,000</u>
Excess (deficiency) of revenues over expenditures	<u>28,597</u>	<u>23,260</u>	<u>131,820</u>	<u>108,560</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	28,597	23,260	131,820	108,560
Fund balances – beginning	<u>991,295</u>	<u>991,295</u>	<u>991,295</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,019,892</u>	<u>\$ 1,014,555</u>	<u>\$ 1,123,115</u>	<u>\$ 108,560</u>

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

For the Year Ended September 30, 2014

Exhibit 14  
Page 1 of 3

	<u>Balance 10-01-13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-14</u>
<b>UNCLAIMED MONEY FUND:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>13,207</u>	\$ <u>21,464</u>	\$ <u>13,169</u>	\$ <u>21,502</u>
Total assets	\$ <u><u>13,207</u></u>	\$ <u><u>21,464</u></u>	\$ <u><u>13,169</u></u>	\$ <u><u>21,502</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 13,195	\$ 21,464	\$ 13,156	\$ 21,502
Due to other funds	<u>13</u>	<u></u>	<u>13</u>	<u>-0-</u>
Total liabilities	\$ <u><u>13,207</u></u>	\$ <u><u>21,464</u></u>	\$ <u><u>13,169</u></u>	\$ <u><u>21,502</u></u>
<b>TAX ASSESSOR/COLLECTOR FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 2,323,170	\$ 55,993,659	\$ 55,176,139	\$ 3,140,690
Due from other funds	718,329		718,329	
Due from others	<u></u>	<u>923,690</u>	<u></u>	<u>923,690</u>
Total assets	\$ <u><u>3,041,499</u></u>	\$ <u><u>56,917,349</u></u>	\$ <u><u>55,894,468</u></u>	\$ <u><u>4,064,380</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 795,989	\$	\$ 795,989	\$ -0-
Due to others	<u>2,245,510</u>	<u>56,917,349</u>	<u>55,098,479</u>	<u>4,064,380</u>
Total liabilities	\$ <u><u>3,041,499</u></u>	\$ <u><u>56,917,349</u></u>	\$ <u><u>55,894,468</u></u>	\$ <u><u>4,064,380</u></u>
<b>COUNTY CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,249,415</u>	\$ <u>207,834</u>	\$ <u>604,455</u>	\$ <u>1,852,794</u>
Total assets	\$ <u><u>2,249,415</u></u>	\$ <u><u>207,834</u></u>	\$ <u><u>604,455</u></u>	\$ <u><u>1,852,794</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 160,527	\$ 65,195	\$ 64,374	\$ 161,348
Due to others	<u>2,088,888</u>	<u>142,639</u>	<u>540,081</u>	<u>1,691,446</u>
Total liabilities	\$ <u><u>2,249,415</u></u>	\$ <u><u>207,834</u></u>	\$ <u><u>604,455</u></u>	\$ <u><u>1,852,794</u></u>

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

For the Year Ended September 30, 2014

Exhibit 14

Page 2 of 3

	<u>Balance 10-01-13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-14</u>
<b>DISTRICT CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,103,942</u>	\$ <u>1,064,450</u>	\$ <u>664,774</u>	\$ <u>2,503,618</u>
Total assets	\$ <u>2,103,942</u>	\$ <u>1,064,450</u>	\$ <u>664,774</u>	\$ <u>2,503,618</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>2,103,942</u>	\$ <u>1,064,450</u>	\$ <u>664,774</u>	\$ <u>2,503,618</u>
Total liabilities	\$ <u>2,103,942</u>	\$ <u>1,064,450</u>	\$ <u>664,774</u>	\$ <u>2,503,618</u>
<b>SHERIFF DEPARTMENT FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>52,828</u>	\$ <u>1,201,964</u>	\$ <u>1,204,834</u>	\$ <u>49,958</u>
Total assets	\$ <u>52,828</u>	\$ <u>1,201,964</u>	\$ <u>1,204,934</u>	\$ <u>49,958</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>52,828</u>	\$ <u>1,201,964</u>	\$ <u>1,204,834</u>	\$ <u>49,958</u>
Total liabilities	\$ <u>52,828</u>	\$ <u>1,201,964</u>	\$ <u>1,204,834</u>	\$ <u>49,958</u>
<b>SEIZURE AND RESTITUTION FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>95,510</u>	\$ <u>86,527</u>	\$ <u>112,523</u>	\$ <u>69,514</u>
Total assets	\$ <u>95,510</u>	\$ <u>86,527</u>	\$ <u>112,523</u>	\$ <u>69,514</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>95,510</u>	\$ <u>86,527</u>	\$ <u>112,523</u>	\$ <u>69,514</u>
Total liabilities	\$ <u>95,510</u>	\$ <u>86,527</u>	\$ <u>112,523</u>	\$ <u>69,514</u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2014

Exhibit 14  
Page 3 of 3

	<u>Balance</u> 10-01-13	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-14
<b>TDCJ-CJAD:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 658,220	\$ 4,206,770	\$ 4,091,989	\$ 773,001
Accounts receivable	314,049	276,397	451,134	139,312
Due from others	21		21	-0-
Due from other funds	450		450	-0-
Prepaid expenditures		<u>3,534</u>		<u>3,534</u>
Total assets	<u>\$ 972,740</u>	<u>\$ 4,486,701</u>	<u>\$ 4,543,594</u>	<u>\$ 915,847</u>

*Liabilities and Fund Balance*

Liabilities:				
Accounts and accrued liabilities payable	\$ 218,166	\$ 691,725	\$ 692,526	\$ 217,365
Due to others	<u>754,574</u>	<u>3,794,976</u>	<u>3,851,068</u>	<u>698,482</u>
Total liabilities	<u>\$ 972,740</u>	<u>\$ 4,486,701</u>	<u>\$ 4,543,594</u>	<u>\$ 915,847</u>

**TOTALS - ALL AGENCY FUNDS:**

*Assets*

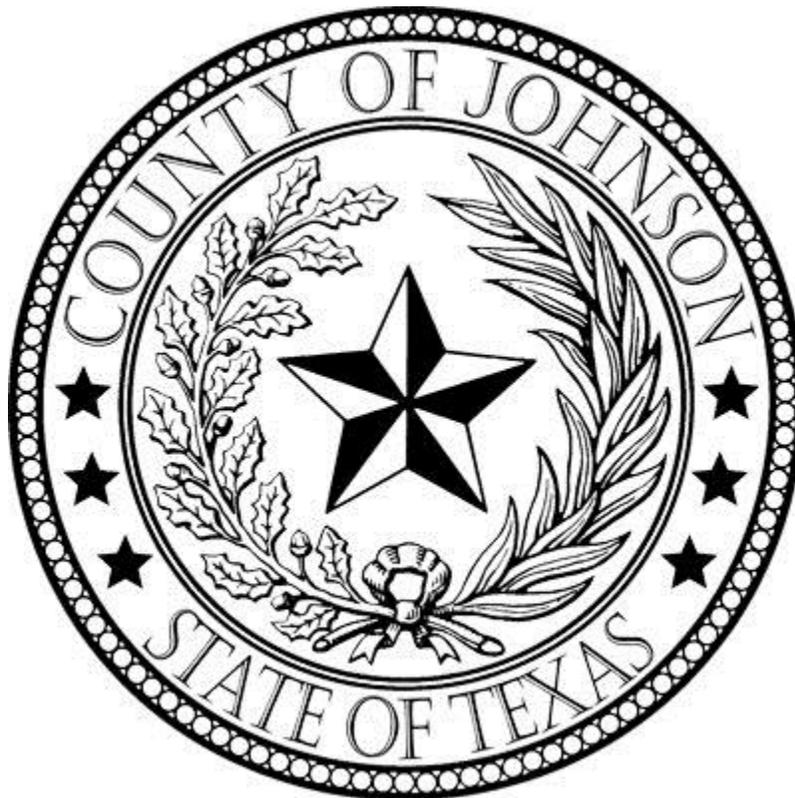
Cash and temporary investments	\$ 7,496,292	\$ 62,782,668	\$ 61,867,883	\$ 8,411,077
Accounts receivable	314,049	276,397	451,134	139,312
Due from other funds	718,779		718,779	-0-
Due from others	21	923,690	21	923,690
Prepaid expenditures		<u>3,534</u>		<u>3,534</u>
Total assets	<u>\$ 8,529,141</u>	<u>\$ 63,986,289</u>	<u>\$ 63,037,817</u>	<u>\$ 9,477,613</u>

*Liabilities and Fund Balance*

Liabilities:				
Accounts and accrued liabilities payable	\$ 378,693	\$ 756,920	\$ 756,900	\$ 378,713
Due to other funds	796,002		796,002	-0-
Due to others	<u>7,354,446</u>	<u>63,229,369</u>	<u>61,484,915</u>	<u>9,098,900</u>
Total liabilities	<u>\$ 8,529,141</u>	<u>\$ 63,986,289</u>	<u>\$ 63,037,817</u>	<u>\$ 9,477,613</u>



## **STATISTICAL SECTION**



# JOHNSON COUNTY, TEXAS

Statistical Section  
(unaudited)

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

<u>Content</u>	<u>Table</u>
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<b>Financial Trends</b>	1-4
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These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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

<b>Debt Capacity</b>	9-11
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These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

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

<b>Operating Information</b>	15
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This table contains service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides.

<b>Capital Asset Statistics</b>	16
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This table contains capital asset detailed statistics by function to help the reader understand the types of capital assets in service within the County.

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

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

Table 1

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 26,019,061	\$ 30,263,589	\$ 35,005,873	\$ 35,509,134	\$ 37,272,013
Restricted	12,721,810	6,865,408	11,756,299	12,711,090	14,910,199
Unrestricted	<u>17,243,663</u>	<u>20,150,662</u>	<u>17,699,334</u>	<u>21,340,607</u>	<u>24,747,594</u>
Total governmental activities net position	<u>\$ 55,984,534</u>	<u>\$ 57,279,659</u>	<u>\$ 64,461,506</u>	<u>\$ 69,560,831</u>	<u>\$ 76,929,806</u>

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 38,696,684	\$ 39,260,726	\$ 52,633,294	\$ 51,623,564	\$ 53,258,318
16,212,538	18,434,100	12,819,186	12,787,174	15,003,481
<u>31,815,702</u>	<u>32,237,818</u>	<u>26,631,406</u>	<u>27,135,113</u>	<u>24,860,566</u>
<u>\$ 86,724,924</u>	<u>\$ 89,932,644</u>	<u>\$ 92,083,886</u>	<u>\$ 91,545,851</u>	<u>\$ 93,122,365</u>

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

Table 2

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>					
Governmental Activities:					
General administration <sup>1</sup>	\$ 9,312,766	\$ 8,181,158	\$ 7,763,235	\$ 9,365,726	\$ 9,545,034
Highways/streets	7,465,644	7,367,643	7,747,391	10,423,688	9,743,940
Law Enforcement	12,780,185	15,769,865	16,139,399	18,163,642	19,374,254
Administration of justice	3,812,413	4,865,771	5,983,462	7,029,121	7,734,733
Financial	469,342	533,187	3,012,304	2,906,858	3,444,059
Public health and welfare	1,578,568	1,269,057	1,038,950	1,280,130	1,729,026
Interest on long-term debt	<u>1,187,004</u>	<u>1,169,216</u>	<u>1,497,019</u>	<u>1,177,707</u>	<u>1,145,108</u>
Total expenses	<u>\$ 36,605,922</u>	<u>\$ 39,155,897</u>	<u>\$ 43,181,760</u>	<u>\$ 50,346,872</u>	<u>\$ 52,716,154</u>
<b>Program Revenues</b>					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General administration <sup>1</sup>	\$ 4,049,529	\$ 5,153,714	\$ 3,235,707	\$ 3,898,229	\$ 2,150,433
Highways/streets	2,258,279	2,216,100	2,214,245	2,816,738	2,488,572
Law Enforcement	381,404	564,555	1,590,551	1,363,846	1,465,446
Administration of justice	2,844,599	2,487,519	3,585,853	3,140,098	3,021,563
Financial			862,350	1,043,597	1,079,530
Public health and welfare				31,410	60,856
Operating grants and contributions	3,336,944	2,628,142	3,065,163	3,834,540	3,855,193
Capital grants and contributions			<u>5,398,255</u>	<u>1,420,109</u>	<u>1,086,130</u>
Total governmental activities program revenues	<u>12,870,755</u>	<u>13,050,030</u>	<u>19,952,124</u>	<u>17,548,567</u>	<u>15,207,723</u>
Net (expense) revenue	<u>\$(23,735,167)</u>	<u>\$(26,105,867)</u>	<u>\$(23,229,636)</u>	<u>\$(32,798,305)</u>	<u>\$(37,508,431)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes	\$ 23,354,100	\$ 26,103,185	\$ 30,432,894	\$ 35,965,010	\$ 43,456,398
Investment earnings	842,666	1,161,504	1,535,829	1,008,287	256,184
Gain/(loss) on disposal		( 282,023)	63,844		58,494
Miscellaneous	<u>539,844</u>	<u>1,216,413</u>	<u>1,221,477</u>	<u>175,565</u>	<u>871,103</u>
Total general revenues	<u>\$ 24,736,610</u>	<u>\$ 28,199,079</u>	<u>\$ 33,254,044</u>	<u>\$ 37,148,862</u>	<u>\$ 44,642,179</u>
Change in position before extraordinary items	\$ 1,001,443	\$ 2,093,212	\$ 10,024,408	\$ 4,350,557	\$ 7,133,748
Extraordinary items					
Change in net position	<u>\$ 1,001,443</u>	<u>\$ 2,093,212</u>	<u>\$ 10,024,408</u>	<u>\$ 4,350,557</u>	<u>\$ 7,133,748</u>
Prior period adjustment	<u>\$ 1,317,016</u>	<u>\$( 798,098)</u>	<u>\$( 2,711,629)</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 10,182,184	\$ 10,505,915	\$ 10,233,295	\$ 10,263,410	\$ 14,087,205
8,745,648	9,529,285	9,803,003	10,213,556	9,712,634
19,220,559	20,066,995	27,745,191	29,021,831	32,888,061
8,109,384	9,284,807	9,499,338	9,356,931	7,011,681
3,822,853	3,902,117	4,187,083	4,287,972	847,977
2,615,113	2,357,972	1,305,482	1,682,465	1,822,344
<u>1,159,632</u>	<u>821,658</u>	<u>830,473</u>	<u>438,967</u>	<u>549,991</u>
<u>\$ 53,855,373</u>	<u>\$ 56,468,749</u>	<u>\$ 63,603,865</u>	<u>\$ 65,265,132</u>	<u>\$ 66,919,893</u>

\$ 2,434,504	\$ 2,318,818	\$ 2,607,155	\$ 2,663,307	\$ 3,060,143
2,064,296	1,957,170	1,962,896	2,100,165	2,176,076
839,972	585,175	8,371,959	8,706,430	8,951,720
2,674,906	2,488,994	2,551,462	2,916,793	2,394,904
1,039,688	1,171,533	1,210,846	1,255,048	1,226,240
11,372	38,516	23,376	207,577	232,324
3,992,091	3,853,757	2,752,569	2,210,164	2,171,770
<u>76,707</u>	<u>60,135</u>	<u>240,887</u>	<u>557,627</u>	<u>2,104,767</u>
<u>13,133,536</u>	<u>12,474,098</u>	<u>19,721,150</u>	<u>20,617,111</u>	<u>22,317,944</u>

\$(40,721,837) \$(43,994,651) \$(43,882,715) \$(44,648,021) \$(44,601,949)

\$ 48,031,682	\$ 46,512,961	\$ 44,905,171	\$ 43,852,648	\$ 45,515,078
131,318	111,064	116,335	14,784	96,651
60,093		42,118		24,622
<u>2,293,862</u>	<u>1,741,776</u>	<u>970,333</u>	<u>404,603</u>	<u>542,112</u>

\$ 50,516,955 \$ 48,365,801 \$ 46,033,957 \$ 44,272,035 \$ 46,178,463

\$ 9,795,118	\$ 4,371,150	\$ 2,151,242	\$( 375,986)	\$ 1,576,514
_____	_____	_____	_____	_____

\$ 9,795,118 \$ 4,371,150 \$ 2,151,242 \$( 375,986) \$ 1,576,514

\$ -0- \$ -0- \$ -0- \$ -0- \$ -0-

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

Table 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund:					
Non-spendable	\$	\$	\$ 1,534,905	\$ 469,717	\$ 555,131
Restricted					
Unassigned	<u>5,494,132</u>	<u>7,073,102</u>	<u>10,462,146</u>	<u>14,475,603</u>	<u>16,866,872</u>
Total general fund	<u>\$ 5,494,132</u>	<u>\$ 7,073,102</u>	<u>\$ 11,997,051</u>	<u>\$ 14,945,320</u>	<u>\$ 17,422,003</u>
Road and Bridge Fund:					
Non-spendable	\$	\$	\$ 493,959	\$ 406,313	\$ 439,578
Restricted	2,076,088	2,336,572	4,015,628	4,407,191	5,240,717
Unassigned					
Total road and bridge	<u>\$ 2,076,088</u>	<u>\$ 2,336,572</u>	<u>\$ 4,509,587</u>	<u>\$ 4,813,504</u>	<u>\$ 5,680,295</u>
All Other Governmental Funds:					
Non-spendable	\$ 322,090	\$ 604,455	\$ 1,134,704	\$ 2,089,135	\$ 2,125,037
Restricted	5,982,111	1,716,845	101,826	2,068,155	426,996
Unassigned	<u>5,648,376</u>	<u>4,473,217</u>	<u>5,444,217</u>	<u>5,177,086</u>	<u>6,454,612</u>
Total all other governmental funds	<u>\$ 11,952,577</u>	<u>\$ 6,794,517</u>	<u>\$ 6,680,747</u>	<u>\$ 9,334,376</u>	<u>\$ 9,006,645</u>
Total all governmental funds	<u>\$ 19,522,797</u>	<u>\$ 16,204,191</u>	<u>\$ 23,187,385</u>	<u>\$ 29,093,200</u>	<u>\$ 32,108,943</u>

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 299,577	\$ 265,886	\$ 226,301	\$ 312,793	\$ 660,339
<u>24,814,565</u>	<u>26,708,198</u>	<u>20,969,138</u>	<u>21,254,587</u>	<u>18,321,967</u>
<u>\$ 25,114,142</u>	<u>\$ 26,974,084</u>	<u>\$ 21,195,439</u>	<u>\$ 21,567,380</u>	<u>\$ 18,982,306</u>
\$ 334,581	\$ 299,186	\$ 295,773	\$ 308,674	\$ 301,036
6,096,140	6,075,835	5,004,218	5,046,266	6,435,487
<u>6,430,721</u>	<u>\$ 6,375,021</u>	<u>\$ 5,299,991</u>	<u>\$ 5,354,940</u>	<u>\$ 6,736,523</u>
\$ 2,248,781	\$ 1,640	\$ 595	\$	\$ 2,368
1,183,139	11,662,250	10,770,454	7,916,021	11,422,456
<u>6,424,899</u>	<u>( 9,731)</u>	<u>( 595)</u>	<u>( 151,798)</u>	<u>( 8,937)</u>
<u>\$ 9,856,819</u>	<u>\$ 11,654,159</u>	<u>\$ 10,770,454</u>	<u>\$ 7,764,223</u>	<u>\$ 11,415,887</u>
<u>\$ 41,401,682</u>	<u>\$ 45,003,264</u>	<u>\$ 37,265,884</u>	<u>\$ 34,686,543</u>	<u>\$ 37,134,716</u>

**JOHNSON COUNTY, TEXAS**

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS*

Last Ten Fiscal Years

Table 4

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues:					
Taxes	\$ 23,474,200	\$ 26,127,510	\$ 31,235,915	\$ 35,940,947	\$ 43,468,684
Licenses and permits	2,199,800	2,216,100			
Prisoner Housing					
Intergovernmental	3,527,418	1,965,268	4,041,247	3,471,311	3,364,428
Fees	4,668,039	6,892,207	8,608,032	8,528,155	7,368,544
Fines	1,276,788	1,454,090	1,880,639	2,067,448	2,002,246
Interest	845,183	1,161,504	1,535,829	1,008,287	256,184
Miscellaneous	901,224	1,216,413	2,300,966	2,814,390	2,257,478
Total revenues	<u>36,892,652</u>	<u>41,033,092</u>	<u>49,602,628</u>	<u>53,830,538</u>	<u>58,717,564</u>
Expenditures:					
General administration <sup>1</sup>	8,389,639	8,600,515	6,826,813	8,153,121	8,181,184
Highways/streets	5,593,591	5,885,584	5,447,360	8,100,515	7,363,664
Law enforcement	11,968,031	12,884,066	15,159,789	17,116,396	18,118,570
Administration of justice	3,753,590	4,896,102	5,950,970	6,981,582	7,784,305
Financial	469,342	533,187	3,008,958	2,896,376	3,440,812
Public health and welfare	1,578,568	1,269,057	1,035,673	1,284,676	1,721,213
Capital outlay	4,662,900	8,603,962	5,720,961	3,334,376	4,637,822
Debt Service:					
Principal	480,000	835,000	1,491,000	1,843,000	1,005,000
Interest	1,124,777	1,045,927	1,271,587	1,044,715	961,177
Other					
Total expenditures	<u>38,020,438</u>	<u>44,553,400</u>	<u>45,913,111</u>	<u>50,754,757</u>	<u>53,213,747</u>
Excess of revenues over (under) expenditures	<u>( 1,127,786 )</u>	<u>( 3,520,308 )</u>	<u>3,689,517</u>	<u>3,075,781</u>	<u>5,503,817</u>
Other Financing Sources (Uses):					
Transfers in	627,267	3,897,357	442,436	1,223,013	3,760,479
Transfers out	( 627,267 )	( 3,897,357 )	( 442,436 )	( 1,223,013 )	( 3,760,479 )
Sale of capital asset					
Tax notes					
Other	26,187	375,000	2,025,200	2,830,034	132,699
Total other financing sources (uses)	<u>26,187</u>	<u>375,000</u>	<u>2,025,200</u>	<u>2,830,034</u>	<u>132,699</u>
Extraordinary items	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u><u>\$ ( 1,101,599 )</u></u>	<u><u>\$ ( 3,145,308 )</u></u>	<u><u>\$ 5,714,717</u></u>	<u><u>\$ 5,905,815</u></u>	<u><u>\$ 5,636,516</u></u>
Debt service as a percentage of noncapital expenditures	4.8%	5.2%	6.9%	6.1%	4.0%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 48,055,409	\$ 46,608,937	\$ 44,830,579	\$ 43,830,189	\$ 45,443,781
		6,609,928	6,577,588	6,675,022
3,919,350	3,913,791	2,740,468	2,509,665	3,272,840
7,168,758	6,865,970	6,944,502	7,497,817	7,582,746
1,895,980	1,694,236	1,526,291	1,674,359	1,474,592
131,318	111,064	116,335	14,784	96,651
<u>2,258,740</u>	<u>1,741,776</u>	<u>2,371,453</u>	<u>1,776,659</u>	<u>2,083,907</u>
<u>63,429,555</u>	<u>60,935,774</u>	<u>65,139,556</u>	<u>63,881,061</u>	<u>66,629,539</u>
8,704,409	9,375,927	15,786,448	8,982,474	12,490,998
6,224,675	6,876,317	1,251,211	7,407,174	6,934,405
17,892,151	18,748,040	26,601,429	27,402,657	30,917,697
8,387,209	8,729,263	9,432,772	9,283,646	7,006,238
3,818,502	3,961,276	4,162,063	4,256,750	920,170
2,609,358	2,301,269	166,700	1,668,814	1,791,012
5,000,820	4,950,884	7,136,275	5,669,670	6,574,359
1,620,000	1,735,000	7,826,735	1,478,924	1,592,270
1,041,312	705,726	593,321	379,113	403,479
<u>55,298,436</u>	<u>57,383,702</u>	<u>72,956,954</u>	<u>66,529,222</u>	<u>68,630,628</u>
<u>8,131,119</u>	<u>3,552,072</u>	<u>( 7,817,398 )</u>	<u>( 2,648,161 )</u>	<u>( 2,001,089 )</u>
2,112,105	4,519,044	11,491,554	2,171,599	5,214,204
( 2,111,908 )	( 4,519,044 )	( 11,491,554 )	( 2,171,599 )	( 5,214,204 )
			68,820	79,262
				4,370,000
<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>	<u>68,820</u>	<u>4,449,262</u>
<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>	<u>68,820</u>	<u>4,449,262</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 9,292,788</u>	<u>\$ 3,601,532</u>	<u>\$( 7,737,380 )</u>	<u>\$( 2,579,341 )</u>	<u>\$ 2,448,173</u>
5.3%	4.7%	12.8%	3.1%	3.2%

**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		
2005	\$ 3,509,632,135	\$ 724,348,644	\$ 1,480,363,908	\$ 738,299,499	\$ 1,100,963,620
2006	3,800,150,897	762,049,149	1,697,576,588	786,294,620	1,026,339,574
2007	4,056,545,082	797,867,553	2,260,555,194	963,850,697	1,120,558,568
2008	4,499,312,497	908,382,252	2,889,030,474	1,313,208,833	1,245,790,168
2009	4,871,087,376	1,559,093,868	5,293,929,417	2,087,751,648	1,980,412,239
2010	5,077,633,061	1,734,032,644	6,213,853,003	2,262,282,136	2,095,982,431
2011	5,103,978,198	1,823,955,316	5,487,467,860	1,887,848,871	1,472,041,904
2012	5,094,516,753	1,153,831,778	5,133,412,323	1,863,245,650	1,587,173,038
2013	5,055,969,380	1,183,463,914	4,995,129,585	1,791,720,657	2,774,139,671
2014	5,092,788,399	1,246,142,809	4,253,295,670	1,745,201,351	2,787,490,025

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>
\$ 5,351,680,566	\$ 5,351,680,566	0.434878	100.00%
6,019,731,680	6,019,731,680	0.434878	100.00%
6,958,259,958	6,958,259,958	0.421794	100.00%
8,364,143,888	8,364,143,888	0.409752	100.00%
11,831,450,070	11,831,450,070	0.359498	100.00%
13,191,818,413	13,191,818,413	0.353379	100.00%
12,831,208,341	12,831,208,341	0.379500	100.00%
11,657,833,466	11,657,833,466	0.379500	100.00%
10,252,143,865	10,252,143,865	0.382229	100.00%
9,549,938,204	9,549,938,204	0.420154	100.00%

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

Table 6

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	2005 Tax Rate	2006 Tax Rate	2007 Tax Rate	2008 Tax Rate	2009 Tax Rate
<b>Cities:</b>					
Alvarado	0.750000	0.750000	0.697315	0.697313	0.697313
Burleson	0.596400	0.629900	0.661825	0.694000	0.694000
Cleburne	0.748108	0.714000	0.650000	0.620000	0.620000
Crowley				0.575500	0.575500
Godley	0.583450	0.500000	0.500000	0.500000	0.500000
Grandview	0.754984	0.742823	0.742823	0.742823	0.742823
Joshua	0.633500	0.669000	0.656219	0.653476	0.634331
Keene	0.676614	0.676614	0.821737	0.757861	0.757861
Mansfield	0.690000	0.690000	0.690000	0.710000	0.710000
Rio Vista	0.649860	0.590143	0.528004	0.515560	0.513276
Venus	0.762698	0.794900	0.794900	0.801506	0.821506
<b>School Districts:</b>					
Alvarado ISD	1.730000	1.406883	1.410000	1.306900	1.280000
Burleson ISD	1.735220	1.450050	1.405100	1.468800	1.540000
Cleburne ISD	1.693500	1.238550	1.236800	1.236600	1.236600
Crowley ISD	1.789000	1.671000	1.409850	1.535000	1.535000
Godley ISD	1.438795	1.011963	1.031820	1.081800	1.071481
Granbury ISD	1.670000	1.440000	1.171150	1.170000	1.155000
Grandview ISD	1.575000	1.115050	1.115000	1.160000	1.160000
Joshua ISD	1.738080	1.538850	1.460000	1.390000	1.390000
Keene ISD	1.500000	1.400500	1.040000	1.420000	1.382300
Mansfield ISD	1.772000	1.687500	1.450000	1.450000	1.450000
Rio Vista ISD	1.630000	1.600500	1.180000	1.144500	1.183300
Venus ISD	1.600000	1.140050	1.180000	1.240000	1.198300
<b>Johnson County:</b>					
County	0.382088	0.369004	0.356962	0.306708	0.300589
FMLR	0.052790	0.052790	0.052790	0.052790	0.052790
Total	0.434878	0.421794	0.409752	0.359498	0.353379
<b>Special District Rates:</b>					
Emergency Service	0.030000	0.030000	0.030000	0.030000	0.030000
Hill College - Alvarado ISD	0.045873	0.043862	0.039360	0.025254	0.022745
Hill College - Cleburne ISD	0.050000	0.044988	0.039930	0.030717	0.030252
Hill College - Godley ISD	0.025531	0.015924	0.015843	0.011388	0.009243
Hill College - Grandview ISD	0.045167	0.034489	0.036045	0.031739	0.031375
Hill College - Joshua ISD	0.040203	0.038778	0.034000	0.028234	0.025561
Hill College - Keene ISD	0.046877	0.044475	0.041379	0.035143	0.030062
Hill College - Rio Vista ISD	0.034621	0.028091	0.026756	0.020197	0.020059
Hill College - Venus ISD	0.040007	0.036287	0.031375	0.025562	0.020585

Source: Johnson County Appraisal District  
Texas Municipal Report

<u>2010 Tax Rate</u>	<u>2011 Tax Rate</u>	<u>2012 Tax Rate</u>	<u>2013 Tax Rate</u>	<u>2014 Tax Rate</u>	<u>% Applicable to Johnson County</u>
0.722313	0.745050	0.706872	0.700494	0.665469	100.00%
0.710000	0.690000	0.690000	0.690000	0.740000	77.80%
0.706446	0.719990	0.740743	0.804018	0.804018	100.00%
0.640000	0.640000	0.669019	0.696829	0.696829	0.33%
0.500000	0.500000	0.500000	0.500000	0.540000	100.00%
0.742823	0.740003	0.736995	0.743351	0.746311	100.00%
0.685270	0.685270	0.685270	0.705270	0.725270	100.00%
0.797861	0.797861	0.812363	0.847224	0.867018	100.00%
0.710000	0.710000	0.710000	0.710000	0.710000	3.89%
0.564162	0.606535	0.602880	0.597915	0.598185	100.00%
0.841506	0.846975	0.900000	0.900000	0.893269	80.13%
1.316000	1.316000	1.316000	1.461000	1.461000	100.00%
1.540000	1.540000	1.540000	1.540000	1.540000	64.64%
1.236600	1.236600	1.236600	1.236600	1.366600	100.00%
1.535000	1.535000	1.670000	1.670000	1.650000	1.13%
1.122390	1.137090	1.287000	1.172752	1.195500	84.43%
1.140000	1.150000	1.145000	1.145000	1.265000	1.90%
1.270000	1.270000	1.400000	1.400000	1.400000	97.77%
1.390000	1.390000	1.490000	1.490000	1.420000	100.00%
1.490900	1.490900	1.490900	1.490900	1.490900	100.00%
1.496000	1.496000	1.540000	1.527100	1.527100	4.80%
1.386200	1.365300	1.494400	1.590000	1.621300	99.10%
1.270000	1.380000	1.380000	1.380000	1.380000	100.00%
0.327500	0.300500	0.333229	0.371154	0.405400	100.00%
<u>0.052000</u>	<u>0.049000</u>	<u>0.049000</u>	<u>0.049000</u>	<u>0.039600</u>	100.00%
0.379500	0.379500	0.382229	0.420154	0.445000	
0.060000	0.060000	0.060000	0.060000	0.060000	100.00%
0.028883	0.033848	0.037242	0.043494	0.044702	100.00%
0.039049	0.043557	0.048596	0.050000	0.050000	100.00%
0.010931	0.012070	0.012159	0.014541	0.014541	100.00%
0.039672	0.046517	0.050000	0.050000	0.050000	97.77%
0.031394	0.034623	0.040868	0.049265	0.050000	100.00%
0.030062	0.033146	0.039305	0.046349	0.046349	100.00%
0.023200	0.026834	0.028931	0.027497	0.029535	99.10%
0.025394	0.029121	0.039312	0.048885	0.047414	100.00%

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

Table 7

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
Devon Energy Production Co	\$ 512,734,760	1	5.37%	\$ --	--	--
Chesapeake Operating Inc	191,429,655	2	2.00%	--	--	--
EOG Resources Inc.	172,815,894	3	1.81%	--	--	--
ETC Texas Processing LTD	144,956,249	4	1.52%	--	--	--
XTO Energy Inc	132,417,077	5	1.39%	--	--	--
Halliburton Energy Serv Inc	116,059,237	6	1.22%	--	--	--
Energy Transfer Fuel LP	93,218,186	7	0.98%	--	--	--
Wal-Mart Stores East LP	81,371,460	8	0.85%	--	--	--
Brazos Electric Power Co op	78,780,915	9	0.82%	--	--	--
Texas Midstream Gas	72,867,578	10	0.76%	--	--	--
Wal-Mart Stores East	--	--	--	\$ 73,885,930		1.38%
James Hardie Building	--	--	--	70,545,620		1.32%
Manville Sales Corporation	--	--	-	67,811,470		1.27%
Oncor Electric	--	--	--	49,382,928		0.92%
Chesapeake Operating	--	--	--	44,090,000		0.82%
Southwestern Bell Telephone	--	--	--	41,066,260		0.77%
EOG Resources, Inc.	--	--	--	38,458,931		0.72%
Hallwood Petroleum, LLC	--	--	--	26,842,900		0.50%
Burlington Northern	--	--	--	25,733,830		0.48%
Air Liquide America Corp.	--	--	--	23,017,320		0.43%
<b>Total</b>	<b>\$ 1,596,651,011</b>		<b>16.72%</b>	<b>\$ 460,835,189</b>		<b>8.61%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 9,549,938,204</b>			<b>\$ 5,351,680,566</b>		

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
2005	\$ 23,176,557	\$ 22,331,369	96.35%	\$ 454,934	\$ 22,786,303	98.32%
2006	25,838,712	25,037,560	96.90%	454,778	25,492,338	98.66%
2007	30,456,562	29,799,402	97.84%	401,562	30,200,964	99.16%
2008	35,534,532	34,698,756	97.65%	632,173	35,330,929	99.43%
2009	42,785,252	41,927,084	97.99%	745,121	42,672,205	99.74%
2010	47,628,987	46,699,219	98.05%	712,248	47,411,467	99.54%
2011	45,556,481	44,884,355	98.52%	918,029	45,802,384	100.54%
2012	43,781,351	43,176,224	98.62%	865,970	44,042,194	100.60%
2013	42,811,036	42,074,336	98.28%	951,588	43,025,924	100.50%
2014	43,475,291	42,278,798	97.25%	1,062,099	43,340,897	99.69%

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			
2005	\$ 1,460,000	\$ 23,860,684	\$ --	\$ --	\$ 130,987	\$ 25,451,671	\$ --	\$ 25,451,671	
2006	1,460,000	23,335,903	190,000	--	130,118	25,116,021	--	25,116,021	
2007	10,510,565	14,192,607	994,000	--	127,442	25,824,614	1,706,088	24,118,526	
2008	11,001,993	12,905,000	2,856,000	--	85,858	26,848,851	2,218,705	24,630,146	
2009	10,730,814	12,265,000	920,000	--	78,642	23,994,456	2,550,400	21,444,056	
2010	15,062,504	7,005,000	400,000	--	90,692	22,558,196	2,645,365	19,912,831	
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	

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.

<u>Percentage of Actual Taxable Property Value (b)</u>	<u>Per Capita (c)</u>	<u>Percentage of Personal Income</u>
0.48%	\$ 183.27	0.66%
0.42%	177.77	0.63%
0.35%	167.84	0.58%
0.29%	167.99	0.57%
0.18%	143.85	0.48%
0.15%	131.33	0.42%
0.17%	132.83	0.42%
0.11%	88.03	0.26%
0.11%	78.69	0.22%
0.15%	96.32	0.26%

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

As of September 30, 2014

Table 10

<u>Taxing Jurisdiction</u>	<u>Net Bonded Debt as of Sept. 30, 2014</u>	<u>% Applicable to Johnson County</u>	<u>Amount Applicable to Johnson County</u>
<b><u>Direct Debt</u></b>			
Johnson County	\$ 13,525,542	100.00%	\$ <u>13,525,542</u>
<b><u>Overlapping Debt</u></b>			
<b><u>Cities</u></b>			
City of Alvarado	4,180,000	100.00%	4,180,000
City of Burleson	45,615,469	77.80%	35,488,835
City of Cleburne	17,629,359	100.00%	17,629,359
City of Crowley	17,589,942	0.33%	58,047
City of Godley	2,425,000	100.00%	2,425,000
City of Grandview	3,220,000	100.00%	3,220,000
City of Joshua	12,131,598	100.00%	12,131,598
City of Keene	332,869	100.00%	332,869
City of Mansfield	102,165,000	3.89%	3,974,219
City of Rio Vista	345,000	100.00%	345,000
City of Venus	1,531,000	80.13%	1,226,790
<b><u>School Districts</u></b>			
Alvarado ISD	76,724,393	100.00%	76,724,393
Burleson ISD	292,746,800	64.64%	189,231,532
Cleburne ISD	43,267,102	100.00%	43,267,102
Crowley ISD	286,557,664	1.13%	3,238,102
Godley ISD	30,623,442	84.43%	25,855,372
Granbury ISD	122,896,040	1.90%	2,335,025
Grandview ISD	16,226,803	97.77%	15,864,945
Joshua ISD	67,783,390	100.00%	67,783,390
Keene ISD	13,660,000	100.00%	13,660,000
Mansfield ISD	719,518,374	4.80%	34,536,882
Rio Vista ISD	14,090,246	99.10%	13,963,434
Venus ISD	10,950,195	100.00%	<u>10,950,195</u>
Total Overlapping Debt			<u>578,422,087</u>
Total Direct & Overlapping Debt			<u>\$ 594,377,689</u>

Source: Municipal Advisory Council of Texas

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

Table 11

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed value of real property <sup>(1)</sup>	\$ <u>5,351,680,566</u>	\$ <u>6,019,731,680</u>	\$ <u>6,958,259,958</u>	\$ <u>8,364,143,888</u>	\$ <u>11,831,450,070</u>
Debt limit <sup>(2)</sup>	\$ <u>1,337,920,142</u>	\$ <u>1,504,932,920</u>	\$ <u>1,739,564,990</u>	\$ <u>2,091,035,972</u>	\$ <u>2,957,862,518</u>
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total long term debt	25,320,684	24,985,903	25,604,098	26,525,579	24,484,579
Less: Assets in debt service fund	<u>322,090</u>	<u>604,455</u>	<u>1,127,308</u>	<u>1,676,881</u>	<u>2,094,417</u>
Total net debt applicable to limit	<u>24,998,594</u>	<u>24,381,448</u>	<u>24,476,790</u>	<u>24,848,698</u>	<u>22,390,162</u>
Legal debt margin	\$ <u>1,312,921,548</u>	\$ <u>1,480,551,472</u>	\$ <u>1,715,088,200</u>	\$ <u>2,066,187,274</u>	\$ <u>2,935,472,356</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>1.87%</u>	<u>1.62%</u>	<u>1.41%</u>	<u>1.19%</u>	<u>0.76%</u>
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed value of real property <sup>(1)</sup>	\$ <u>13,191,818,413</u>	\$ <u>11,391,233,044</u>	\$ <u>10,749,593,979</u>	\$ <u>10,252,143,856</u>	\$ <u>9,549,938,204</u>
Debt limit <sup>(2)</sup>	\$ <u>3,297,954,603</u>	\$ <u>2,847,808,261</u>	\$ <u>2,687,398,495</u>	\$ <u>2,563,035,964</u>	\$ <u>2,387,484,551</u>
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total long term debt	22,288,209	20,654,246	13,899,013	13,076,835	15,955,602
Less: Assets in debt service fund	<u>2,248,781</u>	<u>2,590,359</u>	<u>806,876</u>	<u>1,025,329</u>	<u>1,158,846</u>
Total net debt applicable to limit	<u>20,039,428</u>	<u>18,063,887</u>	<u>13,092,137</u>	<u>12,051,506</u>	<u>14,796,756</u>
Legal debt margin	\$ <u>3,277,915,175</u>	\$ <u>2,829,744,374</u>	\$ <u>2,674,306,358</u>	\$ <u>2,550,984,458</u>	\$ <u>2,372,687,795</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.61%</u>	<u>0.63%</u>	<u>0.44%</u>	<u>0.47%</u>	<u>0.62%</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>
2005	140,692	\$ 3,953,405	\$ 28,100	4.7%
2006	142,501	4,307,225	30,226	3.7%
2007	145,123	4,666,801	32,158	4.1%
2008	148,635	4,994,132	33,600	6.0%
2009	150,583	4,877,473	32,391	8.0%
2010	151,272	4,962,507	32,805	8.1%
2011	151,940	5,203,192	34,245	8.5%
2012	153,441	5,385,653	35,099	6.8%
2013	155,064	5,569,924	35,920	6.3%
2014	156,263	5,806,712	37,160	4.6%

- <sup>a</sup> USBEA population data from 2005 through 2010 has been adjusted based on 2010 census. 2011, 2012, 2013 and 2014 data is derived from trended data.
- <sup>b</sup> USBEA Personal & Per Capita Income from 2005 through 2010 has been adjusted based on 2010 census. 2011, 2012, 2013 and 2014 data is derived from trended data.
- <sup>c</sup> Unemployment rates were provided by the Texas Workforce Commission and the Bureau of Labor Statistics current population survey as of September 2014.

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

Table 13

Employer	2014			2005		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,514	1	2.06%	N/A	--	N/A
Cleburne ISD	970	2	1.32%	N/A	--	N/A
Wal-Mart Distribution Center	707	3	0.96%	N/A	--	N/A
Joshua ISD	699	4	0.95%	N/A	--	N/A
Johnson County	504	5	0.69%	N/A	--	N/A
Sabre Tubular Structures	500	6	0.68%	N/A	--	N/A
Wal-Mart Supercenter (Burleson)	466	7	0.63%	N/A	--	N/A
Wal-Mart Supercenter (Cleburne)	420	8	0.57%	N/A	--	N/A
Texas Health Resources	412	9	0.56%	N/A	--	N/A
City of Cleburne	<u>342</u>	10	<u>0.47%</u>	<u>N/A</u>	--	<u>N/A</u>
Total	<u>6,534</u>		<u>8.90%</u>	<u>N/A</u>		<u>N/A</u>
Total County Employment	<u><u>73,395</u></u>			<u>N/A</u>		<u>N/A</u>

Source: Johnson County Economic Development Commission  
 Individual Employers

N/A - Not Available

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

Last Ten Fiscal Years

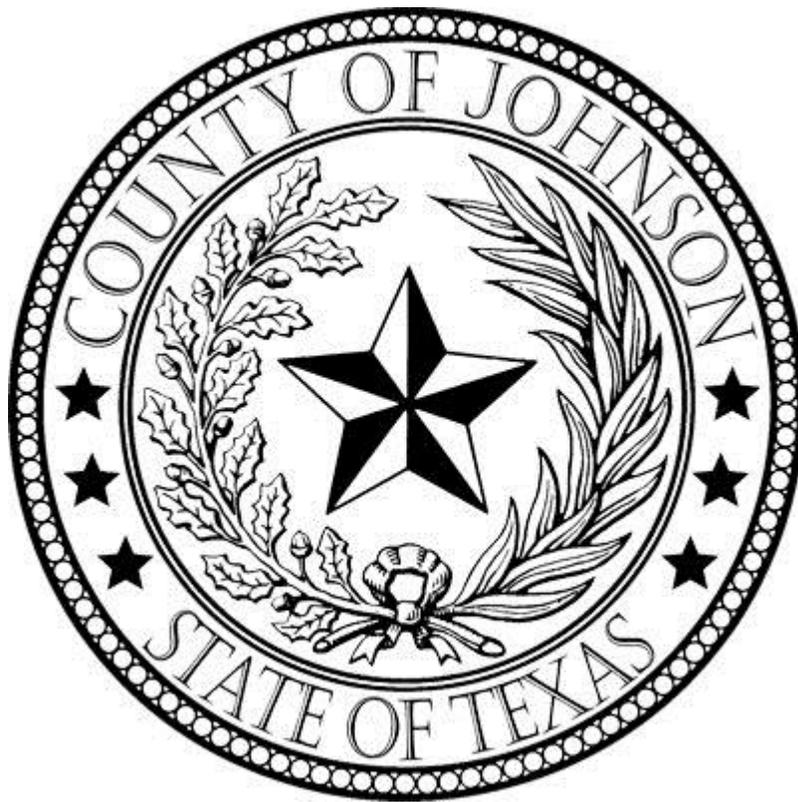
Table 14

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	93	98	106	126	141	135	128	128	123	129
Highways/streets	78	77	74	72	90	79	75	75	75	73
Law enforcement	238	263	293	304	189 <sup>(a)</sup>	198	187	187	191	196
Administrative justice	62	63	70	81	87	89	82	82	78	83
Financial	12	12	12	12	14	14	13	13	13	14
Public health & welfare	10	10	10	9	9	8	5	5	5	6
Culture & recreation	N/A	N/A	N/A	N/A	7 <sup>(b)</sup>	6	3	3	4	3
<b>Total</b>	<b>493</b>	<b>523</b>	<b>565</b>	<b>604</b>	<b>537</b>	<b>529</b>	<b>493</b>	<b>493</b>	<b>489</b>	<b>504</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				
	2005	2006	2007	2008	2009
<b>General Government:</b>					
County Clerk					
Criminal Cases filed	5,597	6,546	6,317	4,972	4,395
Civil Cases filed	1,370	1,671	1,800	1,723	1,238
Juvenile petitions filed	177	200	264	309	281
Probate/Guardianship Cases Filed	--	--	--	--	--
Mental Health Cases Filed	--	--	--	--	--
Personnel					
Positions filed	625	675	685	725	608 <sup>(1)</sup>
Payroll checks processed	14,546	16,302	16,829	17,816	15,585 <sup>(1)</sup>
Public Works					
Permits Issued	1,333	1,424	1,659	1,561	964
Septic complaints addressed	N/A	435	458	408	256
Purchasing					
Purchase orders issued	8,014	6,584	6,643	7,018	6,507
Competitive bids	31	42	39	55	63
Tax Assessor/Collector					
County Tax accounts	77,907	82,549	92,788	114,151	136,166
Automobile registrations	133,814	142,218	146,544	157,150	158,597
Elections Administration					
Registered voters	76,694	80,834	76,890	78,544	79,811
Administrative Justice					
District Courts					
Civil cases filed	2,191	3,134	3,297	3,544	3,397
Criminal cases filed	1,326	1,724	1,881	1,596	1,366
County Courts					
Criminal cases disposed	6,220	6,181	7,238	6,070	4,819
Civil cases disposed	1,026	1,096	1,803	1,859	1,822
Juvenile petitions disposed	192	188	184	212	200
Probate/Guardianship Hearings Held	--	--	--	--	--
Mental Health Hearings Held	--	--	--	--	--
District Clerk					
Civil cases disposed	3,074	3,126	2,835	3,195	3,404
Criminal cases disposed	1,747	2,071	1,798	1,546	1,565
Justice of the Peace					
Civil cases filed	1,585	1,754	1,839	2,804	2,168
Criminal cases filed	16,820	17,551	18,698	18,698	16,170
Civil cases disposed	--	--	--	--	--
Criminal cases disposed	--	--	--	--	--

(continued)

Fiscal Year				
2010	2011	2012	2013	2014
4,316	3,769	3,510	4,333	3,673
1,179	1,724	1,014	920	916
266	183	157	134	113
--	--	398	433	461
--	--	--	--	65
607	586	594	603	610
15,903	15,499	15,488	15,873	15,938
715	681	227	231	317
214	187	124	126	143
5,896	5,563	5,542	4,914	3,946
39	28	22	23	14
185,126	202,431	285,381	287,183	298,539
158,676	160,584	163,283	165,217	168,964
81,486	77,802	78,275	80,779	82,377
3,268	3,042	2,697	970	1,288 <sup>(4)</sup>
1,338	2,333	1,014	1,094	1,653 <sup>(4)</sup>
4,871	4,007	3,763	4,019	3,730
1,371	1,688	1,132	880	1,038
193	183	162	144	195
--	--	385	356	397
--	--	--	--	53
6,264	1,319	1,173	1,137	1,211 <sup>(4)</sup>
1,416	1,453	1,531	1,678	1,744 <sup>(4)</sup>
1,928	2,000	2,044	1,804	1,644
14,789	12,922	14,198	16,046	9,950
--	1,799	1,706	1,752	1,880
--	12,217	16,805	15,742	11,631

**JOHNSON COUNTY, TEXAS**

*OPERATING INDICATORS BY FUNCTION - Continued*

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2005	2006	2007	2008	2009
Law Enforcement					
County Jail					
Average daily jail population	449	503	566	447	580
Sheriff					
E-911 calls received (approx)	31,922	31,922	52,231	64,500	224,566 <sup>(2)</sup>
Financial					
County Auditor					
A/P checks processed	7,588	6,312	6,780	6,624	7,131
ACH processed	--	--	--	--	--
Wire transactions	--	--	--	--	--
Invoices processed	--	--	--	--	--
Highways and Streets					
Miles of roads resurfaced	126	104	299	221	104
Public Health & Welfare					
Autopsies performed	28	36	44	87	90
Medical Examiner cases	344	360	355	460	399
Indigent clients	300	175	128	107	94
Culture & Recreation					
Hamm Creek Park Visitors	--	--	--	--	3,519 <sup>(3)</sup>

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)

Fiscal Year				
2010	2011	2012	2013	2014
564	613	627	673	713
37,667	38,883	44,559	38,390	40,908
7,137	6,986	6,195	4,658	4,617
--	--	647	1,995	2,124
--	--	220	20	153
19,260	17,706	16,854	14,466	13,440
114	113	119	68	56
123	49	57	70	56
441	25	437	502	627
160	94	146	174	155
7,214	13,246	23,321	18,626	17,259

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

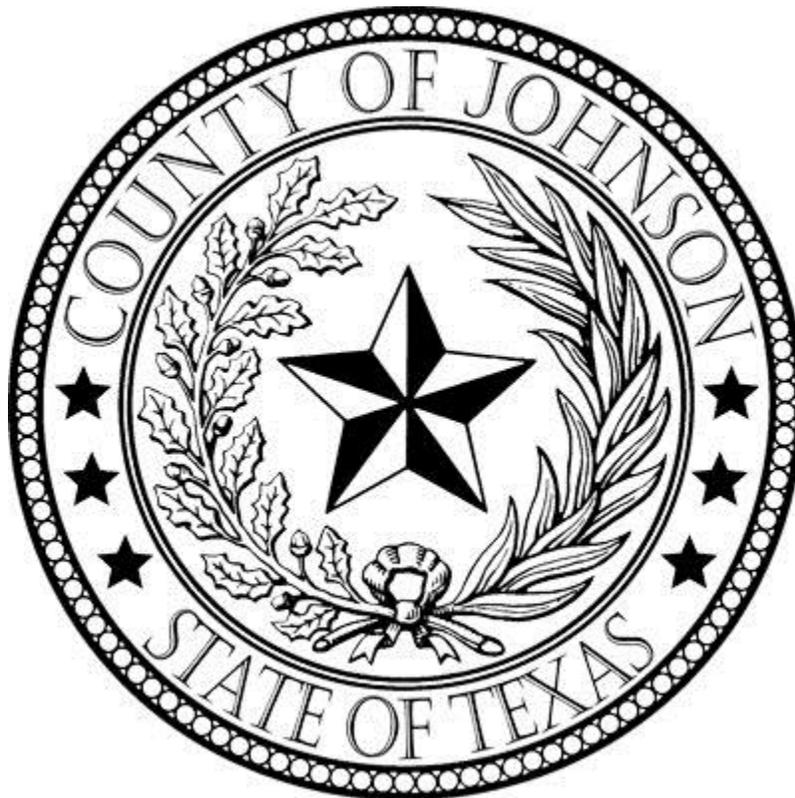
Table 16

Function	Fiscal Year				
	2005	2006	2007	2008	2009
Administration of Justice					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
General Government					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Highways and Streets					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Law Enforcement					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Health & Welfare					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Culture & Recreation					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					

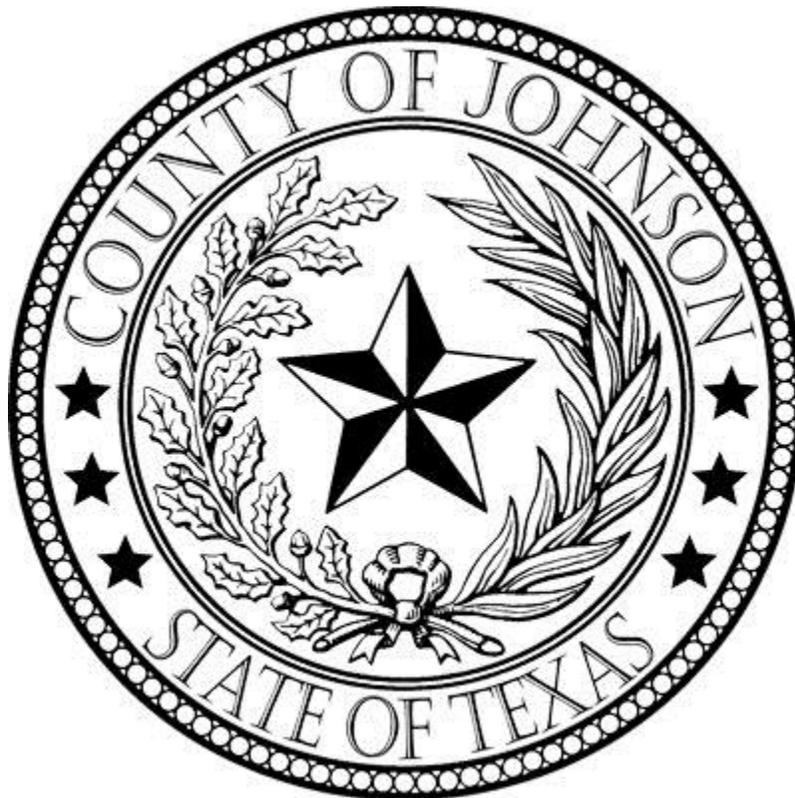
Source: Johnson County Financial Records

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

Fiscal Year					
2010	2011	2012	2013	2014	
20	20	21	22	23	
6	5	5	5	4	
1	2	1	1	1	
180	158	163	164	171	
10	8	10	21	23	
71	72	74	81	83	
7	8	12	12	12	
235	251	255	260	264	
13	18	19	20	20	
86	74	75	78	90	
142	140	153	147	144	
8	12	12	14	14	
2	21	21	21	21	
3	5	5	5	8	
--	1	1	1	2	
1	1	1	1	1	
3	4	4	4	5	
--	2	2	2	2	



**FEDERAL AND STATE AWARDS SECTION**



# Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

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

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

**Houston Office:**  
10850 Richmond, Suite 135  
Houston, Texas 77042

## Independent Auditor's Report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas (the "County"), as of and for the year ended September 30, 2014, 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 27, 2015.

### **Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

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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.

*Herremeyer, Masters & Rungford, LLC*

Lake Jackson, Texas  
March 27, 2015

# Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

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8 West Way Court  
Lake Jackson, Texas 77566

**El Campo Office:**  
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El Campo, Texas 77437

**Houston Office:**  
10850 Richmond, Suite 135  
Houston, Texas 77042

## Independent Auditor's Report

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

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

### **Report on Compliance for Each Major Federal Program**

We have audited Johnson County's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2014. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *Texas Single Audit Circular*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Johnson County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2014.

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

## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

*Kennemer, Masters & Hunzford, LLC*

Lake Jackson, Texas 77566  
March 27, 2015

I. Summary of auditor's results:

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

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

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

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

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

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

5. Major programs include:

Federal:

None.

State:

TJJD Cluster Programs:

- TJJD-A-14/15-126 State Aid Program
- TJJD-C-14/15-126 Commitment Reduction Program
- TJJD-N-14/15-126 Mental Health Program
- TJJD-P-14/15-126 Juvenile Justice Alternative Education Program

Texas Department of Transportation

- Bridge on CR 519 at King Branch
- County Transportation Infrastructure Fund Grant Program

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

9. Low Risk Auditee: Yes.

II. Findings related to the financial statements.

The audit disclosed no findings required to be reported.

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

The audit disclosed no findings required to be reported.

**JOHNSON COUNTY, TEXAS**  
*SCHEDULE OF STATUS OF PRIOR FINDINGS*  
Year Ended September 30, 2014

None.

**JOHNSON COUNTY, TEXAS**  
*CORRECTIVE ACTION PLAN*  
Year Ended September 30, 2014

None.

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

For the Year Ended September 30, 2014

Exhibit 15

Page 1

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Juvenile Justice Department:		
Direct Programs:		
State Aid Program (1)	TJJD-A-14-126	\$ 616,658
State Aid Program (1)	TJJD-A-15-126	26,739
Commitment Reduction Program (1)	TJJD-C-14-126	74,708
Commitment Reduction Program (1)	TJJD-C-15-126	12,451
Mental Health Program (1)	TJJD-N-14-126	89,770
Mental Health Program (1)	TJJD-N-15-126	14,962
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp)(1)	TJJD-P-14-126	<u>106,071</u>
<b>TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT</b>		<b><u>\$ 941,359</u></b>
Texas Commission on Environmental Quality:		
Direct:		
Aircheck Texas Repair and Replacement Assistance Program	582-14-40122	\$ 50,194
Aircheck Texas Repair and Replacement Assistance Program	582-12-20277	<u>4,563</u>
<b>TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY</b>		<b><u>\$ 54,757</u></b>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	911410	<u>20,165</u>
<b>TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS</b>		<b><u>\$ 20,165</u></b>
Office of Attorney General:		
Direct Program:		
Texas Victim Information and Notification Everyday (VINE)	14-45881	\$ 25,406
Texas Victim Information and Notification Everyday (VINE)	15-37047	<u>2,310</u>
		27,716
Sexual Assault Prevention & Crisis Services Program	---	<u>12,296</u>
<b>TOTAL OFFICE OF ATTORNEY GENERAL</b>		<b><u>\$ 40,012</u></b>

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued*  
 For the Year Ended September 30, 2014

Exhibit 15  
 Page 2

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-14-126	\$ <u>191,219</u>
Indigent Defense Improvement	212-14-126	<u>138,994</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		\$ <u><u>330,213</u></u>
Texas Department of Transportation:		
Direct:		
Bridge on CR 519 at King Ranch	90250108	\$ 63,889
County Transportation Infrastructure Fund Grant Program	CTIF-01-127	<u>473,090</u>
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		\$ <u><u>536,979</u></u>
Texas Veterans Commission:		
Direct:		
Officer Training Reimbursement	---	\$ <u>728</u>
TOTAL TEXAS VETERANS COMMISSION		\$ <u><u>728</u></u>
Texas Department of State Health Services:		
Direct:		
Tobacco Settlement Funds	---	\$ <u>44,650</u>
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		\$ <u><u>44,650</u></u>
TOTAL STATE ASSISTANCE		\$ <u><u>1,968,863</u></u>
TOTAL MAJOR PROGRAMS		\$ <u><u>1,478,338</u></u>
TYPE A PROGRAM		\$ <u><u>300,000</u></u>

(1) Cluster Programs per TJJJ

## **JOHNSON COUNTY, TEXAS**

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

Year Ended September 30, 2014

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

#### Governmental Fund Types:

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

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

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

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

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

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

**JOHNSON COUNTY, TEXAS**

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

Year Ended September 30, 2014

3. The period of availability for state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
4. Indirect Costs - Johnson County, Texas received no reimbursements for indirect costs during the year ended September 30, 2014.

