

JOHNSON COUNTY, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2018

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, 2018

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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 13, 2019

THE HONORABLE DISTRICT JUDGES AND
THE HONORABLE COMMISSIONERS COURT:

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, 2018, 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 attempted to conform substantially to the high standards of public financial reporting as recommended by the Government Finance Officers Association of the United States and Canada. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The County is required to undergo an annual single audit in conformity with the provisions of the *Texas Single Audit Circular* for state awards. Information related to this single audit, and the independent auditors' reports of the internal control structure and compliance with applicable laws and regulations are included in the State Awards Section of this report.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

Johnson County is experiencing growth with obvious signs of significant future growth. The region has a varied manufacturing and industrial tax base that contributes to the relatively favorable unemployment rate. It should be noted that property value of oil and gas is not the significant factor it was a few years ago. This means the County has a more diverse tax base.

This year, the County had an internationally known manufacturer make the decision to build a facility in our community that will employ 100 to 500 people. To put this into perspective, that could put the company among our largest employers.

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

Population growth in Johnson County is expected to be at a faster pace than seen in the recent past with even the smaller communities seeing impressive residential development. Combined efforts of the cities and county government have proven to be effective in attracting industry as well. The downtown area of Cleburne benefits from aggressive tax incentives approved by the city and county.

In the past year, Johnson County saw many new and growing residential subdivisions. Several communities, including the City of Cleburne, our county seat, saw encouraging growth in residential building with building permits up significantly. These areas of the county have seen building permits grow by approximately 13.4% in the last two years. The tollway is certainly considered as a contributing factor for this development. Additionally, it has added quality of life to citizens that must commute to Fort Worth, as the travel time is about half of what it was previously.

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

MAJOR INITIATIVES

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

For the Year Construction of the second and final phase of the County jail was completed. The larger and improved facility 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. With the completion of this project, it is believed that the facility will meet the needs of the County for many years.

Johnson County tasked itself and hired staff to meet the National Emergency Number Association standard for 911 addressing to the public and correct errors from the past to meet the needs of emergency first responders. Approximately 2,500 new addresses were issued and over 5,000 historical errors corrected. The County will continue to place high priority on citizen safety.

Additionally, Johnson County IT expanded security awareness training by providing all employees the training needed to create a greater understanding of the risks that exist in this technological age we live in today; offering a greater degree of overall security for the County.

In other areas, the County has added or enhanced software to provide more functional efficiency in various departments and improved inter-agency communication for law enforcement.

For the Future The growth experienced by the County requires our elected officials to be forward-thinking to address issues before they become problems. As in most Texas counties, the need to accommodate the law enforcement and administration of justice functions is challenging. Also, Johnson County will endeavor to stay ahead of the curve with the expected growth that is fast becoming a reality.

Johnson County will finish the planning stage of the expansion of the Burluson sub-courthouse. The growth in foot traffic in this, the largest city in the County, will demand the expanded services of the Tax Office, Justice of the Peace, and County Clerk in this facility where satellite offices already exist.

FINANCIAL CONDITION

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

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

Significant Financial Policy It is the policy of Johnson County to maintain an above-average fund balance as evidenced by the Fund Balance Policy. To ensure fund balances remain at these levels the County will strive to balance the General Fund budget each year or use only a minimum amount of the fund balance to finance the budget. This conservative practice will ensure that the County has adequate funding in future years which may bring further economic challenges beyond those which we currently face.

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

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

The County Treasurer is the custodian of funds and has the sole authority to disburse funds for the County. This includes receipting and depositing all funds paid to the County. The Treasurer is also the designated County Investment Officer and confers with the County Auditor regarding investments of county funds. The Commissioners Court has adopted an investment policy in compliance with the Public Funds Investment Act.

The County Auditor is the chief financial officer of the County and is responsible for substantially all County financial and accounting control functions. The responsibilities of the County Auditor include those of accounting, auditing, accounts payable and financial operations and reporting. The County Auditor works with the Treasurer to determine the type, terms, and amounts of investments of County funds.

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

OTHER INFORMATION

Independent Audit The County's financial statements have been audited by Kennemer, Masters and Lunsford, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2018, 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, 2018 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, 2017. This was the twenty-seventh consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,


J. R. Kirkpatrick
Johnson County Auditor



Government Finance Officers Association

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

Presented to

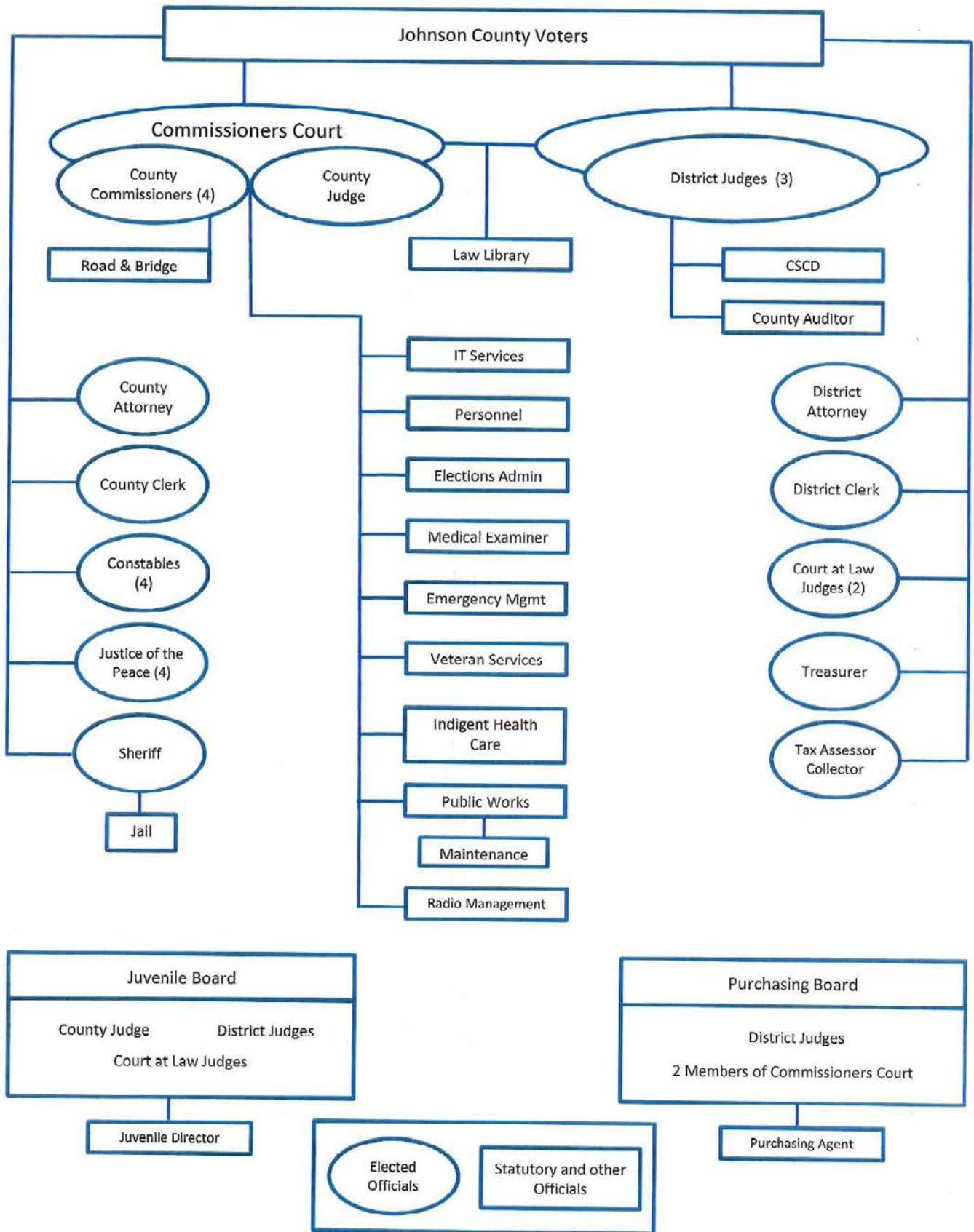
**Johnson County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO



JOHNSON COUNTY, TEXAS

PRINCIPAL OFFICIALS

COMMISSIONERS COURT

COUNTY JUDGE

Roger Harmon

COUNTY COMMISSIONERS

Precinct 1

Rick Bailey

Precinct 2

Kenny Howell

Precinct 3

Jerry Stringer

Precinct 4

Larry Woolley

JUDICIAL

DISTRICT JUDGE

18th Judicial District

John E. Neill

249th Judicial District

Wayne Bridewell

413th Judicial District

William C. Bosworth, Jr.

COUNTY COURT-AT-LAW I

Robert B. Mayfield, III

COUNTY COURT-AT-LAW II

Steve McClure

JUSTICE OF THE PEACE

Precinct 1

Ronald R. McBroom

Precinct 2

Jeff Monk

Precinct 3

Pat Jacobs

Precinct 4

John Bekkelund

LAW ENFORCEMENT AND LEGAL

DISTRICT ATTORNEY

Dale Hanna

COUNTY ATTORNEY

Bill Moore

SHERIFF

Adam King

CONSTABLES

Precinct 1

Matt Wylie

Precinct 2

Adam Crawford

Precinct 3

Mike White

Precinct 4

Timothy Kinman

COMMUNITY SUPERVISION DIRECTOR*

Bob Barnes

CHIEF JUVENILE PROBATION OFFICER*

Cristy Malott

FINANCIAL ADMINISTRATION

COUNTY AUDITOR*

J. R. Kirkpatrick

COUNTY TREASURER

Kathy Blackwell

TAX ASSESSOR—COLLECTOR

Scott Porter

PURCHASING AGENT*

Ralph McBroom

COURT CLERKS

DISTRICT CLERK

David Lloyd

COUNTY CLERK

Becky Ivey

*Denotes appointed officials. All others are elected officials.

FINANCIAL SECTION



Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

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

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

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

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, 2018, 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2018, 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.

Emphasis of Matter

As described in Note 2 to the financial statements, in the year ended September 30, 2018, the County adopted new accounting guidance, GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules and OPEB schedules on pages 4 through 16 and 70 through 75, respectively, 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 nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Texas Single Audit Circular (Uniform Grant Management Standards)*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 County's internal control over financial reporting and compliance.

Kennemer, Masters & Kingford, LLC

Lake Jackson, Texas
March 13, 2019

JOHNSON COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2018

As management of Johnson County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental activities by \$ 96,356,528 (net position). Of this amount, \$ 27,032,083 (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 \$ 5,235,708.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 44,761,277. 56.56% of this amount, \$ 25,317,723 (unassigned fund balance), was available for use within the County's fund designations. Of the governmental funds amount, \$ 18,589,885 has been restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 25,325,056 or 43.12% 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, 2018*

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

The government-wide financial statements can be found on pages 18 and 20 of this report.

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

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

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

The County maintains fifty (50) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road and Bridge (special revenue fund) and the General Debt Service (debt service fund); all of which are considered to be major funds. Data from the other forty-seven (47) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 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, 2018*

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 142 through 144.

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 30 through 67 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 70 through 75 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 84 through 107 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 \$ 96,356,528 as of September 30, 2018. This is an increase in net position of \$ 5,235,708 which is primarily due to a net increase in charges for services revenue.

The largest portion of the County's net position is \$ 51,899,263 (53.86%) which reflects its investments in capital assets (e.g., land; construction in progress, buildings and improvements; furniture, equipment and vehicles; and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens and consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets decreased by \$ 136,488 due to a decrease in capital projects for the current fiscal year.

An additional portion of the County's net position is \$ 17,425,182 (18.08%) which represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$ 27,032,083 (28.06%) may be used to meet the government's ongoing obligations to citizens and creditors.

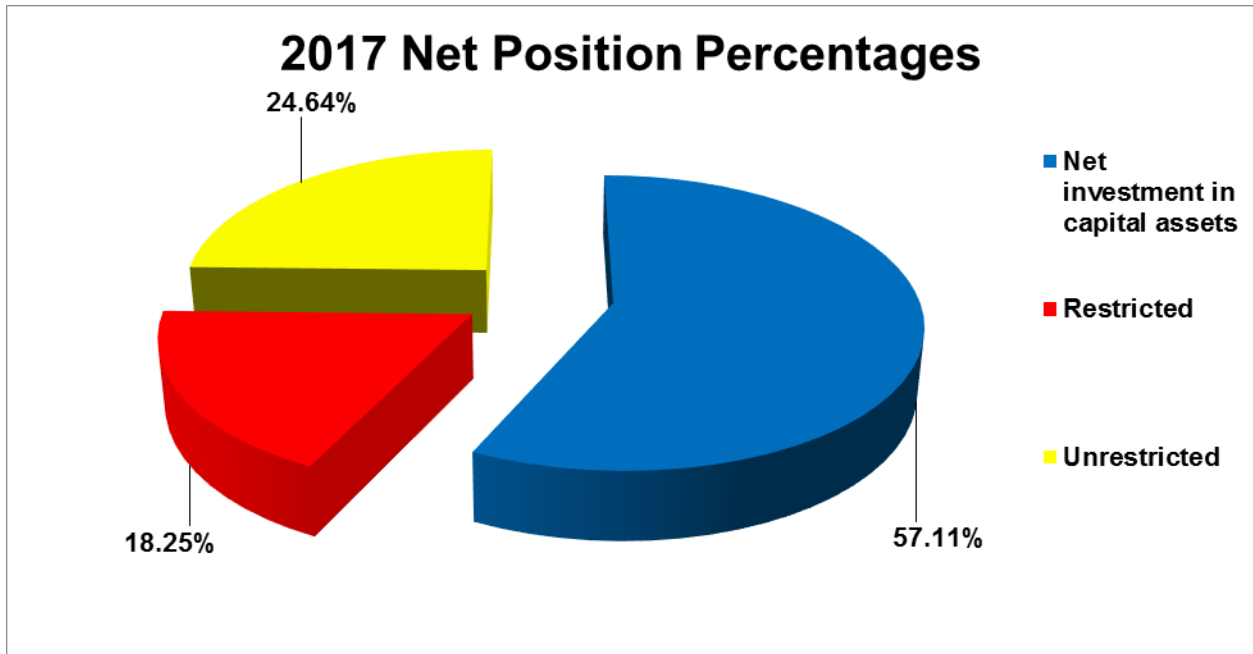
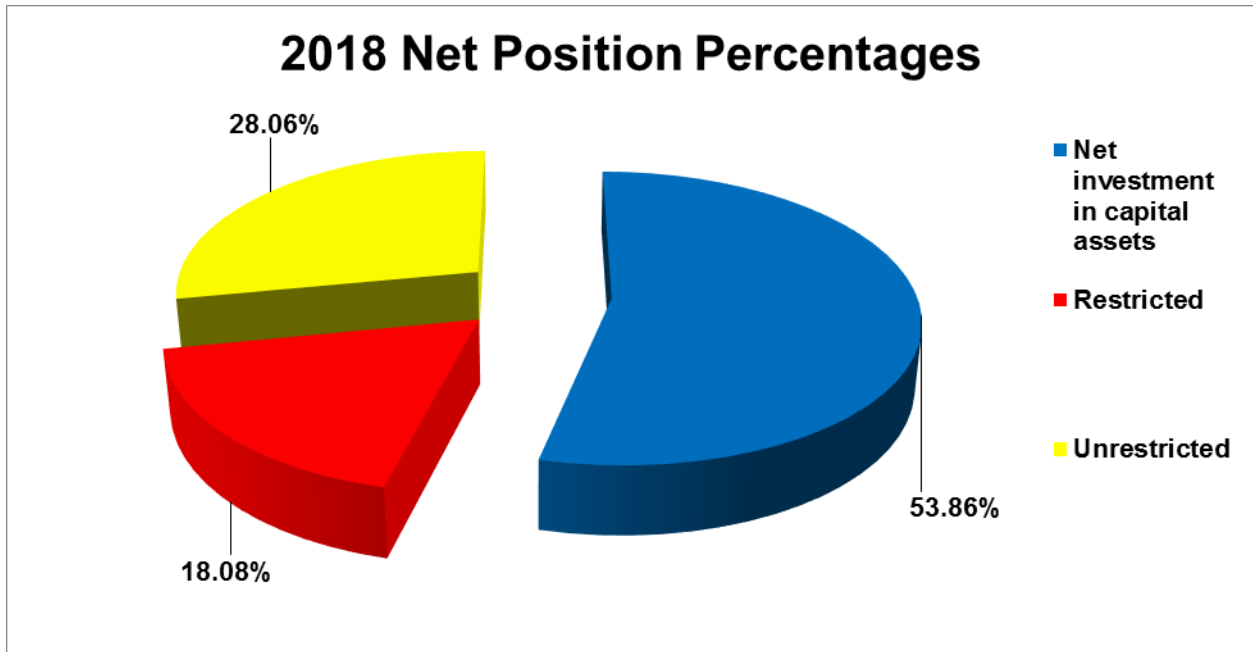
JOHNSON COUNTY, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2018

As of September 30, 2018, the County is able to report positive balances in all three categories of net position.

JOHNSON COUNTY'S NET POSITION

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>Restated 2017</u>	<u>Net Change</u>
ASSETS			
Current and other assets	\$ 59,060,026	\$ 52,321,757	\$ 6,738,269
Capital assets	<u>77,438,303</u>	<u>81,769,580</u>	<u>(4,331,277)</u>
Total assets	<u>136,498,329</u>	<u>134,091,337</u>	<u>2,406,992</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	<u>6,507,262</u>	<u>8,323,172</u>	<u>(1,815,910)</u>
Total deferred outflows of resources	<u>6,507,262</u>	<u>8,323,172</u>	<u>(1,815,910)</u>
LIABILITIES			
Current and other liabilities	4,960,381	6,058,684	(1,098,303)
Long-term liabilities	<u>36,433,001</u>	<u>44,596,392</u>	<u>(8,163,391)</u>
Total liabilities	<u>41,393,382</u>	<u>50,655,076</u>	<u>(9,261,694)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	<u>5,255,681</u>	<u>638,613</u>	<u>4,617,068</u>
Total deferred inflows of resources	<u>5,255,681</u>	<u>638,613</u>	<u>4,617,068</u>
NET POSITION			
Net investment in capital assets	51,899,263	52,035,751	(136,488)
Restricted	17,425,182	16,627,902	797,280
Unrestricted	<u>27,032,083</u>	<u>22,457,167</u>	<u>4,574,916</u>
Total net position	<u>\$ 96,356,528</u>	<u>\$ 91,120,820</u>	<u>\$ 5,235,708</u>



JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

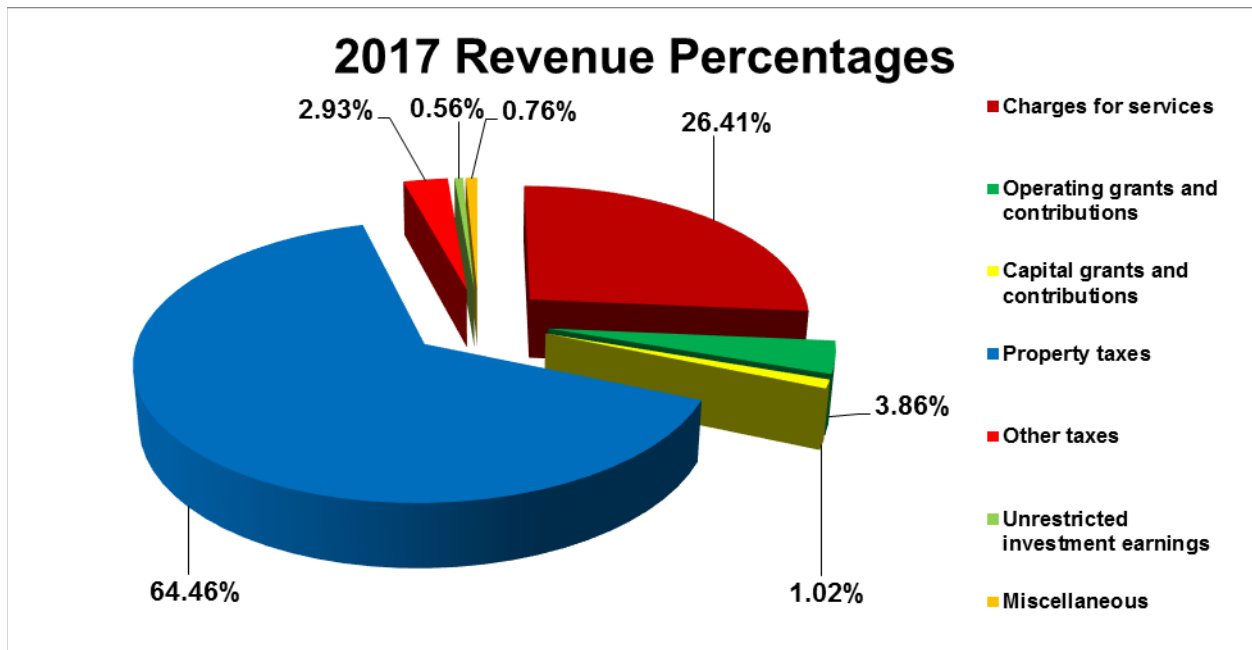
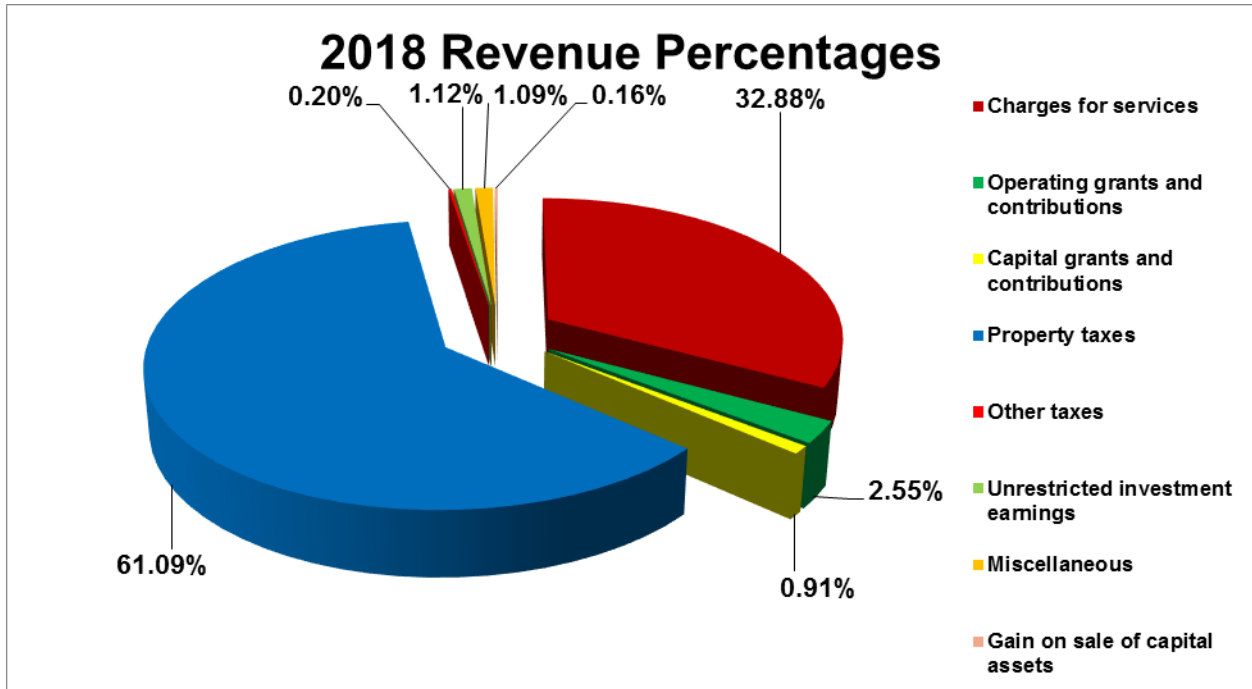
Analysis of the County's Operations. Governmental activities reported an increase in net position in the amount of \$ 5,235,708 due to increased charges for service revenues. The following table provides a summary of the County's operations for the year ended September 30, 2018.

JOHNSON COUNTY'S CHANGES IN NET POSITION

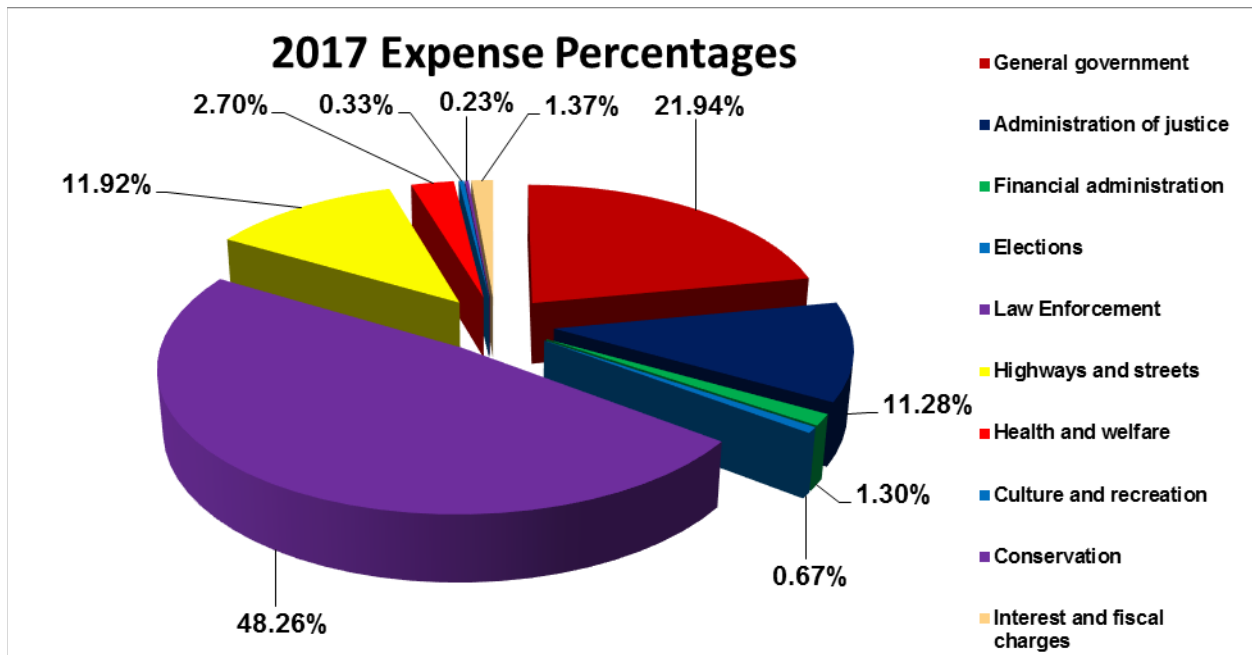
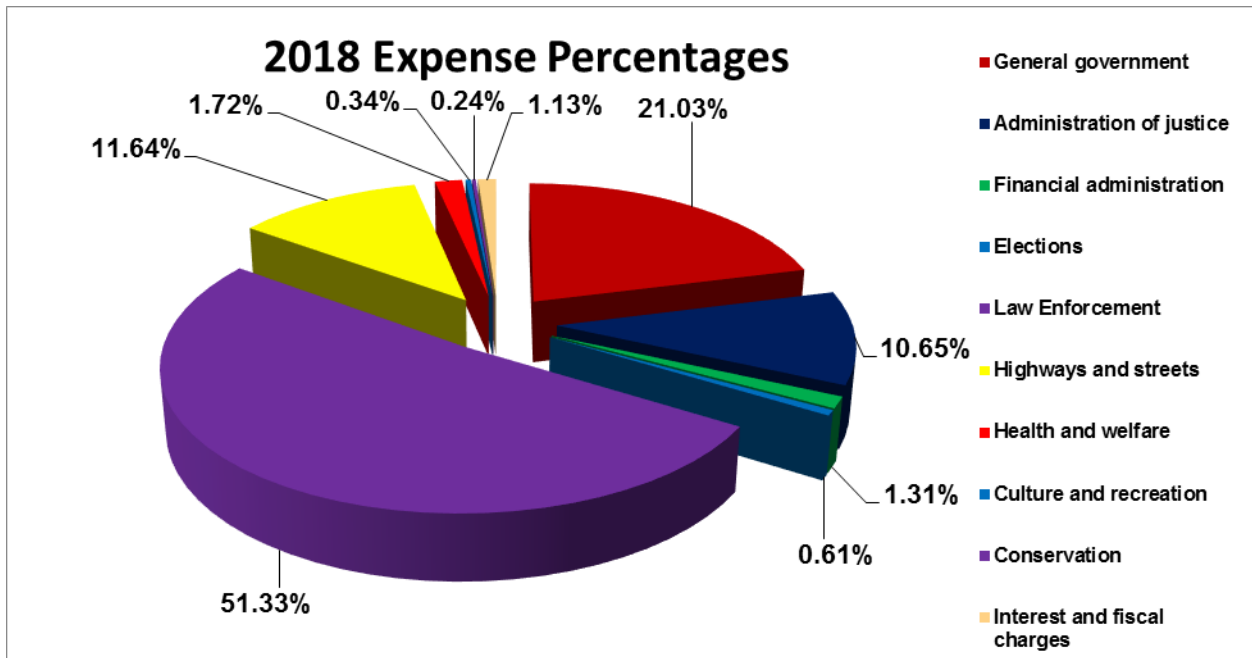
	<u>Governmental Activities</u>		<u>Net</u>
	<u>2018</u>	<u>2017</u>	<u>Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 27,578,953	\$ 19,890,724	\$ 7,688,229
Operating grants and contributions	2,137,829	2,904,929	(767,100)
Capital grants and contributions	765,277	770,880	(5,603)
General Revenues:			
Property taxes	51,240,284	48,540,033	2,700,251
Other taxes	167,727	2,208,982	(2,041,255)
Unrestricted Investment earnings	941,503	418,949	522,554
Gain on sale of capital assets	135,248		135,248
Miscellaneous	<u>913,407</u>	<u>570,124</u>	<u>343,283</u>
Total revenues	<u>83,880,228</u>	<u>75,304,621</u>	<u>8,575,607</u>
Expenses:			
General government	16,537,720	17,499,745	(962,025)
Administration of justice	8,373,435	8,995,731	(622,296)
Financial Administration	1,032,042	1,034,334	(2,292)
Elections	480,338	537,741	(57,403)
Law enforcement	40,375,051	38,498,728	1,876,323
Highways and streets	9,152,310	9,501,401	(349,091)
Health and welfare	1,350,522	2,157,599	(807,077)
Culture and recreation	264,880	265,561	(681)
Conservation	188,798	185,403	3,395
Interest and fiscal charges	<u>889,424</u>	<u>1,089,534</u>	<u>(200,110)</u>
Total expenses	<u>78,644,520</u>	<u>79,765,777</u>	<u>(1,121,527)</u>
Increase (decrease) in net position	5,235,708	(4,461,156)	9,696,864
Net position - October 1, (restated)	<u>91,120,820</u>	<u>97,079,184</u>	<u>(5,958,364)</u>
Net position - September 30,	<u>\$ 96,356,528</u>	<u>\$ 92,618,028</u>	<u>\$ 3,738,500</u>

The fiscal year ending September 30, 2017 net position was restated in accordance with the implementation of GASB Statement No. 75. Due to the availability of the information related to the implementation of this standard, the fiscal year ending September 30, 2016 could not be restated.

JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2018



JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2018



JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

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 \$ 44,761,277. The unassigned fund balance of \$ 25,317,723 constitutes 56.56% of ending fund balance. The fund balance is categorized as 1) nonspendable of \$ 853,669, 2) restricted of \$ 18,589,885, and 3) unassigned of \$ 25,317,723.

Fund balance of the General Fund increased by \$ 3,497,253; the Road and Bridge Fund decreased by \$ 719,717; the General Debt Service Fund increased by \$ 116,120, and Other Governmental Funds increased by \$ 2,827,821.

The increase in fund balance in the General Fund is a result of actual revenue exceeding actual expenditures by \$ 6,893,814, with a net other financing sources and uses of \$ 3,396,561, which includes transfers of \$3,407,325 out of the fund. As for the Road & Bridge Fund, the decrease in fund balance was the result of expenditures exceeding revenue by \$ 1,085,877 with a net of other financing sources and uses of \$ 366,160; most being the sale of capital assets. The increase in fund balance for the General Debt Service was nominal. The increase in fund balance for other governmental funds is primarily due to transfers into the funds from the General Fund for capital expenditures.

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

The difference between the General Fund original expenditure budget and the revised budget was an increase of \$3,417,136 with \$1.8 million being an increase to cover the cost to complete the jail construction project and \$1.5 million for the additional cost of housing more federal inmates than expected. However, federal inmate housing cost was offset, dollar for dollar, by federal revenue received.

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 areas of general government and law enforcement.

Total General Fund revenue exceeded the amended budget by approximately 2.6% and total General Fund expenditures were under the amended budget by approximately 6.3%.

JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2018*

Capital Assets

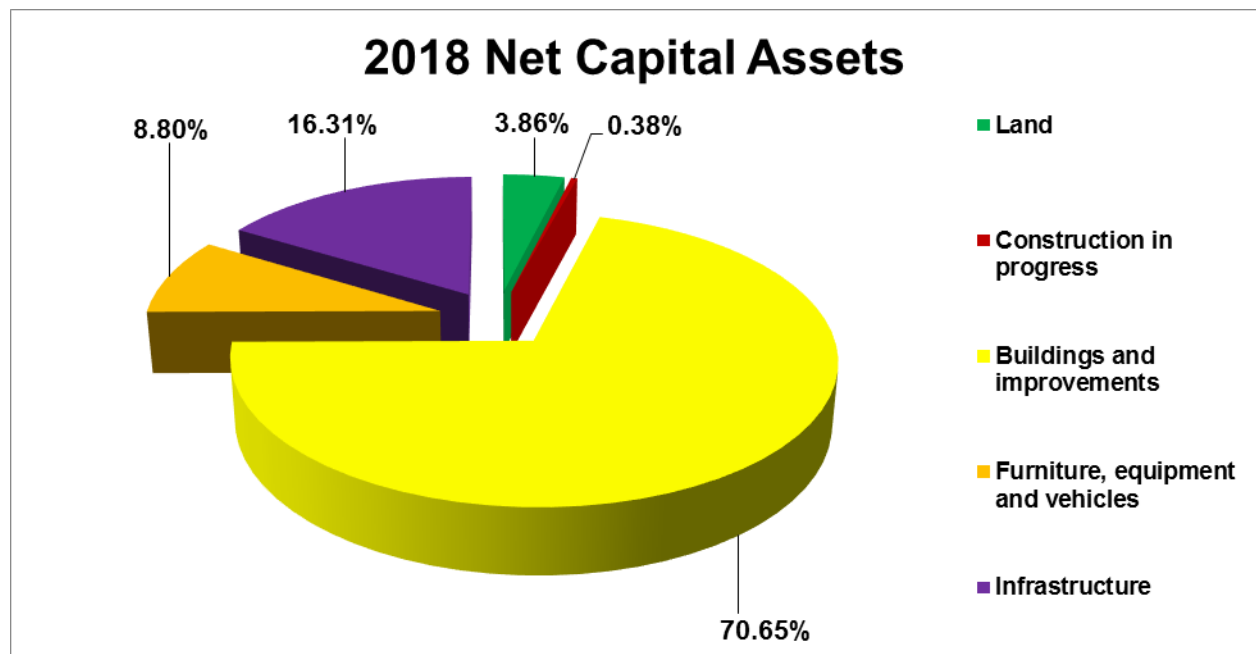
This investment in capital assets includes land; construction in progress; buildings and improvements; furniture, equipment and vehicles; and infrastructure.

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

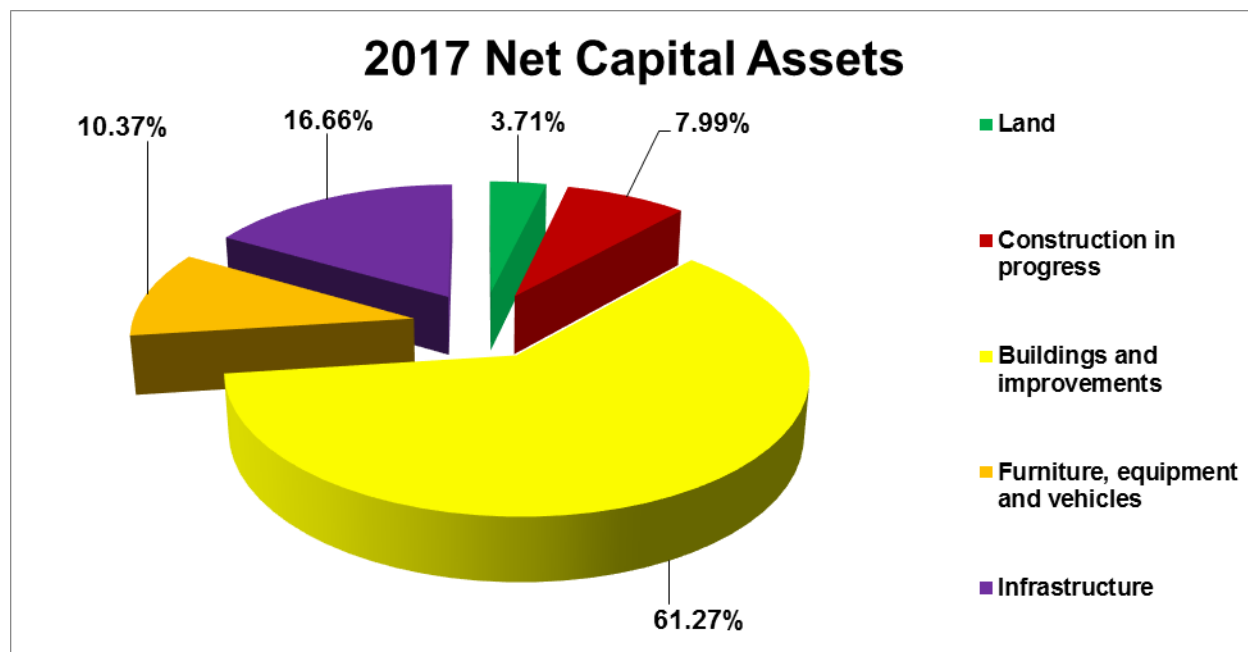
- Acquisition of new vehicles, tractors and various road and bridge equipment.
- Renovation of existing buildings placed in service during the current fiscal year.
- Implementation of community development software.
- Renovation of bridges.

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

	Governmental Activities		Net Change
	2018	2017	
Land	\$ 2,991,908	\$ 3,038,291	\$(46,383)
Construction in progress	292,726	6,530,217	(6,237,491)
Buildings and improvements	54,708,683	50,098,046	4,610,637
Furniture, equipment and vehicles	6,817,766	8,481,378	(1,663,612)
Infrastructure	12,627,220	13,621,648	(994,428)
 Total	 \$ 77,438,303	 \$ 81,769,580	 \$(4,331,277)



JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2018



Additional information on the County's capital assets can be found in Note 7 on pages 50 through 51 of this report.

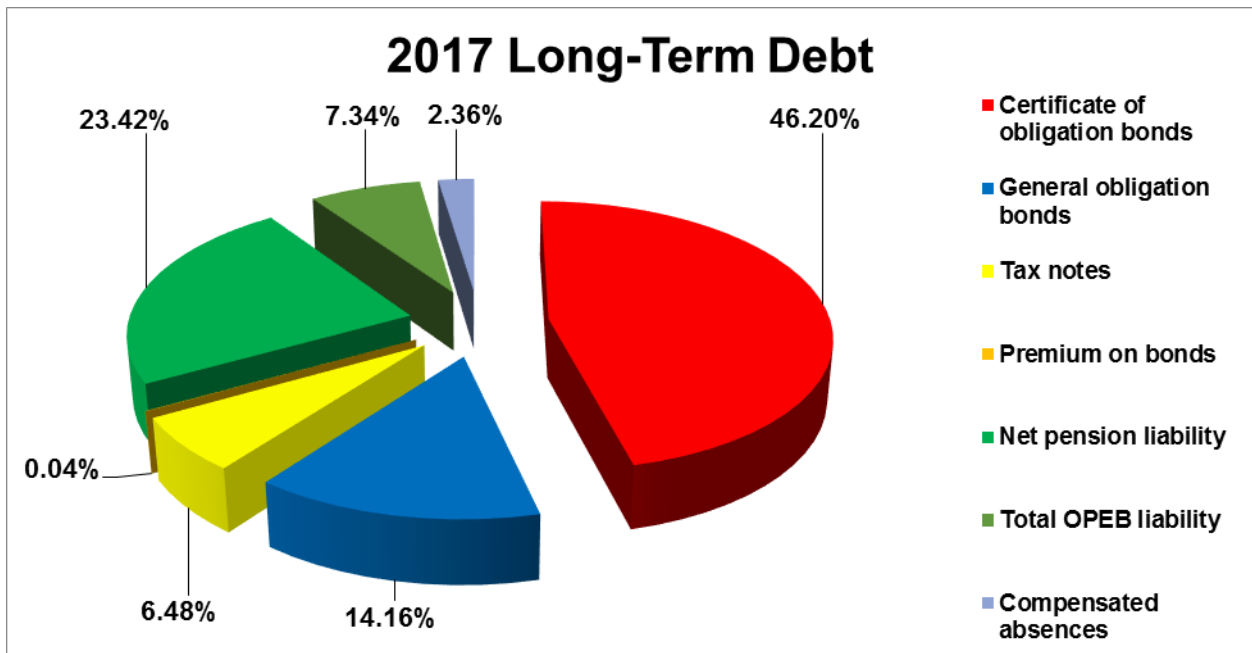
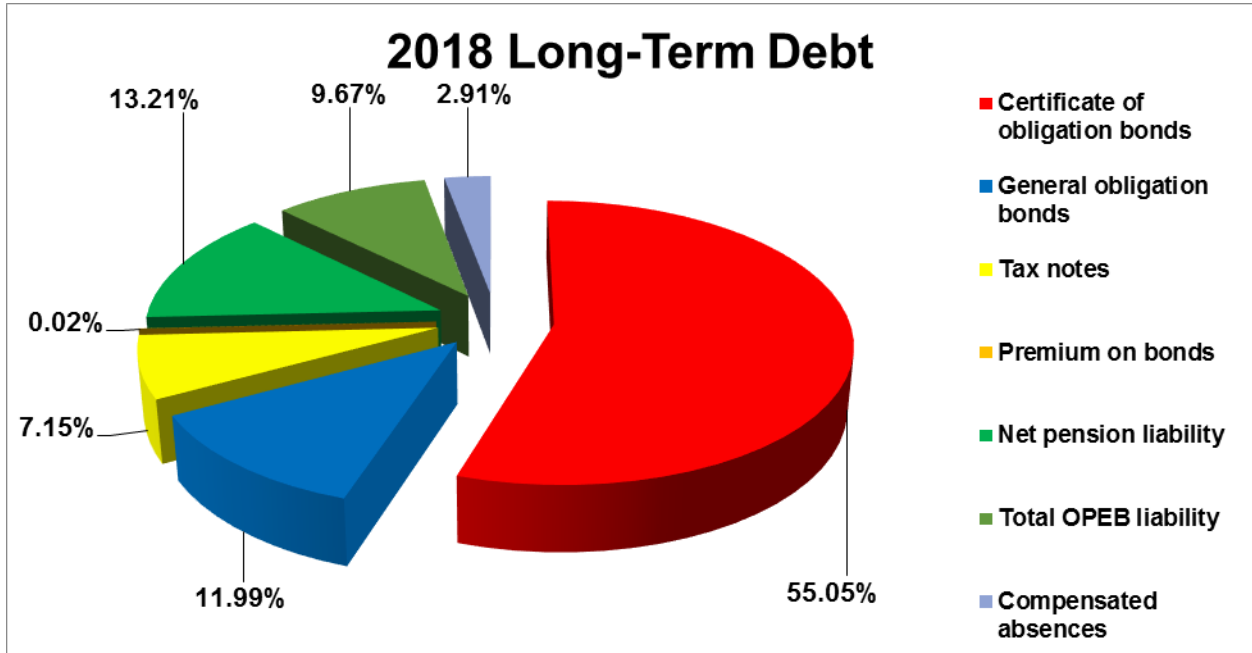
DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded and note debt of \$ 27,030,000, which, comprises bonded and debt backed by the full faith and credit of the County agreement. The bonds and tax notes will be retired with revenues from property taxes and fees for services.

JOHNSON COUNTY'S LONG-TERM DEBT

	Governmental Activities		Net Change
	2018	2017	
General obligation bonds	\$ 4,370,000	\$ 6,315,000	\$ (1,945,000)
Certificates of obligation bonds	20,055,000	20,605,000	(550,000)
Tax notes	2,605,000	2,890,000	(285,000)
Premium on bonds	8,650	14,927	(6,277)
Net pension liability	4,812,190	10,446,417	(5,634,227)
Total OPEB liability	3,522,734	3,272,829	249,905
Compensated absences	1,059,427	1,052,219	7,208
Total	\$ 36,433,001	\$ 44,596,392	\$ (8,163,391)

JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2018



JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
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During the fiscal year, the County's total debt decreased \$ 8,163,391 or 18.31%. The net decrease was due primarily to the reduction of the net pension liability.

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

Additional information on the County's long-term debt can be found in Note 9 on pages 52 through 54 of this report.

Economic Factors and Next Year's Budgets and Rates

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

In considering the budget for fiscal year 2019, Commissioners Court considered the following factors:

- Property tax rate was not increased and was under the rollback rate by nearly \$.01. It appears the County will continue to increase unencumbered fund balances, primarily due to conservative revenue projections.
- Employees received the largest increase in compensation than has been experienced for many years and five new positions were added to cover various needs. This increase in positions represents approximately 1.0% of our total employment.

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, 2018

Exhibit 1
Page 1

	<u>Governmental Activities</u>
ASSETS	
Cash and temporary investments	\$ 26,235,497
Short-term investments	14,825,772
Receivables (Net of Allowance for Uncollectibles):	
Taxes	668,290
Accounts	10,525,516
Due from other governments	249,923
Inventories	307,068
Prepaid expenses	521,937
Investments	5,701,359
Noncurrent Receivables:	
Notes receivable	24,664
Capital Assets:	
Land	2,991,908
Construction in progress	292,726
Buildings and improvements (net)	54,708,683
Furniture, equipment and vehicles (net)	6,817,766
Infrastructure (net)	<u>12,627,220</u>
Total assets	<u>136,498,329</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>6,507,262</u>
Total deferred outflows of resources	<u>6,507,262</u>

(continued)

JOHNSON COUNTY, TEXAS
STATEMENT OF NET POSITION - Continued
September 30, 2018

Exhibit 1
Page 2

	<u>Governmental Activities</u>
LIABILITIES	
Accounts and accrued liabilities payable	\$ 4,794,881
Accrued interest payable	121,261
Unearned revenue	44,239
Noncurrent Liabilities:	
Due within one year	3,796,490
Due in more than one year	24,301,587
Net pension liability	4,812,190
Total OPEB liability	<u>3,522,734</u>
Total liabilities	<u>41,393,382</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>5,255,681</u>
Total deferred inflows of resources	<u>5,255,681</u>
NET POSITION	
Net Investment in Capital Assets	51,899,263
Restricted	
Roads and Bridges	7,866,545
Debt service	876,773
Health services	2,923,763
Records management	3,344,878
Other purposes	2,413,223
Unrestricted	<u>27,032,083</u>
Total net position	<u>\$ 96,356,528</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, 2018

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
General government	\$ 16,537,720	\$ 6,683,314	\$ 252,932	\$ 5,840	\$(9,595,634)
Administration of justice	8,373,435	4,883,071	1,186,609		(2,303,755)
Financial administration	1,032,042				(1,032,042)
Elections	480,338	15,320	3,404		(461,614)
Law enforcement	40,375,051	13,860,323	539,318	15,217	(25,960,193)
Highways and streets	9,152,310	2,047,391	100,939	744,220	(6,259,760)
Health and welfare	1,350,522		54,627		(1,295,895)
Culture and recreation	264,880	89,534			(175,346)
Conservation	188,798				(188,798)
Interest and fiscal charges	889,424				(889,424)
Total governmental activities	<u>78,644,520</u>	<u>27,578,953</u>	<u>2,137,829</u>	<u>765,277</u>	<u>(48,162,461)</u>
General Revenue:					
Property taxes					51,240,284
Other taxes					167,727
Unrestricted investment earnings					941,503
Gain on sale of capital assets					135,248
Miscellaneous					<u>913,407</u>
Total general revenues					<u>53,398,169</u>
Change in net position					5,235,708
Net position – beginning					92,618,028
Prior period adjustment required by GASB 75					<u>(1,497,208)</u>
Net position – beginning, as restated					<u>91,120,820</u>
Net position – ending					<u>\$ 96,356,528</u>

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



JOHNSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2018

Exhibit 3
Page 1

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
Assets and Deferred Outflows of Resources					
Assets:					
Cash and temporary investments	\$ 11,209,638	\$ 5,019,453	\$ 951,485	\$ 9,054,921	\$ 26,235,497
Short-term investments	13,041,092	236,834		1,547,846	14,825,772
Receivables (Net of Allowance for Uncollectibles):					
Taxes	541,602	60,276	46,549	19,863	668,290
Accounts	1,439,975	124,812		17,605	1,582,392
Due from other governments	66,391			183,532	249,923
Due from other funds	194,937				194,937
Inventories		307,068			307,068
Prepaid expenditures	503,097			18,840	521,937
Investments	3,175,657	1,094,661		1,431,041	5,701,359
Noncurrent Receivables:					
Notes receivable	<u>24,664</u>				<u>24,664</u>
Total assets	<u>30,197,053</u>	<u>6,843,104</u>	<u>998,034</u>	<u>12,273,648</u>	<u>50,311,839</u>
Deferred Outflows of Resources:					
Deferred outflows of resources					-0-
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 30,197,053</u>	<u>\$ 6,843,104</u>	<u>\$ 998,034</u>	<u>\$ 12,273,648</u>	<u>\$ 50,311,839</u>

(continued)

JOHNSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2018

Exhibit 3
Page 2

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts and accrued liabilities payable	\$ 3,892,324	\$ 350,211	\$	\$ 552,346	\$ 4,794,881
Due to other funds		35		194,902	194,937
Unearned revenue	<u>34,828</u>			<u>9,411</u>	<u>44,239</u>
Total liabilities	<u>3,927,152</u>	<u>350,246</u>	<u>-0-</u>	<u>756,659</u>	<u>5,034,057</u>
Deferred Inflows of Resources:					
Deferred inflows of resources	<u>417,084</u>	<u>48,624</u>	<u>35,500</u>	<u>15,297</u>	<u>516,505</u>
Total deferred inflows of resources	<u>417,084</u>	<u>48,624</u>	<u>35,500</u>	<u>15,297</u>	<u>516,505</u>
Fund Balances:					
Nonspendable	527,761	307,068		18,840	853,669
Restricted		6,137,166	962,534	11,490,185	18,589,885
Unassigned	<u>25,325,056</u>			<u>(7,333)</u>	<u>25,317,723</u>
Total fund balances	<u>25,852,817</u>	<u>6,444,234</u>	<u>962,534</u>	<u>11,501,692</u>	<u>44,761,277</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,197,053</u>	<u>\$ 6,843,104</u>	<u>\$ 998,034</u>	<u>\$ 12,273,648</u>	<u>\$ 50,311,839</u>

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

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

Exhibit 3R

September 30, 2018

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 44,761,277
Amounts reported for <i>governmental activities</i> in the statement of net position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 156,686,760 in assets less \$ 79,248,457 in accumulated depreciation.	77,438,303
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 \$ 16,580,059 net of allowance for uncollectible accounts of \$ 7,636,935 amounted to \$ 8,943,124.	8,943,124
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 & Bridge Fund, the General Debt Service Fund, and the Indigent Health Care Fund amounted to \$ 417,084, \$ 48,624, \$ 35,500 and \$ 15,297, respectively.	516,505
Pension and OPEB deferred outflows of resources of \$ 6,469,090 less deferred inflows of resources of \$ 5,255,681.	1,213,409
Payables for bond principal are not reported in the funds.	(24,425,000)
Payables for tax note principal are not reported in the funds.	(2,605,000)
Payables for net pension liability are not reported in the funds.	(4,812,190)
Other deferred outflows of resources are not available to pay for current year expenditures and, therefore, are not reported in the funds. This is the bond refunding costs, which are amortized over the life of the refunding bonds, or the refunded bonds, whichever is shorter. Net bond refunding costs were \$ 38,172 (bond refunding costs of \$ 75,661 less accumulated amortization of \$ 37,489).	38,172
Premium on the issuance of bonds provides current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net position. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds was \$ 8,650 (premium on the sale of bonds of \$ 81,032 less amortization of \$ 72,382).	(8,650)
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 \$ 121,261.	(121,261)
Payables for total OPEB liability are not reported in the funds.	(3,522,734)
Payables for compensated absences are not reported in the funds.	(1,059,427)
Net position of governmental activities - statement of net position (Exhibit 1)	\$ <u>96,356,528</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, 2018

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 42,731,848	\$ 3,408,754	\$ 3,782,523	\$ 1,561,864	\$ 51,484,989
Intergovernmental	1,038,439	100,939		1,295,777	2,435,155
Prisoner housing services	11,431,715				11,431,715
Fees	7,188,793	2,047,391		2,171,075	11,407,259
Fines	1,347,316			58,749	1,406,065
Investment income	626,108	119,811	19,423	176,161	941,503
Miscellaneous	<u>1,266,046</u>	<u>339,582</u>		<u>211,175</u>	<u>1,816,803</u>
Total revenues	<u>65,630,265</u>	<u>6,016,477</u>	<u>3,801,946</u>	<u>5,474,801</u>	<u>80,923,489</u>
EXPENDITURES					
Current:					
General government	13,594,123			591,532	14,185,655
Administration of justice	6,793,824			1,293,449	8,087,273
Financial administration	1,002,443				1,002,443
Elections	468,608			2,176	470,784
Law enforcement	35,336,045			2,201,426	37,537,471
Highways and streets		6,266,830			6,266,830
Health and welfare	1,008,669			288,622	1,297,291
Culture and recreation	243,673				243,673
Conservation	178,781				178,781
Capital outlay	110,285	835,524		1,686,476	2,632,285
Debt Service:					
Principal			2,780,000		2,780,000
Interest and fiscal charges			<u>905,826</u>		<u>905,826</u>
Total expenditures	<u>58,736,451</u>	<u>7,102,354</u>	<u>3,685,826</u>	<u>6,063,681</u>	<u>75,588,312</u>
Excess (deficiency) of revenues over expenditures	<u>6,893,814</u>	<u>(1,085,877)</u>	<u>116,120</u>	<u>(588,880)</u>	<u>5,335,177</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	10,764	362,662		12,874	386,300
Transfers in	304,026	3,498		3,766,853	4,074,377
Transfers out	<u>(3,711,351)</u>			<u>(363,026)</u>	<u>(4,074,377)</u>
Total other financing sources and (uses)	<u>(3,396,561)</u>	<u>366,160</u>	<u>-0-</u>	<u>3,416,701</u>	<u>386,300</u>
Net change in fund balances	3,497,253	(719,717)	116,120	2,827,821	5,721,477
Fund balances - beginning	<u>22,355,564</u>	<u>7,163,951</u>	<u>846,414</u>	<u>8,673,871</u>	<u>39,039,800</u>
Fund balances - ending	<u>\$ 25,852,817</u>	<u>\$ 6,444,234</u>	<u>\$ 962,534</u>	<u>\$ 11,501,692</u>	<u>\$ 44,761,277</u>

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

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, 2018

Exhibit 4R

Page 1

Net change in fund balances - total governmental funds (Exhibit 4)	\$	5,721,477
Amounts reported for <i>governmental activities</i> in the statement of activities (Exhibit 2) are different because:		
Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation of \$ 7,456,730 exceeded capital outlay of \$ 2,632,285 in the current period.	(4,824,445)
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, \$ 744,220 of capital assets were contributed to and accepted by the County.		744,220
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. The increase (decrease) of deferred inflows of resources (property tax revenues) for the General Fund, Road & Bridge, General Debt Service Fund, and Indigent Health Care Fund amounted to \$(48,421), \$(30,098), \$ 2,143, and \$(602), respectively.	(76,978)
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 \$ 251,052. (Cost of \$ 1,413,298 less accumulated depreciation of \$ 1,162,246).	(251,052)
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.		2,154,249
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net position. The funds statements reported \$ 2,780,000 in long-term bond principal payments.		2,780,000
Premium on the issuance of bonds provides current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net position. Bond premium amortization was \$ 6,277.		6,277
Deferred refunding costs is another use in the governmental funds, but the costs increase deferred outflows of resources in the statement of net position. This amount is amortized over the life of the refunding bonds or the refunded bonds, whichever is shorter. The current amortization of refunded bond costs is \$ 27,699.	(27,699)
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the net amount of accretion and accrued interest on long-term debt. Current change in Accrued interest on notes and bonds of \$ 37,824.		37,824

(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, 2018

Exhibit 4R

Page 2

Governmental funds report pension payments as expenditures. However, in the governmental activities statement of activities, the pension cost is calculated actuarially and involves multiple factors.

The amount of pension expense reported was \$ 701,514 more than the amount reported in the funds. \$(701,514)

Governmental funds report OPEB payments as expenditures. However, in the governmental activities statement of activities, the OPEB cost is calculated actuarially and involves multiple factors.

The amount of OPEB expense reported was \$ 319,443 more than the amount reported in the funds. (319,443)

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.

(7,208)

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

\$ 5,235,708

JOHNSON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2018

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 12,842,812
Receivables:	
Accounts receivable	127,265
Due from others	<u>43,557</u>
Total assets	<u>\$ 13,013,634</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 186,533
Amount held for others	<u>12,827,101</u>
Total liabilities	<u>\$ 13,013,634</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, 2018

Note

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JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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, 2018, no other organizations have been combined for either blended or discrete presentation in the County's financial statements. The following organizations are not considered "related organizations."

Excluded from the reporting entity:

Adult Probation

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - continued

Johnson County Appraisal District

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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

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

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

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

The County has presented the following major governmental funds:

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The *Road & Bridge 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, County Clerk, District Clerk, Sheriff Department, Seizure and Restitution, and TDCJ-CJAD.

New Pronouncements

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

GASB No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was issued June 2015. This statement was implemented and impacted the County's financial statements as described in Note 2. This statement is effective for periods beginning after June 15, 2017.

GASB No. 83 "Certain Asset Retirement Obligations" was issued in November 2016. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for periods beginning after June 15, 2018.

GASB No. 84 "Fiduciary Activities" was issued in January 2017. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for periods beginning after December 15, 2018.

GASB No. 85 "Omnibus 2017" was issued in March 2017. This statement was implemented and did not have a material effect on the County's financial statements. The requirements of this statement are effective for periods beginning after June 15, 2017.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - continued

GASB No. 86 "Certain Debt Extinguishment Issues" was issued in May 2017. This statement was implemented and did not have a material effect on the County's financial statements. The requirements of this statement are effective for periods beginning after June 15, 2017.

GASB No. 87 "Leases" was issued in June 2017. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for periods beginning after December 15, 2019.

GASB No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements" was issued in April 2018. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" was issued in June 2018. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 90 "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61" was issued in August 2018. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

Budgetary Data

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

Annual appropriated budgets are adopted for the General fund, certain special revenue funds (Road & Bridge Fund, Law Library Fund, Records Management and Preservation Fund, Vital Statistics Preservation Fund, Election Services Contract Fund, District Attorney Forfeiture Fund, Sheriff Forfeiture Fund, STOP SCU Forfeiture Fund, Juvenile Justice Alternative Education Fund, Juvenile Case Manager Fund, Juvenile Probation Fees Fund, Justice of the Peace Technology Fund, Courthouse Security Fund, Justice Court Building Security Fund, Guardianship Fee Fund, Record Archives - County Clerk Fund, Record Archives - District Clerk Fund, County/District Court Technology Fund, Court Records Preservation Digital Fund, District Court Records Technology Fund, Indigent Health Care Fund, Right of Way Fund, Historical Commission Fund, Pre-Trial Supervision Fund, STOP SCU Operations Fund, and the General Debt Service fund.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data - continued

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, 2018, the County had no encumbrances outstanding.

Cash and Investments

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes

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

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

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

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

The County's 2017 tax levy, supporting the 2018 fiscal period budget, totaled \$ 0.472000 per \$ 100 valuation and was comprised as follows:

General Fund	\$ 0.392481
Indigent Health Care	0.014391
Road & Bridge	0.030300
General Debt Service Fund	<u>0.034829</u>
Combined tax rate	<u>\$ 0.472000</u>

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds". The County had no advances between funds. All activity between funds was for short-term cash flow requirements. See Note 6 for additional discussion of interfund receivables and payables.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventories and Prepaid Items

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

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended September 30, 2018, 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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences - continued

The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at September 30, 2018, computed at pay rates in effect at that time was \$ 1,059,427.

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

Deferred Outflows and Inflows of Resources

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

Pension Plans

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

Other Post-Employment Benefits

The fiduciary net position of the Johnson County Retiree Health Care Plan (the "Plan") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the Plan's total OPEB liability. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no assets as this is a pay-as-you-go plan.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2018, 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, 2018, there are no assignments of fund balance.

The *unassigned* fund balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at September 30, 2018:

	Major Funds			Non-Major	Total
	General Fund	Road & Bridge Fund	General Debt Service Fund	Other Governmental Funds	
Fund Balances:					
Non-spendable:					
Inventories	\$	\$ 307,068	\$	\$	\$ 307,068
Prepaid expenditures	503,097			18,840	521,937
Long-term receivables	24,664				24,664
Restricted:					
Capital projects				1,461,438	1,461,438
Contributor purposes				29,310	29,310
Court improvements and operations				620,192	620,192
Debt service			962,534		962,534
Election services				345,398	345,398
Health services				2,908,466	2,908,466
Inmate services				214,468	214,468
Juvenile services				210,902	210,902
Library services				139,788	139,788
Public safety personnel training				17,221	17,221
Public transportation projects		6,137,166		1,373,687	7,510,853
Records management				3,344,878	3,344,878
Special crimes operations				393,325	393,325
County/District attorney services				181,438	181,438
Sheriff services				209	209
Other				249,465	249,465
Unassigned	<u>25,325,056</u>			<u>(7,333)</u>	<u>25,317,723</u>
Total fund balances	<u>\$ 25,852,817</u>	<u>\$ 6,444,234</u>	<u>\$ 962,534</u>	<u>\$ 11,501,692</u>	<u>\$ 44,761,277</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

	<u>Governmental Activities</u>
Net Position:	
Net investment in capital assets	\$ 51,899,263
Restricted:	
Debt service	876,773
Health services	2,923,763
Public transportation projects	7,866,545
Records management	3,344,878
Other:	
Contributor purposes	29,310
Court improvements and operations	620,192
Election services	345,398
Inmate services	214,468
Juvenile services	218,498
Library services	139,788
Public safety personnel training	17,221
Special crime operations	397,236
County/District attorney services	181,438
Sheriff services	209
Other	249,465
Unrestricted	<u>27,032,083</u>
Total	<u>\$ 96,356,528</u>

NOTE 2. CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2018, the County implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement replaces the requirements of Statements No. 45 and No. 57 and requires the liability of a defined benefit OPEB plan that is not administered through a trust (total OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability). It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. It requires a government employer to recognize a total OPEB liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a government employer makes a contribution to a defined benefit pension plan between the measurement date of the reported total OPEB liability and the end of the government's reporting period, it requires that the government recognize its contribution as a deferred outflow of resources. The following represents the retroactive restatement of net position as a result of implementation of GASB Statement No. 75 and prior period adjustment as noted above:

JOHNSON COUNTY, TEXAS*Notes to the Financial Statements*

For The Year Ended September 30, 2018

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

	<u>2018</u>
<u>Governmental Activities</u>	
Net position, September 30, previously reported	\$ 92,618,028
Addition of total OPEB liability	<u>(1,497,208)</u>
Net position, September 30, restated	<u>\$ 91,120,820</u>

The total OPEB obligation reported under GASB Statement 45 as of September 30, 2017 was \$ 1,775,621 and the total OPEB liability reported under GASB Statement 75 as of September 30, 2017 was \$ 3,272,829. The increase in OPEB from GASB Statement 45 to GASB Statement 75 was \$ 1,497,208, which is the prior period adjustment above.

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. Investments are classified as either short-term investments or investments. Short-term investments have a maturity of one year or less and investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures. Cash and temporary investments as reported on the financial statements at September 30, 2018 are as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 17,074	\$	\$ 17,074
Financial Institution Deposits:			
Demand deposits	9,899,570	12,842,812	22,742,382
Broker-Dealer:			
Demand deposits	47,707		47,707
Local Government Investment Pool:			
Texas CLASS	<u>16,271,146</u>		<u>16,271,146</u>
Sub-total	<u>26,235,497</u>	<u>12,842,812</u>	<u>39,078,309</u>
Short-Term Investments:			
Broker Dealer:			
Certificates of deposit	<u>14,825,772</u>		<u>14,825,772</u>
Subtotal	<u>14,825,772</u>	<u>-0-</u>	<u>14,825,772</u>
Investments:			
Broker-Dealer:			
U.S. Treasury Bonds/Notes	3,128,424		3,128,424
U.S. Agency Securities	1,975,460		1,975,460
Certificates of deposit	<u>597,475</u>		<u>597,475</u>
Sub-total	<u>5,701,359</u>	<u>-0-</u>	<u>5,701,359</u>
Total Cash and Temporary Investments, Short-Term Investments and Investments	<u>\$ 46,762,628</u>	<u>\$ 12,842,812</u>	<u>\$ 59,605,440</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized in an amount equal to 110 percent of uninsured balances.

At year-end, in addition to petty cash accounts of \$ 17,074, the carrying amount of the County's financial institution deposits, was \$ 38,213,336, while the financial institution balances totaled \$ 38,732,302. Of these balances, \$ 4,239,792 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, \$ 15,131,000 was covered by federal depository insurance coverage, \$ 47,707 was covered by the Securities Investor Protection Corporation and \$ 19,313,803 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, 2018

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

Texas CLASS was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. Per State Code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds and maximize yield. The Texas CLASS agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. Texas CLASS seeks to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. Texas CLASS is rated AAAM and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

At September 30, 2018 Texas CLASS had a weighted average maturity of 52 days. Although Texas CLASS had a weighted average maturity of 52 days, the County considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

As of September 30, 2018, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Certificates of Deposit	\$ 15,423,247	574
Texas CLASS	16,271,146	52
Government Securities	3,128,424	264
U.S. Agency Securities	<u>1,975,460</u>	542
Total	<u>\$ 36,798,277</u>	315

Credit Risk – As of September 30, 2018, the LGIP's (which represent approximately 44.22% of the investment portfolio) are rated AAAM by Standard and Poor's, the United States securities and agencies (which represent 13.87% of the investment portfolio) were covered by private insurance and the certificates of deposit (which represents 41.91% of the investment portfolio) were covered by Federal Depository Insurance coverage, respectively, therefore, the County does not have a significant exposure to credit risk.

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 3 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Fair Value Measures

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

The following table sets forth by level, within the fair value hierarchy, the County's assets at fair value as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government Securities	\$ 3,128,424	\$	\$	\$ 3,128,414
U.S. Agency Securities	<u>1,975,460</u>	<u> </u>	<u> </u>	<u>1,975,460</u>
Total assets at fair value	<u>\$ 5,103,884</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 5,103,884</u>

Derivatives

Interest in derivative products has increased in recent years. Derivatives are investment products, which may be a security or contract, which derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The County made no direct investments in derivatives during the year ended September 30, 2018, and holds no direct investments in derivatives at September 30, 2018.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 4 - RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS

Receivables and Allowances

Receivables as of September 30, 2018, for the government's individual governmental major and nonmajor funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Major Funds</u>			<u>Non-Major Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds</u>
Receivables:					
Property Taxes	\$ 2,533,726	\$ 362,684	\$ 215,819	\$ 107,484	\$ 3,219,713
Accounts	1,439,975	124,812		17,605	1,582,392
Due from other governments	<u>66,391</u>			<u>183,532</u>	<u>249,923</u>
Gross receivables	4,040,092	487,496	215,819	308,621	5,052,028
Less Allowance for Uncollectible:					
Property taxes	<u>1,992,124</u>	<u>302,408</u>	<u>169,270</u>	<u>87,621</u>	<u>2,551,423</u>
Net receivables	<u>\$ 2,047,968</u>	<u>\$ 185,088</u>	<u>\$ 46,549</u>	<u>\$ 221,000</u>	<u>\$ 2,500,605</u>
				<u>Fiduciary Fund</u>	
Receivables:					
Accounts:					
Adult probationers					\$ 127,265
Others					<u>43,557</u>
Net total receivables					<u>\$ 170,822</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 and state as of September 30, 2018 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Total</u>
Major Governmental Funds:			
General fund	\$ 47,909	\$ 18,482	\$ 66,391
Non-major governmental funds	<u>13,101</u>	<u>170,431</u>	<u>183,532</u>
Total	<u>\$ 61,010</u>	<u>\$ 188,913</u>	<u>\$ 249,923</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 4 - RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS - Continued

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net position. Since these receivables do not represent current available resources, they are not reported in the governmental funds balance sheet. The allowance for uncollectible receivables related to the County’s various court assessments is determined based on historical experience and evaluation of collectability in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of September 30, 2018:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 393,836	\$ 118,151	\$ 275,685
County courts	2,297,307	574,327	1,722,980
District courts	<u>13,888,916</u>	<u>6,944,457</u>	<u>6,944,459</u>
Total	<u>\$ 16,580,059</u>	<u>\$ 7,636,935</u>	<u>\$ 8,943,124</u>

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

Governmental Funds

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2018, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Governmental Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>General Debt Service Fund</u>	<u>Other Governmental Funds</u>	
Deferred Inflows of Resources:					
Delinquent property taxes receivable	\$ 417,084	\$ 48,624	\$ 35,500	\$ 15,297	\$ 516,505
Unearned Revenue:					
State grants				9,411	9,411
State allocations	<u>34,828</u>				<u>34,828</u>
Total	<u>\$ 451,912</u>	<u>\$ 48,624</u>	<u>\$ 35,500</u>	<u>\$ 24,708</u>	<u>\$ 560,744</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

Governmental Activities

Governmental activities defer the recognition of pension and OPEB expense for contributions made from the measurement date to the current year-end of September 30, 2018 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of September 30, 2018, the various components of deferred outflows and inflows of resources and unearned revenue reported in the governmental activities were as follows:

<u>Governmental Activities:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Unearned Revenue</u>
Bond refunding costs (net of accumulated amortization)	\$ 38,172	\$	\$
Pension Related:			
Differences between expected and actual experience	145,607	457,218	
Differences between projected and actual investment earnings	3,591,381	4,728,925	
Changes in assumptions	563,050		
Subsequent contributions	2,169,052		
OPEB Related:			
Changes in assumptions		69,538	
Unearned Revenue:			
State grants			9,411
State allocations			34,828
Totals	<u>\$ 6,507,262</u>	<u>\$ 5,255,681</u>	<u>\$ 44,239</u>

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2018 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-18</u>
General Fund	Road & Bridge Fund	\$ 35
General Fund	Other Governmental Funds	<u>194,902</u>
Total		<u>\$ 194,937</u>

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Interfund transfers for the year ended September 30, 2018 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-18</u>
General Fund	Other Governmental Funds	\$ 3,707,853
General Fund	Road & Bridge Fund	3,498
Other Governmental Funds	General Fund	304,026
Other Governmental Funds	Other Governmental Funds	<u>59,000</u>
Total		<u>\$ 4,074,377</u>

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

NOTE 7 - CAPITAL ASSETS

Capital Transactions

	Balance 10-01-17	Additions	Retirements	Adjustments & Transfers	Balance 09-30-18
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 3,038,291		\$ 46,383		\$ 2,991,908
Construction in progress	<u>6,530,217</u>	<u>1,481,947</u>		(7,719,438)	<u>292,726</u>
Total capital assets not being depreciated	<u>9,568,508</u>	<u>1,481,947</u>	<u>46,383</u>	(7,719,438)	<u>3,284,634</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	77,498,384		365,633	7,465,810	84,598,561
Furniture, equipment and vehicles	29,539,444	1,188,958	588,920	60,340	30,199,822
Infrastructure	<u>38,117,217</u>	<u>705,600</u>	<u>412,362</u>	<u>193,288</u>	<u>38,603,743</u>
Total capital assets being depreciated	<u>145,155,045</u>	<u>1,894,558</u>	<u>1,366,915</u>	<u>7,719,438</u>	<u>153,402,126</u>
Less Accumulated Depreciation For:					
Buildings and improvements	27,400,338	2,692,289	202,749		29,889,878
Furniture, equipment and vehicles	21,058,066	2,871,126	547,136		23,382,056
Infrastructure	<u>24,495,569</u>	<u>1,893,315</u>	<u>412,361</u>		<u>25,976,523</u>
Total accumulated depreciation	<u>72,953,973</u>	<u>7,456,730</u>	<u>1,162,246</u>	-0-	<u>79,248,457</u>
Total capital assets being depreciated, net	<u>72,201,072</u>	(5,562,172)	<u>204,669</u>	<u>7,719,438</u>	<u>74,153,669</u>
Governmental activities capital assets, net	<u>\$ 81,769,580</u>	<u>\$ (4,080,225)</u>	<u>\$ 251,052</u>	<u>\$ -0-</u>	<u>\$ 77,438,303</u>

During the year ended September 30, 2018, the County received equipment and roads from various sources totaling \$ 744,220.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 7 - CAPITAL ASSETS - Continued

Depreciation

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

	<u>09-30-18</u>
Governmental Activities:	
General government	\$ 2,156,183
Administration of justice	32,965
Law enforcement	2,432,213
Highways and streets	2,780,234
Health and welfare	41,587
Culture and recreation	<u>13,548</u>
Total depreciation expense	<u>\$ 7,456,730</u>

Construction Commitments

Construction in progress for various projects at September 30, 2018 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
Building renovation projects	\$ <u>18,230</u>	\$ _____	\$ <u>18,230</u>
Total	\$ <u>18,230</u>	\$ <u>-0-</u>	\$ <u>18,230</u>

NOTE 8 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2018, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	<u>Governmental Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Other Governmental Funds</u>	
Accounts and Accrued Liabilities Payable:				
Vendors	\$ 2,370,189	\$ 223,034	\$ 360,524	\$ 2,953,747
Accrued compensation	927,827	127,177	36,700	1,091,704
Due to others	<u>594,308</u>	_____	<u>155,122</u>	<u>749,430</u>
Total	<u>\$ 3,892,324</u>	<u>\$ 350,211</u>	<u>\$ 552,346</u>	<u>\$ 4,794,881</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

	<u>Fiduciary Funds</u>
Accounts and Accrued Liabilities Payable:	
Vendors	\$ 11,525
Bonds payable	71,484
Accrued compensation	<u>103,524</u>
 Total	 <u>\$ 186,533</u>

NOTE 9 - LONG-TERM DEBT

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2018, are summarized as follows:

	<u>Interest Rate %</u>	<u>Series Dates</u>			<u>Bonds Outstanding 09-30-18</u>
		<u>Issued</u>	<u>Maturity</u>	<u>Callable</u>	
General Obligation Refunding Bonds, Series 2017	4.00 - 4.15	2017	2020		\$ 4,370,000
Certificates of Obligation Bonds Taxable Series 2015	1.704 - 4.627	2015	2035	2025	<u>20,055,000</u>
Total					<u>\$ 24,425,000</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2018 were as follows:

Bonds outstanding, October 1, 2017	\$ 26,920,000
Maturities	<u>(2,495,000)</u>
Bonds outstanding, September 30, 2018	<u>\$ 24,425,000</u>

The bond ordinances require that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. For the year ended September 30, 2018, the amount of ad valorem taxes collected for interest and sinking were \$ 3,442,377, while the debt service requirements for principal and interest was \$ 3,350,496. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 9 - LONG-TERM DEBT - Continued

General Obligation Bonded Debt

The following is a summary of general obligation bond requirements by year as of September 30, 2018:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2019	\$ 2,665,000	\$ 818,922	\$ 3,483,922
2020	2,835,000	778,451	3,613,451
2021	585,000	749,457	1,334,457
2022	1,020,000	726,859	1,746,859
2023	1,050,000	696,011	1,746,011
2024-2028	5,820,000	2,911,809	8,731,809
2029-2033	7,115,000	1,612,012	8,727,012
2034-2035	<u>3,335,000</u>	<u>156,045</u>	<u>3,491,045</u>
Total	<u>\$ 24,425,000</u>	<u>\$ 8,449,566</u>	<u>\$ 32,874,566</u>

On May 24, 2017 the County sold \$ 6,425,000 of General Obligation Refunding Bonds, Series 2017. The net proceeds of \$ 6,360,661 were placed in escrow for the defeasement of \$ 6,285,000 in General Obligation, Series 2007 bonds. These refunding bonds (Series 2017) were issued for the purpose of generating resources and decreasing the total debt service payments. This refunding issue defeased a portion of the outstanding certificates of obligation bonds from the original issue of 2001. All future debt service payments on the original bonds were provided for by placing the proceeds of the refunding bonds in an irrevocable trust. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's basic financial statements. The difference between the cash flow required to service the old debt and that required to service the new debt and complete the refunding was a decrease of \$ 243,486. The economic gain resulting from the transaction was \$ 252,186.

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

Tax Note Debt

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

	<u>Interest Rate %</u>	<u>Issued</u>	<u>Maturity</u>	<u>Callable</u>	<u>Tax Note Outstanding 09-30-18</u>
Tax Note: Series 2013	1.82	2013	2020	2015	\$ <u>2,605,000</u>
Total					\$ <u>2,605,000</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 9 - LONG-TERM DEBT - Continued

Tax Note Debt - continued

Tax note transactions for the year ended September 30, 2018 were as follows:

Tax notes outstanding, October 1, 2017	\$ 2,890,000
Maturities	<u>(285,000)</u>
Tax notes outstanding, September 30, 2018	<u>\$ 2,605,000</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, 2018, the amount of ad valorem taxes collected for interest and sinking were \$ 340,146, while the debt service requirements for principal and interest was \$ 335,330. The tax note resolution provides for the acceleration of maturity in the event of default.

The following is a summary of tax note requirements by year as of September 30, 2018:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2019	\$ 160,000	\$ 45,955	\$ 205,955
2020	30,000	44,226	74,226
2021	<u>2,415,000</u>	<u>21,976</u>	<u>2,436,976</u>
Total	<u>\$ 2,605,000</u>	<u>\$ 112,157</u>	<u>\$ 2,717,157</u>

Changes in Long-Term Debt

Transactions for the year ended September 30, 2018 are summarized as follows:

	<u>Balance 10-01-17</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 09-30-18</u>	<u>Due Within One Year</u>
Governmental Type Activities:					
General obligation bonds	\$ 6,315,000	\$	\$ 1,945,000	\$ 4,370,000	\$ 2,105,000
Certificates of obligation bonds	20,605,000		550,000	20,055,000	560,000
Tax note payable	2,890,000		285,000	2,605,000	160,000
Premium on bonds	14,927		6,277	8,650	6,277
Net pension liability	10,446,417	1,937,057	7,571,284	4,812,190	
Total OPEB liability	3,272,829	437,703	187,798	3,522,734	
Compensated absences	<u>1,052,219</u>	<u>1,156,229</u>	<u>1,149,021</u>	<u>1,059,427</u>	<u>965,213</u>
Total governmental activities	<u>\$ 44,596,392</u>	<u>\$ 3,530,989</u>	<u>\$ 11,694,380</u>	<u>\$ 36,433,001</u>	<u>\$ 3,796,490</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 10 - LEASING OPERATIONS

Operating Leases - Lessor

The County is involved in various operating leases as lessor. These leases are for facilities rental. These leases expire from 2019 through 2026. The County has not determined the cost of these facilities as of September 30, 2018.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2018, for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u> <u>September 30,</u>	
2019	\$ 12,772
2020	7,652
2021	5,092
2022	5,092
2023	5,092
Thereafter	<u>15,276</u>
Total	<u>\$ 50,976</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2018 was \$ 158,423.

NOTE 11. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

Plan Description - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 760 non-traditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 79768-2034.

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

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

	<u>Plan Year 2017</u>	<u>Plan Year 2018</u>
Employee deposit rate	7.00%	7.00%
Employer deposit rate	10.36%	10.82%
Matching ratio (County to employee)	2 to 1	2 to 1
Years required for vesting	8	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20	60/8, 0/20

Employees Covered by Benefit Terms:

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	331
Inactive employees entitled to but not yet receiving benefits	441
Active employees	<u>580</u>
	<u><u>1,352</u></u>

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

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

Employees of the County were required to contribute 7% of their annual compensation during the fiscal year. The County’s required contribution rates of 10.82% and 10.36% in calendar years 2018 and 2017, respectively. The County’s contributions to TCDRS for the year ended September 30, 2018 were \$ 2,704,447.

Net Pension Liability/Asset - The County’s Net Pension Liability/Asset (NPL/NPA) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/Asset was determined by an actuarial valuation as of that date.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	3.25% per year
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2017 financial reporting metrics are the same as those used in the December 31, 2017 actuarial valuation analysis for Johnson County.

Following is a description of the assumptions used in the December 31, 2017 actuarial valuation analysis for Johnson County. This information may also be found in the Johnson County December 31, 2017 Summary Valuation Report.

Economic Assumptions:

TCDRS System-Wide Economic Assumptions

Real rate of return	5.25%
Inflation	5.75%
Long-term investment return	8.00%

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.

Employer Specific Economic Assumptions

Growth in membership	0.00%
Payroll growth	3.25%

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on the January 2018 information for a 10 year horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon. The most recent analysis was performed in 2017. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.55%
Private Equities	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.55%
Global Equities	MSCI World (net) index	1.50%	4.85%
International Equities – Developed	MSCI World Ex USA (net) index	11.00%	4.55%
International Equities - Emerging	MSCI EM Standard (net) index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund Of Funds Composite Index	18.00%	4.10%
Total		100.00%	8.10%

⁽¹⁾ Target asset allocation adopted at the April 2018 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.95%, per Cliffwater's 2018 capital market assumptions

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

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

Discount Rate – The discount rate is the single rate of return that, when applied to all projected benefit payment results in an actuarial present value of projected benefit payments equal to the total of the following:

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

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

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

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

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance as of December 31, 2016	\$ 101,440,827	\$ 90,994,410	\$ 10,446,417
Changes for the Year:			
Service cost	3,602,644		3,602,644
Interest on total pension liability ⁽¹⁾	8,331,782		8,331,782
Effect of plan changes ⁽²⁾			-0-
Effect of economic/demographic gains or losses	(183,883)		(183,883)
Effect of assumptions changes or inputs	409,272		409,272
Refunds of contributions	(256,095)	(256,095)	-0-
Contributions – employer		2,704,447	(2,704,447)
Contributions – employee		1,873,863	(1,873,863)
Net investment income		13,284,062	(13,284,062)
Benefit payment,	(4,194,494)	(4,194,494)	-0-
Administrative expense		(69,388)	69,388
Other changes ⁽³⁾		1,058	(1,058)
Balance as of December 31, 2017	<u>\$ 109,150,053</u>	<u>\$ 104,337,863</u>	<u>\$ 4,812,190</u>

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

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

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

	1% Decrease In Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase In Discount Rate (9.10%)
Total pension liability	\$ 123,267,176	\$ 109,150,053	\$ 97,260,168
Fiduciary net position	<u>104,337,863</u>	<u>104,337,863</u>	<u>104,337,863</u>
Net pension liability / (asset)	<u>\$ 18,929,313</u>	<u>\$ 4,812,190</u>	<u>\$ (7,077,695)</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

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

<i>Pension Expense (Income):</i>	Year Ended <u>12-31-17</u>
Service cost	\$ 3,602,644
Interest on total pension liability ⁽¹⁾	8,331,782
Effect of plan changes	-0-
Administrative expenses	69,388
Member contributions	(1,873,863)
Expected investment return net of investment expenses	(7,372,906)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(276,627)
Recognition of assumption changes or inputs	358,415
Recognition of investment gains or losses	664,985
Other ⁽²⁾	<u>(1,058)</u>
 Pension expense (income)	 <u>\$ 3,502,760</u>

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

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

Deferred Inflows and Outflows - At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 145,607	\$ 457,218
Difference between projected and actual investment earnings	3,591,381	4,728,925
Changes in assumptions	563,050	
Contributions subsequent to the measurement date ⁽³⁾	<u>2,169,052</u>	<u> </u>
 Totals	 <u>\$ 6,469,090</u>	 <u>\$ 5,186,143</u>

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

Year Ended <u>September 30,</u>	
2018	\$ 730,926
2019	569,901
2020	(1,004,701)
2021	(1,182,231)
2022	-0-
Thereafter ⁽⁴⁾	-0-

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description - The County's defined benefit OPEB plan, Johnson County Retiree Health Care Plan (JCRHCP), provides medical benefits to plan members of the County. JCRHCP is a single-employer defined benefit OPEB plan administered by the County. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - Plan participants are full-time regular employees who, at the time they leave County employment, are:

1. Eligible for retirement benefits under Texas County and District Retirement guidelines, and
2. Have a total of 20 years of service with Johnson County, of which at least 10 years are continuous service, and
3. Are covered under the County group health insurance program at the time of the separation, and
4. Are not Medicare eligible, or

Elected officials who, at the time they leave Johnson County employment, are:

1. Eligible for retirement benefits under Texas County and District Retirement guidelines, and
2. Have a total of 16 years of service with the County, of which at least 10 years are continuous service, and
3. Are covered under the County group health insurance program at the time of their separation, and
4. Are not Medicare eligible.

Members retiring under TCDRS disability retirement provisions must satisfy social security disability requirements that are therefore Medicare eligible. Disabled retirees are not eligible for the County's health insurance. Retiree healthcare ceases when a covered retiree becomes eligible for Medicare coverage.

Coverage for dependents who are not Medicare eligible and who are participants in the County's group health insurance plan at the time of the employee's separation may also be continued. Premiums will be paid for by the retiree and are to be made to the County Treasurer no later than the 10th day of each month. In the event of the retiree's death, covered dependents may continue coverage until they become Medicare eligible provided they make required premium payments on a timely basis.

The following table provides a summary of the number of participants in the plan as of September 30, 2018:

Inactive plan members or beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>484</u>
	<u>494</u>

Contributions - Local Government Code Section 157.102 assigns to Commissioners Court the authority to establish and amend contribution requirements of the plan members. The County may contribute all, part of, or none of the premium payment. The County's contribution, if any, will be determined annually by Commissioners Court during the County budget process and will be effective on a fiscal year basis. The County does not contribute toward the cost of coverage for retirees who do not meet the eligibility requirements. The County pays no more for retiree healthcare than the premium it pays for active employees for each rate tier structure (retiree only, retiree + spouse, retiree + child, retiree + children, retiree + family).

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

The plan is funded on a pay-as-you-go basis. For the year ended September 30, 2018, the total benefit payments made to the plan was \$ 109,424. The total benefit payments made include explicit benefit payments made by the County of \$ 78,954 and an implicit benefit payment of \$ 30,470. The implicit subsidy is calculated using a factor which equals the ratio of the expected implicit subsidy to the expected total medical premiums. Since the plan utilizes blended premiums, the benefit payments must include an adjustment for the implicit subsidy. This adjustment reflects the underlying costs of the benefits provided to retirees.

Total OPEB Liability - The County's total OPEB liability of \$ 3,522,734 was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs - The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual Entry-Age
Discount rate	3.83%
Inflation	2.50%
Salary increases	0.50% to 5.00%, not including wage inflation of 3.25%
Health care trend rates	Initial rate of 7.50% declining to an ultimate rate of 6.00% after 7 years; Ultimate trend rate includes a 1.75% adjustment for the excise tax
Participation rates	90% for retirees eligible for the County subsidy; 10% for retirees not eligible for the County subsidy

The gender distinct RP-2014 Healthy Annuitant Mortality Tables are used with rates for males multiplied by 130% and rates for females multiplied by 110%. For healthy retirees, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

The gender distinct RP-2014 Disabled Retiree Mortality Tables are used with rates for males multiplied by 130% and rates for females multiplied by 115%. For disabled retirees, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

The gender distinct RP-2014 Employee Mortality Tables are used with rates for males and females multiplied by 90%. For active members, the valuation employs fully generational mortality projections based on 110% of the ultimate rates of Scale MP-2014.

The actuarial assumptions used in the September 30, 2018 valuation were based on the experience study covering the four-year period ending December 31, 2016, as conducted for the Texas County and District Retirement System.

Discount Rate - For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of a 20-year general obligation bond with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.83% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.50% as of the prior measurement date.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Changes in Total OPEB Liability - The changes in the total OPEB liability as of September 30, 2018 are as follows:

	<u>Total OPEB Liability</u>
Service cost	\$ 319,478
Interest on total OPEB liability	118,225
Changes in assumptions	(78,374)
Benefit payments	<u>(109,424)</u>
Net change in total OPEB liability	249,905
Total OPEB liability, September 30, 2017	<u>3,272,829</u>
Total OPEB liability, September 30, 2018	<u>\$ 3,522,734</u>

Changes in assumptions reflect a change in the discount rate from 3.50% as of September 30, 2017 to 3.83% as of September 30, 2018.

The benefit payments during the measurement period were determined as follows:

Explicit benefit payments (County's portion of premiums)	\$ 78,954
Implicit benefit payments	<u>30,470</u>
Total benefit payments	<u>\$ 109,424</u>

The implicit benefit payments took the total premiums of \$ 113,694 multiplied by a factor of 0.268. The factor equals the ratio of the expected implicit subsidy to the expected total medical premiums.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the County, calculated using the discount rate of 3.83%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate of 1 percentage-point lower (2.83%) or 1 percentage-point higher (4.83%) than the current rate:

	<u>1% Decrease In Discount Rate (2.83%)</u>	<u>Discount Rate (3.83%)</u>	<u>1% Increase In Discount Rate (4.83%)</u>
Total OPEB liability	\$ 3,760,217	\$ 3,522,734	\$ 3,288,653

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the County, calculated using the healthcare cost trend rate of 7.50%, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate rate of 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

	1% Decrease In Discount Rate <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase In Discount Rate <u>(8.50%)</u>
Total OPEB liability	\$ 3,097,275	\$ 3,522,734	\$ 4,027,341

<i>OPEB Expense:</i>	<u>Year Ended 09-30-18</u>
Service cost	\$ 319,478
Interest on total OPEB liability	118,225
Recognition of current year outflow (inflow) due to liabilities	<u>(8,836)</u>
OPEB expense	<u>\$ 428,867</u>

Deferred Inflows and Outflows - At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ _____	\$ <u>69,538</u>
Totals	\$ <u>-0-</u>	\$ <u>69,538</u>

The County did not have any contributions subsequent to the measurement date due to the measurement date and the date of this report both ending as of September 30, 2018.

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended September 30,</u>	
2019	\$(8,836)
2020	(8,836)
2021	(8,836)
2022	(8,836)
2023	(8,836)
Thereafter	(25,358)

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 13 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2018, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund, various special revenue funds, and capital projects fund. For the most part, these grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal financial assistance programs are covered by the requirements of the Single Audit Act and the Uniform Guidance.

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

NOTE 14 - BAIL BOND COLLATERAL

The County holds, as collateral, time deposits and other cash equivalents and real property pledged toward bail bonds. The County does not have access to the assets unless the bond is violated; therefore, these assets are not reported in the financial statements of the County as of September 30, 2018. As of September 30, 2018, bail bonds outstanding totaled \$ 10,600,250 and collateral pledged against these bonds amounted to \$ 1,690,065, respectively.

NOTE 15 - LITIGATION

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. Such lawsuits include various civil claims that are currently between the stages of discovery and pleadings. The outcome of these lawsuits and other claims are not presently determinable and the resolutions of these matters are not expected to have a material effect on the financial condition of the County. The County does not have any contingent estimated liability as of September 30, 2018.

NOTE 16 - RISK COVERAGE

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

NOTE 17 - LONG-TERM RECEIVABLE

The County enters into long-term repayment agreements with various entities. The following is a summary of the note receivable requirement, based on the expectation of collections, by year, as of September 30, 2018:

Year Ended <u>September 30,</u>	
2019	\$ <u>24,664</u>
Total	\$ <u><u>24,664</u></u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2018

NOTE 18 - TAX ABATEMENTS

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

For the year ended September 30, 2018, the County abated property taxes totaling \$ 654,662 under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 50 percent property tax abatement to an oil and gas company for the expansion and development of property to include buildings, structures, fixed machinery and equipment, site improvements plus office space and related fixed improvements necessary to the operation and administration of the facility to accommodate an industrial gas plant and all associated transmission equipment and lines. The abatement in the current fiscal year amounted to \$ 130,860.
- A 60 percent property tax abatement to a high technology manufacturer of building materials for the expansion of its current facility. The abatement in the current fiscal year amounted to \$ 107,523.
- A 75 percent property tax abatement to a manufacturer of tools for the construction of a new facility for increased manufacturing capacity and increased employment. The abatement in the current fiscal year amounts to \$ 145,908.
- A 75 percent property tax abatement to a retail company for the construction of a regional distribution center and increased employment. The abatement in the current fiscal year amounts to \$ 133,860.

NOTE 19 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 13, 2019, the date which the financial statements were available to be issued.



**REQUIRED SUPPLEMENTARY
INFORMATION**

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

For the Year Ended September 30, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 42,267,425	\$ 42,267,425	\$ 42,731,848	\$ 464,423
Intergovernmental	1,206,788	1,206,788	1,038,439	(168,349)
Prisoner housing services	9,900,000	11,431,715	11,431,715	-0-
Fees	7,025,800	7,025,800	7,188,793	162,993
Fines	1,339,000	1,339,000	1,347,316	8,316
Investment income	307,400	307,400	626,108	318,708
Miscellaneous	529,492	529,492	1,266,046	736,554
Total revenues	62,575,905	64,107,620	65,630,265	1,522,645
Expenditures				
Current:				
General government	15,493,497	15,034,385	13,594,123	1,440,262
Administration of justice	7,894,913	7,934,999	6,793,824	1,141,175
Financial administration	1,066,267	1,066,267	1,002,443	63,824
Elections	680,834	681,308	468,608	212,700
Law enforcement	34,983,095	36,562,641	35,336,045	1,226,596
Highways and streets				-0-
Health and welfare	1,066,365	1,092,213	1,008,669	83,544
Culture and recreation	270,191	270,191	243,673	26,518
Conservation	189,519	189,519	178,781	10,738
Capital outlay		110,286	110,285	1
Total expenditures	61,644,681	62,941,809	58,736,451	4,205,358
Excess (deficiency) of revenues over expenditures	931,224	1,165,811	6,893,814	5,728,003
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	10,000	10,000	10,764	764
Transfers in	153,536	153,536	304,026	150,490
Transfers out	(1,638,845)	(3,755,354)	(3,711,351)	44,033
Total other financing sources (uses)	(1,475,309)	(3,591,818)	(3,396,561)	195,257
Net change in fund balances	(544,085)	(2,426,007)	3,497,253	5,923,260
Fund balances – beginning	22,355,564	22,355,564	22,355,564	-0-
Fund balances – ending	\$ 21,811,479	\$ 19,929,557	\$ 25,852,817	\$ 5,923,260

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 3,514,517	\$ 3,514,517	\$ 3,408,754	\$ (105,763)
66,000	66,000	100,939	34,939
			-0-
2,133,000	2,133,000	2,047,391	(85,609)
			-0-
106,100	106,100	119,811	13,711
<u>125,000</u>	<u>125,000</u>	<u>339,582</u>	<u>214,582</u>
<u>5,944,617</u>	<u>5,944,617</u>	<u>6,016,477</u>	<u>71,860</u>
			-0-
			-0-
			-0-
			-0-
			-0-
10,709,166	10,593,224	6,266,830	4,326,394
			-0-
			-0-
			-0-
<u>1,766,377</u>	<u>1,981,460</u>	<u>835,524</u>	<u>1,145,936</u>
<u>12,475,543</u>	<u>12,574,684</u>	<u>7,102,354</u>	<u>5,472,330</u>
(6,530,926)	(6,630,067)	(1,085,877)	5,544,190
		362,662	362,662
		3,498	3,498
			-0-
<u>-0-</u>	<u>-0-</u>	<u>366,160</u>	<u>366,160</u>
(6,530,926)	(6,630,067)	(719,717)	5,910,350
<u>7,163,951</u>	<u>7,163,951</u>	<u>7,163,951</u>	<u>-0-</u>
<u>\$ 633,025</u>	<u>\$ 533,884</u>	<u>\$ 6,444,234</u>	<u>\$ 5,910,350</u>

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

Exhibit 7

For the Ten Years Ended September 30, 2018

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability				
Service cost	\$ 3,602,644	\$ 3,686,376	\$ 3,356,710	\$ 3,228,313
Interest on total pension liability	8,331,782	7,591,733	7,131,530	6,593,390
Effect of plan changes			(605,396)	
Effect of assumption changes or inputs	409,272		1,024,387	
Effect of economic/demographic (gains) or losses	(183,883)	291,215	(1,277,227)	63,386
Benefit payments/refunds of contributions	(4,450,589)	(4,014,436)	(3,799,131)	(3,231,425)
Net Change in Total Pension Liability	7,709,226	7,554,888	5,830,873	6,653,664
Total Pension Liability - beginning	<u>101,440,827</u>	<u>93,885,939</u>	<u>88,055,066</u>	<u>81,401,402</u>
Total Pension Liability - ending (a)	<u>\$ 109,150,053</u>	<u>\$ 101,440,827</u>	<u>\$ 93,885,939</u>	<u>\$ 88,055,066</u>
Fiduciary Net Position				
Employer contributions	\$ 2,704,447	\$ 2,617,668	\$ 2,511,927	\$ 2,470,381
Member contributions	1,873,863	1,805,291	1,703,829	1,688,738
Investment Income net of investment expense	13,284,062	6,229,109	(616,199)	5,292,764
Benefit payments/refunds of contributions	(4,450,589)	(4,014,436)	(3,799,131)	(3,231,425)
Administrative expense	(69,388)	(67,695)	(60,576)	(62,523)
Other	<u>1,058</u>	<u>409,118</u>	<u>199,540</u>	<u>(138,000)</u>
Net Change in Fiduciary Net Position	13,343,453	6,979,055	(60,610)	6,019,935
Fiduciary Net Position - beginning	<u>90,994,410</u>	<u>84,015,355</u>	<u>84,075,965</u>	<u>78,056,030</u>
Fiduciary Net Position - ending (b)	<u>\$ 104,337,863</u>	<u>\$ 90,994,410</u>	<u>\$ 84,015,355</u>	<u>\$ 84,075,965</u>
Net Pension Liability - ending (a)-(b)	<u>\$ 4,812,190</u>	<u>\$ 10,446,417</u>	<u>\$ 9,870,584</u>	<u>\$ 3,979,101</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	95.59%	89.70%	89.49%	95.48%
Pensionable covered payroll	\$ 26,104,730	\$ 25,789,868	\$ 24,340,413	\$ 24,124,827
Net Pension Liability as a Percentage of Covered Payroll	18.43%	40.51%	40.55%	16.49%

Note – This schedule is presented to illustrate the requirements to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown. Therefore, we have shown only years for which the new GASB statements have been implemented.

JOHNSON COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 For the Ten Years Ended September 30, 2018

Exhibit 8

<u>Year Ended September 30,</u>	<u>Actuarially Determined Contribution⁽¹⁾</u>	<u>Actual Employer Contribution⁽¹⁾</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll⁽²⁾</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2009	\$ 1,620,052	\$ 1,620,052	\$ -0-	\$ 20,558,024	7.9%
2010	1,925,944	1,925,944	-0-	22,103,414	8.7%
2011	2,000,716	2,000,716	-0-	22,249,616	9.0%
2012	2,108,049	2,108,049	-0-	22,655,060	9.3%
2013	2,216,698	2,216,698	-0-	22,856,128	9.7%
2014	2,407,913	2,407,913	-0-	23,781,437	10.1%
2015	2,492,624	2,492,624	-0-	24,205,219	10.3%
2016	2,707,614	2,707,614	-0-	26,561,630	10.2%
2017	2,687,041	2,687,041	-0-	26,059,464	10.3%
2018	2,801,251	2,801,251	-0-	26,149,000	10.7%

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

⁽²⁾ Payroll is calculated based on contributions as reported to TCDRS.

JOHNSON COUNTY, TEXAS*REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS*

Fiscal Year Ending September 30, 2018

Exhibit 9

	Year Ended September 30, <u>2018</u>
Total OPEB Liability	
Service cost	\$ 319,478
Interest on the Total OPEB Liability	118,225
Changes of assumptions	(78,374)
Benefit payments	<u>(109,424)</u>
Net Change in Total OPEB Liability	249,905
Total OPEB Liability – Beginning	<u>3,272,829</u>
Total OPEB Liability – Ending	<u>\$ 3,522,734</u>
Covered Payroll	<u>\$ 22,612,390</u>
Net OPEB Liability as a Percentage of Covered Payroll	<u>15.58%</u>

Notes to Schedule:

Changes in assumptions reflect a change in the discount rates each from 3.50% as of September 30, 2017 to 3.83% as of September 30, 2018.

The benefit payments during the measurement period were determined as follows:

a. Explicit benefit payments	\$ 78,954	(County's portion of medical premiums)
b. Implicit benefit payments	<u>30,470</u>	(Total medical premiums of \$ 113,694 x 0.268)
c. Total benefit payments	<u>\$ 109,424</u>	

The 0.268 factor equals the ratio of the expected implicit subsidy to the expected total medical premiums.

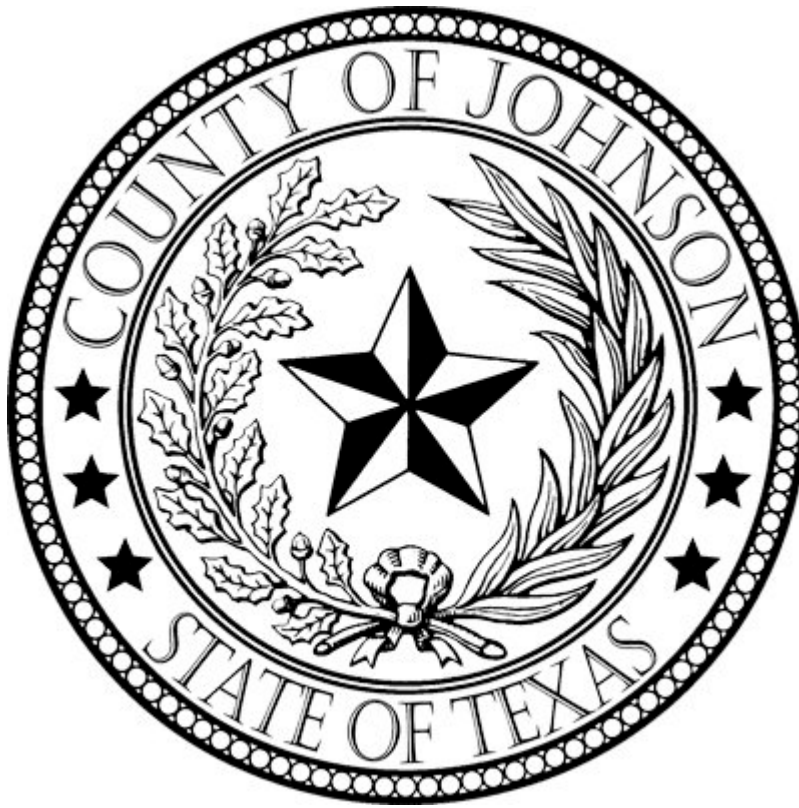
JOHNSON COUNTY, TEXAS

Notes to the Required Supplementary Information
For The Year Ended September 30, 2018

NOTE 1 - BUDGETARY INFORMATION

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

Although the level of budgetary control is total revenues plus available fund balance, the County adopts its budget at a line-item level for managerial control purposes. Line item level is defined for revenue purposes as the type of revenue to be derived and for expenditures purposes by department and type of expenditures (salaries and wages and employee benefits; operating expenditures; and capital outlay). Budget amendments to transfer budgeted amounts from one line item to another may be made at the discretion of the Commissioners Court.



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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.

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.

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

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.

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

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.

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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.

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.

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.

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.

County/District Court Technology Fund - This fund accounts for fees collected and utilized for the purchase and maintenance of technological enhancements, or the cost of continuing education and training of county/district court judges and clerks regarding technological enhancements.

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

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

Pecan Valley MHMR Fund - This fund accounts for the activities of Pecan Valley MHMR.

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.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

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

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

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.

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

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.

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

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

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

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

MVIE – Tax A/C Penalty & Interest - This fund accounts for interest earned from the Tax Assessor/Collector Special Inventory Account to provide more efficient service to dealers. Disbursement is at the discretion of the Tax Assessor/Collector.

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.

Edward Byrne Memorial Program Fund – This fund accounts for federal grant revenues to be utilized by law enforcement for the enhancement of technology, integration and computer forensics capabilities.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

Rifle Resistant Body Armor Grant Fund - This fund accounts for state grant revenues to be utilized for the purchase of National Institute of Justice approved ballistic body armor.

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

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

NONMAJOR GOVERNMENTAL FUNDS

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 C1 Construction Fund - This fund is used to account for funding and expenditures incurred in the renovation of an existing jail facility.

Jail C2 & C3 Construction Fund - This fund is used to account for expenditures incurred in the installation of an exterior insulated finish system for the C2 and C3 jail facilities.

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

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

Burleson Sub Courthouse Construction Fund - This fund is used to account for expenditures incurred in the renovation of the Burleson Sub Courthouse.



JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Special		
	Law Library Fund	Records Management and Preservation Fund	Vital Statistics Preservation Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 148,346	\$ 1,680,149	\$ 123,605
Short-term investments		72,777	
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Prepaid expenditures			
Investments		336,380	
Total assets	<u>148,346</u>	<u>2,089,306</u>	<u>123,605</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>\$ 148,346</u>	<u>\$ 2,089,306</u>	<u>\$ 123,605</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$ 8,558	\$ 66,368	\$
Due to other funds			
Unearned revenue			
Total liabilities	<u>8,558</u>	<u>66,368</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Nonspendable			
Restricted	139,788	2,022,938	123,605
Unassigned			
Total fund balance	<u>139,788</u>	<u>2,022,938</u>	<u>123,605</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 148,346</u>	<u>\$ 2,089,306</u>	<u>\$ 123,605</u>

Revenue Funds

<u>Election Services Contract Fund</u>	<u>STOP SCU Federal Forfeitures Fund</u>	<u>District Attorney Forfeiture Fund</u>	<u>Sheriff Forfeiture Fund</u>	<u>STOP SCU Forfeiture Fund</u>	<u>Juvenile Justice Alternative Education Fund</u>
\$ 345,453	\$ 4,516	\$ 114,622	\$ 209	\$ 259,802	\$ 80,410
				579	1,806
					7,271
<u>345,453</u>	<u>4,516</u>	<u>114,622</u>	<u>209</u>	<u>260,381</u>	<u>89,487</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 345,453</u>	<u>\$ 4,516</u>	<u>\$ 114,622</u>	<u>\$ 209</u>	<u>\$ 260,381</u>	<u>\$ 89,487</u>
\$ 55	\$	\$ 71	\$	\$	\$ 15,018
					2,078
<u>55</u>	<u>-0-</u>	<u>71</u>	<u>-0-</u>	<u>-0-</u>	<u>17,096</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
345,398	4,516	114,551	209	260,381	7,271
					65,120
<u>345,398</u>	<u>4,516</u>	<u>114,551</u>	<u>209</u>	<u>260,381</u>	<u>72,391</u>
<u>\$ 345,453</u>	<u>\$ 4,516</u>	<u>\$ 114,622</u>	<u>\$ 209</u>	<u>\$ 260,381</u>	<u>\$ 89,487</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2018

	Special		
	Juvenile Case Manager Fund	Juvenile Probation Fees Fund	Unclaimed Juvenile Restitution Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 107,502	\$ 39,356	\$ 683
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		553	
Due from other governments			
Prepaid expenditures	325		
Investments			
Total assets	<u>107,827</u>	<u>39,909</u>	<u>683</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>\$ 107,827</u>	<u>\$ 39,909</u>	<u>\$ 683</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$ 1,629		\$
Due to other funds			
Unearned revenue			
Total liabilities	<u>1,629</u>	<u>-0-</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Nonspendable	325		
Restricted	105,873	39,909	683
Unassigned			
Total fund balance	<u>106,198</u>	<u>39,909</u>	<u>683</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 107,827</u>	<u>\$ 39,909</u>	<u>\$ 683</u>

Revenue Funds

Justice of the Peace Technology Fund	Courthouse Security Fund	Justice Court Building Security Fund	Guardianship Fee Fund	Record Archives - County Clerk Fund	Record Archives - District Clerk Fund
\$ 403,326	\$ 72,372	\$ 89,134	\$ 43,920	\$ 680,438	\$ 85,961
<u>403,326</u>	<u>72,372</u>	<u>89,134</u>	<u>43,920</u>	<u>680,438</u>	<u>85,961</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 403,326</u>	<u>\$ 72,372</u>	<u>\$ 89,134</u>	<u>\$ 43,920</u>	<u>\$ 680,438</u>	<u>\$ 85,961</u>
\$ 22	\$ 1,241	\$	\$ 1,319	\$	\$
<u>22</u>	<u>1,241</u>	<u>-0-</u>	<u>1,319</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
403,304	71,131	89,134	42,601	680,438	85,961
<u>403,304</u>	<u>71,131</u>	<u>89,134</u>	<u>42,601</u>	<u>680,438</u>	<u>85,961</u>
<u>\$ 403,326</u>	<u>\$ 72,372</u>	<u>\$ 89,134</u>	<u>\$ 43,920</u>	<u>\$ 680,438</u>	<u>\$ 85,961</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2018

	County/ District Court Technology Fund	Court Records Preservation Digital Fund	Special District Court Records Technology Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 14,022	\$ 275,956	\$ 155,980
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Prepaid expenditures			
Investments			
	<u>14,022</u>	<u>275,956</u>	<u>155,980</u>
Deferred Outflows of Resources:			
Deferred outflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets and deferred outflows of resources	<u>\$ 14,022</u>	<u>\$ 275,956</u>	<u>\$ 155,980</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Nonspendable			
Restricted	14,022	275,956	155,980
Unassigned			
	<u>14,022</u>	<u>275,956</u>	<u>155,980</u>
Total fund balance	<u>14,022</u>	<u>275,956</u>	<u>155,980</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,022</u>	<u>\$ 275,956</u>	<u>\$ 155,980</u>

Revenue Funds

Pecan Valley MHMR Fund	Indigent Health Care Fund	Right of Way Fund	Historical Commission Fund	Pre-Trial Bond Supervision Fund	STOP SCU Operations Fund
\$ 5,542	\$ 1,694,942 857,652	\$ 168,406 617,417	\$ 29,310	\$ 193,622	\$ 133,647
	19,863 567	624		14,759	405
	507,421	587,240			3,911
<u>5,542</u>	<u>3,080,445</u>	<u>1,373,687</u>	<u>29,310</u>	<u>208,381</u>	<u>137,963</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 5,542</u>	<u>\$ 3,080,445</u>	<u>\$ 1,373,687</u>	<u>\$ 29,310</u>	<u>\$ 208,381</u>	<u>\$ 137,963</u>
\$	\$ 156,678 4	\$	\$	\$ 6,514	\$ 5,624
<u>-0-</u>	<u>156,682</u>	<u>-0-</u>	<u>-0-</u>	<u>6,514</u>	<u>5,624</u>
	15,297				
<u>-0-</u>	<u>15,297</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
5,542	2,908,466	1,373,687	29,310	201,867	3,911 128,428
<u>5,542</u>	<u>2,908,466</u>	<u>1,373,687</u>	<u>29,310</u>	<u>201,867</u>	<u>132,339</u>
<u>\$ 5,542</u>	<u>\$ 3,080,445</u>	<u>\$ 1,373,687</u>	<u>\$ 29,310</u>	<u>\$ 208,381</u>	<u>\$ 137,963</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2018

	Special		
	Sheriff Inmate Commissary Fund	Sheriff LEOSE Fund	County Attorney Collection Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 241,724	\$ 5,887	\$ 54,506
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		68	
Due from other governments			
Prepaid expenditures			
Investments			
Total assets	<u>241,724</u>	<u>5,955</u>	<u>54,506</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>\$ 241,724</u>	<u>\$ 5,955</u>	<u>\$ 54,506</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$ 27,256		\$
Due to other funds			
Unearned revenue			
Total liabilities	<u>27,256</u>	<u>-0-</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Nonspendable			
Restricted	214,468	5,955	54,506
Unassigned			
Total fund balance	<u>214,468</u>	<u>5,955</u>	<u>54,506</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 241,724</u>	<u>\$ 5,955</u>	<u>\$ 54,506</u>

Revenue Funds

County Attorney LEOSE Fund	District Attorney 18 th Judicial Fund	District Attorney Collection Fund	Combined Constables LEOSE Fund	MVIE Tax A/C Penalty & Interest Fund	Cities Readiness Initiative Fund
\$ 1,061	\$ 5,793	\$ 8,418	\$ 10,505	\$ 41,373	\$ 24,537
					12,601
<u>1,061</u>	<u>5,793</u>	<u>8,418</u>	<u>10,505</u>	<u>41,373</u>	<u>37,138</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 1,061</u>	<u>\$ 5,793</u>	<u>\$ 8,418</u>	<u>\$ 10,505</u>	<u>\$ 41,373</u>	<u>\$ 37,138</u>
\$	\$ 1,830	\$	\$ 300	\$	\$ 1,061 36,077
<u>-0-</u>	<u>1,830</u>	<u>-0-</u>	<u>300</u>	<u>-0-</u>	<u>37,138</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
1,061	3,963	8,418	10,205	41,373	-0-
<u>1,061</u>	<u>3,963</u>	<u>8,418</u>	<u>10,205</u>	<u>41,373</u>	<u>-0-</u>
<u>\$ 1,061</u>	<u>\$ 5,793</u>	<u>\$ 8,418</u>	<u>\$ 10,505</u>	<u>\$ 41,373</u>	<u>\$ 37,138</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2018

	Edward Byrne Memorial Program Fund	Juvenile Probation Fund	Special Rifle Resistant Body Armor Grant Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$	\$ 74,110	\$ 49,946
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts		50	
Due from other governments	500	91,913	49,946
Prepaid expenditures			
Investments			
Total assets	<u>500</u>	<u>166,073</u>	<u>99,892</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>\$ 500</u>	<u>\$ 166,073</u>	<u>\$ 99,892</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 166,073	\$ 49,946
Due to other funds	500		49,946
Unearned revenue			
Total liabilities	<u>500</u>	<u>166,073</u>	<u>99,892</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			
Unassigned			
Total fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 500</u>	<u>\$ 166,073</u>	<u>\$ 99,892</u>

Revenue Funds			Capital Projects Funds		
Indigent Defense Formula Grant Fund	TCEQ LEPC Grant Fund	Total Special Revenue Funds	Equipment Purchase Funds	Jail C1 Construction Fund	Jail C2 & C3 Construction Fund
\$ 81,609	\$	\$ 7,550,700	\$ 60,650	\$ 611,816	\$ 59,015
		1,547,846			
		19,863			
		17,605			
26,766		183,532			
	7,333	18,840			
		1,431,041			
<u>108,375</u>	<u>7,333</u>	<u>10,769,427</u>	<u>60,650</u>	<u>611,816</u>	<u>59,015</u>
<u>-0-</u>					
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ 108,375</u>	<u>\$ 7,333</u>	<u>\$ 10,769,427</u>	<u>\$ 60,650</u>	<u>\$ 611,816</u>	<u>\$ 59,015</u>
\$ 108,375	\$	\$ 509,563	\$ 42,783	\$	\$
		194,902			
	7,333	9,411			
<u>108,375</u>	<u>7,333</u>	<u>713,876</u>	<u>42,783</u>	<u>-0-</u>	<u>-0-</u>
		15,297			
<u>-0-</u>	<u>-0-</u>	<u>15,297</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	7,333	18,840			
	(7,333)	10,028,747	17,867	611,816	59,015
		(7,333)			
<u>-0-</u>	<u>-0-</u>	<u>10,040,254</u>	<u>17,867</u>	<u>611,816</u>	<u>59,015</u>
<u>\$ 108,375</u>	<u>\$ 7,333</u>	<u>\$ 10,769,427</u>	<u>\$ 60,650</u>	<u>\$ 611,816</u>	<u>\$ 59,015</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2018

	Capital Projects Funds		
	Construction Projects Fund	Software Projects Fund	Burleson Sub Courthouse Construction Fund
Assets and Deferred Outflows of Resources			
Assets:			
Cash and temporary investments	\$ 128,968	\$ 140,510	\$ 503,262
Short-term investments			
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Prepaid expenditures			
Investments			
Total assets	<u>128,968</u>	<u>140,510</u>	<u>503,262</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>\$ 128,968</u>	<u>\$ 140,510</u>	<u>\$ 503,262</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Unearned revenue			
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Deferred Inflows of Resources:			
Deferred inflows of resources			
Total deferred inflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Nonspendable			
Restricted	128,968	140,510	503,262
Unassigned			
Total fund balance	<u>128,968</u>	<u>140,510</u>	<u>503,262</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 128,968</u>	<u>\$ 140,510</u>	<u>\$ 503,262</u>

<u>Total Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
\$ 1,504,221	\$ 9,054,921
-0-	1,547,846
-0-	19,863
-0-	17,605
-0-	183,532
-0-	18,840
<u>-0-</u>	<u>1,431,041</u>
<u>1,504,221</u>	<u>12,273,648</u>
<u>-0-</u>	<u>-0-</u>
<u>\$ 1,504,221</u>	<u>\$ 12,273,648</u>
\$ 42,783	\$ 552,346
-0-	194,902
<u>-0-</u>	<u>9,411</u>
<u>42,783</u>	<u>756,659</u>
<u>-0-</u>	<u>15,297</u>
<u>-0-</u>	<u>15,297</u>
1,461,438	18,840
-0-	11,490,185
<u>-0-</u>	<u>(7,333)</u>
<u>1,461,438</u>	<u>11,501,692</u>
<u>\$ 1,504,221</u>	<u>\$ 12,273,648</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2018

	Special		
	Law Library Fund	Records Management and Preservation Fund	Vital Statistics Preservation Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	107,502	405,110	7,238
Fines			
Investment income	2,284	28,036	2,453
Miscellaneous			
Total revenues	<u>109,786</u>	<u>433,146</u>	<u>9,691</u>
Expenditures:			
Current:			
General government	112,168	210,878	
Administration of justice			
Elections			
Law enforcement			
Health and welfare			
Capital outlay			
Total expenditures	<u>112,168</u>	<u>210,878</u>	<u>-0-</u>
Excess (deficiency) of revenue over expenditures	<u>(2,382)</u>	<u>222,268</u>	<u>9,691</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>(2,382)</u>	<u>222,268</u>	<u>9,691</u>
Fund Balance:			
Beginning of year	<u>142,170</u>	<u>1,800,670</u>	<u>113,914</u>
End of year	<u>\$ 139,788</u>	<u>\$ 2,022,938</u>	<u>\$ 123,605</u>

Revenue Funds

Election Services Contract Fund	STOP SCU Federal Forfeitures Fund	District Attorney Forfeiture Fund	Sheriff Forfeiture Fund	STOP SCU Forfeiture Fund	Juvenile Justice Alternative Education Fund
\$ 3,404	\$	\$	\$	\$	\$ 40,434
5,408	71	1,285		57,464	
15,320		1,799	69	4,001	2,323
<u>24,132</u>	<u>71</u>	<u>3,084</u>	<u>69</u>	<u>18,264</u>	<u>42,757</u>
					211,821
2,176		71	7,583	1,026	
<u>2,176</u>	<u>-0-</u>	<u>71</u>	<u>7,583</u>	<u>1,026</u>	<u>211,821</u>
<u>21,956</u>	<u>71</u>	<u>3,013</u>	<u>(7,514)</u>	<u>78,703</u>	<u>(169,064)</u>
				6,603	170,000
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,603</u>	<u>170,000</u>
21,956	71	3,013	(7,514)	85,306	936
<u>323,442</u>	<u>4,445</u>	<u>111,538</u>	<u>7,723</u>	<u>175,075</u>	<u>71,455</u>
<u>\$ 345,398</u>	<u>\$ 4,516</u>	<u>\$ 114,551</u>	<u>\$ 209</u>	<u>\$ 260,381</u>	<u>\$ 72,391</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2018

	Special		
	Juvenile Case Manager Fund	Juvenile Probation Fees Fund	Unclaimed Juvenile Restitution Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	39,353	7,817	
Fines			
Investment income	1,722	1,163	9
Miscellaneous		77	189
Total revenues	<u>41,075</u>	<u>9,057</u>	<u>198</u>
Expenditures:			
Current:			
General government			
Administration of justice	47,610	6,184	
Elections			
Law enforcement			
Health and welfare			
Capital outlay			
Total expenditures	<u>47,610</u>	<u>6,184</u>	<u>-0-</u>
Excess (deficiency) of revenue over expenditures	<u>(6,535)</u>	<u>2,873</u>	<u>198</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	<u>(6,535)</u>	<u>2,873</u>	<u>198</u>
Fund Balance:			
Beginning of year	<u>112,733</u>	<u>37,036</u>	<u>485</u>
End of year	<u>\$ 106,198</u>	<u>\$ 39,909</u>	<u>\$ 683</u>

Revenue Funds

Justice of the Peace Technology Fund	Courthouse Security Fund	Justice Court Building Security Fund	Guardianship Fee Fund	Record Archives - County Clerk Fund	Record Archives - District Clerk Fund
\$	\$	\$	\$	\$	\$
30,458	80,423	7,616	11,617	360,700	13,092
6,214	742	1,359	778	8,376	1,256
<u>36,672</u>	<u>81,165</u>	<u>8,975</u>	<u>12,395</u>	<u>369,076</u>	<u>14,348</u>
1,628		1,182	30,282		
	19,629				
<u>5,480</u>	<u>10,097</u>				
<u>7,108</u>	<u>29,726</u>	<u>1,182</u>	<u>30,282</u>	<u>-0-</u>	<u>-0-</u>
<u>29,564</u>	<u>51,439</u>	<u>7,793</u>	<u>(17,887)</u>	<u>369,076</u>	<u>14,348</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
29,564	51,439	7,793	(17,887)	369,076	14,348
<u>373,740</u>	<u>19,692</u>	<u>81,341</u>	<u>60,488</u>	<u>311,362</u>	<u>71,613</u>
<u>\$ 403,304</u>	<u>\$ 71,131</u>	<u>\$ 89,134</u>	<u>\$ 42,601</u>	<u>\$ 680,438</u>	<u>\$ 85,961</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2018

	County/ District Court Technology Fund	Court Records Preservation Digital Fund	Special District Court Records Technology Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	4,804	34,220	28,390
Fines			
Investment income	202	4,096	2,241
Miscellaneous			
Total revenues	<u>5,006</u>	<u>38,316</u>	<u>30,631</u>
Expenditures:			
Current:			
General government			
Administration of justice	2,253		
Elections			
Law enforcement			
Health and welfare			
Capital outlay			
Total expenditures	<u>2,253</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue over expenditures	<u>2,753</u>	<u>38,316</u>	<u>30,631</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	2,753	38,316	30,631
Fund Balance:			
Beginning of year	<u>11,269</u>	<u>237,640</u>	<u>125,349</u>
End of year	<u>\$ 14,022</u>	<u>\$ 275,956</u>	<u>\$ 155,980</u>

Revenue Funds

Pecan Valley MHMR Fund	Indigent Health Care Fund	Right of Way Fund	Historical Commission Fund	Pre-Trial Bond Supervision Fund	STOP SCU Operations Fund
\$	\$ 1,561,864 38,587	\$	\$	\$	\$ 64,419
				175,603	
33	50,847	17,517	474	2,888	1,690
<u>5,509</u>				<u>577</u>	<u>1,284</u>
<u>5,542</u>	<u>1,651,298</u>	<u>17,517</u>	<u>474</u>	<u>179,068</u>	<u>67,393</u>
			1,872	125,785	
	995,762 240,805				133,114
<u>-0-</u>	<u>1,236,567</u>	<u>-0-</u>	<u>1,872</u>	<u>125,785</u>	<u>133,114</u>
<u>5,542</u>	<u>414,731</u>	<u>17,517</u>	<u>(1,398)</u>	<u>53,283</u>	<u>(65,721)</u>
			10,000		6,271 131,008
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,000</u>	<u>-0-</u>	<u>137,279</u>
5,542	414,731	17,517	8,602	53,283	71,558
<u>-0-</u>	<u>2,493,735</u>	<u>1,356,170</u>	<u>20,708</u>	<u>148,584</u>	<u>60,781</u>
<u>\$ 5,542</u>	<u>\$ 2,908,466</u>	<u>\$ 1,373,687</u>	<u>\$ 29,310</u>	<u>\$ 201,867</u>	<u>\$ 132,339</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2018

	Special		
	Sheriff Inmate Commissary Fund	Sheriff LEOSE Fund	County Attorney Collection Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees	830,775	9,608	8,282
Fines			
Investment income	4,491	135	846
Miscellaneous	153,049		
Total revenues	<u>988,315</u>	<u>9,743</u>	<u>9,128</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Elections			
Law enforcement	831,225	14,183	7,402
Health and welfare			
Capital outlay	27,900		
Total expenditures	<u>859,125</u>	<u>14,183</u>	<u>7,402</u>
Excess (deficiency) of revenue over expenditures	<u>129,190</u>	<u>(4,440)</u>	<u>1,726</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out	(173,687)		
Total other financing sources (uses)	<u>(173,687)</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	(44,497)	(4,440)	1,726
Fund Balance:			
Beginning of year	258,965	10,395	52,780
End of year	<u>\$ 214,468</u>	<u>\$ 5,955</u>	<u>\$ 54,506</u>

Revenue Funds

County Attorney LEOSE Fund	District Attorney 18 th Judicial Fund	District Attorney Collection Fund	Combined Constables LEOSE Fund	MVIE Tax A/C Penalty & Interest Fund	Cities Readiness Initiative Fund
\$	\$	\$	\$	\$	\$
	22,106				47,611
736		4,435	3,296		
18	104		257	636	
	<u>4,949</u>			<u>4,899</u>	
<u>754</u>	<u>27,159</u>	<u>4,435</u>	<u>3,553</u>	<u>5,535</u>	<u>47,611</u>
				838	1,004
1,021	2,759	2,006	1,174		
					46,607
<u>1,021</u>	<u>2,759</u>	<u>2,006</u>	<u>1,174</u>	<u>838</u>	<u>47,611</u>
(267)	<u>24,400</u>	<u>2,429</u>	<u>2,379</u>	<u>4,697</u>	<u>-0-</u>
	(21,964)				
-0-	(21,964)	-0-	-0-	-0-	-0-
(267)	2,436	2,429	2,379	4,697	-0-
<u>1,328</u>	<u>1,527</u>	<u>5,989</u>	<u>7,826</u>	<u>36,676</u>	<u>-0-</u>
<u>\$ 1,061</u>	<u>\$ 3,963</u>	<u>\$ 8,418</u>	<u>\$ 10,205</u>	<u>\$ 41,373</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, 2018

	Special		
	Edward Byrne Memorial Program Fund	Juvenile Probation Fund	Rifle Resistant Body Armor Grant Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	40,590	866,704	49,946
Fees			
Fines			
Investment income			
Miscellaneous			
Total revenues	<u>40,590</u>	<u>866,704</u>	<u>49,946</u>
Expenditures:			
Current:			
General government			
Administration of justice		866,704	
Elections			
Law enforcement	25,373		49,946
Health and welfare			
Capital outlay	<u>15,217</u>		
Total expenditures	<u>40,590</u>	<u>866,704</u>	<u>49,946</u>
Excess (deficiency) of revenue over expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Beginning of year			
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Revenue Funds			Capital Projects Funds		
Indigent Defense Formula Grant Fund	TCEQ LEPC Grant Fund	Total Special Revenue Funds	Equipment Purchase Funds	Jail C1 Construction Fund	Jail C2 & C3 Construction Fund
\$ 107,066	\$ 14,910	\$ 1,561,864	\$	\$	\$
		1,295,777			
		2,171,075			
		58,749			
1,309		155,847	6,173	9,931	15
		204,117	7,058		
<u>108,375</u>	<u>14,910</u>	<u>5,447,429</u>	<u>13,231</u>	<u>9,931</u>	<u>15</u>
	9,070	335,830	255,702		
		1,293,449			
		2,176			
		2,092,274	109,152		
		287,412	1,210		
	5,840	64,534	552,555	1,061,622	
<u>-0-</u>	<u>14,910</u>	<u>4,075,675</u>	<u>918,619</u>	<u>1,061,622</u>	<u>-0-</u>
<u>108,375</u>	<u>-0-</u>	<u>1,371,754</u>	<u>(905,388)</u>	<u>(1,051,691)</u>	<u>15</u>
		12,874			
		311,008	948,845	1,808,000	59,000
<u>(108,375)</u>		<u>(304,026)</u>		<u>(59,000)</u>	
<u>(108,375)</u>	<u>-0-</u>	<u>19,856</u>	<u>948,845</u>	<u>1,749,000</u>	<u>59,000</u>
<u>-0-</u>	<u>-0-</u>	<u>1,391,610</u>	<u>43,457</u>	<u>697,309</u>	<u>59,015</u>
		8,648,644	(25,590)	(85,493)	-0-
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 10,040,254</u>	<u>\$ 17,867</u>	<u>\$ 611,816</u>	<u>\$ 59,015</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2018

	Capital Projects Funds		
	Construction Projects Fund	Software Projects Fund	Burleson Sub Courthouse Construction Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines			
Investment income	423	510	3,262
Miscellaneous			
Total revenues	423	510	3,262
Expenditures:			
Current:			
General government			
Administration of justice			
Elections			
Law enforcement			
Health and welfare			
Capital outlay	7,765		
Total expenditures	7,765	-0-	-0-
Excess (deficiency) of revenue over expenditures	(7,342)	510	3,262
Other Financing Sources (Uses):			
Proceeds from sale of capital assets			
Operating transfers in		140,000	500,000
Operating transfers out			
Total other financing sources (uses)	-0-	140,000	500,000
Net change in fund balance	(7,342)	140,510	503,262
Fund Balance:			
Beginning of year	136,310	-0-	-0-
End of year	\$ 128,968	\$ 140,510	\$ 503,262

Funds

Total Capital Projects Funds	Total Non-Major Governmental Funds
\$ -0-	\$ 1,561,864
-0-	1,295,777
-0-	2,171,075
-0-	58,749
20,314	176,161
<u>7,058</u>	<u>211,175</u>
<u>27,372</u>	<u>5,474,801</u>
255,702	591,532
-0-	1,293,449
-0-	2,176
109,152	2,201,426
1,210	288,622
<u>1,621,942</u>	<u>1,686,476</u>
<u>1,988,006</u>	<u>6,063,681</u>
(<u>1,960,634</u>)	(<u>588,880</u>)
-0-	12,874
3,455,845	3,766,853
(<u>59,000</u>)	(<u>363,026</u>)
<u>3,396,845</u>	<u>3,416,701</u>
1,436,211	2,827,821
<u>25,227</u>	<u>8,673,871</u>
<u>\$ 1,461,438</u>	<u>\$ 11,501,692</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, 2018

Exhibit 12
Page 1 of 7

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government:				
County Clerk:				
Salaries and wages, and employee benefits	\$ 2,021,416	\$ 2,021,416	\$ 1,901,542	\$ 119,874
Operating expenditures	83,300	83,300	73,958	9,342
Total County Clerk	2,104,716	2,104,716	1,975,500	129,216
County Judge:				
Salaries and wages, and employee benefits	399,607	399,607	382,529	17,078
Operating expenditures	9,950	9,950	8,058	1,892
Total County Judge	409,557	409,557	390,587	18,970
County Commissioners:				
Salaries and wages, and employee benefits	494,686	494,686	489,082	5,604
Total County Commissioners	494,686	494,686	489,082	5,604
Veterans:				
Salaries and wages, and employee benefits	216,336	216,336	185,941	30,395
Operating expenditures	11,100	11,100	4,575	6,525
Total Veterans	227,436	227,436	190,516	36,920
Public Works:				
Salaries and wages, and employee benefits	1,457,397	1,457,397	1,354,597	102,800
Operating expenditures	58,533	58,533	50,576	7,957
Total Public Works	1,515,930	1,515,930	1,405,173	110,757
Building Maintenance:				
Operating expenditures	1,227,700	1,227,700	872,194	355,506
Total Building Maintenance	1,227,700	1,227,700	872,194	355,506
Purchasing:				
Salaries and wages, and employee benefits	316,293	316,293	315,027	1,266
Operating expenditures	32,230	34,230	26,983	7,247
Total Purchasing	348,523	350,523	342,010	8,513
Information Systems:				
Salaries and wages, and employee benefits	855,154	855,154	829,784	25,370
Operating expenditures	1,745,781	1,545,439	1,436,815	108,624
Capital outlay		60,342	60,341	1
Total Information Systems	2,600,935	2,460,935	2,326,940	133,995
Print Shop:				
Salaries and wages, and employee benefits	51,305	51,305	34,433	16,872
Operating expenditures	32,601	30,601	25,454	5,147
Total Print Shop	83,906	81,906	59,887	22,019

(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, 2018

Exhibit 12
Page 2 of 7

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government - Continued:				
Mail Room:				
Salaries and wages, and employee benefits	\$ 94,643	\$ 94,643	\$ 94,551	\$ 92
Operating expenditures	11,000	11,149	10,891	258
Total Mail Room	105,643	105,792	105,442	350
Telecommunications:				
Salaries and wages, and employee benefits	44,108	44,832	44,124	708
Total Telecommunications	44,108	44,832	44,124	708
Personnel:				
Salaries and wages, and employee benefits	335,817	335,817	311,247	24,570
Operating expenditures	27,800	28,506	10,521	17,985
Total Personnel	363,617	364,323	321,768	42,555
County Tax Collector:				
Salaries and wages, and employee benefits	1,435,800	1,435,800	1,385,121	50,679
Operating expenditures	295,617	296,079	132,657	163,422
Total County Tax Collector	1,731,417	1,731,879	1,517,778	214,101
Non-departmental:				
Salaries and wages, and employee benefits	350,959	364,161	350,314	13,847
Operating expenditures	3,884,364	3,610,351	3,263,149	347,202
Total Non-departmental	4,235,323	3,974,512	3,613,463	361,049
Total General Government	15,493,497	15,094,727	13,654,464	1,440,263
Administration of Justice:				
County Court at Law I:				
Salaries and wages, and employee benefits	574,773	573,898	550,174	23,724
Operating expenditures	319,000	319,875	279,990	39,885
Total County Court at Law I	893,773	893,773	830,164	63,609
County Court at Law II:				
Salaries and wages, and employee benefits	451,275	449,950	422,625	27,325
Operating expenditures	331,400	332,725	270,852	61,873
Total County Court at Law II	782,675	782,675	693,477	89,198
General District Court:				
Salaries and wages, and employee benefits	78,731	71,207	48,484	22,723
Operating expenditures	75,817	103,277	97,606	5,671
Total General District Court	154,548	174,484	146,090	28,394

(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, 2018

Exhibit 12
Page 3 of 7

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice – Continued:				
249 th District Court:				
Salaries and wages, and employee benefits	\$ 319,295	\$ 319,295	\$ 282,734	\$ 36,561
Operating expenditures	434,200	434,200	339,223	94,977
Total 249 th District Court	753,495	753,495	621,957	131,538
18 th District Court:				
Salaries and wages, and employee benefits	291,341	291,341	269,352	21,989
Operating expenditures	432,400	452,400	374,787	77,613
Total 18 th District Court	723,741	743,741	644,139	99,602
413 th District Court:				
Salaries and wages, and employee benefits	314,818	314,818	286,097	28,721
Operating expenditures	421,458	421,458	384,892	36,566
Total 413 th District Court	736,276	736,276	670,989	65,287
District Clerk:				
Salaries and wages, and employee benefits	1,265,172	1,265,172	1,233,714	31,458
Operating expenditures	75,442	75,442	74,343	1,099
Total District Clerk	1,340,614	1,340,614	1,308,057	32,557
Jury:				
Operating expenditures	145,000	145,000	98,018	46,982
Total Jury	145,000	145,000	98,018	46,982
Justice of the Peace #1:				
Salaries and wages, and employee benefits	282,458	282,458	280,202	2,256
Operating expenditures	15,810	15,810	11,701	4,109
Total Justice of the Peace #1	298,268	298,268	291,903	6,365
Justice of the Peace #2:				
Salaries and wages, and employee benefits	275,492	275,492	238,649	36,843
Operating expenditures	16,098	16,248	15,685	563
Total Justice of the Peace #2	291,590	291,740	254,334	37,406
Justice of the Peace #3:				
Salaries and wages, and employee benefits	279,016	279,016	269,483	9,533
Operating expenditures	15,300	15,300	12,320	2,980
Total Justice of the Peace #3	294,316	294,316	281,803	12,513
Justice of the Peace #4:				
Salaries and wages, and employee benefits	237,463	237,463	224,683	12,780
Operating expenditures	15,700	15,700	6,753	8,947
Total Justice of the Peace #4	253,163	253,163	231,436	21,727

(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, 2018

Exhibit 12
Page 4 of 7

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
Bail Bonds Office:				
Salaries and wages, and employee benefits	\$ 55,532	\$ 55,532	\$ 55,384	\$ 148
Operating expenditures	2,000	2,000	428	1,572
Total Bail Bonds Office	57,532	57,532	55,812	1,720
Adult Probation:				
Operating expenditures	7,600	7,600	2,850	4,750
Total Adult Probation	7,600	7,600	2,850	4,750
Juvenile Probation:				
Salaries and wages, and employee benefits	411,872	411,872	320,887	90,985
Operating expenditures	750,450	750,450	341,908	408,542
Total Juvenile Probation	1,162,322	1,162,322	662,795	499,527
Total Administration of Justice	7,894,913	7,934,999	6,793,824	1,141,175
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	834,315	834,315	820,803	13,512
Operating expenditures	52,669	52,669	22,148	30,521
Total County Auditor	886,984	886,984	842,951	44,033
County Treasurer:				
Salaries and wages, and employee benefits	167,083	167,083	149,650	17,433
Operating expenditures	12,200	12,200	9,842	2,358
Total County Treasurer	179,283	179,283	159,492	19,791
Total Financial Administration	1,066,267	1,066,267	1,002,443	63,824
Elections:				
Elections:				
Salaries and wages, and employee benefits	519,084	519,084	381,184	137,900
Operating expenditures	161,750	162,224	87,424	74,800
Total Elections	680,834	681,308	468,608	212,700
Law Enforcement				
County Attorney:				
Salaries and wages, and employee benefits	1,912,824	1,912,824	1,885,243	27,581
Operating expenditures	94,450	103,758	91,343	12,415
Total County Attorney	2,007,274	2,016,582	1,976,586	39,996

(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, 2018

Exhibit 12
Page 5 of 7

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
District Attorney:				
Salaries and wages, and employee benefits	\$ 1,958,293	\$ 1,958,293	\$ 1,868,701	\$ 89,592
Operating expenditures	126,265	126,265	106,484	19,781
Total District Attorney	2,084,558	2,084,558	1,975,185	109,373
County/District Attorney Supplement:				
Salaries and wages, and employee benefits	22,064	22,064	22,003	61
Total County/District Attorney Supplement	22,064	22,064	22,003	61
Constable - Precinct 1:				
Salaries and wages, and employee benefits	296,365	296,365	284,588	11,777
Operating expenditures	36,841	41,336	40,350	986
Total Constable - Precinct 1	333,206	337,701	324,938	12,763
Constable - Precinct 2:				
Salaries and wages, and employee benefits	262,521	262,521	262,844	(323)
Operating expenditures	30,651	30,651	22,670	7,981
Total Constable - Precinct 2	293,172	293,172	285,514	7,658
Constable - Precinct 3:				
Salaries and wages, and employee benefits	252,591	252,591	251,426	1,165
Operating expenditures	27,570	27,570	14,590	12,980
Total Constable - Precinct 3	280,161	280,161	266,016	14,145
Constable - Precinct 4:				
Salaries and wages, and employee benefits	263,074	263,074	257,572	5,502
Operating expenditures	38,026	41,187	38,284	2,903
Total Constable - Precinct 4	301,100	304,261	295,856	8,405
ASAP-JISD:				
Salaries and wages, and employee benefits	65,288	66,488	57,278	9,210
Operating expenditures	3,450	3,450	1,216	2,234
Total ASAP-JISD	68,738	69,938	58,494	11,444
ASAP-CISD:				
Salaries and wages, and employee benefits	130,195	120,402	121,534	(1,132)
Operating expenditures	10,000	20,043	9,793	10,250
Total ASAP-CISD	140,195	140,445	131,327	9,118

(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, 2018

Exhibit 12
Page 6 of 7

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
Sheriff Admin-Patrol:				
Salaries and wages, and employee benefits	\$ 7,784,513	\$ 7,764,416	\$ 7,476,350	\$ 288,066
Operating expenditures	772,200	802,809	751,428	51,381
Capital outlay		18,196	18,196	-0-
Total Sheriff Admin-Patrol	<u>8,556,713</u>	<u>8,585,421</u>	<u>8,245,974</u>	<u>339,447</u>
Sheriff-Jail:				
Salaries and wages, and employee benefits	1,147,283	1,147,283	1,105,855	41,428
Operating expenditures	<u>19,178,000</u>	<u>20,709,715</u>	<u>20,227,924</u>	<u>481,791</u>
Total Sheriff-Jail	<u>20,325,283</u>	<u>21,856,998</u>	<u>21,333,779</u>	<u>523,219</u>
Mansfield Interlocal:				
Salaries and wages, and employee benefits	85,445	85,445		85,445
Operating expenditures	<u>600</u>	<u>600</u>		<u>600</u>
Total Mansfield Interlocal	<u>86,045</u>	<u>86,045</u>	<u>-0-</u>	<u>86,045</u>
Texas DPS Office:				
Salaries and wages, and employee benefits	59,315	59,315	58,980	335
Operating expenditures	<u>750</u>	<u>750</u>	<u>562</u>	<u>188</u>
Total Texas DPS Office	<u>60,065</u>	<u>60,065</u>	<u>59,542</u>	<u>523</u>
SRO-Godley ISD:				
Salaries and wages, and employee benefits	71,258	71,258	69,514	1,744
Operating expenditures	<u>4,250</u>	<u>4,250</u>	<u>1,387</u>	<u>2,863</u>
Total SRO-Godley ISD	<u>75,508</u>	<u>75,508</u>	<u>70,901</u>	<u>4,607</u>
SRO-Joshua ISD:				
Salaries and wages, and employee benefits	201,761	202,304	154,779	47,525
Operating expenditures	<u>9,600</u>	<u>9,600</u>	<u>2,085</u>	<u>7,515</u>
Total SRO-Joshua ISD	<u>211,361</u>	<u>211,904</u>	<u>156,864</u>	<u>55,040</u>
SRO-Alvarado ISD:				
Salaries and wages, and employee benefits	129,452	147,814	147,615	199
Operating expenditures	<u>8,200</u>	<u>8,200</u>	<u>3,647</u>	<u>4,553</u>
Total SRO-Alvarado ISD	<u>137,652</u>	<u>156,014</u>	<u>151,262</u>	<u>4,752</u>
Total Law Enforcement	<u>34,983,095</u>	<u>36,580,837</u>	<u>35,354,241</u>	<u>1,226,596</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, 2018

Exhibit 12
Page 7 of 7

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Medical Examiner:				
Salaries and wages, and employee benefits	\$ 206,038	\$ 206,038	\$ 193,015	\$ 13,023
Operating expenditures	229,395	241,138	235,729	5,409
Capital outlay		22,399	22,399	-0-
Total Medical Examiner	435,433	469,575	451,143	18,432
Non-departmental:				
Operating expenditures	10,000	10,000	10,000	-0-
Total Non-departmental	10,000	10,000	10,000	-0-
Emergency Management:				
Salaries and wages, and employee benefits	185,418	185,418	144,018	41,400
Operating expenditures	17,075	19,629	12,954	6,675
Capital outlay		9,349	9,349	-0-
Total Emergency Management	202,493	214,396	166,321	48,075
Radio Management:				
Salaries and wages, and employee benefits	81,733	75,784	60,269	15,515
Operating expenditures	336,706	354,206	352,684	1,522
Total Radio Management	418,439	429,990	412,953	17,037
Total Health and Welfare	1,066,365	1,123,961	1,040,417	83,544
Culture and Recreation:				
Hamm Creek Park:				
Salaries and wages, and employee benefits	243,041	243,041	222,104	20,937
Operating expenditures	27,150	27,150	21,569	5,581
Total Hamm Creek Park	270,191	270,191	243,673	26,518
Total Culture and Recreation	270,191	270,191	243,673	26,518
Conservation:				
County Extension:				
Salaries and wages, and employee benefits	173,119	173,119	163,879	9,240
Operating expenditures	16,400	16,400	14,902	1,498
Total County Extension	189,519	189,519	178,781	10,738
Total Conservation	189,519	189,519	178,781	10,738
Total expenditures	\$ 61,644,681	\$ 62,168,592	\$ 58,736,451	\$ 3,432,141

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 13

For the Year Ended September 30, 2018

	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	\$ 993,513	\$ 1,071,413	\$ 977,727	\$ 93,686
Operating expenditures	1,708,764	1,565,864	514,252	1,051,612
Capital outlay	796,040	911,123	379,802	531,321
Total Road and Bridge Precinct 1	<u>3,498,317</u>	<u>3,548,400</u>	<u>1,871,781</u>	<u>1,676,619</u>
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	1,073,023	1,073,023	729,962	343,061
Operating expenditures	1,088,050	1,107,208	578,120	529,088
Capital outlay	252,337	252,337	119,515	132,822
Total Road and Bridge Precinct 2	<u>2,413,410</u>	<u>2,432,568</u>	<u>1,427,597</u>	<u>1,004,971</u>
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	1,269,161	1,269,161	1,032,267	236,894
Operating expenditures	1,622,975	1,552,975	716,513	836,462
Capital outlay	310,000	410,000	336,207	73,793
Total Road and Bridge Precinct 3	<u>3,202,136</u>	<u>3,232,136</u>	<u>2,084,987</u>	<u>1,147,149</u>
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	1,380,515	1,380,515	1,246,669	133,846
Operating expenditures	1,573,165	1,573,165	471,320	1,101,845
Capital outlay	408,000	408,000		408,000
Total Road and Bridge Precinct 4	<u>3,361,680</u>	<u>3,361,680</u>	<u>1,717,989</u>	<u>1,643,691</u>
Total expenditures	<u>\$ 12,475,543</u>	<u>\$ 12,574,784</u>	<u>\$ 7,102,354</u>	<u>\$ 5,472,430</u>

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

Exhibit 14

For the Year Ended September 30, 2018

	General Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 3,677,602	\$ 3,677,602	\$ 3,782,523	\$ 104,921
Investment income	10,100	10,100	19,423	9,323
Total revenues	<u>3,687,702</u>	<u>3,687,702</u>	<u>3,801,946</u>	<u>114,244</u>
Expenditures:				
Debt Service:				
Principal	2,780,000	2,780,000	2,780,000	-0-
Interest and fiscal charges	<u>907,702</u>	<u>907,702</u>	<u>905,826</u>	<u>1,876</u>
Total expenditures	<u>3,687,702</u>	<u>3,687,702</u>	<u>3,685,826</u>	<u>1,876</u>
Net change in fund balances	-0-	-0-	116,120	116,120
Fund balances – beginning	<u>846,414</u>	<u>846,414</u>	<u>846,414</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 846,414</u>	<u>\$ 846,414</u>	<u>\$ 962,534</u>	<u>\$ 116,120</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, 2018

	Law Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 94,100	\$ 94,100	\$ 107,502	\$ 13,402
Investment income	1,300	1,300	2,284	984
Total revenues	<u>95,400</u>	<u>95,400</u>	<u>109,786</u>	<u>14,386</u>
Expenditures:				
General Government:				
Salaries and wages, and employee benefits	53,288	53,288	52,711	577
Operating expenditures	102,275	102,275	59,457	42,818
Capital outlay				-0-
Total expenditures	<u>155,563</u>	<u>155,563</u>	<u>112,168</u>	<u>43,395</u>
Excess (deficiency) of revenues over expenditures	<u>(60,163)</u>	<u>(60,163)</u>	<u>(2,382)</u>	<u>57,781</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>(60,163)</u>	<u>(60,163)</u>	<u>(2,382)</u>	<u>57,781</u>
Fund balances – beginning	<u>142,170</u>	<u>142,170</u>	<u>142,170</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 82,007</u>	<u>\$ 82,007</u>	<u>\$ 139,788</u>	<u>\$ 57,781</u>

<u>Records Management and Preservation Fund</u>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ 369,000	\$ 369,000	\$ 405,110	\$ 36,110
<u>15,800</u>	<u>15,800</u>	<u>28,036</u>	<u>12,236</u>
<u>384,800</u>	<u>384,800</u>	<u>433,146</u>	<u>48,346</u>
151,854	151,854	149,161	2,693
278,200	278,200	61,717	216,483
<u>48,552</u>	<u>48,552</u>		<u>48,552</u>
<u>478,606</u>	<u>478,606</u>	<u>210,878</u>	<u>267,728</u>
<u>(93,806)</u>	<u>(93,806)</u>	<u>222,268</u>	<u>316,074</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(93,806)</u>	<u>(93,806)</u>	<u>222,268</u>	<u>316,074</u>
<u>1,800,67</u>	<u>1,800,670</u>	<u>1,800,670</u>	<u>-0-</u>
<u>\$ 1,706,864</u>	<u>\$ 1,706,864</u>	<u>\$ 2,022,938</u>	<u>\$ 316,074</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, 2018

	Vital Statistics Preservation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fees	7,200	7,200	7,238	38
Investment income	1,000	1,000	2,453	1,453
Miscellaneous				-0-
Total revenues	<u>8,200</u>	<u>8,200</u>	<u>9,691</u>	<u>1,491</u>
Expenditures:				
General Government:				
Operating expenditures	106,236	106,236		106,236
Elections:				
Operating expenditures				-0-
Total expenditures	<u>106,236</u>	<u>106,236</u>	<u>-0-</u>	<u>106,236</u>
Excess (deficiency) of revenues over expenditures	<u>(98,036)</u>	<u>(98,036)</u>	<u>9,691</u>	<u>107,727</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>(98,036)</u>	<u>(98,036)</u>	<u>9,691</u>	<u>107,727</u>
Fund balances – beginning	<u>113,914</u>	<u>113,914</u>	<u>113,914</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 15,878</u>	<u>\$ 15,878</u>	<u>\$ 123,605</u>	<u>\$ 107,727</u>

Election Services Contract Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$ 3,404	\$ 3,404
			-0-
1,800	1,800	5,408	3,608
<u>20,000</u>	<u>20,000</u>	<u>15,320</u>	<u>(4,680)</u>
<u>21,800</u>	<u>21,800</u>	<u>24,132</u>	<u>2,332</u>
			-0-
<u>63,700</u>	<u>63,700</u>	<u>2,176</u>	<u>61,524</u>
<u>63,700</u>	<u>63,700</u>	<u>2,176</u>	<u>61,524</u>
<u>(41,900)</u>	<u>(41,900)</u>	<u>21,956</u>	<u>63,856</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(41,900)</u>	<u>(41,900)</u>	<u>21,956</u>	<u>63,856</u>
<u>323,442</u>	<u>323,442</u>	<u>323,442</u>	<u>-0-</u>
<u>\$ 281,542</u>	<u>\$ 281,542</u>	<u>\$ 345,398</u>	<u>\$ 63,856</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, 2018

	District Attorney Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$ 1,285	\$ 1,285
Investment income	600	600	1,799	1,199
Total revenues	600	600	3,084	2,484
Expenditures:				
Law Enforcement:				
Operating expenditures	1,350	1,350	71	1,279
Capital outlay				-0-
Total expenditures	1,350	1,350	71	1,279
Excess (deficiency) of revenues over expenditures	(750)	(750)	3,013	3,763
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	(750)	(750)	3,013	3,763
Fund balances – beginning	111,538	111,538	111,538	-0-
Fund balances – ending	\$ 110,788	\$ 110,788	\$ 114,551	\$ 3,763

Sheriff Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 25	\$ 25	\$ 69	\$ -0- 44
<u>25</u>	<u>25</u>	<u>69</u>	<u>44</u>
4,700	7,700	7,583	117
<u>3,000</u>	<u></u>	<u></u>	<u>-0-</u>
<u>7,700</u>	<u>7,700</u>	<u>7,583</u>	<u>117</u>
(7,675)	(7,675)	(7,514)	161
<u></u>	<u></u>	<u></u>	<u>-0-</u> <u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(7,675)	(7,675)	(7,514)	161
<u>7,723</u>	<u>7,723</u>	<u>7,723</u>	<u>-0-</u>
\$ <u>48</u>	\$ <u>48</u>	\$ <u>209</u>	\$ <u>161</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, 2018

	STOP SCU Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fines			57,464	57,464
Investment income	1,200	12,000	4,001	(7,999)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>18,264</u>	<u>16,264</u>
Total revenues	<u>3,200</u>	<u>14,000</u>	<u>79,729</u>	<u>65,729</u>
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Law Enforcement:				
Operating expenditures	<u>3,700</u>	<u>3,700</u>	<u>1,026</u>	<u>2,674</u>
Total expenditures	<u>3,700</u>	<u>3,700</u>	<u>1,026</u>	<u>2,674</u>
Excess (deficiency) of revenues over expenditures	<u>(500)</u>	<u>10,300</u>	<u>78,703</u>	<u>68,403</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets			6,603	6,603
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>6,603</u>	<u>6,603</u>
Net change in fund balances	<u>(500)</u>	<u>10,300</u>	<u>85,306</u>	<u>75,006</u>
Fund balances – beginning	<u>175,075</u>	<u>175,075</u>	<u>175,075</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 174,575</u>	<u>\$ 185,375</u>	<u>\$ 260,381</u>	<u>\$ 75,006</u>

Juvenile Justice Alternative Education Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 45,000	\$ 45,000	\$ 40,434	\$(4,566)
800	800	2,323	1,523
<u>45,800</u>	<u>45,800</u>	<u>42,757</u>	<u>(3,043)</u>
204,731	204,731	167,739	36,992
63,500	60,870	44,082	16,788
<u>268,231</u>	<u>265,601</u>	<u>211,821</u>	<u>53,780</u>
<u>(222,431)</u>	<u>(219,801)</u>	<u>(169,064)</u>	<u>50,737</u>
227,000	227,000	170,000	(57,000)
<u>227,000</u>	<u>227,000</u>	<u>170,000</u>	<u>(57,000)</u>
4,569	7,199	936	(6,263)
<u>71,455</u>	<u>71,455</u>	<u>71,455</u>	<u>-0-</u>
<u>\$ 76,024</u>	<u>\$ 78,654</u>	<u>\$ 72,391</u>	<u>\$(6,263)</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, 2018

	Juvenile Case Manager Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 38,000	\$ 38,000	\$ 39,353	\$ 1,353
Investment income	700	700	1,722	1,022
Miscellaneous income				-0-
Total revenues	<u>38,700</u>	<u>38,700</u>	<u>41,075</u>	<u>2,375</u>
Expenditures:				
Administration of Justice:				
Salaries and wages, and employee benefits	47,477	47,477	47,123	354
Operating expenditures	<u>5,000</u>	<u>5,000</u>	<u>487</u>	<u>4,513</u>
Total expenditures	<u>52,477</u>	<u>52,477</u>	<u>47,610</u>	<u>4,867</u>
Excess (deficiency) of revenues over expenditures	<u>(13,777)</u>	<u>(13,777)</u>	<u>(6,535)</u>	<u>7,242</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>(13,777)</u>	<u>(13,777)</u>	<u>(6,535)</u>	<u>7,242</u>
Fund balances – beginning	<u>112,733</u>	<u>112,733</u>	<u>112,733</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 98,956</u>	<u>\$ 98,956</u>	<u>\$ 106,198</u>	<u>\$ 7,242</u>

Juvenile Probation Fees Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 8,000	\$ 8,000	\$ 7,817	\$(183)
500	500	1,163	663
<u> </u>	<u> </u>	<u> 77</u>	<u> 77</u>
<u>8,500</u>	<u>8,500</u>	<u>9,057</u>	<u>557</u>
<u>8,500</u>	<u>8,500</u>	<u>6,184</u>	<u>-0-</u> <u>2,316</u>
<u>8,500</u>	<u>8,500</u>	<u>6,184</u>	<u>2,316</u>
<u>-0-</u>	<u>-0-</u>	<u>2,873</u>	<u>2,873</u>
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u> <u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>2,873</u>	<u>2,873</u>
<u>37,036</u>	<u>37,036</u>	<u>37,036</u>	<u>-0-</u>
<u>\$ 37,036</u>	<u>\$ 37,036</u>	<u>\$ 39,909</u>	<u>\$ 2,873</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, 2018

	Justice of the Peace Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 27,500	\$ 27,500	\$ 30,458	\$ 2,958
Investment income	2,800	2,800	6,214	3,414
Total revenues	<u>30,300</u>	<u>30,300</u>	<u>36,672</u>	<u>6,372</u>
Expenditures:				
Administration of Justice:				
Operating expenditures	29,420	23,940	1,628	22,312
Capital outlay			5,480	(5,480)
Law Enforcement:				
Operating expenditures				-0-
Capital outlay				-0-
Total expenditures	<u>29,420</u>	<u>23,940</u>	<u>7,108</u>	<u>16,832</u>
Excess (deficiency) of revenues over expenditures	<u>880</u>	<u>6,360</u>	<u>29,564</u>	<u>23,204</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	880	6,360	29,564	23,204
Fund balances – beginning	<u>373,740</u>	<u>373,740</u>	<u>373,740</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 374,620</u>	<u>\$ 380,100</u>	<u>\$ 403,304</u>	<u>\$ 23,204</u>

Courthouse Security Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 72,000	\$ 72,000	\$ 80,423	\$ 8,423
<u>300</u>	<u>300</u>	<u>742</u>	<u>442</u>
<u>72,300</u>	<u>72,300</u>	<u>81,165</u>	<u>8,865</u>
			-0-
			-0-
30,055	22,958	19,629	3,329
<u>30,055</u>	<u>22,958</u>	<u>10,097</u>	<u>(10,097)</u>
<u>30,055</u>	<u>22,958</u>	<u>29,726</u>	<u>(6,768)</u>
<u>42,245</u>	<u>49,342</u>	<u>51,439</u>	<u>2,097</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
42,245	49,342	51,439	2,097
<u>19,692</u>	<u>19,692</u>	<u>19,692</u>	<u>-0-</u>
<u>\$ 61,937</u>	<u>\$ 69,034</u>	<u>\$ 71,131</u>	<u>\$ 2,097</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, 2018

	Justice Court Building Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 7,700	\$ 7,700	\$ 7,616	\$(84)
Investment income	500	500	1,359	859
Total revenues	<u>8,200</u>	<u>8,200</u>	<u>8,975</u>	<u>775</u>
Expenditures:				
Administration of Justice:				
Operating expenditures	<u>6,700</u>	<u>6,617</u>	<u>1,182</u>	<u>5,435</u>
Total expenditures	<u>6,700</u>	<u>6,617</u>	<u>1,182</u>	<u>5,435</u>
Excess (deficiency) of revenues over expenditures	<u>1,500</u>	<u>1,583</u>	<u>7,793</u>	<u>6,210</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	1,500	1,583	7,793	6,210
Fund balances – beginning	<u>81,341</u>	<u>81,341</u>	<u>81,341</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 82,841</u>	<u>\$ 82,924</u>	<u>\$ 89,134</u>	<u>\$ 6,210</u>

Guardianship Fee Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 9,800	\$ 9,800	\$ 11,617	\$ 1,817
<u>500</u>	<u>500</u>	<u>778</u>	<u>278</u>
<u>10,300</u>	<u>10,300</u>	<u>12,395</u>	<u>2,095</u>
<u>20,000</u>	<u>40,000</u>	<u>30,282</u>	<u>9,718</u>
<u>20,000</u>	<u>40,000</u>	<u>30,282</u>	<u>9,718</u>
<u>(9,700)</u>	<u>(29,700)</u>	<u>(17,887)</u>	<u>11,813</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>(9,700)</u>	<u>(29,700)</u>	<u>(17,887)</u>	<u>11,813</u>
<u>60,488</u>	<u>60,488</u>	<u>60,488</u>	<u>-0-</u>
<u>\$ 50,788</u>	<u>\$ 30,788</u>	<u>\$ 42,601</u>	<u>\$ 11,813</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, 2018

	Record Archives – County Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 320,000	\$ 320,000	\$ 360,700	\$ 40,700
Investment income	11,000	11,000	8,376	(2,624)
Total revenues	<u>331,000</u>	<u>331,000</u>	<u>369,076</u>	<u>38,076</u>
Expenditures:				
General Government:				
Operating expenditures	249,563	249,563		249,563
Total expenditures	<u>249,563</u>	<u>249,563</u>	<u>-0-</u>	<u>249,563</u>
Excess (deficiency) of revenues over expenditures	<u>81,437</u>	<u>81,437</u>	<u>369,076</u>	<u>287,639</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	81,437	81,437	369,076	287,639
Fund balances – beginning	<u>311,362</u>	<u>311,362</u>	<u>311,362</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 392,799</u>	<u>\$ 392,799</u>	<u>\$ 680,438</u>	<u>\$ 287,639</u>

Record Archives – District Clerk Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 11,000	\$ 11,000	\$ 13,092	\$ 2,092
<u>500</u>	<u>500</u>	<u>1,256</u>	<u>756</u>
<u>11,500</u>	<u>11,500</u>	<u>14,348</u>	<u>2,848</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>11,500</u>	<u>11,500</u>	<u>14,348</u>	<u>2,848</u>
			<u>-0-</u>
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
11,500	11,500	14,348	2,848
<u>71,613</u>	<u>71,613</u>	<u>71,613</u>	<u>-0-</u>
<u>\$ 83,113</u>	<u>\$ 83,113</u>	<u>\$ 85,961</u>	<u>\$ 2,848</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, 2018

	County/District Court Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 5,400	\$ 5,400	\$ 4,804	\$(596)
Investment income	150	150	202	52
Total revenues	<u>5,550</u>	<u>5,550</u>	<u>5,006</u>	<u>(544)</u>
Expenditures:				
General Government:				
Operating expenditures	6,000	6,000		6,000
Administration of Justice:				
Operating expenditures	<u>10,500</u>	<u>10,000</u>	<u>2,253</u>	<u>7,747</u>
Total expenditures	<u>16,500</u>	<u>16,000</u>	<u>2,253</u>	<u>13,747</u>
Excess (deficiency) of revenues over expenditures	<u>(10,950)</u>	<u>(10,450)</u>	<u>2,753</u>	<u>13,203</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>(10,950)</u>	<u>(10,450)</u>	<u>2,753</u>	<u>13,203</u>
Fund balances – beginning	<u>11,269</u>	<u>11,269</u>	<u>11,269</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 319</u>	<u>\$ 819</u>	<u>\$ 14,022</u>	<u>\$ 13,203</u>

Court Records Preservation Digital Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 29,000	\$ 29,000	\$ 34,220	\$ 5,220
<u>1,600</u>	<u>1,600</u>	<u>4,096</u>	<u>2,496</u>
<u>30,600</u>	<u>30,600</u>	<u>38,316</u>	<u>7,716</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>30,600</u>	<u>30,600</u>	<u>38,316</u>	<u>7,716</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
30,600	30,600	38,316	7,716
<u>237,640</u>	<u>237,640</u>	<u>237,640</u>	<u>-0-</u>
<u>\$ 268,240</u>	<u>\$ 268,240</u>	<u>\$ 275,956</u>	<u>\$ 7,716</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, 2018

	District Court Records Technology Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$	\$	\$ -0-
Intergovernmental				-0-
Fees	25,000	25,000	28,390	3,390
Investment income	<u>700</u>	<u>700</u>	<u>2,241</u>	<u>1,541</u>
Total revenues	<u>25,700</u>	<u>25,700</u>	<u>30,631</u>	<u>4,931</u>
Expenditures				
Law Enforcement:				
Operating expenditures				-0-
Health and Welfare:				
Salaries and wages, and employee benefits				-0-
Operating expenditures				-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>25,700</u>	<u>25,700</u>	<u>30,631</u>	<u>4,931</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	25,700	25,700	30,631	4,931
Fund balances – beginning	<u>125,349</u>	<u>125,349</u>	<u>125,349</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 151,049</u>	<u>\$ 151,049</u>	<u>\$ 155,980</u>	<u>\$ 4,931</u>

Indigent Health Care Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,555,437	\$ 1,555,437	\$ 1,561,864	\$ 6,427
31,000	31,000	38,587	7,587
32,000	32,000	50,847	-0-
1,618,437	1,618,437	1,651,298	18,847
700,000	949,000	995,762	(46,762)
112,587	112,587	97,818	14,769
805,850	805,850	142,987	662,863
1,618,437	1,867,437	1,236,567	630,870
-0-	(249,000)	414,731	663,731
-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-
-0-	(249,000)	414,731	663,731
2,493,735	2,493,735	2,493,735	-0-
\$ 2,493,735	\$ 2,244,735	\$ 2,908,466	\$ 663,731

(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, 2018

	Right of Way Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Investment income	\$ 22,000	\$ 22,000	\$ 17,517	\$(4,483)
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>17,517</u>	<u>(4,483)</u>
Expenditures				
General Government:				
Operating expenditures	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>22,000</u>	<u>22,000</u>	<u>17,517</u>	<u>(4,483)</u>
Other Financing Sources (Uses):				
Transfers in	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Transfers out	<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	22,000	22,000	17,517	(4,483)
Fund balances – beginning	<u>1,356,170</u>	<u>1,356,170</u>	<u>1,356,170</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,378,170</u>	<u>\$ 1,378,170</u>	<u>\$ 1,373,687</u>	<u>\$(4,483)</u>

Historical Commission Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 200	\$ 200	\$ 474	\$ 274
200	200	474	274
17,500	17,500	1,872	15,628
17,500	17,500	1,872	15,628
(17,300)	(17,300)	(1,398)	15,902
10,000	10,000	10,000	-0-
10,000	10,000	10,000	-0-
(7,300)	(7,300)	8,602	15,902
20,708	20,708	20,708	-0-
<u>\$ 13,408</u>	<u>\$ 13,408</u>	<u>\$ 29,310</u>	<u>\$ 15,902</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, 2018

	Pre-Trial Bond Supervision Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fees	155,000	155,000	175,603	20,603
Investment income	900	900	2,888	1,988
Miscellaneous			577	577
Total revenues	<u>155,900</u>	<u>155,900</u>	<u>179,068</u>	<u>23,168</u>
Expenditures				
Administration of Justice:				
Salaries and wages, and employee benefits	121,514	121,514	98,444	23,070
Operating expenditures	29,500	29,500	27,341	2,159
Law Enforcement:				
Operating expenditures				-0-
Total expenditures	<u>151,014</u>	<u>151,014</u>	<u>125,785</u>	<u>25,229</u>
Excess (deficiency) of revenues over expenditures	<u>4,886</u>	<u>4,886</u>	<u>53,283</u>	<u>48,397</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets				-0-
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	4,886	4,886	53,283	48,397
Fund balances – beginning	<u>148,584</u>	<u>148,584</u>	<u>148,584</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 153,470</u>	<u>\$ 153,470</u>	<u>\$ 201,867</u>	<u>\$ 48,397</u>

STOP SCU Operations Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 65,735	\$ 65,735	\$ 64,419	\$(1,316)
500	500	1,690	1,190
<u> </u>	<u> </u>	<u>1,284</u>	<u>1,284</u>
<u>66,235</u>	<u>66,235</u>	<u>67,393</u>	<u>1,158</u>
			-0-
			-0-
<u>156,239</u>	<u>156,239</u>	<u>133,114</u>	<u>23,125</u>
<u>156,239</u>	<u>156,239</u>	<u>133,114</u>	<u>23,125</u>
(90,004)	(90,004)	(65,721)	<u>24,283</u>
		6,271	6,271
50,000	50,000	131,008	81,008
<u> </u>	<u> </u>	<u> </u>	<u>-0-</u>
<u>50,000</u>	<u>50,000</u>	<u>137,279</u>	<u>87,279</u>
(40,004)	(40,004)	71,558	111,562
<u>60,781</u>	<u>60,781</u>	<u>60,781</u>	<u>-0-</u>
<u>\$ 20,777</u>	<u>\$ 20,777</u>	<u>\$ 132,339</u>	<u>\$ 111,562</u>

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

For the Year Ended September 30, 2018

Exhibit 16
Page 1 of 3

	<u>Balance 10-01-17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-18</u>
UNCLAIMED MONEY FUND:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>26,239</u>	\$ <u>4,340</u>	\$ <u>-0-</u>	\$ <u>30,579</u>
Total assets	\$ <u><u>26,239</u></u>	\$ <u><u>4,340</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>30,579</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>26,239</u>	\$ <u>4,340</u>	\$ <u>-0-</u>	\$ <u>30,579</u>
Total liabilities	\$ <u><u>26,239</u></u>	\$ <u><u>4,340</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>30,579</u></u>
TAX ASSESSOR/COLLECTOR FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>3,795,333</u>	\$ <u>388,316</u>	\$ <u>87,272</u>	\$ <u>4,096,377</u>
Total assets	\$ <u><u>3,795,333</u></u>	\$ <u><u>388,316</u></u>	\$ <u><u>87,272</u></u>	\$ <u><u>4,096,377</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>3,795,333</u>	\$ <u>388,316</u>	\$ <u>87,272</u>	\$ <u>4,096,377</u>
Total liabilities	\$ <u><u>3,795,333</u></u>	\$ <u><u>388,316</u></u>	\$ <u><u>87,272</u></u>	\$ <u><u>4,096,377</u></u>
COUNTY CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>1,593,987</u>	\$ _____	\$ <u>395,330</u>	\$ <u>1,198,657</u>
Total assets	\$ <u><u>1,593,987</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>395,330</u></u>	\$ <u><u>1,198,657</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 138,138	\$ _____	\$ 66,654	\$ 71,484
Due to others	<u>1,455,849</u>	_____	<u>328,676</u>	<u>1,127,173</u>
Total liabilities	\$ <u><u>1,593,987</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>395,330</u></u>	\$ <u><u>1,198,657</u></u>

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

For the Year Ended September 30, 2018

Exhibit 16

Page 2 of 3

	<u>Balance 10-01-17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-18</u>
DISTRICT CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 5,494,535	\$ 474,592	\$ _____	\$ 5,969,127
Total assets	<u>\$ 5,494,535</u>	<u>\$ 474,592</u>	<u>\$ -0-</u>	<u>\$ 5,969,127</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 5,494,535	\$ 474,592	\$ _____	\$ 5,969,127
Total liabilities	<u>\$ 5,494,535</u>	<u>\$ 474,592</u>	<u>\$ -0-</u>	<u>\$ 5,969,127</u>
SHERIFF DEPARTMENT FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 58,987	\$ 1,426,866	\$ 1,347,965	\$ 137,888
Total assets	<u>\$ 58,987</u>	<u>\$ 1,426,866</u>	<u>\$ 1,347,965</u>	<u>\$ 137,888</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 58,987	\$ 1,426,866	\$ 1,347,965	\$ 137,888
Total liabilities	<u>\$ 58,987</u>	<u>\$ 1,426,866</u>	<u>\$ 1,347,965</u>	<u>\$ 137,888</u>
SEIZURE AND RESTITUTION FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 125,446	\$ 143,281	\$ 69,994	\$ 198,733
Due from others	_____	43,557	_____	43,557
Total assets	<u>\$ 125,446</u>	<u>\$ 186,838</u>	<u>\$ 69,994</u>	<u>\$ 242,290</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 125,446	\$ 186,838	\$ 69,994	\$ 242,290
Total liabilities	<u>\$ 125,446</u>	<u>\$ 186,838</u>	<u>\$ 69,994</u>	<u>\$ 242,290</u>

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

For the Year Ended September 30, 2018

Exhibit 16
Page 3 of 3

	<u>Balance 10-01-17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-18</u>
TDCJ-CJAD:				
<i>Assets</i>				
Cash and temporary investments	\$ 1,036,216	\$ 3,226,327	\$ 3,051,092	\$ 1,211,451
Accounts receivable	<u>14,487</u>	<u>127,265</u>	<u>14,487</u>	<u>127,265</u>
Total assets	<u>\$ 1,050,703</u>	<u>\$ 3,353,592</u>	<u>\$ 3,065,579</u>	<u>\$ 1,338,716</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 126,166	\$ 3,150,359	\$ 3,161,476	\$ 115,049
Due to others	<u>924,537</u>	<u>203,233</u>	<u>(95,897)</u>	<u>1,223,667</u>
Total liabilities	<u>\$ 1,050,703</u>	<u>\$ 3,353,592</u>	<u>\$ 3,065,579</u>	<u>\$ 1,338,716</u>
TOTALS - ALL AGENCY FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 12,130,743	\$ 5,663,722	\$ 4,951,653	\$ 12,842,812
Accounts receivable	14,487	127,265	14,487	127,265
Due from others	<u> </u>	<u>43,557</u>	<u> </u>	<u>43,557</u>
Total assets	<u>\$ 12,145,230</u>	<u>\$ 5,834,544</u>	<u>\$ 4,966,140</u>	<u>\$ 13,013,634</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts and accrued liabilities payable	\$ 264,304	\$ 3,150,359	\$ 3,228,130	\$ 186,533
Due to others	<u>11,880,926</u>	<u>2,684,185</u>	<u>1,738,010</u>	<u>12,827,101</u>
Total liabilities	<u>\$ 12,145,230</u>	<u>\$ 5,834,544</u>	<u>\$ 4,966,140</u>	<u>\$ 13,013,634</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 required supplementary information say about the County's overall financial health.

Contents	<u>Page</u>
<u>Financial Trends</u>	148-155
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	156-161
These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	
<u>Debt Capacity</u>	162-165
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.	
<u>Demographic and Economic Indicators</u>	166-168
These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<u>Operating Information</u>	170-175
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.	

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

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

Source:

Comprehensive Annual Financial Report (Statement of Net Position)

Notes:

GASB 68 was implemented in fiscal year 2015, and only fiscal year 2014 ending balances have been restated.

GASB 75 was implemented in fiscal year 2018, and only fiscal year 2017 ending balances have been restated.

Table 1

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 53,258,318	\$ 51,667,122	\$ 54,807,680	\$ 52,035,751	\$ 51,899,263
15,003,481	16,611,684	17,487,954	16,627,902	17,425,182
<u>23,300,154</u>	<u>26,616,369</u>	<u>24,783,550</u>	<u>22,457,167</u>	<u>27,032,083</u>
<u>\$ 91,561,953</u>	<u>\$ 94,895,175</u>	<u>\$ 97,079,184</u>	<u>\$ 91,120,820</u>	<u>\$ 96,356,528</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses					
Governmental Activities:					
General government ¹	\$ 9,545,034	\$ 10,182,184	\$ 10,505,915	\$ 10,233,295	\$ 10,263,410
Highways/streets	9,743,940	8,745,648	9,529,285	9,803,003	10,213,556
Law Enforcement	19,374,254	19,220,559	20,066,995	27,745,191	29,021,831
Administration of justice	7,734,733	8,109,384	9,284,807	9,499,338	9,356,931
Financial	3,444,059	3,822,853	3,902,117	4,187,083	4,287,972
Public health and welfare	1,729,026	2,615,113	2,357,972	1,305,482	1,682,465
Interest on long-term debt	<u>1,145,108</u>	<u>1,159,632</u>	<u>821,658</u>	<u>830,473</u>	<u>438,967</u>
Total expenses	<u>\$ 52,716,154</u>	<u>\$ 53,855,373</u>	<u>\$ 56,468,749</u>	<u>\$ 63,603,865</u>	<u>\$ 65,265,132</u>
Program Revenues					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General government ¹	\$ 2,150,433	\$ 2,434,504	\$ 2,318,818	\$ 2,607,155	\$ 2,663,307
Highways/streets	2,488,572	2,064,296	1,957,170	1,962,896	2,100,165
Law Enforcement	1,465,446	839,972	585,175	8,371,959	8,706,430
Administration of justice	3,021,563	2,674,906	2,488,994	2,551,462	2,916,793
Financial	1,079,530	1,039,688	1,171,533	1,210,846	1,255,048
Public health and welfare	60,856	11,372	38,516	23,376	207,577
Operating grants and contributions	3,855,193	3,992,091	3,853,757	2,752,569	2,210,164
Capital grants and contributions	<u>1,086,130</u>	<u>76,707</u>	<u>60,135</u>	<u>240,887</u>	<u>557,627</u>
Total governmental activities program revenues	<u>15,207,723</u>	<u>13,133,536</u>	<u>12,474,098</u>	<u>19,721,150</u>	<u>20,617,111</u>
Net (expense) revenue	<u>\$(37,508,431)</u>	<u>\$(40,721,837)</u>	<u>\$(43,994,651)</u>	<u>\$(43,882,715)</u>	<u>\$(44,648,021)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes	\$ 43,456,398	\$ 48,031,682	\$ 46,512,961	\$ 44,905,171	\$ 43,852,648
Investment earnings	256,184	131,318	111,064	116,335	14,784
Gain/(loss) on disposal	58,494	60,093		42,118	
Miscellaneous	<u>871,103</u>	<u>2,293,862</u>	<u>1,741,776</u>	<u>970,333</u>	<u>404,603</u>
Total general revenues	<u>\$ 44,642,179</u>	<u>\$ 50,516,955</u>	<u>\$ 48,365,801</u>	<u>\$ 46,033,957</u>	<u>\$ 44,272,035</u>
Change in net position	<u>\$ 7,133,748</u>	<u>\$ 9,795,118</u>	<u>\$ 4,371,150</u>	<u>\$ 2,151,242</u>	<u>\$(375,986)</u>
Prior period adjustment	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Source: Comprehensive Annual Financial Report (Statement of Activities)

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

Table 2

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 14,087,205	\$ 16,447,095	\$ 17,988,435	\$ 18,488,450	\$ 17,471,736
9,712,634	8,559,760	9,170,169	9,501,401	9,152,310
32,888,061	31,694,382	34,032,010	38,498,728	40,375,051
7,011,681	8,046,614	8,676,596	8,995,731	8,373,435
847,977	916,563	964,805	1,034,334	1,032,042
1,822,344	1,558,199	1,548,476	2,157,599	1,350,522
<u>549,991</u>	<u>482,139</u>	<u>1,296,642</u>	<u>1,089,534</u>	<u>889,424</u>
<u>\$ 66,919,893</u>	<u>\$ 67,704,752</u>	<u>\$ 73,677,133</u>	<u>\$ 79,765,777</u>	<u>\$ 78,644,520</u>
\$ 3,060,143	\$ 5,068,931	\$ 5,077,528	\$ 5,090,259	\$ 6,788,168
2,176,076	2,053,735	2,158,370	1,679,048	2,047,391
8,951,720	7,623,697	9,250,903	12,014,082	13,860,323
2,394,904	2,584,341	2,707,047	1,107,335	4,883,071
1,226,240				
232,324				
2,171,770	2,531,965	3,263,020	2,904,929	2,137,829
<u>2,104,767</u>	<u>1,209,257</u>	<u>1,343,092</u>	<u>770,880</u>	<u>765,277</u>
<u>22,317,944</u>	<u>21,071,926</u>	<u>23,799,960</u>	<u>23,566,533</u>	<u>30,482,059</u>
<u>\$(44,601,949)</u>	<u>\$(46,632,826)</u>	<u>\$(49,877,173)</u>	<u>\$(56,199,244)</u>	<u>\$(48,162,461)</u>
\$ 45,515,078	\$ 48,990,593	\$ 50,904,776	\$ 50,749,015	\$ 51,408,011
96,651	183,592	333,960	418,949	941,503
24,622				135,248
<u>542,112</u>	<u>791,863</u>	<u>822,446</u>	<u>570,124</u>	<u>913,407</u>
<u>\$ 46,178,463</u>	<u>\$ 49,966,048</u>	<u>\$ 52,061,182</u>	<u>\$ 51,738,088</u>	<u>\$ 53,398,169</u>
<u>\$ 1,576,514</u>	<u>\$ 3,333,222</u>	<u>\$ 2,184,009</u>	<u>\$(4,461,156)</u>	<u>\$ 5,235,708</u>
<u>\$ -0-</u>	<u>\$(1,560,412)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(1,497,208)</u>

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

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

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

Table 3

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 660,339	\$ 674,400	\$ 774,454	\$ 432,469	\$ 527,761
<u>18,321,967</u>	<u>21,394,059</u>	<u>19,448,434</u>	<u>21,923,095</u>	<u>25,325,056</u>
<u>\$ 18,982,306</u>	<u>\$ 22,068,459</u>	<u>\$ 20,222,888</u>	<u>\$ 22,355,564</u>	<u>\$ 25,852,817</u>
\$ 301,036	\$ 408,775	\$ 317,943	\$ 299,585	\$ 307,068
<u>6,435,487</u>	<u>6,786,303</u>	<u>7,673,273</u>	<u>6,864,366</u>	<u>6,137,166</u>
<u>\$ 6,736,523</u>	<u>\$ 7,195,078</u>	<u>\$ 7,991,216</u>	<u>\$ 7,163,951</u>	<u>\$ 6,444,234</u>
\$ 2,368	\$	\$ 3,687	\$ 15,333	\$ 18,840
11,422,456	10,987,061	18,952,445	9,631,368	12,452,719
<u>(8,937)</u>	<u>(857,052)</u>	<u>(39,000)</u>	<u>(126,416)</u>	<u>(7,333)</u>
<u>\$ 11,415,887</u>	<u>\$ 10,130,009</u>	<u>\$ 18,917,132</u>	<u>\$ 9,520,285</u>	<u>\$ 12,464,226</u>
<u>\$ 37,134,716</u>	<u>\$ 39,393,546</u>	<u>\$ 47,131,236</u>	<u>\$ 39,039,800</u>	<u>\$ 44,761,277</u>

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

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues:					
Taxes	\$ 43,468,684	\$ 48,055,409	\$ 46,608,937	\$ 44,830,579	\$ 43,830,189
Prisoner Housing				6,609,928	6,577,588
Intergovernmental	3,364,428	3,919,350	3,913,791	2,740,468	2,509,665
Fees	7,368,544	7,168,758	6,865,970	6,944,502	7,497,817
Fines	2,002,246	1,895,980	1,694,236	1,526,291	1,674,359
Interest	256,184	131,318	111,064	116,335	14,784
Miscellaneous	<u>2,257,478</u>	<u>2,258,740</u>	<u>1,741,776</u>	<u>2,371,453</u>	<u>1,776,659</u>
Total revenues	<u>58,717,564</u>	<u>63,429,555</u>	<u>60,935,774</u>	<u>65,139,556</u>	<u>63,881,061</u>
Expenditures:					
General government ¹	8,181,184	8,704,409	9,375,927	15,786,448	8,982,474
Highways/streets	7,363,664	6,224,675	6,876,317	1,251,211	7,407,174
Law enforcement	18,118,570	17,892,151	18,748,040	26,601,429	27,402,657
Administration of justice	7,784,305	8,387,209	8,729,263	9,432,772	9,283,646
Financial	3,440,812	3,818,502	3,961,276	4,162,063	4,256,750
Public health and welfare	1,721,213	2,609,358	2,301,269	166,700	1,668,814
Capital outlay	4,637,822	5,000,820	4,950,884	7,136,275	5,669,670
Debt Service:					
Principal	1,005,000	1,620,000	1,735,000	7,826,735	1,478,924
Interest	<u>961,177</u>	<u>1,041,312</u>	<u>705,726</u>	<u>593,321</u>	<u>379,113</u>
Total expenditures	<u>53,213,747</u>	<u>55,298,436</u>	<u>57,383,702</u>	<u>72,956,954</u>	<u>66,529,222</u>
Excess of revenues over (under) expenditures	<u>5,503,817</u>	<u>8,131,119</u>	<u>3,552,072</u>	<u>(7,817,398)</u>	<u>(2,648,161)</u>
Other Financing Sources (Uses):					
Transfers in	3,760,479	2,112,105	4,519,044	11,491,554	2,171,599
Transfers out	(3,760,479)	(2,112,105)	(4,519,044)	(11,491,554)	(2,171,599)
Proceeds from sale of capital asset					68,820
Issuance of tax notes					
Issuance of certificates of obligation bonds					
Other	<u>132,699</u>	<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>	<u> </u>
Total other financing sources (uses)	<u>132,699</u>	<u>1,161,669</u>	<u>49,460</u>	<u>80,018</u>	<u>68,820</u>
Net change in fund balances	<u>\$ 5,636,516</u>	<u>\$ 9,292,788</u>	<u>\$ 3,601,532</u>	<u>\$(7,737,380)</u>	<u>\$(2,579,341)</u>
Debt service as a percentage of noncapital expenditures	4.0%	5.3%	4.7%	12.8%	3.1%

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

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

Table 4

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 45,443,781	\$ 48,963,573	\$ 50,993,826	\$ 50,737,943	\$ 51,484,989
6,675,022	6,030,529	7,149,116	10,112,353	11,431,715
3,272,840	2,801,723	4,124,331	3,075,841	2,435,155
7,582,746	7,622,922	8,250,780	7,985,710	11,407,259
1,474,592	1,527,368	1,670,340	1,331,314	1,406,065
96,651	183,592	333,960	418,949	941,503
<u>2,083,907</u>	<u>2,372,687</u>	<u>2,514,951</u>	<u>2,054,631</u>	<u>1,816,803</u>
<u>66,629,539</u>	<u>69,502,394</u>	<u>75,037,304</u>	<u>75,716,741</u>	<u>80,923,489</u>
12,490,998	14,672,298	16,165,457	15,950,248	15,078,893
6,934,405	5,783,272	6,303,874	6,448,641	6,266,830
30,917,697	29,703,957	32,061,018	35,372,987	37,537,471
7,006,238	7,974,262	8,576,511	8,513,407	8,087,273
920,170	916,909	964,090	983,233	1,002,443
1,791,012	1,509,408	1,499,931	2,095,704	1,297,291
6,574,359	4,128,319	19,920,510	10,817,630	2,632,285
1,592,270	2,169,297	2,030,000	2,190,000	2,780,000
<u>403,479</u>	<u>452,767</u>	<u>635,848</u>	<u>1,637,067</u>	<u>905,826</u>
<u>68,630,628</u>	<u>67,310,489</u>	<u>88,157,239</u>	<u>84,008,917</u>	<u>75,588,312</u>
<u>(2,001,089)</u>	<u>2,191,905</u>	<u>(13,119,935)</u>	<u>(8,292,176)</u>	<u>5,335,177</u>
5,214,204	1,885,078	7,239,818	2,673,458	4,074,377
(5,214,204)	(1,885,078)	(7,239,818)	(2,673,458)	(4,074,377)
79,262	66,925	252,625	136,401	386,300
4,370,000				
		20,605,000	6,425,000	
			<u>(6,360,661)</u>	
<u>4,449,262</u>	<u>66,925</u>	<u>20,857,625</u>	<u>200,740</u>	<u>386,300</u>
<u>\$ 2,448,173</u>	<u>\$ 2,258,830</u>	<u>\$ 7,737,690</u>	<u>\$ (8,091,436)</u>	<u>\$ 5,721,477</u>
3.2%	4.2%	3.9%	5.2%	5.1%

JOHNSON COUNTY, TEXAS*ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY*

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Less Exempt, Homestead, Other Exemptions
	Residential Property	Commercial Property	Other Property		
2009	\$ 4,871,087,376	\$ 1,559,093,868	\$ 5,293,929,417	\$ 2,087,751,648	\$ 1,980,412,239
2010	5,077,633,061	1,734,032,644	6,213,853,003	2,262,282,136	2,095,982,431
2011	5,103,978,198	1,100,482,073	5,487,467,860	1,887,848,871	2,188,543,958
2012	5,094,516,753	1,153,831,778	5,133,412,323	1,863,245,650	2,495,412,525
2013	5,055,969,380	1,183,463,914	4,995,129,585	1,791,720,657	2,774,139,671
2014	5,092,788,399	1,246,142,809	4,253,295,670	1,745,201,351	2,787,490,025
2015	5,134,525,144	1,243,258,320	4,704,030,325	1,694,692,822	2,991,144,902
2016	5,069,484,627	1,368,757,815	5,050,106,841	1,710,101,615	3,176,269,781
2017	5,421,617,645	1,383,963,256	4,342,528,058	1,675,333,272	3,311,636,564
2018	6,135,140,211	1,451,632,628	4,472,634,739	1,497,606,622	3,813,519,623

Source: Johnson County Central Appraisal District

Table 5

<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 11,831,450,070	\$ 11,831,450,070	0.359498	100.00%
13,191,818,413	13,191,818,413	0.353379	100.00%
11,391,233,044	11,391,233,044	0.379500	100.00%
10,749,593,979	10,749,593,979	0.379500	100.00%
10,252,143,865	10,252,143,865	0.382229	100.00%
9,549,938,204	9,549,938,204	0.420154	100.00%
9,785,361,709	9,785,361,709	0.445000	100.00%
10,022,181,117	10,022,181,117	0.448000	100.00%
9,511,805,667	9,511,805,667	0.459738	100.00%
9,743,494,577	9,743,494,577	0.472000	100.00%

JOHNSON COUNTY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	2009 Tax Rate	2010 Tax Rate	2011 Tax Rate	2012 Tax Rate	2013 Tax Rate
Johnson County	0.359498	0.353379	0.379500	0.349589	0.382229
Cities:					
Alvarado	0.697313	0.697313	0.722313	0.740505	0.706872
Burleson	0.694000	0.694000	0.710000	0.690000	0.690000
Cleburne	0.620000	0.620000	0.706446	0.719990	0.740743
Crowley	0.575500	0.575500	0.640000	0.640000	0.669019
Godley	0.500000	0.500000	0.500000	0.500000	0.500000
Grandview	0.742823	0.742823	0.742823	0.740003	0.736995
Joshua	0.653476	0.634331	0.685270	0.685270	0.685270
Keene	0.757861	0.757861	0.797861	0.797861	0.812363
Mansfield	0.710000	0.710000	0.710000	0.710000	0.710000
Rio Vista	0.515560	0.513276	0.564162	0.606535	0.602880
Venus	0.801506	0.821506	0.841506	0.846975	0.900000
School Districts:					
Alvarado ISD	1.306900	1.280000	1.316000	1.316000	1.316000
Burleson ISD	1.468800	1.540000	1.540000	1.540000	1.540000
Cleburne ISD	1.236600	1.236600	1.236600	1.236600	1.236600
Crowley ISD	1.535000	1.535000	1.535000	1.535000	1.670000
Godley ISD	1.081800	1.071481	1.122390	1.137090	1.258700
Granbury ISD	1.170000	1.155000	1.140000	0.155000	1.145000
Grandview ISD	1.160000	1.160000	1.270000	1.270000	1.400000
Joshua ISD	1.390000	1.390000	1.390000	1.390000	1.490000
Keene ISD	1.420000	1.382300	1.490900	1.490900	1.490900
Mansfield ISD	1.450000	1.450000	1.496000	1.496000	1.540000
Rio Vista ISD	1.144500	1.183300	1.386200	1.365300	1.494400
Venus ISD	1.240000	1.198300	1.270000	1.380000	1.380000
Special District Rates:					
Emergency Service	0.030000	0.030000	0.060000	0.060000	0.060000
Hill College – Alvarado ISD	0.025254	0.022745	0.028883	0.033848	0.037242
Hill College – Cleburne ISD	0.030717	0.030252	0.039049	0.043557	0.048596
Hill College – Godley ISD	0.011388	0.009243	0.010931	0.012070	0.012159
Hill College – Grandview ISD	0.031739	0.031375	0.039672	0.046517	0.050000
Hill College – Joshua ISD	0.028234	0.025561	0.031394	0.034623	0.040868
Hill College – Keene ISD	0.035143	0.030062	0.030062	0.033146	0.039305
Hill College – Rio Vista ISD	0.020197	0.020059	0.023200	0.026834	0.028931
Hill College – Venus ISD	0.025562	0.020585	0.025394	0.029121	0.039312

Source: Johnson County Appraisal District
Texas Municipal Report

Table 6

<u>2014 Tax Rate</u>	<u>2015 Tax Rate</u>	<u>2016 Tax Rate</u>	<u>2017 Tax Rate</u>	<u>2018 Tax Rate</u>	<u>% Applicable to Johnson County</u>
0.420154	0.445000	0.448000	0.459738	0.472000	
0.700494	0.665469	0.733000	0.733000	0.709555	100.00%
0.690000	0.740000	0.740000	0.735000	0.735000	80.63%
0.804018	0.804018	0.804018	0.804018	0.804018	100.00%
0.696829	0.696829	0.739270	0.739270	0.709000	0.29%
0.500000	0.540000	0.540000	0.560000	0.540000	100.00%
0.743351	0.746311	0.746311	0.746311	0.746311	100.00%
0.705270	0.725270	0.775270	0.775270	0.775270	100.00%
0.847224	0.867018	0.912249	0.897823	0.897823	100.00%
0.710000	0.710000	0.710000	0.710000	0.710000	4.92%
0.597915	0.598185	0.596454	0.596454	0.640009	100.00%
0.900000	0.893269	0.879918	0.879918	0.879918	85.65%
1.461000	1.461000	1.461000	1.461000	1.461000	100.00%
1.540000	1.540000	1.540000	1.540000	1.670000	66.03%
1.236600	1.366600	1.366000	1.630000	1.630000	100.00%
1.670000	1.650000	1.650000	1.650000	1.670000	0.95%
1.172752	1.195500	1.247660	1.540000	1.540000	85.17%
1.145000	1.265000	1.265000	1.250000	1.195000	1.25%
1.400000	1.400000	1.400000	1.400000	1.266100	97.78%
1.490000	1.420000	1.600000	1.610000	1.520000	100.00%
1.490900	1.490900	1.430000	1.430000	1.401100	100.00%
1.527100	1.527100	1.510000	1.510000	1.540000	4.52%
1.590000	1.621300	1.570000	1.600000	1.600000	98.94%
1.380000	1.380000	1.380000	1.5876000	1.589500	100.00%
0.060000	0.060000	0.060000	0.060000	0.060000	100.00%
0.043494	0.044702	0.048850	0.048850	0.050000	100.00%
0.050000	0.050000	0.049931	0.050000	0.048800	100.00%
0.014541	0.014541	0.016832	0.022349	0.022252	100.00%
0.050000	0.050000	0.050000	0.050000	0.050000	97.78%
0.049265	0.050000	0.048492	0.050000	0.049616	100.00%
0.046349	0.046349	0.047000	0.049435	0.049327	100.00%
0.027497	0.029535	0.032019	0.033806	0.035216	98.94%
0.048885	0.047414	0.048249	0.049824	0.048763	100.00%

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

Table 7

Taxpayer	2018			2009		
	2018 Taxable Assessed Value	Rank	% of Total Assessed Value	2009 Taxable Assessed Value	Rank	% of Total Assessed Value
FDL Operating, LLC	\$ 202,351,355	1	2.08%	\$ --	--	--
ETC Texas Processing	144,221,070	2	1.48%	110,123,090	8	0.93%
Enervest Operating, LLC	108,691,420	3	1.12%	--	--	--
James Hardie Building	120,398,785	4	0.74%	--	--	--
TEP Barnett USA, LLC	71,771,294	5	1.24%	--	--	--
Oncor Electric Delivery	65,016,851	6	0.65%	--	--	--
Energy Transfer Fuel	63,765,054	7	0.62%	120,193,551	6	1.02%
Brazos Electric Power	60,009,768	8	0.67%	96,891,150	10	0.82%
Johns Manville Corp	61,397,510	9	0.63%	--	--	--
Halliburton Energy	58,361,559	10	0.60%	144,043,170	5	1.22%
EOG Resources Inc.	--	--	--	986,237,789	1	8.34%
Chesapeake Operating, Inc.	--	--	--	912,588,195	2	7.71%
Devon Energy Op Co, LP	--	--	--	485,300,384	3	4.10%
XTO Energy Inc.	--	--	--	374,067,693	4	3.16%
Texas Midstream Gas	--	--	--	112,968,010	7	0.95%
Williams Prod Gulf Coast, LP	--	--	--	96,891,150	9	0.82%
Total	\$ <u>955,984,666</u>		<u>9.81%</u>	\$ <u>3,439,304,182</u>		<u>29.07%</u>
Total Taxable Assessed Value	\$ <u>9,743,494,577</u>			\$ <u>11,831,450,070</u>		

Source: Johnson County Central Appraisal District

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

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 42,785,252	\$ 41,927,084	97.99%	\$ 764,804	\$ 42,691,888	99.78%
2010	47,628,987	46,699,219	98.05%	763,340	47,462,559	99.65%
2011	45,556,481	44,884,355	98.52%	541,801	45,426,156	99.71%
2012	43,525,826	43,176,224	99.20%	236,809	43,413,033	99.74%
2013	43,454,307	42,074,336	96.82%	1,252,143	43,326,479	99.71%
2014	43,475,291	42,278,798	97.25%	1,006,452	43,285,250	99.56%
2015	47,080,066	46,901,840	99.62%	818,686	48,931,226	99.59%
2016	48,923,628	48,472,441	99.08%	217,183	48,689,624	99.52%
2017	48,488,689	47,546,117	98.06%	609,601	48,155,718	99.31%
2018	50,862,834	49,981,168	98.27%	--	49,981,168	98.27%

Source: Johnson County Tax Assessor-Collector

JOHNSON COUNTY, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

General Bonded Debt and Note Payable Outstanding							Accumulated Resources Restricted to Repaying the Principal of General Bonded Debt(2)	Net Debt
Fiscal Year	General Obligation Bonds (1)	Certificates of Obligation	Tax Anticipation Notes	Note Payable	Accrued Interest	Total Debt		
2009	\$ 10,730,814	\$ 12,265,000	\$ 920,000	\$ --	\$ 78,642	\$ 23,915,814	\$ 2,550,400	\$ 21,365,414
2010	15,062,504	7,005,000	400,000	--	90,692	22,467,504	2,645,365	19,822,139
2011	14,174,393	6,620,000	--	--	86,599	20,880,992	451,708	20,429,284
2012	13,165,600	--	--	1,379,437	49,203	14,594,240	969,233	13,625,007
2013	12,048,429	--	--	1,080,513	46,228	13,175,170	973,155	12,202,015
2014	10,826,116	--	4,370,000	793,243	110,053	16,099,412	1,048,793	15,050,619
2015	9,481,419	--	3,805,000	--	69,122	13,355,541	1,364,571	11,990,970
2016	7,981,204	20,605,000	3,295,000	--	710,131	32,591,335	884,286	31,707,049
2017	6,329,927	20,605,000	2,890,000	--	159,085	29,984,012	846,414	29,137,598
2018	4,378,650	20,055,000	2,605,000	--	121,261	27,159,911	962,534	26,197,377

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) This is the general bonded debt for the governmental activities, net of original issuance premiums.
- (2) This is the amount restricted for debt service.
- (3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 156 through 157 for property value data.
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 166.
- (5) Personal income is disclosed on page 166.

Table 9

Percentage of Actual Taxable Property Value (3)	Per Capita (4)	Percentage of Personal Income (5)
0.18%	\$ 158.82	0.50%
0.15%	148.86	0.46%
0.17%	136.85	0.39%
0.11%	94.87	0.27%
0.11%	84.95	0.24%
0.15%	101.91	0.27%
0.12%	83.77	0.22%
0.32%	198.63	0.51%
0.31%	178.27	0.45%
0.27%	160.56	0.39%

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

As of September 30, 2018

Table 10

Taxing Jurisdiction	Net Bonded Debt as of Sept. 30, 2018	% Applicable to Johnson County	Amount Applicable to Johnson County
City of Alvarado	\$ 12,090,000	100.00%	\$ 12,090,000
City of Burleson	153,645,000	80.63%	123,883,964
City of Cleburne	75,848,413	100.00%	75,848,413
City of Crowley	34,325,000	0.29%	99,543
City of Godley	1,180,000	100.00%	1,180,000
City of Grandview	2,326,845	100.00%	2,326,845
City of Joshua	9,110,000	100.00%	9,110,000
City of Keene	11,117,829	100.00%	11,117,829
City of Mansfield	134,445,000	4.92%	6,614,694
City of Venus	5,325,000	85.65%	4,560,863
Alvarado ISD	71,798,000	100.00%	71,798,000
Burleson ISD	345,695,852	66.03%	228,262,971
Cleburne ISD	132,502,083	100.00%	132,502,083
Crowley ISD	467,571,875	0.95%	4,441,933
Godley ISD	60,660,000	85.17%	51,664,122
Granbury ISD	109,180,175	1.25%	1,364,755
Grandview ISD	12,450,000	97.78%	12,173,610
Joshua ISD	104,455,000	100.00%	104,455,000
Keene ISD	13,811,458	100.00%	13,811,458
Mansfield ISD	750,175,000	4.52%	33,907,910
Rio Vista ISD	11,878,996	98.94%	11,753,079
Venus ISD	35,378,607	100.00%	<u>35,378,607</u>
Subtotal overlapping debt			948,345,679
Johnson County, Texas direct debt			<u>27,038,650</u>
Total Direct & Overlapping Debt			<u>\$ 975,384,329</u>

Source: Municipal Advisory Council of Texas

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

Table 11

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assessed value of real property ⁽¹⁾	\$ <u>11,831,450,070</u>	\$ <u>13,191,818,413</u>	\$ <u>12,831,208,341</u>	\$ <u>11,657,833,466</u>	\$ <u>10,252,143,856</u>
Debt limit ⁽²⁾	\$ <u>2,957,862,518</u>	\$ <u>3,297,954,603</u>	\$ <u>3,207,802,085</u>	\$ <u>2,914,458,367</u>	\$ <u>2,563,035,964</u>
Amount of Debt Applicable to Limit ⁽³⁾					
Total long term debt	24,484,579	22,288,209	20,654,246	13,899,013	13,076,835
Less: Assets in debt service fund	<u>2,094,417</u>	<u>2,248,781</u>	<u>2,590,359</u>	<u>806,876</u>	<u>1,025,329</u>
Total net debt applicable to limit	<u>22,390,162</u>	<u>20,039,428</u>	<u>18,063,887</u>	<u>13,092,137</u>	<u>12,051,506</u>
Legal debt margin	\$ <u>2,935,472,356</u>	\$ <u>3,277,915,175</u>	\$ <u>3,189,738,198</u>	\$ <u>2,901,366,230</u>	\$ <u>2,550,984,458</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.76%</u>	<u>0.61%</u>	<u>0.56%</u>	<u>0.45%</u>	<u>0.47%</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessed value of real property ⁽¹⁾	\$ <u>9,549,938,204</u>	\$ <u>9,785,361,709</u>	\$ <u>10,022,181,117</u>	\$ <u>9,511,805,667</u>	\$ <u>9,743,494,577</u>
Debt limit ⁽²⁾	\$ <u>2,387,484,551</u>	\$ <u>2,446,340,427</u>	\$ <u>2,505,545,279</u>	\$ <u>2,377,951,417</u>	\$ <u>2,435,873,644</u>
Amount of Debt Applicable to Limit ⁽³⁾					
Total long term debt	15,955,602	13,258,939	31,860,000	29,810,000	27,030,000
Less: Assets in debt service fund	<u>1,158,846</u>	<u>1,433,693</u>	<u>1,594,417</u>	<u>879,771</u>	<u>962,534</u>
Total net debt applicable to limit	<u>14,796,756</u>	<u>11,825,246</u>	<u>30,265,583</u>	<u>28,930,229</u>	<u>26,067,466</u>
Legal debt margin	\$ <u>2,372,687,795</u>	\$ <u>2,434,515,181</u>	\$ <u>2,475,279,696</u>	\$ <u>2,349,021,188</u>	\$ <u>2,409,806,178</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.62%</u>	<u>0.48%</u>	<u>1.21%</u>	<u>1.22%</u>	<u>1.07%</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 (1)</u>	<u>Personal Income (thousands of dollars) (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2009	150,582	\$ 4,746,646	\$ 31,522	9.2%
2010	150,934	4,890,865	32,404	8.3%
2011	151,955	5,267,064	34,662	7.7%
2012	153,313	5,388,339	35,146	6.2%
2013	154,556	5,531,559	35,790	5.9%
2014	156,904	5,822,080	37,106	4.8%
2015	158,614	6,046,048	38,118	4.4%
2016	160,503	6,244,690	38,907	4.5%
2017	167,301	6,682,230	39,941	3.4%
2018	169,159	6,914,543	40,876	3.4%

- (1) USBEA population data from 2009 through 2010 has been adjusted based on 2010 census. 2011 through 2018 data is derived from trended data.
- (2) USBEA population data from 2009 through 2010 has been adjusted based on 2010 census. 2011 through 2018 data is derived from trended data.
- (3) Unemployment rates were provided by the Texas Workforce Commission and the Bureau of Labor Statistics current population survey for Johnson County as of September each year.

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

Table 13

Employer	2018			2009		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,738	1	2.27%	1,461	1	2.09%
Cleburne ISD	974	2	1.27%	1,047	2	1.50%
Joshua ISD	873	3	1.14%	651	4	0.93%
Wal-Mart Distribution Center	807	4	1.05%	846	3	1.21%
Sabre Tubular Structures	612	5	0.80%	N/A	-	N/A
Johnson County	504	6	0.66%	590	6	0.84%
Wal-Mart Supercenter (Burleson)	415	7	0.54%	616	5	0.88%
Texas Health Resources	413	8	0.54%	N/A	-	N/A
Wal-Mart Supercenter (Cleburne)	390	9	0.51%	515	7	0.74%
City of Cleburne	360	10	0.47%	374	10	0.53%
Johns Manville				377	8	0.54%
Harris Methodist Walls Hospital				375	9	0.54%
Total	<u>7,086</u>		<u>9.25%</u>	<u>6,852</u>		<u>9.80%</u>
Total County Employment	<u><u>76,652</u></u>			<u><u>69,985</u></u>		

Source: Johnson County Economic Development Commission
 Individual Employers

N/A - Not Available

JOHNSON COUNTY, TEXAS

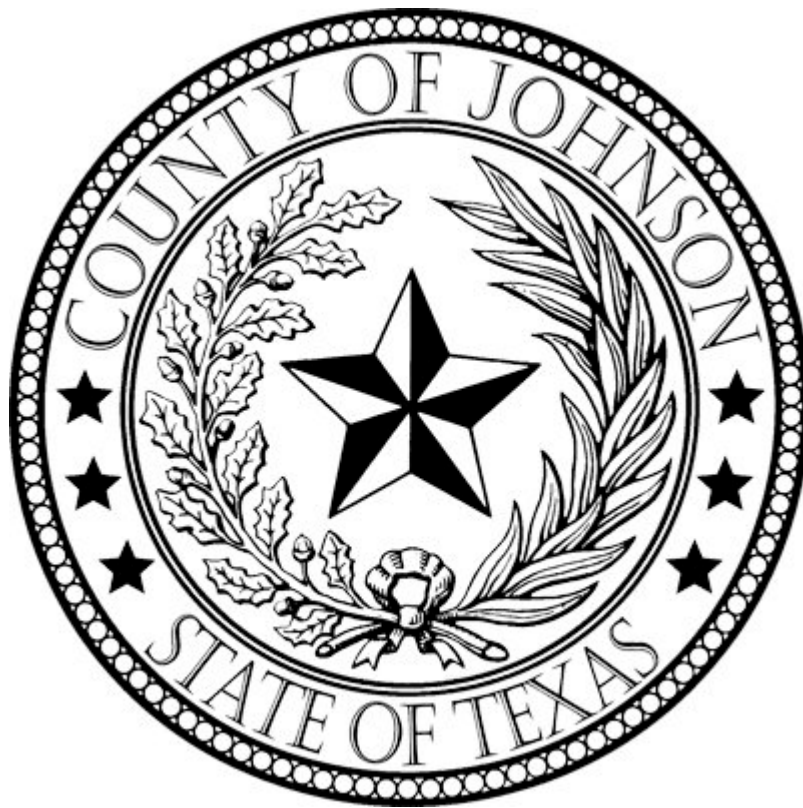
Table 14

FULL-TIME COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	141	135	128	128	123	129	132	140	134	135
Highways/streets	90	79	75	75	75	73	77	67	68	67
Law enforcement	189	198	187	187	191	196	202	202	199	196
Administrative justice	87	89	82	82	78	83	82	83	84	79
Financial	14	14	13	13	13	14	14	13	13	13
Public health & welfare	9	8	5	5	5	6	7	9	8	9
Culture & recreation	7	6	3	3	4	3	4	4	4	5
Total	<u>537</u>	<u>529</u>	<u>493</u>	<u>493</u>	<u>489</u>	<u>504</u>	<u>518</u>	<u>518</u>	<u>510</u>	<u>504</u>

Source: County budget records



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

Table 15
 Page 1 of 2

Function	Fiscal Year				
	2009	2010	2011	2012	2013
General Government:					
County Clerk					
Criminal Cases Filed	4,395	4,316	3,769	3,510	4,333
Civil Cases Filed	1,238	1,178	1,724	1,014	920
Juvenile petitions Filed	281	266	183	157	134
Probate/Guardianship Cases Filed	--	--	--	398	433
Mental Health Cases Filed	--	--	--	--	--
Personnel					
Positions Filled	608	607	586	594	603
Payroll Checks Processed	15,585	15,903	15,499	15,488	15,873
Public Works					
Permits Issued	964	715	681	651	471
Septic Complaints Addressed	256	214	187	124	126
Purchasing					
Purchase Orders Issued	6,507	5,896	5,563	5,542	4,914
Recurring Annual Competitive Bids	63	39	28	22	23
New Competitive Bids					
Tax Assessor/Collector					
County Tax Accounts	136,166	185,126	202,431	285,381	287,183
Automobile Registrations	158,597	158,676	160,584	163,283	165,217
Elections Administration					
Registered Voters	79,811	81,486	77,802	78,275	80,779
Administrative Justice					
District Courts					
Civil Cases Filed	3,397	3,268	1,462	998	991
Criminal Cases Filed	1,366	1,338	1,416	1,523	1,801
County Courts					
Criminal Cases Disposed	4,819	4,871	4,007	3,763	4,019
Civil Cases Disposed	1,822	1,371	1,688	1,132	880
Juvenile Petitions Disposed	200	193	183	162	144
Probate/Guardianship Hearings Held	--	--	--	385	356
Mental Health Hearings Held	--	--	--	--	--
District Clerk					
Civil Cases Disposed	3,404	3,264	1,171	1,244	1,130
Criminal Cases Disposed	1,565	1,416	1,427	1,502	1,701
Justice of the Peace					
Civil Cases Filed	2,168	1,928	2,000	2,044	1,804
Criminal Cases Filed	16,170	14,789	12,922	14,198	16,046
Civil Cases Disposed	--	--	1,799	1,706	1,752
Criminal Cases Disposed	--	--	12,217	16,805	15,742

(continued)

Fiscal Year					
2014	2015	2016	2017	2018	
3,673	3,024	2,685	2,386	2,286	
916	900	983	1,120	957	
113	125	107	61	76	
461	399	398	459	436	
65	47	77	184	181	
610	625	633	631	635	
15,938	16,921	17,132	16,384	16,896	
628	732	1,035	1,342	1,434	
143	178	163	134	126	
3,946	4,267	3,983	3,823	3,622	
13	17	14	20	28	
22	19	12	14	4	
298,539	314,034	309,572	302,255	317,412	
168,964	167,198	169,105	173,718	178,013	
82,377	84,405	90,587	92,999	94,293	
1,288	1,365	1,036	1,136	1,440	
1,653	1,753	1,643	1,289	1,533	
3,730	3,346	3,062	1,985	2,293	
1,038	683	905	1,298	993	
195	113	110	65	67	
397	510	892	593	662	
53	49	63	289	152	
1,211	830	1,233	1,118	1,475	
1,744	1,608	1,492	1,260	1,359	
1,644	1,789	1,882	2,135	2,452	
9,950	9,784	11,475	9,779	10,701	
1,880	2,094	1,792	1,846	2,045	
11,631	10,183	10,976	8,672	11,204	

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

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2009	2010	2011	2012	2013
Law Enforcement					
County Jail					
Average Daily Jail Population	580	564	613	627	673
Sheriff					
E-911 Calls Received (Approx)	224,566	37,667	38,883	44,559	38,390
Financial					
County Auditor					
A/P Checks Processed	7,131	7,317	6,986	6,195	4,658
ACH Processed	--	--	--	647	1,995
Wire Transactions	--	--	--	220	121
Invoices Processed	--	19,260	17,706	16,854	14,466
Highways and Streets					
Miles of Roads Resurfaced	104	114	113	119	68
Public Health & Welfare					
Medical Examiner Cases Investigated	399	441	408	437	502
Indigent Clients	94	160	94	146	174
Culture & Recreation					
Hamm Creek Park Visitors	3,519	7,214	13,246	23,321	18,626

Sources: Texas Courts Online Annual Statistical Reports
 Johnson County Offices

Fiscal Year				
2014	2015	2016	2017	2018
713	661	679	703	756
52,372	51,415	48,562	45,856	46,653
4,617	4,596	5,000	4,559	4,608
2,124	2,102	2,535	2,047	2,140
153	137	128	230	178
13,440	14,750	14,660	14,560	15,043
56	25	10	59	37
627	548	602	570	609
155	136	106	60	53
17,259	12,737	12,804	27,213	24,664

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

Function	Fiscal Year				
	2009	2010	2011	2012	2013
Administration of Justice					
Furniture and equipment		20	20	21	22
Vehicles & mobile equipment		6	5	5	5
Land & building		1	2	1	1
General Government					
Furniture and equipment		180	158	163	164
Vehicles & mobile equipment		10	8	10	21
Land & building		71	72	74	81
Highways and Streets					
Furniture and equipment		7	8	12	12
Vehicles & mobile equipment		235	251	255	260
Land & building		13	18	19	20
Law Enforcement					
Furniture and equipment		86	74	75	78
Vehicles & mobile equipment		142	140	153	147
Land & building		8	12	12	14
Health & Welfare					
Furniture and equipment		2	21	21	21
Vehicles & mobile equipment		3	5	5	5
Land & building		--	1	1	1
Culture & Recreation					
Furniture and equipment		1	1	1	1
Vehicles & mobile equipment		3	4	4	4
Land & building		--	2	2	2

Source: Johnson County Financial Records

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

Table 16

Fiscal Year					
2014	2015	2016	2017	2018	
23	24	24	23	25	
4	4	6	4	4	
1	1	--	--	--	
171	170	174	179	185	
23	23	22	22	21	
83	83	84	83	81	
12	12	12	14	18	
264	273	269	272	276	
20	20	20	24	81	
90	98	104	124	122	
144	135	141	140	146	
14	14	14	15	15	
21	19	12	12	10	
8	7	7	8	8	
2	3	3	3	3	
1	1	1	1	1	
5	5	5	4	4	
2	2	2	2	2	



STATE AWARDS SECTION



Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

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

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

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

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, 2018, 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 13, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Kennemer, Masters & Kingford, LLC

Lake Jackson, Texas
March 13, 2019

Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

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

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El Campo Office:
201 W. Webb
El Campo, Texas 77437
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Independent Auditor's Report

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

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

Report on Compliance for Each Major State Program

We have audited Johnson County, Texas' (the "County") compliance with the types of compliance requirements described in the *Texas Single Audit Circular (Uniform Grant Management Standards)* that could have a direct and material effect on each of County's major state programs for the year ended September 30, 2018. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the County 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, 2018.

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Texas Single Audit Circular (Uniform Grant Management Standards)*. Accordingly, this report is not suitable for any other purpose.

Kennemer, Masters & Hunsford, LLC

Lake Jackson, Texas
March 13, 2019

JOHNSON COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2018

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.
2. No internal control findings required to be reported in this schedule, were disclosed in the audit of the financial statements.
3. Noncompliance, which is material to the financial statements: None.
4. No internal control findings, that are required to be reported in this schedule, was disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with *Texas Single Audit Circular (Uniform Grant Management Standards)* Section 510(a): No
7. Major programs include:
 - TJJD Cluster Programs:
 - TJJD-A-18/19-126 State Aid Program
 - TJJD-P-18/19-126 Juvenile Justice Alternative Education Program
 - TJJD-R-18/19-126 Regional Diversion Alternative Program
8. Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000.
9. Low Risk Auditee: Yes.

II. Findings related to the financial statements.

The audit disclosed no findings required to be reported.

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

The audit disclosed no findings required to be reported.

JOHNSON COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
Year Ended September 30, 2018

None.

JOHNSON COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year Ended September 30, 2018

None.

JOHNSON COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2018

Exhibit 17
Page 1

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Juvenile Justice Department:		
Direct Program:		
State Aid Program (1)	TJJD-A-18-126	\$ 707,071
State Aid Program (1)	TJJD-A-19-126	45,632
Regional Diversion Alternative Program (1)	TJJD-R-18-126	90,861
Regional Diversion Alternative Program (1)	TJJD-R-19-126	23,140
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp)(1)	TJJD-P-18-126	37,854
Juvenile Justice Alternative Education Program (Supplement)(1)	TJJD-P-19-126	<u>1,806</u>
TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT		<u>\$ 906,364</u>
Texas Commission on Environmental Quality:		
Direct Program:		
Local Emergency Planning Committee Grant	---	<u>\$ 14,910</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		<u>\$ 14,910</u>
Texas Natural Resource Conservation Commission:		
Direct Program:		
Health and Safety Code 361.136(L) (1)	--	<u>\$ 21,136</u>
TOTAL NATURAL RESOURCE CONSERVATION COMMISSION		<u>\$ 21,136</u>
Commission on State of Texas Emergency Communications:		
Passed Through Houston-Galveston Area Council:		
911 Addressing Maintenance Contract	---	<u>\$ 44,648</u>
TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS		<u>\$ 44,648</u>
Office of Attorney General:		
Direct Program:		
Texas Victim Information and Notification Everyday (VINE)	1877299	\$ 26,168
Texas Victim Information and Notification Everyday (VINE)	1990274	<u>2,379</u>
		28,547
Direct Program:		
Sexual Assault Prevention & Crisis Services Program	--	<u>9,600</u>
TOTAL OFFICE OF ATTORNEY GENERAL		<u>\$ 38,147</u>

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

For the Year Ended September 30, 2018

Exhibit 17

Page 2

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Formula	212-18-126	\$ <u>107,066</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		\$ <u><u>107,066</u></u>
Texas Office of the Governor:		
Passed through the Criminal Justice Division		
Rifle Resistant Body Armor Grant Program	3484201	\$ <u>49,946</u>
TOTAL TEXAS OFFICE OF THE GOVERNOR		\$ <u><u>49,946</u></u>
Texas Department of State Health Services:		
Direct Program:		
Tobacco Settlement Funds	--	\$ <u>38,587</u>
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		\$ <u><u>38,587</u></u>
Secretary of State - Elections Division:		
Direct Program:		
Chapter 19 – Elections Fund Management	--	\$ <u>11,243</u>
TOTAL SECRETARY OF STATE		\$ <u><u>11,243</u></u>
TOTAL STATE ASSISTANCE		\$ <u><u>1,232,047</u></u>
TOTAL MAJOR PROGRAMS		\$ <u><u>906,364</u></u>
TYPE A PROGRAM		\$ <u><u>300,000</u></u>

(1) Cluster Programs per TJJJ

JOHNSON COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR STATE AWARDS

Year Ended September 30, 2018

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

Governmental Fund Types:

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

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

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

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

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

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

JOHNSON COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR STATE AWARDS - Continued

Year Ended September 30, 2018

3. The period of availability for state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Texas Single Audit Circular (Uniform Grant Management Standards).
4. Indirect Costs - The County received no reimbursements for indirect costs during the year ended September 30, 2018.

