

JOHNSON COUNTY, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2009

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, 2009

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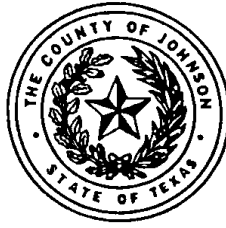
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INTRODUCTORY SECTION





JOHNSON COUNTY

AUDITOR'S OFFICE

J.R. Kirkpatrick, County Auditor

(817) 556-6305 ~ Metro (817) 558-0111

#2 N. Main ~ Cleburne, Texas 76033

Fax (817) 556-6075

March 26, 2010

THE HONORABLE DISTRICT JUDGES AND

THE HONORABLE COMMISSIONERS COURT:

Gentlemen:

In compliance with the statutory duties of the County Auditor as prescribed by Section 114.025 of the Local Government Code of the State of Texas, the Comprehensive Annual Financial Report of Johnson County, Texas, for the fiscal year ended September 30, 2009, is submitted herewith. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. This report has been prepared using generally accepted accounting principles and guidelines promulgated by the Governmental Accounting Standards Board. We have endeavored to conform substantially to the high standards of public financial reporting as recommended by the Government Finance Officers Association of the United States and Canada. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, Certificate of Achievement for Excellence in Financial Reporting, an organization chart of the County, and a directory of principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis, basic financial statements, including government-wide and fund financial statements, and notes thereto which present an overview of the County's financial operations, and more detailed combining and supplementary statements. The statistical section includes unaudited data depicting certain financial history of the County for the past 10 years and other information. This section, over the last few years, has become much more informative with interesting and significant data regarding County finances and operations.

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

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Johnson County's MD&A can be found immediately following the report of the independent auditors.

ECONOMIC CONDITION AND OUTLOOK

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

Johnson County, like most of the state and nation, has seen a slight downturn in the business environment. The region has a varied manufacturing and industrial tax base that contributes to the relatively favorable unemployment rate. During the past two years the County has seen a decrease in gas exploration due to the declining price of natural gas. However, the royalty income, created by the original drilling activity and continued producing wells, is still boosting the economy, but has a lesser impact than it did eighteen months ago. The County's tax base is expected to experience a negative movement due to declining mineral values created by lower natural gas prices. Johnson County is well positioned, financially, with the above average fund balances it maintains; meaning that the expected downturn will not create an unmanageable hardship. Johnson County will continue to benefit from the effect of the metropolitan influence on population growth to the north due to its close proximity to Dallas and Fort Worth.

The Johnson County Economic Development Commission (JCEDC) has been in existence since September 1989. The Commission has had another successful year in attracting new business to the area, resulting in new jobs and significant increases to the tax rolls.

Recently, very significant advances have been made in the proposed State Highway 121 project. This highway will provide a much needed north-south route from our county seat to Fort Worth. Continued growth and urbanization in the Dallas-Fort Worth region, specifically, Johnson County, has resulted in the need for more efficient transportation systems to reduce current congestion and accommodate future traffic demand. The project is currently receiving the final environmental clearance with the expectation of construction to commence in 2011. It has been determined that it will be a toll road with the North Texas Tollway Authority having responsibility for the project. The NTTA will raise the necessary capital by the issuance of turnpike revenue bonds. Additionally, NTTA projects are not a part of the state highway system and receive no direct tax funding. The highway will extend 27.6 miles from the Fort Worth central business district to U.S. Highway 67 in Cleburne.

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

Population growth continues in Johnson County with significant residential growth in Cleburne, Burleson and other cities. Combined efforts of the cities and County government have proven to be effective in attracting industry as well. The downtown area of Cleburne benefits from aggressive tax incentives approved by the city and County. The renovation of the old multi-storied hotel in downtown Cleburne was completed and more renovation of other buildings is in progress; further adding to the attraction of the business area of the county seat.

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

Completion of the Guinn Justice Center was accomplished in fiscal year 2004 and continues to meet all our District and County Court at Law needs. The County has purchased all the land and buildings surrounding the Guinn Courts Building and clearing of the properties has been completed. This action will ensure Johnson County will be able to address future justice administration needs, conveniently keeping all improvements within close proximity to the Courts Building. This will allow the addition of the Johnson and Somervell Counties Community Supervision Department to have much needed office space along with other court-supporting functions.

Following completion of the jail expansion project, Johnson County contracted with a jail administration vendor to manage virtually all jail operations beginning September 1, 2008. This move was made with the goal of saving money regarding detention costs.

The renovation of the old historic courthouse on the town square is complete. The County is pleased with the outcome and the plan has proven to help alleviate the office overcrowding problems the County was experiencing as a result of meeting the needs of a growing county.

For the Future

With the county having purchased the land and buildings adjacent to the Guinn Justice Center, construction plans can move forward for office space to accommodate the needs of additional Johnson and Somervell Counties Community Supervision Department personnel. The growth experienced by the county requires our elected officials to be forward thinking to address issues before they become problems. As in most Texas counties, the need to accommodate the law enforcement and administration of justice functions is truly a challenge.

Johnson County is committed to providing cost effective government services. For example, the county is installing a video-audio conferencing system between the Guinn Justice Center, Justice of the Peace, Precinct One, and the Johnson County Law Enforcement Center. This system will allow inmates to participate by video in certain types of court hearings from the Johnson County Law Enforcement Center or State Prison Units, as well as allowing Justice of the Peace, Precinct One the ability to magistrate inmates by video at the Johnson County Law Enforcement Center, thereby reducing transportation expenses. Also, scheduled for opening in mid 2010 is an expanded law library and conference center. The Conference Center will be equipped to receive continuing education courses over the internet in a classroom setting, which will lessen the need for County employees and members of the local bar association to travel out of town to participate in required continuing legal education.

The Corps of Engineers has completed the construction of Hamm Creek Park on the Brazos River for overnight camping and a boat launch which should prove to be a positive tourist attraction. This project was funded with federal monies made available by Congress. The County has added three full time employees for the park. It is expected that there will be significant summer time traffic with campers and fishermen.

FINANCIAL INFORMATION

The Commissioners Court of the County has a determination to manage growing fund balances in a conservative and judicious manner. For example, the increased tax revenue, a contributing factor to the increasing fund balances, received as a result of growing mineral values is planned to be used mainly for capital items such as construction and equipment. With the expectation that these values will fall as the economy dictates, based on natural gas prices, the Commissioners Court will not use such funds for things which demand long-time commitments such as additional personnel. Therefore, the significant fund balance in the General Fund will be used to avoid some future debt by using cash at times when, otherwise, borrowing would be the norm.

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 likely to be 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.

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

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

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

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

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

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

OTHER INFORMATION

Independent Audit. The County's financial statements have been audited by Kennemer, Masters and Lunsford, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Johnson County, Texas' financial statements for the fiscal year ended September 30, 2009, 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, 2008. This was the 18th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate Of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

J.R. Kirkpatrick
Johnson County Auditor

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

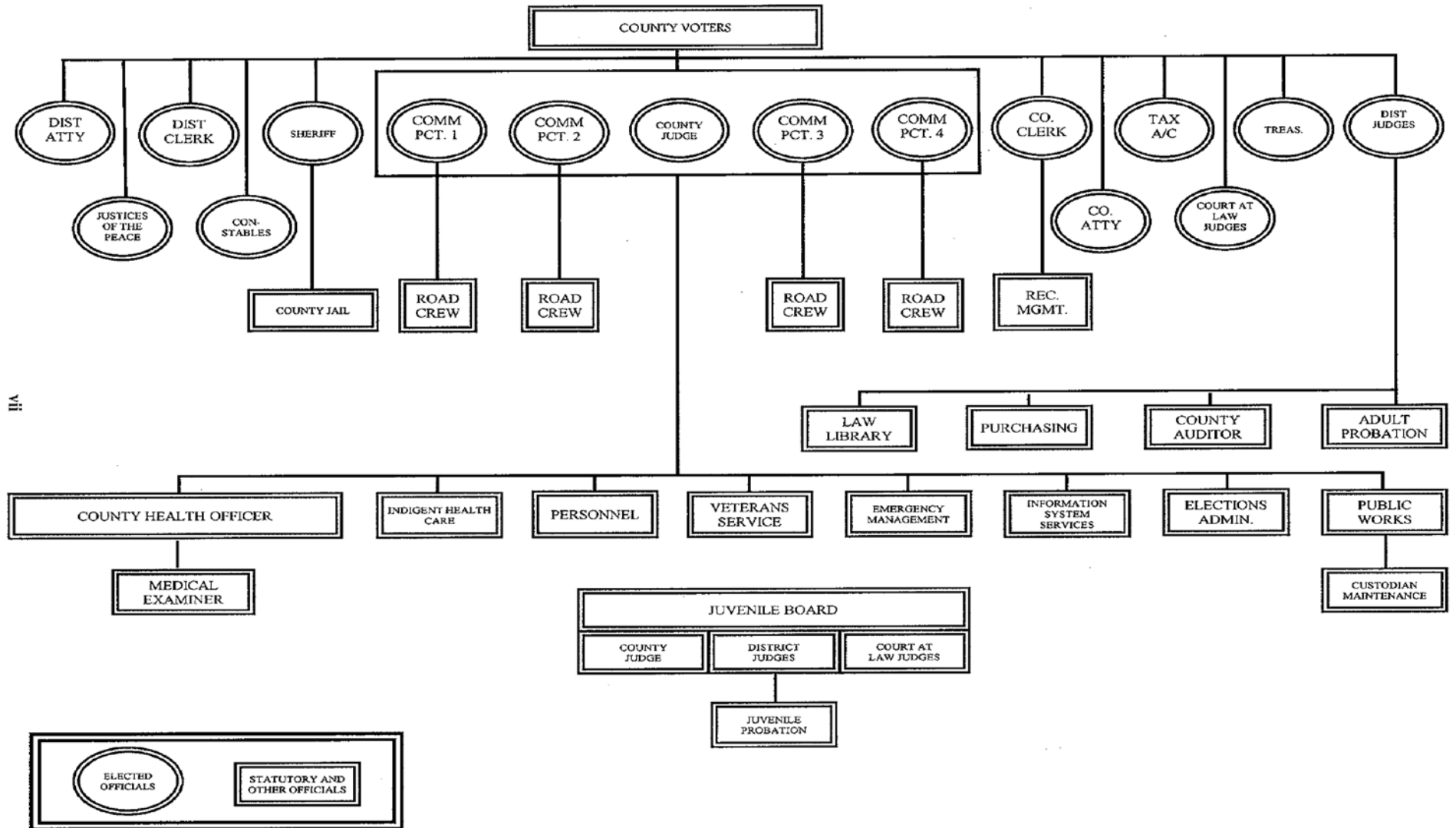


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President

A stylized, handwritten signature in black ink.

Executive Director



HA

JOHNSON COUNTY, TEXAS

PRINCIPAL OFFICIALS

COMMISSIONERS' COURT

COUNTY JUDGE

Roger Harmon

COUNTY COMMISSIONERS

Precinct 1

Rick Bailey

Precinct 2

John W. Matthews

Precinct 3

Jerry Stringer

Precinct 4

Don Beeson

JUDICIAL

DISTRICT JUDGE

18th Judicial District

John E. Neill

249th Judicial District

Wayne Bridewell

413th Judicial District

William C. Bosworth, Jr.

COUNTY COURT-AT-LAW I

Robert B. Mayfield, III

COUNTY COURT-AT-LAW II

Jerry D. Webber

JUSTICE OF THE PEACE

Precinct 1

Ronald R. McBroom

Precinct 2

Jeff Monk

Precinct 3

Pat Jacobs

Precinct 4

Betty Stiles

LAW ENFORCEMENT AND LEGAL

DISTRICT ATTORNEY

Dale Hanna

COUNTY ATTORNEY

Bill Moore

SHERIFF

Bob Alford

CONSTABLES

Precinct 1

Bill Pierce

Precinct 2

Adam Crawford

Precinct 3

Mike White

Precinct 4

Gary Braly

COMMUNITY SUPERVISION DIRECTOR*

Toby Ross

CHIEF JUVENILE PROBATION OFFICER*

Lisa Tomlinson

FINANCIAL ADMINISTRATION

COUNTY AUDITOR*

J. R. Kirkpatrick

COUNTY TREASURER

Barbara Robinson

TAX ASSESSOR—COLLECTOR

Scott Porter

PURCHASING AGENT*

Margaret Cook

COURT CLERKS

DISTRICT CLERK

David Lloyd

COUNTY CLERK

Curtis Douglas

*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 Fax: (979) 297-6648
(800) 399-4075

Houston Office:
12000 Westheimer, Suite 105
Houston, Texas 77077
(281) 752-0200 Fax: (281) 752-0204

Independent Auditor's Report

March 26, 2010

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

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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Johnson County, Texas as of September 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2010 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

The Honorable County Judge,
and Members of Commissioners Court
of Johnson County, Texas
March 26, 2010
Page 2

Required Supplementary Information

The Management's Discussion and Analysis and Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund and Major Special Revenue Fund, and the Texas County and District Retirement System Schedule of Funding – Last Three Years on pages 3 through 14 and 54 through 56, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Combining and Individual Fund Statements and Schedules, and Federal and State Awards Section

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the State of Texas *Single Audit Circular*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Introductory and Statistical Sections

The information identified in the table of contents as Introductory and Statistical Sections is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Kennemer, Masters & Hunsford, LLC

JOHNSON COUNTY, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2009

As management of Johnson County, Texas ("County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2009. 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 of the County exceeded its liabilities at the close of the most recent fiscal year for governmental activities by \$ 76,929,806 (net assets). Of this amount, \$ 24,747,594 (unrestricted net assets), 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 assets increased for governmental activities by \$ 7,133,748.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 32,108,943. 90.28% of this amount, \$ 28,989,197 (unreserved fund balance), were available for use within the County's fund designations. Of the governmental funds amount, \$ 12,122,325 has been designated for specific uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 16,866,872 or 47.82% of the total general fund expenditure.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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, 2009*

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

The government-wide financial statements can be [found on pages 16 and 17](#) of this report.

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

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

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

The County maintains fifty-two (52) 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 and Road and Bridge (special revenue fund), and Equipment Purchase (capital projects fund); all of which are considered to be major funds. Data from the other forty-nine (49) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages [18 through 23](#) of this report.

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

JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2009*

- **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 assets on page 24 and a statement of changes in fiduciary net assets that can be found on pages 116 through 118.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 51 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 54 through 56 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 58 through 115 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$ 76,929,806 as of September 30, 2009.

The largest portion of the County's net assets, \$ 37,272,013 (48.45%) reflects its investments in capital assets (e.g., land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress), less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens; 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.

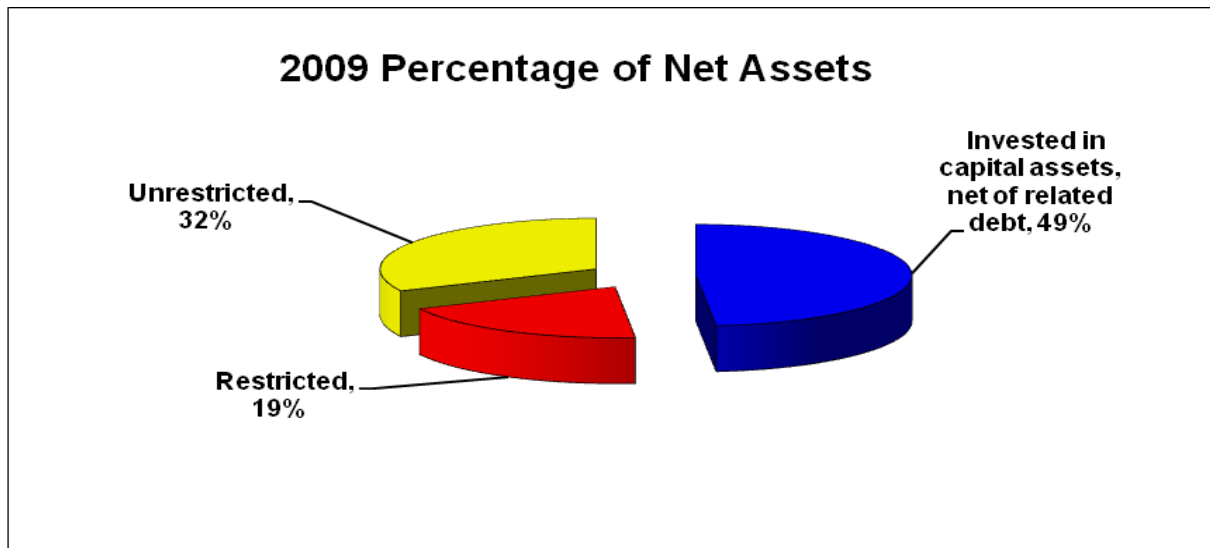
An additional portion of the County's net assets of \$ 14,910,199 (19.38%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$ 24,747,594 (32.17%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2009, the County is able to report positive balances in all three categories of net assets.

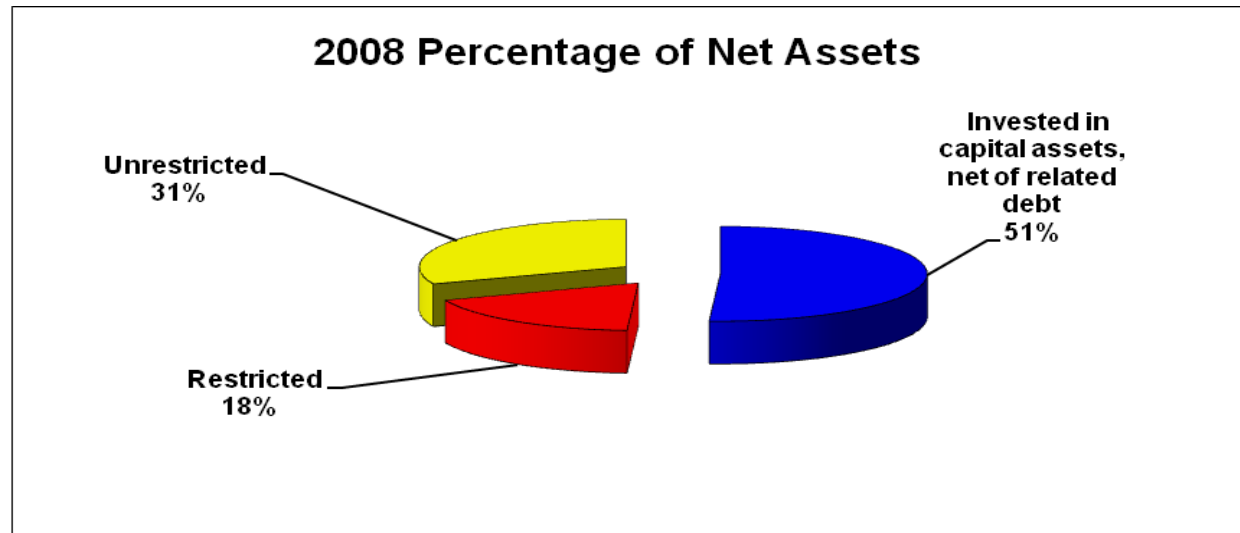
JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2009

JOHNSON COUNTY'S NET ASSETS

	<u>Governmental Activities</u>		
	<u>September 30, 2009</u>	<u>Restated September 30, 2008</u>	<u>Net Change</u>
Current and other assets	\$ 45,396,651	\$ 40,542,175	\$ 4,854,476
Capital assets	<u>60,877,148</u>	<u>60,201,455</u>	<u>675,693</u>
Total assets	<u>106,273,799</u>	<u>100,743,630</u>	<u>5,530,169</u>
Current and other liabilities	4,665,182	3,487,031	1,178,151
Long-term liabilities	<u>24,678,811</u>	<u>27,460,541</u>	(<u>2,781,730</u>)
Total liabilities	<u>29,343,993</u>	<u>30,947,572</u>	(<u>1,603,579</u>)
Net Assets:			
Invested in capital assets, net of related debt	37,272,013	35,509,134	1,762,879
Restricted	14,910,199	12,711,090	2,199,109
Unrestricted	<u>24,747,594</u>	<u>21,575,834</u>	<u>3,171,760</u>
Total net assets	<u>\$ 76,929,806</u>	<u>\$ 69,796,058</u>	<u>\$ 7,133,748</u>



JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2009



Analysis of the County's Operations. Governmental activities reported an increase in net assets in the amount of \$ 7,133,748. The following table provides a summary of the County's operations for the year ended September 30, 2009.

JOHNSON COUNTY'S CHANGES IN NET ASSETS

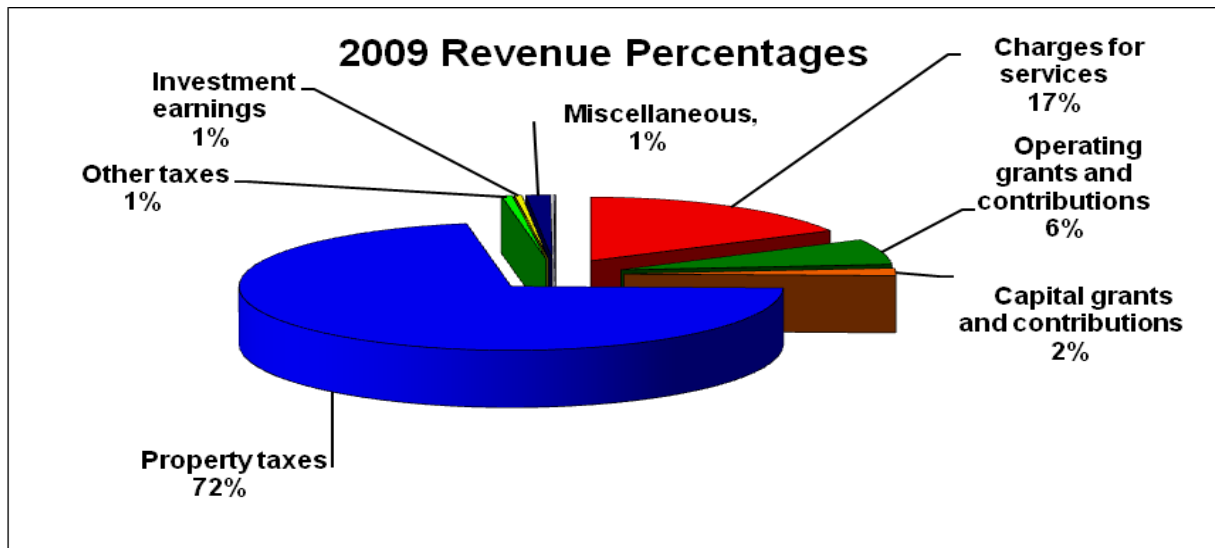
	Governmental Activities		
	September 30, 2009	Restated September 30, 2008	Net Change
Revenues:			
Program Revenues:			
Charges for services	\$ 10,266,400	\$ 12,911,754	\$(2,645,354)
Operating grants and contributions	3,855,193	3,834,540	20,653
Capital grants and contributions	1,086,130	1,420,109	(333,979)
General Revenues:			
Property taxes	43,069,773	35,641,748	7,428,025
Other taxes	386,625	323,262	63,363
Unrestricted Investment earnings	256,184	1,008,287	(752,103)
Gain on disposition of capital assets	58,494		58,494
Miscellaneous	<u>871,103</u>	<u>175,565</u>	<u>695,538</u>
Total revenues	<u>59,849,902</u>	<u>55,315,265</u>	<u>4,534,637</u>

(Continued)

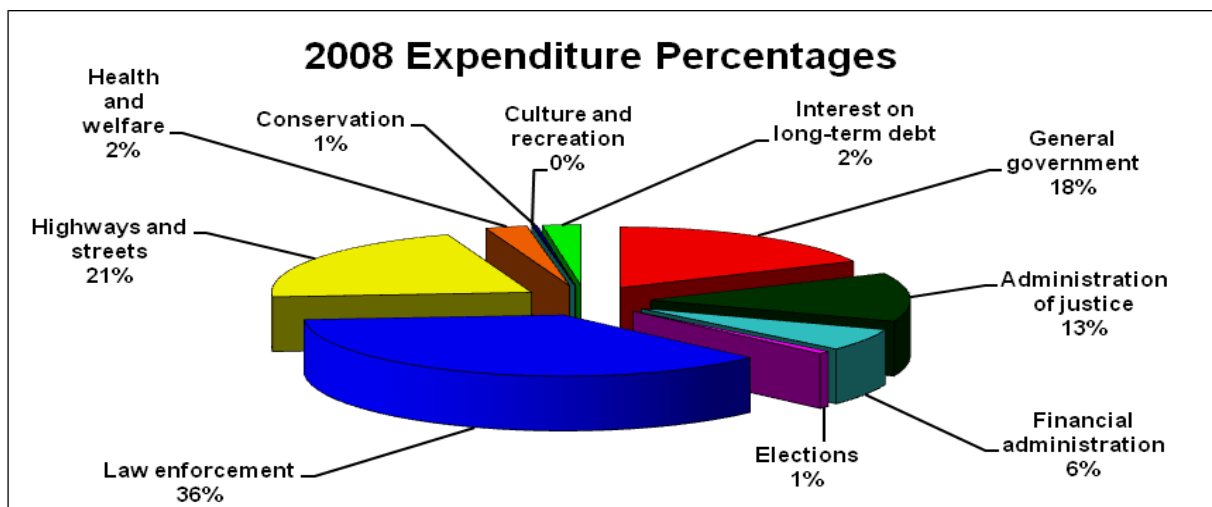
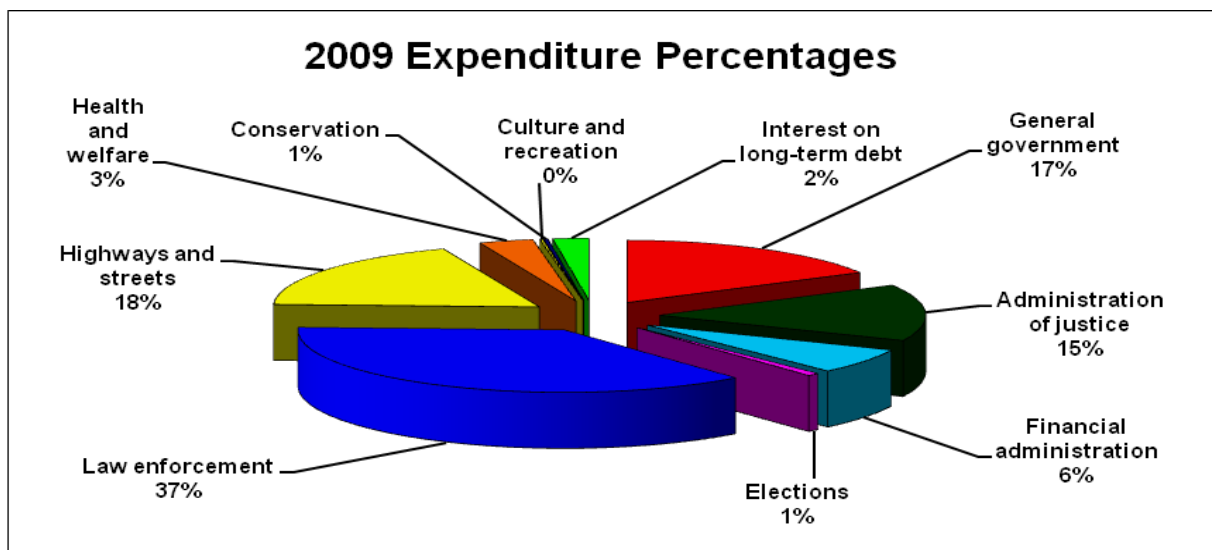
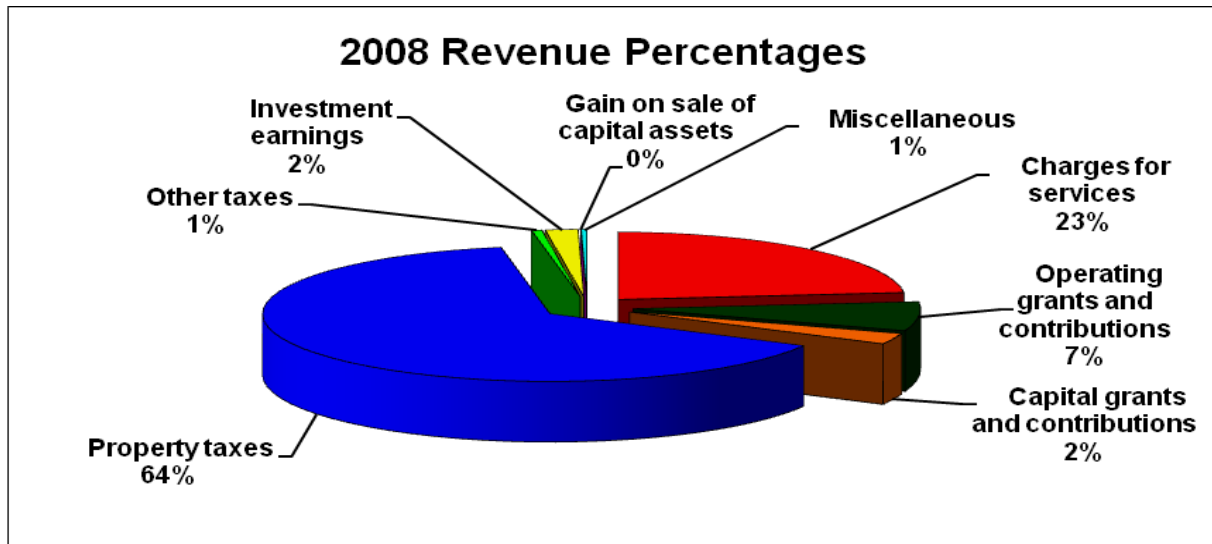
JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2009

JOHNSON COUNTY'S CHANGES IN NET ASSETS - Continued

	Governmental Activities		
	September 30, 2009	Restated September 30, 2008	Net Change
Expenses:			
General government	\$ 8,942,844	\$ 8,851,599	\$ 91,245
Administration of justice	7,734,733	6,411,285	1,323,448
Financial Administration	3,444,059	2,906,858	537,201
Elections	378,126	370,967	7,159
Law enforcement	19,374,254	18,163,642	1,210,612
Highways and streets	9,743,940	10,423,688	(679,748)
Health and welfare	1,729,026	1,280,130	448,896
Culture and recreation	87,275	5,235	82,040
Conservation	136,789	137,925	(1,136)
Interest on long-term debt	<u>1,145,108</u>	<u>1,177,707</u>	<u>(32,599)</u>
Total expenses	<u>52,716,154</u>	<u>49,729,036</u>	<u>2,987,118</u>
Increase (decrease) in net assets before transfers	7,133,748	5,586,229	1,547,519
Transfers	_____	_____	_____
Increase (decrease) in net assets	7,133,748	5,586,229	1,547,519
Net assets – October 1, (restated)	<u>69,796,058</u>	<u>64,209,829</u>	<u>5,586,229</u>
Net assets - September 30,	<u>\$ 76,929,806</u>	<u>\$ 69,796,058</u>	<u>\$ 7,133,748</u>



JOHNSON COUNTY, TEXAS
Management's Discussion and Analysis
For the Year Ended September 30, 2009



JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2009*

Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 32,108,943. 90.28% of this total amount (\$ 28,989,197) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for prepaid expenditures (\$ 508,859), 2) for the expenditure of inventories (\$ 317,535), 3) for the expenditure of encumbrances (\$ 198,974), and 4) to pay for debt service (\$ 2,094,378).

Fund balance of the General Fund increased by \$ 5,373,846; the Road and Bridge (special revenue fund) increased by \$ 866,791; the Equipment Purchase (capital projects fund) decreased by \$ 1,758,755; and, other (non-major) governmental funds increased by \$ 1,154,634.

The increased fund balance in the General Fund is due to actual revenue exceeding the budgeted revenue by 2% and actual expenditures coming under budget by 11%. Most of the additional revenue was a result of under-budgeting ad valorem taxes due to late appraisals that were not a part of the original certified tax role, mainly due to mineral values and the cumulative differences in many other revenue line-items exceeding the revenue budget due to conservative revenue projections. General Fund expenditures were less than budgeted due largely to significant unspent budgets for software and the Sheriff's Office enforcement and jail detention. Regarding the Road & Bridge Funds, the increase in fund balance is attributed to unexpected donation by gas well operators for damage done to roads by their heavy trucks. The year-end decrease in the Equipment Purchase Fund is due to early funding of tax notes issued for funding fiscal year 2009. The fund balance increase in the non-major governmental funds is generally a result of unexpected growth in the county; creating fees in excess of our revenue budgets.

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 approximately a \$ 2.4 million increase. The largest amendments are enumerated here with many smaller amendments: Real property acquisition \$ 719,940 due to unexpected land purchases around the courts building, clean air state grant \$ 416,104 and transfers to other funds of \$ 663,012 which became necessary after the budget was adopted.

During the year, however, revenues exceeded budgetary estimates and expenditures were less than estimated. The major revenue variances include the following: current and delinquent taxes revenue, \$ 1,093,103 and delinquent taxes \$ 167,699. Regarding expenditures variances, the clean air state grant of \$ 416,104 was actually accrued to the prior year and budgeted transfers were under by \$ 342,636. In addition to these favorable budget balances there were a number of others that, in the aggregate, result in a large amount of the budget to be left unexpended.

JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2009*

Total General Fund revenue exceeded the budget by 2% and total fund expenditures were under budget by 11%.

Capital Assets

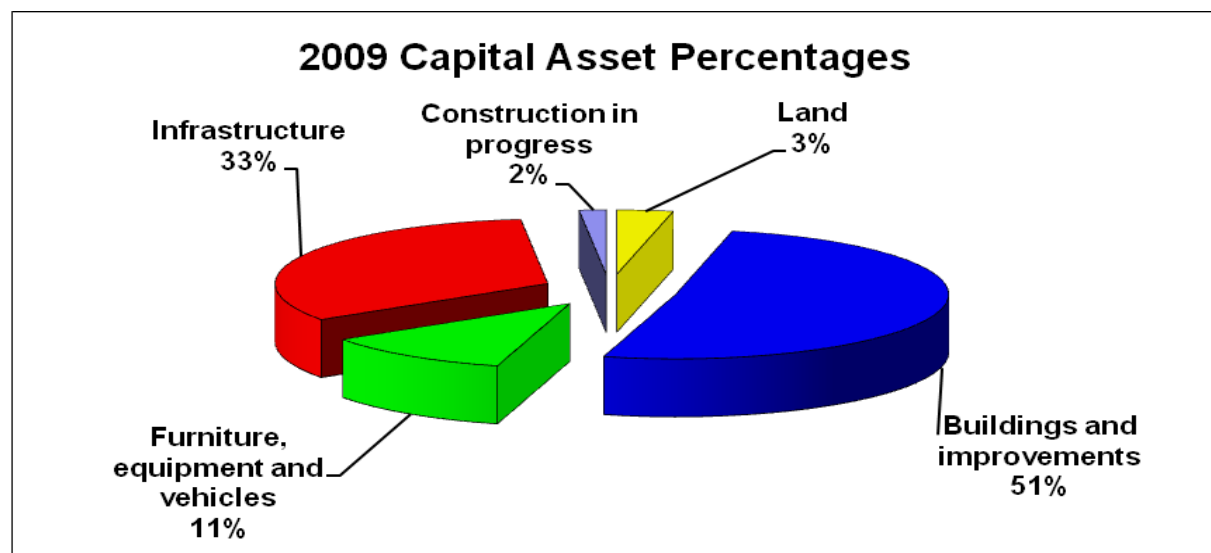
This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

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

- Contribution of approximately \$ 1,094,926 of equipment and roads.
- Acquisition of general equipment purchased from the issuance of tax notes.
- Acquisition of real property adjacent to the Courts Building and Courthouse Annex.

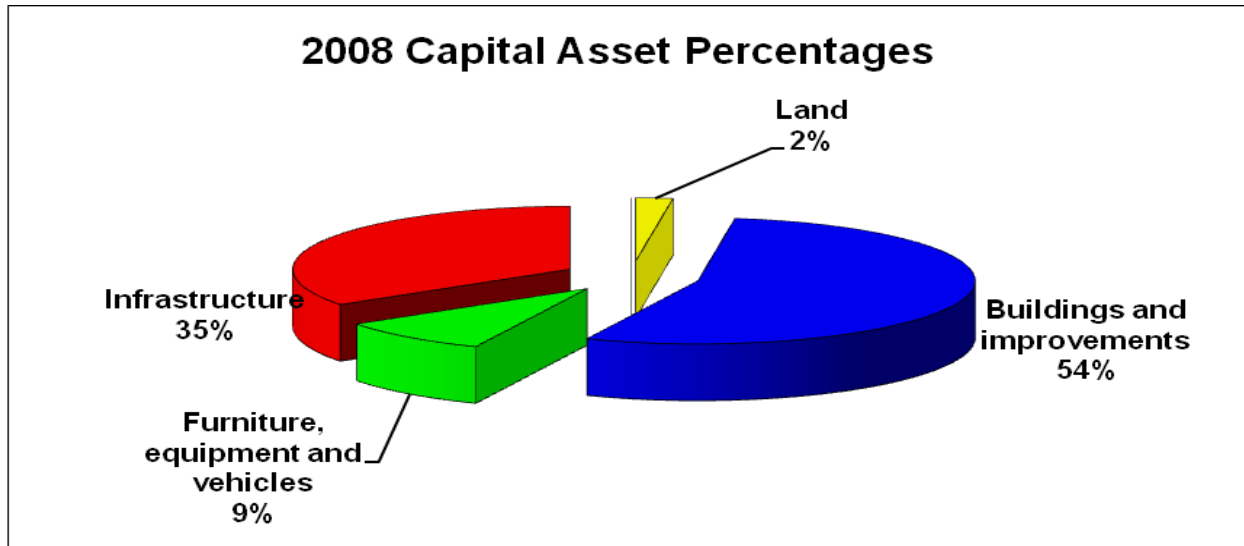
**JOHNSON COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation**

	Governmental Activities		
	September 30, 2009	September 30, 2008	Net Change
Land	\$ 2,023,058	\$ 1,289,806	\$ 733,252
Buildings and improvements	31,006,843	32,748,899	(1,742,056)
Furniture, equipment and vehicles	6,894,471	5,405,002	1,489,469
Infrastructure	19,986,132	20,757,748	(771,616)
Construction in progress	966,644		966,644
Total	<u>\$ 60,877,148</u>	<u>\$ 60,201,455</u>	<u>\$ 675,693</u>



JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2009*



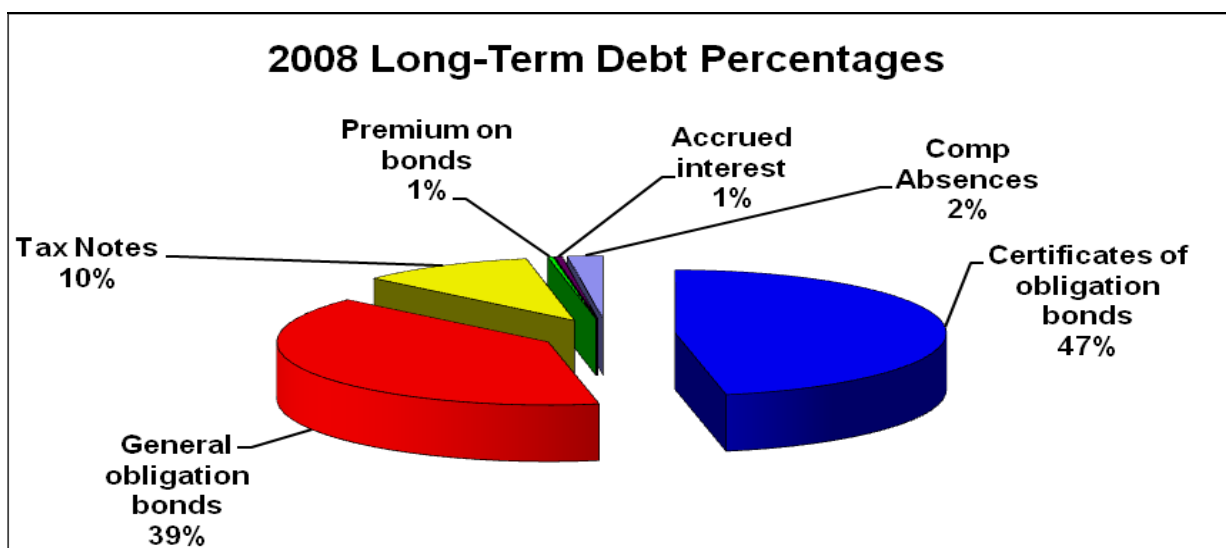
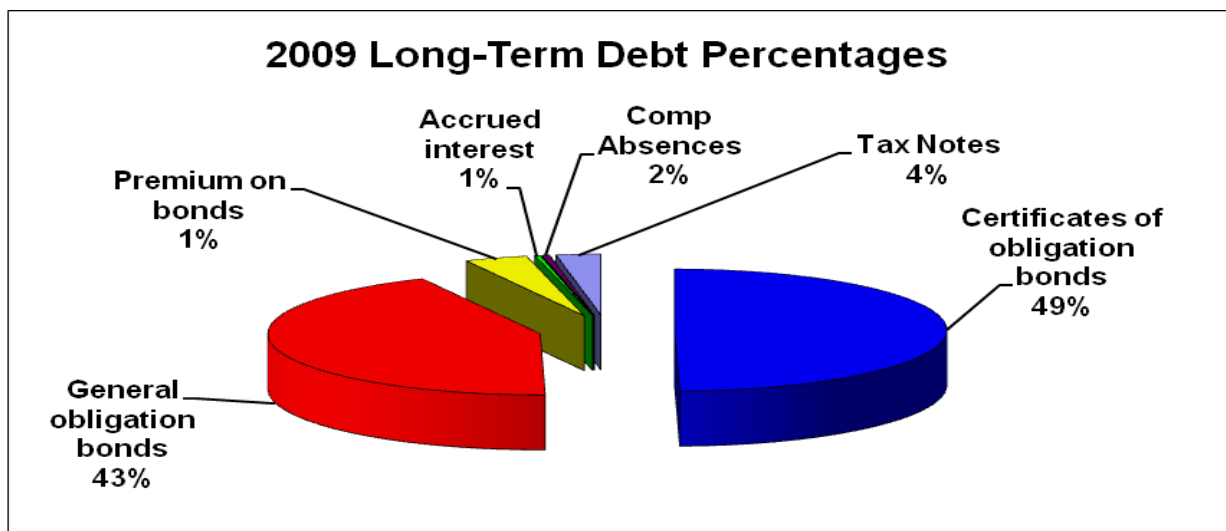
Additional information on the County's capital assets can be found in note 5 on pages 42 through 43 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded and tax note debt of \$ 23,837,172, which, comprises bonded and tax note debt backed by the full faith and credit of the County. These bonds will be retired with revenues from property taxes, and fees for services.

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

	Governmental Activities		
	September 30, 2009	Restated September 30, 2008	Net Change
Certificates of Obligation bonds	\$ 12,265,000	\$ 12,905,000	\$(640,000)
General Obligation bonds	10,652,172	10,916,135	(263,963)
Tax notes	920,000	2,856,000	(1,936,000)
Components of Debt:			
Premium on bonds	78,642	85,858	(7,216)
Accrued interest payable	111,920	120,777	(8,857)
Compensated absences	<u>651,077</u>	<u>576,771</u>	<u>74,306</u>
Total	<u>\$ 24,678,811</u>	<u>\$ 27,460,541</u>	<u>\$(2,781,730)</u>



During the fiscal year, the County's total debt decreased \$ 2,781,730 or 10.1%. The net decrease was due primarily to the principal payments on debt and tax notes which totaled \$ 2,941,000.

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

Additional information on the County's long-term debt can be found in note 7 on pages 43 through 46 of this report.

JOHNSON COUNTY, TEXAS

*Management's Discussion and Analysis
For the Year Ended September 30, 2009*

Economic Factors and Next Year's Budgets and Rates

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

In considering the budget for FY 2010, Commissioners' Court considered the following factors:

- Property tax rate was set at just under the rollback rate. Tax revenues were budgeted to increase due to this rate and the rise in certified values. The increase in mineral valuations continues to be a favorable factor.
- Employees were given an average pay increase of approximately 7.0% for FY 2010.

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 ASSETS
September 30, 2009

Exhibit 1

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and temporary investments	\$ 36,230,081
Receivables (Net of Allowance for Uncollectibles):	
Taxes	666,847
Accounts	6,983,065
Due from other governments	168,691
Prepaid items	516,180
Inventories	317,535
Bond issuance cost (net of accumulated amortization)	514,252
Capital Assets:	
Land	2,023,058
Buildings and improvements (net)	31,006,843
Furniture, equipment and vehicles (net)	6,894,471
Infrastructure (net)	19,986,132
Construction in progress	<u>966,644</u>
Total assets	<u>106,273,799</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	3,378,501
Due to others	541,113
Unearned revenue	745,568
Noncurrent Liabilities:	
Due within one year	2,734,176
Due in more than one year	<u>21,944,635</u>
Total liabilities	<u>29,343,993</u>
<u>Net Assets</u>	
Invested in capital assets, net of related debt	37,272,013
Restricted For:	
General government	2,320,741
Administration of justice	993,920
Financial administration	22,169
Elections	70,025
Law enforcement	569,225
Highways and streets	6,830,082
Health and welfare	1,517,982
Culture and recreation	35,655
Debt service	2,550,400
Unrestricted	<u>24,747,594</u>
Total net assets	<u>\$ 76,929,806</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, 2009

Exhibit 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 8,942,844	\$ 2,123,373	\$	\$ (6,819,471)
Administration of justice	7,734,733	3,021,563	447,763	(4,250,407)
Financial administration	3,444,059	1,079,530		(2,364,529)
Elections	378,126	27,060	30,493	(320,573)
Law enforcement	19,374,254	1,465,446	2,130,862	(15,777,946)
Highways and streets	9,743,940	2,488,572	559,711	(5,624,527)
Health and welfare	1,729,026	60,856	589,008	(1,079,162)
Culture and recreation	87,275		97,356	10,081
Conservation	136,789			(136,789)
Interest on long-term debt	<u>1,145,108</u>			<u>(1,145,108)</u>
Total governmental activities	<u>52,716,154</u>	<u>10,266,400</u>	<u>3,855,193</u>	<u>(37,508,431)</u>
General Revenue:				
Property taxes				43,069,773
Other taxes				386,625
Unrestricted investment earnings				256,184
Gain on sale of capital assets				58,494
Miscellaneous				<u>871,103</u>
Total general revenues, special items and transfers				<u>44,642,179</u>
Change in net assets				7,133,748
Net assets – beginning (restated)				<u>69,796,058</u>
Net assets – ending				<u>\$ 76,929,806</u>

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

JOHNSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2009

Exhibit 3

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	Equipment Purchase Fund	Other Governmental Funds	
ASSETS					
Cash and temporary investments	\$ 20,062,984	\$ 5,719,787	\$ 409,962	\$ 10,037,348	\$ 36,230,081
Receivables (Net of Allowance for Uncollectibles):					
Taxes	497,284	82,501		87,062	666,847
Accounts	178,587	7,728		380	186,695
Due from other governments	22,567			146,124	168,691
Due from other funds	210,064	20,211		172,037	402,312
Prepaid expenditures	508,859			7,321	516,180
Inventories		317,535			317,535
Total assets	\$ 21,480,345	\$ 6,147,762	\$ 409,962	\$ 10,450,272	\$ 38,488,341
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and accrued liabilities payable	\$ 2,140,775	\$ 404,515	\$ 99,283	\$ 733,928	\$ 3,378,501
Due to others	541,013	100			541,113
Due to other funds	61,081	16		206,040	267,137
Deferred revenue	395,473	62,836		814,338	1,272,647
Tax Anticipation notes	920,000				920,000
Total liabilities	4,058,342	467,467	99,283	1,754,306	6,379,398
Fund Balances:					
Reserved:					
Prepaid expenditures	508,859				508,859
Inventories		317,535			317,535
Encumbrances	46,272	122,043	19,185	11,474	198,974
Debt service				2,094,378	2,094,378
Unreserved:					
Designated, Reported In:					
Special Revenue Funds		5,240,717		6,454,612	11,695,329
Capital Projects Funds			291,494	135,502	426,996
Undesignated, Reported In:					
General Fund	16,866,872				16,866,872
Total fund balances	17,422,003	5,680,295	310,679	8,695,966	32,108,943
Total liabilities and fund balance	\$ 21,480,345	\$ 6,147,762	\$ 409,962	\$ 10,450,272	\$ 38,488,341

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 ASSETS**

September 30, 2009

Exhibit 3R

Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 32,108,943
Amounts reported for <i>governmental activities</i> in the statement of net assets (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 \$ 101,119,096 in assets less \$ 40,241,948 in accumulated depreciation.	60,877,148
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 \$ 11,555,761 net of allowance for uncollectible accounts of \$ 4,894,566 in the General fund amounted to \$ 6,661,195.	6,661,195
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred property tax revenues for the General fund, Road and Bridge special revenue fund, Indigent Health Care special revenue fund, Law Enforcement Center debt service fund, and the Equipment debt service fund amounted to \$ 395,473, \$ 62,836, \$ 15,080, \$ 26,998 and \$ 26,692, respectively.	527,079
Debt issuance costs are reported as current financial uses for governmental funds but the expenditures increase long-term assets in the statement of net assets. This amount is amortized over the life of the debt. Debt issuance costs of \$ 939,709 less accumulated amortization of \$ 425,457.	514,252
Payables for bond principal are not reported in the funds.	(22,917,172)
Premium on the issuance of bonds provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net assets. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$ 78,642 (premium on the sale of bonds of \$ 99,325 less amortization of \$ 20,683).	(78,642)
Payables for debt interest is 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 \$ 111,920.	(111,920)
Payables for compensated absences are not reported in the funds.	(<u>651,077</u>)
Net assets of governmental activities - statement of net assets (Exhibit 1)	\$ <u>76,929,806</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, 2009

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	Equipment Purchase Fund	Other Governmental Funds	
Revenues:					
Taxes	\$ 31,574,365	\$ 6,322,364	\$	\$ 5,571,955	\$ 43,468,684
Intergovernmental	1,105,883			2,258,545	3,364,428
Fees	4,356,596	2,145,259		866,689	7,368,544
Fines	1,979,145			23,101	2,002,246
Investment income	154,763	30,037	11,445	59,939	256,184
Miscellaneous	870,859	726,052	244	660,323	2,257,478
Total revenues	<u>40,041,611</u>	<u>9,223,712</u>	<u>11,689</u>	<u>9,440,552</u>	<u>58,717,564</u>
Expenditures:					
Current:					
General administration	6,750,547		498,463	328,380	7,577,390
Administration of justice	7,450,415		4,267	329,623	7,784,305
Financial administration	3,435,681			5,131	3,440,812
Elections	329,148			50,582	379,730
Law enforcement	15,843,965		259,929	2,014,676	18,118,570
Highways and streets		7,065,306	1,178	297,180	7,363,664
Public health and welfare	371,462			1,349,751	1,721,213
Culture and recreation	79,558			7,717	87,275
Conservation	136,789				136,789
Capital outlay	877,906	1,437,610	925,855	1,396,451	4,637,822
Debt Service:					
Principal				1,005,000	1,005,000
Interest and fiscal charges				961,177	961,177
Total expenditures	<u>35,275,471</u>	<u>8,502,916</u>	<u>1,689,692</u>	<u>7,745,668</u>	<u>53,213,747</u>
Excess (deficiency) of revenues over expenditures	<u>4,766,140</u>	<u>720,796</u>	<u>(1,678,003)</u>	<u>1,694,884</u>	<u>5,503,817</u>
Other Financing Sources (Uses):					
Proceeds from sale of capital assets	\$ 10,977	\$ 121,722	\$	\$	\$ 132,699
Transfers in	2,178,604	24,273	99	1,557,503	3,760,479
Transfers out	(1,581,875)		(80,851)	(2,097,753)	(3,760,479)
Total other financing sources and (uses)	<u>607,706</u>	<u>145,995</u>	<u>(80,752)</u>	<u>(540,250)</u>	<u>132,699</u>
Net change in fund balances	5,373,846	866,791	(1,758,755)	1,154,634	5,636,516
Fund balances - beginning (restated)	<u>12,048,157</u>	<u>4,813,504</u>	<u>2,069,434</u>	<u>7,541,332</u>	<u>26,472,427</u>
Fund balances - ending	<u>\$ 17,422,003</u>	<u>\$ 5,680,295</u>	<u>\$ 310,679</u>	<u>\$ 8,695,966</u>	<u>\$ 32,108,943</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, 2009

Exhibit 4R

Page 1

Net change in fund balances - total governmental funds (Exhibit 4)	\$	5,636,516
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 \$ 4,974,053 exceeded capital outlays \$ 4,637,822 in the current period.	(336,231)
Contributions of capital assets are not reported in the funds, however, contributions of capital assets are reported as capital contributions in the governmental activities statement of activities. During the current year, \$ 1,094,926 of land and equipment were contributed to and accepted by the County.		1,094,926
Property tax revenues in the governmental activities statement of activities do not provide current available resources and are not reported as revenues in the funds. Deferred property tax revenues for the general fund, Road and Bridge special revenue fund, Indigent Health Care special revenue fund, Law Enforcement Center debt service fund, and Equipment debt service fund amounted to \$(2,451), \$(17,500), \$ 3,359, \$(4,400), and \$ 8,706, respectively.	(12,286)
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 \$ 83,002. (Cost of \$ 2,400,537 less accumulated depreciation of \$ 2,317,535).	(83,002)
Judicial revenues (resulting from accounts receivables net of related allowance for uncollectible accounts) in the governmental activities statement of activities does not provide current available resources and are not reported as revenues in the funds. The change in these net receivables resulted in a decrease in revenues reported in the governmental activities statement of activities.		87,062
Debt issuance cost is an expenditure in the governmental fund, but the cost increases long-term assets in the statement of net assets. This amount is amortized over the life of the debt. Debt issuance costs is \$ 98,967.	(98,967)
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 assets. The funds statements reported \$ 1,005,000 in bond principal payments.		1,005,000
Premium on the issuance of bonds provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net assets. This amount is amortized over the life of the bonds. Amortization of issuance of bonds was \$ 7,216.		7,216

(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, 2009

Exhibit 4R

Page 2

Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of accretion and accrued interest on long-term debt. Current bond accretion of \$ 101,037 less the change in accrued interest on note and bonds of \$ 8,857

\$(92,180)

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.

74,306

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

\$ 7,133,748

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

JOHNSON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2009

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 9,437,936
Receivables:	
Accounts receivable	9,052
Due from other funds	<u>305,796</u>
Total assets	<u>\$ 9,752,784</u>
 <u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 402,683
Due to other funds	440,971
Amounts held for others	<u>8,909,130</u>
Total liabilities	<u>\$ 9,752,784</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, 2009

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JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Johnson County, Texas (County) related to the funds in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the County has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. 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, 2009, no other organizations have been combined for either blended or discrete presentation in the County's financial statements. The following organizations are not considered "related organizations."

Excluded from the reporting entity:

Adult Probation -

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - continued

Johnson County Appraisal District -

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund 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, 2009

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 deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The County has presented the following major governmental funds:

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

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

The *Equipment Purchase capital projects fund* accounts for tax note proceeds for the purpose of the acquisition and maintenance of the County's major equipment needs.

Additionally, the County reports the following fiduciary funds:

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

New Pronouncements

GASB No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," was issued June 2004. This statement establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is effective for periods beginning after December 15, 2007. Since the County maintains no OPEB plans, this statement will not have an impact upon its financial position, results of operations or its cash flows upon adoption.

GASB No. 46, "Net Assets Restricted by Enabling Legislation: an amendment of GASB Statement No. 34", was issued December 2004. This statement clarifies the meaning of legally enforceable as applied to restrictions on net asset use imposed by enabling legislation. This statement is effective for periods beginning after June 15, 2006. The statement was implemented and did not have a material impact on the County's financial statements.

GASB No. 47, "Accounting for Termination Benefits", was issued April 2005. This statement provides guidance for measuring, recognizing, and reporting liabilities and expense/expenditures related to all termination benefits, both voluntary and involuntary. This statement is effective for periods beginning after June 15, 2005. This statement was implemented during the year ended August 31, 2006. This statement has been implemented and did not have a material effect on the financial statements of the County.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

New Pronouncements - continued

GASB No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra Entity Transfers of Assets and Future Revenues", was issued September 2006. This statement provides guidance for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. This statement is effective for periods beginning after December 15, 2006. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", was issued November 2006. This statement provides guidance for pollution remediation obligations. This statement is effective for periods beginning after December 15, 2007. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 50, "Pension Disclosures", was issued May 2007. This statement provides guidance for financial reporting by pension plans and by employers that provide defined benefit and contribution plans. This statement is effective for periods beginning after June 15, 2007. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 51, "Accounting and Financial Reporting for Intangible Assets", was issued June 2007. This statement provides guidance for financial reporting of intangible assets for all state and local governments. This statement is effective for periods beginning after June 15, 2009. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County.

GASB No. 52, "Land and Other Real Estate Held as Investments by Endowments", was issued November 2007. This statement does not apply to the County as it holds no endowment funds. This statement is effective for periods beginning after June 15, 2008. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 53, "Accounting and Financial Reporting for Derivative Instruments", was issued June 2008. This statement provides guidance for financial reporting of derivative instruments for all state and local governments. This statement is effective for periods beginning after June 15, 2009. The management of the County does not believe that the implementation of this statement will affect the financial statements of the County since it does not make direct investments in derivative instruments.

GASB No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", was issued April 2009. This statement provides guidance on classification of fund equity. This statement is effective for periods beginning after June 15, 2010. The management of the County does not believe that the implementation of this statement will have a material effect on the financial statements of the County.

GASB No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", was issued April 2009. This statement is effective immediately and had no affect on the County's financial statements.

GASB No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", was issued April 2009. This statement is effective immediately and had no affect on the County's financial statements.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data

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

Annual appropriated budgets are adopted for the General fund, certain special revenue funds (Road and Bridge Fund, Lateral Roads Fund, Law Library Fund, Records Management and Preservation Fund, Records Archive – County Clerk Fund, Records Archive – District Clerk Fund, Justice of the Peace Technology Fund, Courthouse Security Fund, Election Services Contract Fund, Foster Care Title IV-E Fund, Juvenile Justice Alternative Education Fund, Special Crimes operation Fund, HAVA Grant Fund, Sheriff Forfeiture Fund, Indigent Health Care Fund, Pecan Valley MHMR Fund, TDSHS Cities Readiness Initiative Fund, CDBG County (HUD) Fund, TCEQ Aircheck Texas Fund, Right of Way Fund, Historical Society Account Fund, OJP Special Crimes Unit Fund, Indigent Defense Improvements Fund, Texas Solid Waste Investigator Fund, Ed Byrne Local Solicitation Fund, Clean Vehicle Fleet Fund, HSGP LETPP Fund, Election Fund Management Fund, Justice Court Security Building Fund and debt service funds.

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

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

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

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

Budget amendments to transfer budgeted amounts from one line item to another may be made at the discretion of Commissioners' Court. Amendments to provide for items not included in the original budget may be made by the Commissioners' Court upon finding and declaration of the existence of an emergency sufficient to require action. County management has no prerogative to amend the budget without the approval of Commissioners' Court. Appropriations not exercised in the current year lapse at the end of the year. One hundred fifty-one supplemental budget amendments in the general and special revenue funds were deemed necessary due to the timing of planned expenditures and construction projects.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized. Encumbrances outstanding at year-end are reported as a reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

The following outstanding encumbrances were provided for in the subsequent year's budget:

Major Funds:	
General Fund	\$ 46,272
Road and Bridge (Special Revenue Fund)	122,043
Equipment Purchase Fund (Capital Projects Fund)	19,185
Nonmajor funds	<u>11,474</u>
 Total	 \$ <u>198,974</u>

Cash and Investments

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

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

Property Taxes

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

The County's 2008 tax levy, supporting the 2009 fiscal period budget, totaled \$ 0.359498 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.265954
Indigent Health Care	0.004553
Road and Bridge	0.052790
Special Road and Bridge:	
Article 6790	-0-
Article 7048a	-0-
Debt Service:	
Interest and Sinking:	
General Obligation Refunding Bonds, Series 2001;	
Certificates of Obligation Bonds, Series 2001;	
Certificates of Obligation Bonds, Series 2004;	
Certificates of Obligation Bonds, Series 2004A; and	
General Obligation Refunding Bonds, Series 2007	0.016979
Equipment Interest and Sinking:	
Tax Notes, Series 2006, 2007, and 2008	<u>0.019222</u>
Combined tax rate	<u>\$ 0.359498</u>

Interfund Receivables and Payables

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventories

The County utilizes the consumption method to account for inventory. Under this method, inventory is 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 both government-wide and fund financial statements.

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended September 30, 2009, 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, 2009

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, 2009, computed at pay rates in effect at that time was \$ 651,077.

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

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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt.

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets represent the differences between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Restricted net assets, as presented in the government-wide Statement of Net Assets, are reported when constraints placed on the use of net assets are either 1) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments), or 2) imposed by law through constitutional provisions or enabling legislation.

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. 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, 2009 are as follows:

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 6,820	\$	\$ 6,820
Financial Institution Deposits:			
Demand deposits	3,396,493	5,190,593	8,587,086
Certificates of deposit		3,719,068	3,719,068
Local Government Investment Pool:			
TexPool	21,895,435	528,275	22,423,710
TexSTAR	<u>10,931,333</u>	<u> </u>	<u>10,931,333</u>
	<u>\$ 36,230,081</u>	<u>\$ 9,437,936</u>	<u>\$ 45,668,017</u>

Deposits

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

At year-end, in addition to petty cash of \$ 6,820, the carrying amount of the County's financial institution deposits, was \$ 12,306,154, while the financial institution balances totaled \$ 15,296,439. Of these balances, \$ 3,719,068 represents amounts controlled by County courts and held by various financial institutions jointly under the name of the County and the courts beneficiaries and carrying the identification number of the beneficiaries. These accounts are entirely covered by federal deposit insurance. Of the financial institution balances, \$ 3,969,068 was covered by federal depository insurance coverage, and \$ 11,327,371 was covered by collateral held by the County's agent in the County's name.

Investments

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

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

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

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

The County participates in TexPool and TexSTAR, Local Government Investment Pools. The State Comptroller oversees TexPool with Lehman Brothers and Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. Although there is no regulatory oversight over TexSTAR, advisory boards consisting of participants or their designees, maintains oversight responsibility for TexSTAR.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 2 - DEPOSITS, INVESTMENTS AND DERIVATIVES - Continued

Investments - continued

The County invests in both TexPool and TexSTAR to provide its liquidity needs. TexPool and TexSTAR are local government investment pools that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. TexPool is a 2(a)7 like fund, meaning that it is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$ 1.00, although this cannot be fully guaranteed. TexPool is rated AAA and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

At September 30, 2009 TexPool and TexSTAR had a weighted average maturity of 48 and 49 days, respectively. Although TexPool and TexSTAR had a weighted average maturity of 48 and 49 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, 2008, the County had the following investments:

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Local Government Investment Pools:			
TexPool	Varies	\$ 22,423,710	1.00
TexSTAR	Varies	<u>10,931,333</u>	<u>1.00</u>
		<u>\$ 33,355,043</u>	<u>1.00</u>

Credit Risk – As of September 30, 2009, the LGIP's (which represent approximately 100.00% of the investment portfolio) are rated AAAM by Standard and Poor's or AAA by Finch, 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 compliment each other in a structured manner that minimizes risk and meets the County's cash flow requirements.

Derivatives

Interest in derivative products has increased in recent years. Derivatives are investment products, which may be a security or contract, which derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The County made no direct investments in derivatives during the year ended September 30, 2009, and holds no direct investments in derivatives at September 30, 2009.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES

Receivables and Allowances

Receivables as of September 30, 2009, for the government's individual governmental major and nonmajor funds, proprietary major fund, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes (property)	\$ 1,920,623	\$ 380,335	\$ 331,546	\$ 2,632,504
Accounts	178,587	7,728	380	186,695
Receivables from other governments	<u>22,567</u>	<u> </u>	<u>146,124</u>	<u>168,691</u>
Gross receivables	2,121,777	388,063	478,050	2,987,890
Less allowance for uncollectibles	<u>1,423,339</u>	<u>297,834</u>	<u>244,484</u>	<u>1,965,657</u>
Net total receivables	<u>\$ 698,438</u>	<u>\$ 90,229</u>	<u>\$ 218,291</u>	<u>\$ 1,022,233</u>
				<u>Fiduciary Funds</u>
Receivables:				
Accounts receivable				\$ <u>9,052</u>
Gross receivables				9,052
Less Allowance for Uncollectibles:				
Accounts receivable				<u>-0-</u>
Net receivables				<u>\$ 9,052</u>

Receivables From Other Governments

The County participates in a variety of federal and state programs from which it receives grants to, partially or fully, finance certain activities. In addition, the County receives entitlements from the State through the legislative actions and taxes collected by the State on behalf of the County (other taxes). All federal grants shown below are either direct or passed through state or local agencies and are reported on the financial statements as due from other governments.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES - Continued

Receivables From Other Governments - continued

Amounts due from federal, state, and local governments as of September 30, 2009 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Local Governments</u>	<u>Total</u>
General Fund	\$ 7,255	\$ 5,359	\$ 9,953	\$ 22,567
Other funds	<u>55,831</u>	<u>90,293</u>		<u>146,124</u>
Net total receivables	<u>\$ 63,086</u>	<u>\$ 95,652</u>	<u>\$ 9,953</u>	<u>\$ 168,291</u>

Judicial Receivables

Judicial receivables are reported in the governmental activities statement of net assets. 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 collectibility in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of September 30, 2009:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 911,062	\$ 273,319	\$ 637,743
County courts	2,804,406	701,102	2,103,304
District courts	<u>7,840,293</u>	<u>3,920,145</u>	<u>3,920,148</u>
	<u>\$ 11,555,761</u>	<u>\$ 4,894,566</u>	<u>\$ 6,661,195</u>

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are 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, 2009, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, AND DEFERRED REVENUES - Continued

Deferred Revenue - continued

	Governmental Funds			Total
	General Fund	Road & Bridge Fund	Other Governmental Funds	
Unavailable:				
Delinquent property taxes receivable	\$ 395,473	\$ 62,836	\$ 68,770	\$ 527,079
Unearned:				
Federal grants			240,154	240,154
State grants			505,414	505,414
Total	\$ 395,473	\$ 62,836	\$ 814,338	\$ 1,272,647

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at September 30, 2009 consisted of the following:

Receivable Fund	Payable Fund	09-30-09
General Fund	Road and Bridge Fund	\$ 16
General Fund	Other Governmental Funds	107,096
General Fund	Fiduciary Funds	102,952
Road and Bridge Fund	Other Governmental Funds	20,211
Other Governmental Funds	General Fund	60,845
Other Governmental Funds	Fiduciary Funds	44,730
Other Governmental Funds	Other Governmental Funds	66,462
Fiduciary Funds	General Fund	236
Fiduciary Funds	Other Governmental Funds	12,271
Fiduciary Funds	Fiduciary Funds	293,289
		\$ 708,108

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

Interfund transfers for the year ended September 30, 2009 consisted of the following individual fund transfers in and transfers out:

Transferring Fund	Receiving Fund	09-30-09
General Fund	Other governmental funds	\$ 1,557,503
General Fund	Equipment Purchase Fund	99
General Fund	Road & Bridge	24,273
Equipment Purchase Fund	General Fund	80,851
Other governmental funds	General Fund	2,097,753
Total		\$ 3,760,479

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 5 - CAPITAL ASSETS

Capital Transactions

	Balance 10-01-08	Additions	Retirements	Balance 09-30-09
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 1,289,806	\$ 733,252	\$	\$ 2,023,058
Construction in progress		966,644		966,644
Total capital assets not being depreciated	<u>1,289,806</u>	<u>1,699,896</u>	<u>-0-</u>	<u>2,989,702</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	44,434,835	28,188		44,463,023
Furniture, equipment and vehicles	15,144,072	3,032,515	1,562,828	16,613,759
Infrastructure	<u>36,918,172</u>	<u>972,149</u>	<u>837,709</u>	<u>37,052,612</u>
Total capital assets being depreciated	<u>96,497,079</u>	<u>4,032,852</u>	<u>2,400,537</u>	<u>98,129,394</u>
Less Accumulated Depreciation For:				
Buildings and improvements	11,685,936	1,777,768	7,524	13,456,180
Furniture, equipment and vehicles	9,739,070	1,452,520	1,472,302	9,719,288
Infrastructure	<u>16,160,424</u>	<u>1,743,765</u>	<u>837,709</u>	<u>17,066,480</u>
Total accumulated depreciation	<u>37,585,430</u>	<u>4,974,053</u>	<u>2,317,535</u>	<u>40,241,948</u>
Total capital assets being depreciated, net	<u>58,911,649</u>	<u>(941,201)</u>	<u>83,002</u>	<u>57,887,446</u>
Governmental activities capital assets, net	<u>\$ 60,201,455</u>	<u>\$ 758,695</u>	<u>\$ 83,002</u>	<u>\$ 60,877,148</u>

During the year ended September 30, 2009, the County received equipment and roads from various sources totaling \$ 1,094,926.

Depreciation

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

	09-30-09
Governmental Activities:	
General government	\$ 1,354,811
Administration of justice	27,552
Law enforcement	1,234,489
Highways and streets	2,351,298
Health and welfare	<u>5,903</u>
	<u>\$ 4,974,053</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 5 - CAPITAL ASSETS - Continued

Construction Commitments

Construction in progress for various projects at September 30, 2009 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
Justice of the Peace Precinct 1 Guinn Building 3 rd Floor	\$ 431,458	\$ 431,331	\$ 127
	<u>547,414</u>	<u>535,313</u>	<u>12,101</u>
Total	<u>\$ 978,872</u>	<u>\$ 966,644</u>	<u>\$ 12,228</u>

NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of September 30, 2009, 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>Equipment Construction & Maintenance Fund</u>	<u>Other Governmental Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors	\$ 1,607,038	\$ 296,909	\$ 99,283	\$ 590,254	\$ 2,593,484
Accrued compensation	<u>533,737</u>	<u>107,606</u>	<u> </u>	<u>143,674</u>	<u>785,017</u>
Totals	<u>\$ 2,140,775</u>	<u>\$ 404,515</u>	<u>\$ 99,283</u>	<u>\$ 733,928</u>	<u>\$ 3,378,501</u>
				<u>Fiduciary Funds</u>	
Accounts and Accrued Liabilities Payable:					
Vendors					\$ 298,478
Accrued compensation					<u>104,205</u>
Totals					<u>\$ 402,683</u>

NOTE 7 - LONG-TERM DEBT

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2009, are summarized as follows:

	<u>Interest Rate %</u>	<u>Series Dates</u>			<u>Bonds Outstanding 09-30-09</u>
		<u>Issued</u>	<u>Maturity</u>	<u>Callable</u>	
General Obligation Refunding Bonds, Series 2001	6.20 - 6.45	2001	2010		\$ 365,000
Certificates of Obligation Bonds, Series 2001	4.15 - 5.70	2001	2014		4,890,000 (continued)

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 7 - LONG-TERM DEBT - Continued

General Obligation Debt - continued

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-09
		Issued	Maturity	Callable	
Certificates of Obligation Bonds, Series 2004	3.00 - 4.35	2003	2024		\$ 4,330,000
Certificates of Obligation Bonds, Series 2004A	3.50 - 4.30	2004	2024		3,045,000
General Obligation Refunding Bonds, Series 2007	4.00 - 5.00	2007	2020		<u>10,287,172</u>
Total					<u>\$ 22,917,172</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2009 were as follows:

Bonds outstanding, October 1, 2008	\$ 23,821,135
Accreted	101,037
Maturities	<u>(1,005,000)</u>
Bonds outstanding, September 30, 2009	<u>\$ 22,917,172</u>

The \$ 607,828 difference between the general obligation bonds outstanding at September 30, 2009 of \$ 22,917,172 and the general obligation bond principal requirements of \$ 23,525,000 represents the amount of capital appreciation bonds to be accreted as interest over the life of these bonds.

The bond ordinances require that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. For the year ended September 30, 2009, the amount of ad valorem taxes collected for interest and sinking were \$ 2,014,457, while the debt service requirements for principal and interest was \$ 1,912,613. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

The following is a summary of general obligation bond requirements by year as of September 30, 2009:

Year Ending September 30,	Total		
	Principal	Interest	Requirement
2010	\$ 1,145,000	\$ 857,110	\$ 2,002,110
2011	1,290,000	803,956	2,093,956
2012	1,440,000	747,469	2,187,469
2013	1,600,000	683,081	2,283,081
2014	1,770,000	609,958	2,379,958
2015-2019	10,985,000	2,257,573	13,242,573
2020-2024	<u>5,295,000</u>	<u>395,795</u>	<u>5,690,795</u>
	<u>\$ 23,525,000</u>	<u>\$ 6,354,942</u>	<u>\$ 29,879,942</u>

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 7 - LONG-TERM DEBT - Continued

General Obligation Debt - continued

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

The difference between the cash flow required to service the old debt and that required to service the new debt and complete the refunding was a decrease of \$ 662,684. The economic gain resulting from the transaction was \$ 457,782. The balance of the escrow account and the liability for the defeased bonds as of September 30, 2009, was \$ 10,093,628 and \$ 10,068,702, respectively.

Tax Note Debt

Tax notes are classified as current payables in the General Fund in the governmental fund statements and are classified as long term debt in Governmental Activities Statement of Net Assets. Tax notes payable at September 30, 2009 are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-09
		Issued	Maturity	Callable	
Tax Notes:					
Tax Note, Series 2008	2.85	2008	2010	N/A	\$ <u>920,000</u>
Total					\$ <u><u>920,000</u></u>

Tax note transactions for the year ended September 30, 2009 were as follows:

Notes outstanding, October 1, 2008	\$ 2,856,000
Maturities	(<u>1,936,000</u>)
Notes outstanding, September 30, 2009	\$ <u>920,000</u>

On November, 9, 2006, November 11, 2007, and September 23, 2008, the County issued \$ 1,595,000 of Tax Notes, Series 2006, \$ 945,000 of Tax Notes, Series 2007, \$ 1,870,000 of Tax Notes, Series 2008, respectively. These funds are to be utilized for major equipment acquisition and maintenance. The 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, 2009, the amount of ad valorem taxes collected for interest and sinking was \$ 2,255,012, while the debt service requirements for principal and interest was \$ 1,986,717. The debt service fund also transferred \$ 1,936,000 to the general fund to alleviate the liability for the tax anticipation notes. The tax note 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, 2009

NOTE 7 - LONG-TERM DEBT - Continued

Tax Note Debt - continued

The following is a summary of tax note requirements by year as of September 30, 2009:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ <u>920,000</u>	\$ <u>13,110</u>	\$ <u>933,110</u>

Changes in Outstanding Debt

Transactions for the year ended September 30, 2009 are summarized as follows:

	<u>Balance 10-01-08</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 09-30-09</u>	<u>Due Within One Year</u>
Governmental Type Activities:					
Certificates of obligation bonds	\$ 12,905,000	\$	\$ 640,000	\$ 12,265,000	\$ 780,000
General obligation bonds	10,916,135	101,037	365,000	10,652,172	263,963
Tax notes	2,856,000		1,936,000	920,000	920,000
Component of Bonded Debt:					
Premium on bonds	85,858		7,216	78,642	7,216
Accrued interest	120,777	111,920	120,777	111,920	111,920
Compensated absences	<u>576,771</u>	<u>792,719</u>	<u>718,413</u>	<u>651,077</u>	<u>651,077</u>
Total governmental activities	<u>\$ 27,460,541</u>	<u>\$ 1,005,676</u>	<u>\$ 3,787,406</u>	<u>\$ 24,678,811</u>	<u>\$ 2,734,176</u>

NOTE 8 - LEASING OPERATIONS

Operating Leases - Lessor

The County is involved in various operating leases as lessor. These leases are for facilities rental. These leases expire from 2009 through 2015. The County has not determined the cost of these facilities as of September 30, 2009.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2009, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	<u>2009</u>
2010	\$ 13,500
2011	13,500
2012	13,500
2013	13,500
2014	13,500
2015	<u>13,500</u>
	<u>\$ 81,000</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2009 was \$ 118,134.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 8 - LEASING OPERATIONS - Continued

Operating Leases - Lessee

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

Minimum future rentals to be paid on noncancelable leases, as of September 30, 2009, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	<u>2009</u>
2010	\$ 3,600
2011	3,600
2012	3,600
2013	3,600
2014	3,600
2015-2019	18,000
2020-2022	<u>10,800</u>
	<u>\$ 46,800</u>

Gross rental expenditures for this operating lease for the year ended September 30, 2009 was \$ 3,600.

NOTE 9 - PENSION PLAN

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 574 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 9 - PENSION PLAN - Continued

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 7.53% for the months of the accounting year in 2007, and 7.11% for the months of the accounting year in 2008.

The contribution rate payable by the employee members for calendar years 2008 and 2007 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For the employer’s accounting years ending September 30, 2009 and 2008, the annual pension cost for the TCDRS plan for its employees was \$ 1,620,052 and \$ 1,598,231, and the actual contributions were \$ 1,620,052 and \$ 1,598,231, respectively.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2006 and December 31, 2007, the basis for determining the contribution rates for calendar years 2007 and 2008. The December 31, 2008 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	15	15	15
Asset valuation method	Long-term appreciation with adjustment	SAF: 10 Year smooth value ESP: Fund value	SAF: 10 Year smoothed value ESP: Fund value
	<u>12/31/06</u>	<u>12/31/07</u>	<u>12/31/08</u>
Actuarial Assumptions:			
Investment return ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 9 - PENSION PLAN - Continued

Annual Pension Cost - continued

<u>Trend Information</u>			
<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/07	\$ 1,464,630	100.00%	\$ -0-
9/30/08	1,598,231	100.00%	-0-
9/30/09	1,620,052	100.00%	-0-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll¹ (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/06	\$ 32,139,577	\$ 33,979,884	\$ 1,840,307	94.58%	\$ 17,769,690	10.36%
12/31/07	36,022,416	38,350,707	2,328,291	93.93%	20,335,433	11.45%
12/31/08	35,989,700	40,932,925	4,943,225	87.92%	21,893,025	22.58%

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

NOTE 10 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended September 30, 2009, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund, various special revenue funds, and capital projects fund. For the most part, these grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal financial assistance programs are covered by the requirements of the Single Audit Act and OMB Circular A-133. The state financial assistance programs are covered by the State of Texas Single Audit Circular. A single audit was performed on both federal and state financial assistance programs as the federal and state financial assistance programs met the \$ 500,000 threshold.

NOTE 11 - 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, 2009. As of September 30, 2009, bail bonds outstanding totaled \$ 5,213,366 and collateral pledged against these bonds amounted to \$ 1,244,067, respectively.

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2009

NOTE 12 - LITIGATION

The County is involved in the following legal actions, and is represented by legal counsel. The stated probable outcome and the possible effect are the opinion of legal counsel based upon conditions existing as of February 10, 2009.

Cause No. 3-08CV1548-G, styled *Lyle Loper and Patricia Loper v. Johnson County, Texas* in the United States District for the Northern District of Texas, Dallas Division. Plaintiff claims that individuals employed by Johnson County refused to provide Plaintiff Lyle Loper with his blood pressure medication. On or about September 2, 2006, at the Johnson County Law Enforcement Center in Johnson County, Texas, Plaintiffs claim that Lyle Loper lost consciousness due to the lack of blood pressure medication. Plaintiffs seek unspecified damages for physical and mental pain, physical impairment, disfigurement, and reasonable medical expenses. In addition, Plaintiffs request exemplary damages. County contests liability. Liability is not expected. Potential loss, if any, cannot be fully assessed at this time. Insurance carrier has been notified.

Cause No. 3-08CV1207-P, styled *Joanna Mays, Individually and as a Representative of the Estate of Kyle Tony Mays and as Next Friend of Parker Mays, a minor, and Christa Mays, Individually and as Next Friend of Christopher Mays and Dylan Mays, minors v. Johnson County, Texas, In the United States District Court for the Northern District of Texas, Dallas Division*. Lawsuit arises from an incident which occurred on or about May 1, 2007, while incarcerated in the Johnson County Law Enforcement Center in Johnson County, Texas, in which Kyle Tony Mays apparently ingested paint chips from the wall of his cell which subsequently caused his death. Plaintiffs seek unspecified monetary damages for the wrongful death of Kyle Tony Mays including damages for violation of constitutional rights, medical expenses, mental anguish, and loss of future economic benefits, loss of consortium, attorneys' fees and costs of court. County contests liability. Liability is not expected. Potential loss, if any, cannot be fully assessed at this time. Insurance carrier has been notified.

Cause No. 141-23748509, styled *Rechinda Lee Williams v. Johnson County, Texas and Does 1 through 5, in the 141st District Court of Tarrant County, Texas*. Lawsuit arises from an incident which occurred on or about May 12, 2007, while incarcerated in the Tarrant County Law Enforcement Center in Tarrant County, Texas, in which Recinda L. Williams was being held on Johnson County warrants. Johnson County was notified of incarceration via teletype on May 12, 2007. On or about May 15, 2007, Recinda L. Williams was found unconscious in the jail cell and taken to John Peter Smith Hospital. On or about May 17, 2007, Johnson County dispatch sends a teletype to Tarrant County releasing the hold on Recinda L. Williams. County contests liability. Liability is not expected. Potential loss, if any, cannot be fully assessed at this time. Insurance carrier has been notified.

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

NOTE 13 - RESTATEMENT OF FUND BALANCE/NET ASSETS

During the year ended September 30, 2009, County personnel determined that \$ 331,446 of accounts receivable and related revenue should have been recorded as it relates to the program for Right of Way purchases. In addition, prepaid insurance and other items were overstated by \$ 96,219 on governmental funds and \$ 97,919 on governmental activities. The remaining adjustment of \$ 2,856,000 is to correct the classification of tax anticipation notes payable to current liabilities from the previous reported long-term debt. The correction of the tax anticipation notes payable has no affect on the governmental activities net assets.



**REQUIRED SUPPLEMENTARY
INFORMATION**

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 30,313,563	\$ 30,313,563	\$ 31,574,365	\$ 1,260,802
Intergovernmental	1,192,799	1,119,799	1,105,883	(13,916)
Fees	4,896,900	4,896,900	4,356,596	(540,304)
Fines	1,896,000	1,896,000	1,979,145	83,145
Investment income	409,700	409,700	154,763	(254,937)
Miscellaneous	<u>420,472</u>	<u>420,472</u>	<u>870,859</u>	<u>450,387</u>
Total revenues	<u>39,129,434</u>	<u>39,056,434</u>	<u>40,041,611</u>	<u>985,177</u>
Expenditures:				
Current:				
General government	7,715,539	7,844,600	6,750,547	1,094,053
Administration of justice	7,943,441	8,036,157	7,450,415	585,742
Financial administration	3,766,888	3,806,987	3,435,681	371,306
Elections	406,553	406,553	329,148	77,405
Law enforcement	17,430,059	17,956,461	15,843,965	2,112,496
Highways and street				-0-
Health and welfare	333,647	386,401	371,462	14,939
Culture and recreation	176,870	201,143	79,558	121,585
Conservation	160,325	160,325	136,789	23,536
Capital outlay	<u>20,000</u>	<u>965,603</u>	<u>877,906</u>	<u>87,697</u>
Total expenditures	<u>37,953,322</u>	<u>39,764,230</u>	<u>35,275,471</u>	<u>4,488,759</u>
Excess (deficiency) of revenues over expenditures	<u>1,176,112</u>	<u>(707,796)</u>	<u>4,766,140</u>	<u>5,473,936</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets			10,977	10,977
Transfers in	4,000,000	4,680,089	2,178,604	(2,501,485)
Transfers out	<u>(4,164,000)</u>	<u>(4,827,012)</u>	<u>(1,581,875)</u>	<u>3,245,137</u>
Total other financing sources (uses)	<u>(164,000)</u>	<u>(146,923)</u>	<u>607,706</u>	<u>754,629</u>
Net change in fund balances	1,012,112	(854,719)	5,373,846	6,228,565
Fund balances – beginning (restated)	<u>12,048,157</u>	<u>12,048,157</u>	<u>12,048,157</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 13,060,269</u>	<u>\$ 11,193,438</u>	<u>\$ 17,422,003</u>	<u>\$ 6,228,565</u>

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 6,064,336	\$ 6,064,336	\$ 6,322,364	\$ 258,028
			-0-
2,201,000	2,201,000	2,145,259	(55,741)
			-0-
89,000	89,000	30,037	(58,963)
<u>225,000</u>	<u>225,000</u>	<u>726,052</u>	<u>501,052</u>
<u>8,579,336</u>	<u>8,579,336</u>	<u>9,223,712</u>	<u>644,376</u>
			-0-
			-0-
			-0-
			-0-
			-0-
9,702,915	10,339,866	7,065,306	3,274,560
			-0-
			-0-
			-0-
<u>1,015,000</u>	<u>1,578,521</u>	<u>1,437,610</u>	<u>140,911</u>
<u>10,717,915</u>	<u>11,918,387</u>	<u>8,502,916</u>	<u>3,415,471</u>
(<u>2,138,579</u>)	(<u>3,339,051</u>)	<u>720,796</u>	<u>4,059,847</u>
		121,722	121,722
		24,273	24,273
			-0-
<u>-0-</u>	<u>-0-</u>	<u>145,995</u>	<u>145,995</u>
(2,138,579)	(3,339,051)	866,791	4,205,842
<u>4,813,504</u>	<u>4,813,504</u>	<u>4,813,504</u>	<u>-0-</u>
<u>\$ 2,674,925</u>	<u>\$ 1,474,453</u>	<u>\$ 5,680,295</u>	<u>\$ 4,205,842</u>

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

LAST THREE YEARS

Exhibit 7

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability* (AAL)-	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll**	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
12-31-06	\$ 32,139,577	\$ 33,979,884	\$ 1,840,307	94.58%	\$ 17,769,690	10.36%
12-31-07	36,022,416	38,350,707	2,328,291	93.93%	20,335,433	11.45%
12-31-08	35,989,700	40,932,925	4,943,225	87.92%	21,893,025	22.58%

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

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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.

Records Archive - 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.

Records Archive - 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.

Justice of the Peace Technology Fund - This fund accounts for the mandate that each Johnson County justice court assess a technology fee of \$ 4.00 as cost of court 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 Security Building 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.

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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

Foster Care Title IV-E - This fund accounts for the grant receipts and expenditures under the juvenile foster care.

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

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

Special Crime Operation Fund - This fund accounts for the funds utilized for the Special Crimes program.

HAVA Grant Fund - This fund accounts grant funds utilized for the Help America Vote Act programs.

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.

18th Judicial Attorney 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.

STOP Federal Forfeiture Fund - This fund accounts for funds forfeited from the STOP seizure fund.

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.

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

Abandoned Vehicle Fund - This fund is used to account for funds collected from the storage and sale of abandoned vehicles. Expenditures are for the costs of towing, processing and auctioning of these vehicles.

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.

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.

Pecan Valley MHMR Fund - This fund is utilized to manage the properties (land and buildings) contributed to the County by the Pecan Valley MHMR organization.

Teen Court Fund - This fund accounts for the resources provided for the funding of the Teen Court.

TDSHS 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.

CDBG County (HUD) Fund - This fund accounts for grant proceeds awarded for the installation of 10,560 linear feet of 8" water line, 20 service connections, 23 fire hydrants, and replace related fittings, gates, valves, service lines, and connection to the water system within the County.

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

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

Right of Way Fund - This fund accounts for proceeds used to acquire right-of-way for various road projects throughout the County.

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

COPS SOS (Save Our Schools) Grant Fund - This fund accounts for federal grant revenues utilized for the Public Safety Partnership & Community Policing Grant.

OJP Special Crimes Unit Fund - This fund accounts for federal grant proceeds for narcotics law enforcement.

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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Continued

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

Texas Solid Waste Investigator Fund - This fund accounts for state grant revenues utilized to hire and equip a second solid waste investigator for an existing program.

Ed Byrne Local Solicitation Fund - This fund accounts for federal grant funds used for enhancement of the law enforcement telecommunications center.

Clean Vehicle Fleet Fund - This fund accounts for state grant funds used for the replacement of older emissions noncompliant law enforcement vehicles.

HSGP LETPP Fund - This fund accounts for federal grant funds used for the purchase of emergency management communications equipment.

Election Funds Management Fund - This fund accounts for state funds used to enhance county voter registration.

Debt Service Funds

Debt service funds account for the accumulation of resources from governmental resources and the payments of general obligation debt principal, interest and related costs.

General Interest & Sinking Fund - This fund is utilized to account for property tax collections for the repayment of general obligation bonded debt of the County.

Equipment Interest & Sinking - This fund is utilized to account for property tax collections for the repayment of tax anticipation notes issued to purchase major capital equipment used by the County.

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.

Courthouse Renovation Fund - This fund is used to account for the capital expenditures incurred in the renovation of the courthouse. This project was funded by a state grant for the purpose of historical courthouse renovation.

CSCD/Dispatch Construction Fund - This fund is used to account for the capital expenditures incurred in the construction of adult probation facilities and sheriff dispatch facilities. This project has not been funded at this time.

JP & Guinn Renovation Projects Fund - This fund is used to account for capital expenditures incurred in the renovation of the courts building to add additional space for court clerks and the construction of a separate office for the Justice of the Peace, Precinct 1.

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2009

	Special		
	Lateral Road Fund	Law Library Fund	Records Management and Preservation Fund
<u>Assets</u>			
Cash and temporary investments	\$ 44,480	\$ 477,757	\$ 1,166,529
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds		9,115	21,187
Prepaid expenditures			
	\$ 44,480	\$ 486,872	\$ 1,187,716
Total assets			
	\$ 44,480	\$ 486,872	\$ 1,187,716
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 1,000	\$ 3,075	\$ 16,065
Due to other funds		1	
Deferred revenue			
	1,000	3,076	16,065
Total liabilities			
	1,000	3,076	16,065
 Fund Balance (Deficit):			
Reserved:			
Encumbrances			
Debt service			
Unreserved:			
Designated for special revenue	43,480	483,796	1,171,651
Designated for capital projects			
	43,480	483,796	1,171,651
Total fund balance			
	43,480	483,796	1,171,651
	\$ 44,480	\$ 486,872	\$ 1,187,716
Total liabilities and fund balance			

Revenue Funds

Record Archives - County Clerk Fund	Record Archives - District Clerk Fund	Justice of the Peace Technology Fund	Courthouse Security Fund	Justice Court Security Building Fund	Election Services Contract Fund
\$ 1,038,647	\$ 66,673	\$ 222,859	\$ 21,588	\$ 36,952	\$ 71,161
15,520	945	3,976	8,040	964	
<u>\$ 1,054,167</u>	<u>\$ 67,618</u>	<u>\$ 226,835</u>	<u>\$ 29,628</u>	<u>\$ 37,916</u>	<u>\$ 71,161</u>
\$	\$	\$ 8,426	\$ 9,229	\$	\$ 10
<u>-0-</u>	<u>-0-</u>	<u>8,426</u>	<u>9,229</u>	<u>-0-</u>	<u>10</u>
		1,000	6,504		1,126
1,054,167	67,618	217,409	13,895	37,916	70,025
<u>1,054,167</u>	<u>67,618</u>	<u>218,409</u>	<u>20,399</u>	<u>37,916</u>	<u>71,151</u>
<u>\$ 1,054,167</u>	<u>\$ 67,618</u>	<u>\$ 226,835</u>	<u>\$ 29,628</u>	<u>\$ 37,916</u>	<u>\$ 71,161</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2009

	Special		
	Juvenile Probation Fees Fund	Foster Care Title IV-E Fund	Juvenile Probation Fund
<u>Assets</u>			
Cash and temporary investments	\$ 34,094	\$ 310,686	\$ 4,136
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments		6,284	42,273
Due from other funds	19,436		488
Prepaid expenditures			
Total assets	\$ 53,530	\$ 316,970	\$ 46,897
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 528	\$ 6,206	\$ 26,985
Due to other funds		1,703	20,113
Deferred revenue		240,155	
Total liabilities	528	248,064	47,098
Fund Balance (Deficit):			
Reserved:			
Encumbrances	363		
Debt service			
Unreserved:			
Designated for special revenue	52,639	68,906	(201)
Designated for capital projects			
Total fund balance	53,002	68,906	(201)
Total liabilities and fund balance	\$ 53,530	\$ 316,970	\$ 46,897

Revenue Funds

Juvenile Justice Alternative Education Fund	Special Crimes Operation Fund	HAVA Grant Fund	County Attorney Collection Fund	18th Judicial Attorney Fund	District Attorney Collection Fund
\$ 5,916	\$ 177,879	\$ 39,970	\$ 73,654	\$ 14,433	\$ 21,912
15,247	73,234	28 10			
<u>\$ 21,163</u>	<u>\$ 251,113</u>	<u>\$ 40,008</u>	<u>\$ 73,654</u>	<u>\$ 14,433</u>	<u>\$ 21,912</u>
\$ 17,978	\$ 12,373 9,731	\$ 40,008	\$ 1,161	\$ 2,804	\$ 2,528
<u>17,978</u>	<u>22,104</u>	<u>40,008</u>	<u>1,161</u>	<u>2,804</u>	<u>2,528</u>
2,389					
796	229,009		72,493	11,629	19,384
<u>3,185</u>	<u>229,009</u>	<u>-0-</u>	<u>72,493</u>	<u>11,629</u>	<u>19,384</u>
<u>\$ 21,163</u>	<u>\$ 251,113</u>	<u>\$ 40,008</u>	<u>\$ 73,654</u>	<u>\$ 14,433</u>	<u>\$ 21,912</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2009

	<u>Special</u>		
	<u>STOP Federal Forfeiture Fund</u>	<u>District Attorney Forfeiture Fund</u>	<u>Sheriff Forfeiture Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 814	\$ 77,645	\$ 27,458
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other governments			
Prepaid expenditures			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 814</u>	<u>\$ 77,645</u>	<u>\$ 27,458</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds			
Deferred revenue			
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Reserved:			
Encumbrances			
Debt service			
Unreserved:			
Designated for special revenue	814	77,645	27,458
Designated for capital projects			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>814</u>	<u>77,645</u>	<u>27,458</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 814</u>	<u>\$ 77,645</u>	<u>\$ 27,458</u>

Revenue Funds

Constables LEOSE Fund	Sheriff LEOSE Fund	County Attorney LEOSE Fund	Abandoned Vehicle Fund	Sheriff Inmate Commissary Fund	Indigent Health Care Fund
\$ 6,098	\$ 11,628	\$ 1,643	\$ 2,693	\$ 104,199	\$ 1,621,254
					19,196
					712
<u>\$ 6,098</u>	<u>\$ 11,628</u>	<u>\$ 1,643</u>	<u>\$ 2,693</u>	<u>\$ 104,199</u>	<u>\$ 1,641,162</u>
\$	\$	\$	\$	\$ 24,697	\$ 107,528
				2,722	572
					15,080
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>27,419</u>	<u>123,180</u>
6,098	11,628	1,643	2,693	76,780	1,517,982
<u>6,098</u>	<u>11,628</u>	<u>1,643</u>	<u>2,693</u>	<u>76,780</u>	<u>1,517,982</u>
<u>\$ 6,098</u>	<u>\$ 11,628</u>	<u>\$ 1,643</u>	<u>\$ 2,693</u>	<u>\$ 104,199</u>	<u>\$ 1,641,162</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2009

	Special		
	Pecan Valley MHMR Fund	Teen Court Fund	TDSHS Cities Readiness Initiative Fund
<u>Assets</u>			
Cash and temporary investments	\$ 27,296	\$ 1,524	\$ 27,491
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			5,033
Due from other funds	9		308
Prepaid expenditures			
	\$ 27,305	\$ 1,524	\$ 32,832
Total assets			
	\$ 27,305	\$ 1,524	\$ 32,832
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 2,554
Due to other funds			30,278
Deferred revenue			
	-0-	-0-	32,832
Total liabilities			
	-0-	-0-	32,832
 Fund Balance (Deficit):			
Reserved:			
Encumbrances			
Debt service			
Unreserved:			
Designated for special revenue	27,305	1,524	
Designated for capital projects			
	27,305	1,524	-0-
Total fund balance			
	27,305	1,524	-0-
Total liabilities and fund balance			
	\$ 27,305	\$ 1,524	\$ 32,832

Revenue Funds

CDBG County (HUD) Fund	TCEQ Aircheck Texas Fund	Special Inventory Interest Fund	Right of Way Fund	Historical Society Account Fund	COPS SOS Grant Fund
\$	\$ 442,768	\$ 18,898	\$ 989,852	\$ 35,973	\$
			30,256		
		3,271	646		
<u>\$ -0-</u>	<u>\$ 442,768</u>	<u>\$ 22,169</u>	<u>\$ 1,020,754</u>	<u>\$ 35,973</u>	<u>\$ -0-</u>
\$	\$ 36,897	\$	\$ 3,837	\$ 226	\$
	405,871				
<u>-0-</u>	<u>442,768</u>	<u>-0-</u>	<u>3,837</u>	<u>226</u>	<u>-0-</u>
				92	
		22,169	1,016,917	35,655	
<u>-0-</u>	<u>-0-</u>	<u>22,169</u>	<u>1,016,917</u>	<u>35,747</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ 442,768</u>	<u>\$ 22,169</u>	<u>\$ 1,020,754</u>	<u>\$ 35,973</u>	<u>\$ -0-</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2009

	<u>Special</u>		
	<u>OJP Special Crimes Unit Fund</u>	<u>Guardianship Fee Fund</u>	<u>Indigent Defense Improvements Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 22,119	\$ 13,724	\$ 109,603
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts	380		
Due from other governments	44,457		
Due from other funds	9,000	740	
Prepaid expenditures	<u>2,977</u>		<u>4,344</u>
Total assets	<u>\$ 78,933</u>	<u>\$ 14,464</u>	<u>\$ 113,947</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 8,582	\$ 775	\$ 200
Due to other funds	70,351		19,094
Deferred revenue			<u>94,653</u>
Total liabilities	<u>78,933</u>	<u>775</u>	<u>113,947</u>
Fund Balance (Deficit):			
Reserved:			
Encumbrances			
Debt service			
Unreserved:			
Designated for special revenue	-0-	13,689	
Designated for capital projects			
Total fund balance	<u>-0-</u>	<u>13,689</u>	<u>-0-</u>
Total liabilities and fund balance	<u>\$ 78,933</u>	<u>\$ 14,464</u>	<u>\$ 113,947</u>

Revenue Funds

Texas Solid Waste Investigator Fund	Ed Byrne Local Solicitation Fund	Clean Vehicle Fleet Fund	HSGP LETPP Fund	Election Funds Management Fund	Total Special Revenue Funds
\$ 52	\$ 4,901	\$ 4	\$ -	\$ 1,309	\$ 7,378,272
					19,196
					380
2,546					146,124
				41	167,642
					7,321
<u>\$ 2,598</u>	<u>\$ 4,901</u>	<u>\$ 4</u>	<u>\$ -0-</u>	<u>\$ 1,350</u>	<u>\$ 7,718,935</u>
\$ 2,598	\$ 12	\$ 4	\$ -	\$ 1,350	\$ 286,161
	4,889				206,040
					760,648
<u>2,598</u>	<u>4,901</u>	<u>4</u>	<u>-0-</u>	<u>1,350</u>	<u>1,252,849</u>
					11,474
					-0-
					6,454,612
					-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,466,086</u>
<u>\$ 2,598</u>	<u>\$ 4,901</u>	<u>\$ 4</u>	<u>\$ -0-</u>	<u>\$ 1,350</u>	<u>\$ 7,718,935</u>

(continued)

JOHNSON COUNTY, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2009

	Debt Service Funds		
	General Interest & Sinking Fund	Equipment Interest & Sinking Fund	Total Debt Service Funds
<u>Assets</u>			
Cash and temporary investments	\$ 1,156,102	\$ 943,350	\$ 2,099,452
Receivables (Net of Allowance for Uncollectibles):			
Taxes	33,647	34,219	67,866
Accounts Due from other governments			-0-
Due from other funds	2,216	2,179	4,395
Prepaid expenditures			-0-
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>1,191,965</u>	\$ <u>979,748</u>	\$ <u>2,171,713</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 11,262	\$ 12,383	\$ 23,645
Due to other funds			-0-
Deferred revenue	<u>26,998</u>	<u>26,692</u>	<u>53,690</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>38,260</u>	<u>39,075</u>	<u>77,335</u>
Fund Balance (Deficit):			
Reserved:			
Encumbrances	1,153,705		1,153,705
Debt service		940,673	940,673
Unreserved:			
Designated for special revenue			-0-
Designated for capital projects			-0-
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>1,153,705</u>	<u>979,748</u>	<u>2,094,378</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	\$ <u>1,191,965</u>	\$ <u>979,748</u>	\$ <u>2,171,713</u>

Capital Projects Funds

Courthouse Renovation Fund	CSCD/ Dispatch Construction Fund	JP & Guinn Renovation Projects Fund	Total Capital Projects Funds	Total Non-Major Governmental Funds
\$	\$ 1,271	\$ 558,353	\$ 559,624	\$ 10,037,348
			-0-	87,062
			-0-	380
			-0-	146,124
			-0-	172,037
			-0-	7,321
<u>\$ -0-</u>	<u>\$ 1,271</u>	<u>\$ 558,353</u>	<u>\$ 559,624</u>	<u>\$ 10,450,272</u>
\$	\$	\$ 424,122	\$ 424,122	\$ 733,928
			-0-	206,040
			-0-	814,338
<u>-0-</u>	<u>-0-</u>	<u>424,122</u>	<u>424,122</u>	<u>1,754,306</u>
			-0-	1,165,179
			-0-	940,673
			-0-	6,454,612
	1,271	134,231	135,502	135,502
<u>-0-</u>	<u>1,271</u>	<u>134,231</u>	<u>135,202</u>	<u>8,695,966</u>
<u>\$ -0-</u>	<u>\$ 1,271</u>	<u>\$ 558,353</u>	<u>\$ 559,624</u>	<u>\$ 10,450,272</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Special		
	Lateral Road Fund	Law Library Fund	Records Management and Preservation Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	68,946		
Fees		117,357	297,386
Fines			
Investment income	292	3,100	8,987
Miscellaneous			
Total revenues	69,238	120,457	306,373
Expenditures:			
Current:			
General government			328,154
Administration of justice		98,643	
Financial administration			
Elections			
Law enforcement			
Highways and streets	66,673		
Health and welfare			
Culture and recreation			
Capital outlay		7,613	
Debt Service:			
Principal			
Interest and fees			
Total expenditures	66,673	106,256	328,154
Excess (deficiency) of revenue over (under) expenditures	2,565	14,201	(21,781)
Other Financing Sources (Uses):			
Operating transfers in		23,374	
Operating transfers out			
Total other financing sources (uses)	-0-	23,374	-0-
Net change in fund balances	2,565	37,575	(21,781)
Fund Balance (Deficits):			
Beginning of year (restated)	40,915	446,221	1,193,432
End of year	\$ 43,480	\$ 483,796	\$ 1,171,651

Revenue Funds

Record Archives - County Clerk Fund	Record Archives - District Clerk Fund	Justice of the Peace Technology Fund	Courthouse Security Fund	Justice Court Security Building Fund	Election Services Contract Fund
\$	\$	\$	\$	\$	\$
211,395	11,510	46,473	102,827	11,078	
7,027	460	1,560	94	61	70
<u>218,422</u>	<u>11,970</u>	<u>48,033</u>	<u>102,921</u>	<u>11,139</u>	<u>27,061</u>
		18,727	188,983		20,089
<u>-0-</u>	<u>-0-</u>	<u>18,727</u>	<u>188,983</u>	<u>-0-</u>	<u>20,089</u>
<u>218,422</u>	<u>11,970</u>	<u>29,306</u>	<u>(86,062)</u>	<u>11,139</u>	<u>7,042</u>
			64,000		
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>64,000</u>	<u>-0-</u>	<u>-0-</u>
218,422	11,970	29,306	(22,062)	11,139	7,042
<u>835,745</u>	<u>55,648</u>	<u>189,103</u>	<u>42,461</u>	<u>26,777</u>	<u>64,109</u>
<u>\$ 1,054,167</u>	<u>\$ 67,618</u>	<u>\$ 218,409</u>	<u>\$ 20,399</u>	<u>\$ 37,916</u>	<u>\$ 71,151</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Special		
	Juvenile Probation Fees Fund	Foster Care Title IV-E Fund	Juvenile Probation Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental		130,380	661,369
Fees	11,959		
Fines			
Investment income	63	2,796	146
Miscellaneous			
Total revenues	<u>12,022</u>	<u>133,176</u>	<u>661,515</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement	6,161	130,382	661,574
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>6,161</u>	<u>130,382</u>	<u>661,574</u>
Excess (deficiency) of revenue over (under) expenditures	<u>5,861</u>	<u>2,794</u>	<u>(59)</u>
Other Financing Sources (Uses):			
Operating transfers in	17,451		
Operating transfers out			<u>(17,451)</u>
Total other financing sources (uses)	<u>17,451</u>	<u>-0-</u>	<u>(17,451)</u>
Net change in fund balance	23,312	2,794	(17,510)
Fund Balance (Deficits):			
Beginning of year (restated)	<u>29,690</u>	<u>66,112</u>	<u>17,309</u>
End of year	<u>\$ 53,002</u>	<u>\$ 68,906</u>	<u>\$(201)</u>

Revenue Funds

Juvenile Justice Alternative Education Fund	Special Crimes Operation Fund	HAVA Grant Fund	County Attorney Collection Fund	18th Judicial Attorney Fund	District Attorney Collection Fund
\$ 146,985	\$	\$ 29,187	\$	\$ 28,332	\$
	11,481		44,691		3,776
395	374		141	28	73
	<u>30,537</u>			<u>3,096</u>	
<u>147,380</u>	<u>42,392</u>	<u>29,187</u>	<u>44,832</u>	<u>31,456</u>	<u>3,849</u>
			20,232	2,457	
329,162	47,796	29,187			
			19,015		
<u>329,162</u>	<u>47,796</u>	<u>29,187</u>	<u>39,247</u>	<u>2,457</u>	<u>-0-</u>
(<u>181,782</u>)	(<u>5,404</u>)	<u>-0-</u>	<u>5,585</u>	<u>28,999</u>	<u>3,849</u>
100,000			(<u>13,891</u>)	(<u>33,653</u>)	(<u>38,458</u>)
<u>100,000</u>	<u>-0-</u>	<u>-0-</u>	(<u>12,891</u>)	(<u>33,653</u>)	(<u>38,458</u>)
(<u>81,782</u>)	(<u>5,404</u>)	<u>-0-</u>	(<u>8,306</u>)	(<u>4,654</u>)	(<u>34,609</u>)
<u>84,967</u>	<u>234,413</u>		<u>80,799</u>	<u>16,283</u>	<u>53,993</u>
<u>\$ 3,185</u>	<u>\$ 229,009</u>	<u>\$ -0-</u>	<u>\$ 72,493</u>	<u>\$ 11,629</u>	<u>\$ 19,384</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Special		
	STOP Federal Forfeiture Fund	District Attorney Forfeiture Fund	Sheriff Forfeiture Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines		11,020	
Investment income	2	529	105
Miscellaneous			23,911
Total revenues	<u>2</u>	<u>11,549</u>	<u>24,016</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			14,750
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>14,750</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2</u>	<u>11,549</u>	<u>9,266</u>
Other Financing Sources (Uses):			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	2	11,549	9,266
Fund Balance (Deficits):			
Beginning of year (restated)	<u>812</u>	<u>66,096</u>	<u>18,192</u>
End of year	<u>\$ 814</u>	<u>\$ 77,645</u>	<u>\$ 27,458</u>

Revenue Funds

Constables LEOSE Fund	Sheriff LEOSE Fund	County Attorney LEOSE Fund	Abandoned Vehicle Fund	Sheriff Inmate Commissary Fund	Indigent Health Care Fund
\$ 3,415	\$ 18,142	\$ 1,232	\$	\$	\$ 547,872
25	22	2	600	199	13,997
	<u>1,090</u>		<u>7</u>	<u>389,975</u>	<u>60,856</u>
<u>3,440</u>	<u>19,254</u>	<u>1,234</u>	<u>607</u>	<u>390,174</u>	<u>711,543</u>
		581			
4,247	13,828		2,042	381,955	
					849,561
<u>4,247</u>	<u>13,828</u>	<u>581</u>	<u>2,042</u>	<u>381,955</u>	<u>849,561</u>
(807)	<u>5,426</u>	<u>653</u>	(1,435)	<u>8,219</u>	(138,018)
				(34,006)	
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	(34,006)	<u>-0-</u>
(807)	5,426	653	(1,435)	(25,787)	(138,018)
<u>6,905</u>	<u>6,202</u>	<u>990</u>	<u>4,128</u>	<u>102,567</u>	<u>1,656,000</u>
<u>\$ 6,098</u>	<u>\$ 11,628</u>	<u>\$ 1,643</u>	<u>\$ 2,693</u>	<u>\$ 76,780</u>	<u>\$ 1,517,982</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Special		
	Pecan Valley MHMR Fund	Teen Court Fund	TDSHS Cities Readiness Initiative Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			47,189
Fees		372	
Fines			
Investment income	53	3	
Miscellaneous	9		
Total revenues	<u>62</u>	<u>375</u>	<u>47,189</u>
Expenditures:			
Current:			
General government	226		
Administration of justice			
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			47,189
Culture and recreation			
Capital outlay			
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>226</u>	<u>-0-</u>	<u>47,189</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(164)</u>	<u>375</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	<u>(164)</u>	<u>375</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year (restated)	<u>27,469</u>	<u>1,149</u>	<u></u>
End of year	<u>\$ 27,305</u>	<u>\$ 1,524</u>	<u>\$ -0-</u>

Revenue Funds

CDBG County (HUD) Fund	TCEQ Aircheck Texas Fund	Special Inventory Interest Fund	Right of Way Fund	Historical Society Account Fund	COPS SOS Grant Fund
\$ 89,706	\$ 453,001		\$ 702,447		\$ 135,889
		39	2,699	295	
		<u>5,762</u>	<u>108,026</u>	<u>10,000</u>	
<u>89,706</u>	<u>453,001</u>	<u>5,801</u>	<u>813,172</u>	<u>10,295</u>	<u>135,889</u>
89,706		5,131			135,889
	453,001		230,507		
				7,717	
<u>89,706</u>	<u>453,001</u>	<u>5,131</u>	<u>230,507</u>	<u>7,717</u>	<u>135,889</u>
<u>-0-</u>	<u>-0-</u>	<u>670</u>	<u>582,665</u>	<u>2,578</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>670</u>	<u>582,665</u>	<u>2,578</u>	<u>-0-</u>
		<u>21,499</u>	<u>434,252</u>	<u>33,169</u>	
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 22,169</u>	<u>\$ 1,016,917</u>	<u>\$ 35,747</u>	<u>\$ -0-</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Special		
	OJP Special Crimes Unit Fund	Guardianship Fee Fund	Indigent Defense Improvements Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	144,021		2,590
Fees		7,865	
Fines			
Investment income		18	68
Miscellaneous			
Total revenues	<u>144,021</u>	<u>7,883</u>	<u>2,658</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement	144,021		5,441
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>144,021</u>	<u>-0-</u>	<u>5,441</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>7,883</u>	<u>(2,783)</u>
Other Financing Sources (Uses):			
Operating transfers in			2,783
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>2,783</u>
Net change in fund balance	-0-	7,883	-0-
Fund Balance (Deficits):			
Beginning of year (restated)	<u>-0-</u>	<u>5,806</u>	<u>-0-</u>
End of year	<u>\$ -0-</u>	<u>\$ 13,689</u>	<u>\$ -0-</u>

Revenue Funds

Texas Solid Waste Investigator Fund	Ed Byrne Local Solicitation Fund	Clean Vehicle Fleet Fund	HSGP LETPP Fund	Election Funds Management Fund	Total Special Revenue Funds
\$ 29,850	\$	\$ 97,356	\$ 80,831	\$ 1,306	\$ 1,250,319
					2,258,545
					866,689
		74			23,101
					43,804
					660,323
<u>29,850</u>	<u>-0-</u>	<u>97,430</u>	<u>80,831</u>	<u>1,306</u>	<u>5,102,781</u>
					328,380
					329,623
					5,131
44,401	12,440		5,631	1,306	50,582
					2,014,676
					297,180
					1,349,751
					7,717
	69,470	194,712	110,125		415,685
					-0-
					-0-
<u>44,401</u>	<u>81,910</u>	<u>194,712</u>	<u>115,756</u>	<u>1,306</u>	<u>4,798,725</u>
(<u>14,551</u>)	(<u>81,910</u>)	(<u>97,282</u>)	(<u>34,925</u>)	<u>-0-</u>	<u>304,056</u>
21,656	81,910	97,282	34,925		443,381
(<u>7,105</u>)					(<u>144,564</u>)
<u>14,551</u>	<u>81,910</u>	<u>97,282</u>	<u>34,925</u>	<u>-0-</u>	<u>298,817</u>
-0-	-0-	-0-	-0-	-0-	602,873
-0-	-0-	-0-	-0-	-0-	5,863,213
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 6,466,086</u>

(continued)

JOHNSON COUNTY, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES****IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2009

	Debt Service Funds		
	General Interest & Sinking Fund	Equipment Interest & Sinking Fund	Total Debt Service Funds
Revenues:			
Taxes	\$ 2,038,924	\$ 2,282,712	\$ 4,321,636
Intergovernmental			-0-
Fees			-0-
Fines			-0-
Investment income	9,548	5,679	15,227
Miscellaneous			-0-
Total revenues	<u>2,048,472</u>	<u>2,288,391</u>	<u>4,336,863</u>
Expenditures:			
Current:			
General government			-0-
Administration of justice			-0-
Financial administration			-0-
Elections			-0-
Law enforcement			-0-
Highways and streets			-0-
Health and welfare			-0-
Culture and recreation			-0-
Capital outlay			-0-
Debt Service:			
Principal	1,005,000		1,005,000
Interest and fees	910,899	50,278	961,177
Total expenditures	<u>1,915,899</u>	<u>50,278</u>	<u>1,966,177</u>
Excess (deficiency) of revenue over (under) expenditures	<u>132,573</u>	<u>2,238,113</u>	<u>2,370,686</u>
Other Financing Sources (Uses):			
Operating transfers in			-0-
Operating transfers out		(1,953,189)	(1,953,189)
Total other financing sources (uses)	<u>-0-</u>	<u>(1,953,189)</u>	<u>(1,953,189)</u>
Net change in fund balance	132,573	284,924	417,497
Fund Balance (Deficits):			
Beginning of year (restated)	<u>1,021,132</u>	<u>655,749</u>	<u>1,676,881</u>
End of year	<u>\$ 1,153,705</u>	<u>\$ 940,673</u>	<u>\$ 2,094,378</u>

Capital Projects Funds

Courthouse Renovation Fund	CSCD/ Dispatch Construction Fund	JP & Guinn Renovation Projects Fund	Total Capital Projects Funds	Total Non-Major Governmental Funds
\$	\$	\$	\$	\$
			-0-	5,571,955
			-0-	2,258,545
			-0-	866,689
			-0-	23,101
	33	875	908	59,939
			-0-	660,323
<u>-0-</u>	<u>33</u>	<u>875</u>	<u>908</u>	<u>9,440,552</u>
			-0-	328,380
			-0-	329,623
			-0-	5,131
			-0-	50,582
			-0-	2,014,676
			-0-	297,180
			-0-	1,349,751
			-0-	7,717
14,122		966,644	980,766	1,396,451
			-0-	1,005,000
			-0-	961,177
<u>14,122</u>	<u>-0-</u>	<u>966,644</u>	<u>980,766</u>	<u>7,745,668</u>
<u>(14,122)</u>	<u>33</u>	<u>(965,769)</u>	<u>(979,858)</u>	<u>1,694,884</u>
14,122		1,100,000	1,114,122	1,557,503
				(2,097,753)
<u>14,122</u>	<u>-0-</u>	<u>1,100,000</u>	<u>1,114,122</u>	<u>(540,250)</u>
-0-	33	134,231	134,264	1,154,634
-0-	1,238	-0-	1,238	7,541,332
<u>\$ -0-</u>	<u>\$ 1,271</u>	<u>\$ 134,231</u>	<u>\$ 135,502</u>	<u>\$ 8,695,966</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Lateral Road Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 68,800	\$ 68,800	\$ 68,946	\$ 146
Fees				-0-
Investment income	900	900	292	(608)
Total revenues	<u>69,700</u>	<u>69,700</u>	<u>69,238</u>	<u>(462)</u>
Expenditures:				
Current:				
Administration of justice				-0-
Highways and street	68,800	68,800	66,673	2,127
Capital outlay				-0-
Total expenditures	<u>68,800</u>	<u>68,800</u>	<u>66,673</u>	<u>2,127</u>
Excess (deficiency) of revenues over expenditures	<u>900</u>	<u>900</u>	<u>2,565</u>	<u>1,665</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	900	900	2,565	1,665
Fund balances – beginning	<u>40,915</u>	<u>40,915</u>	<u>40,915</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 41,815</u>	<u>\$ 41,815</u>	<u>\$ 43,480</u>	<u>\$ 1,665</u>

Law Library Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
116,500	116,500	117,357	-0- 857
<u>7,400</u>	<u>7,400</u>	<u>3,100</u>	<u>(4,300)</u>
<u>123,900</u>	<u>123,900</u>	<u>120,457</u>	<u>(3,443)</u>
108,736	128,936	98,643	30,293
<u>12,000</u>	<u>12,000</u>	<u>7,613</u>	<u>-0- 4,387</u>
<u>120,736</u>	<u>140,936</u>	<u>106,256</u>	<u>34,680</u>
<u>3,164</u>	<u>(17,036)</u>	<u>14,201</u>	<u>31,237</u>
<u> </u>	<u> </u>	<u>23,374</u>	<u>23,374</u>
<u>-0-</u>	<u>-0-</u>	<u>23,374</u>	<u>23,374</u>
3,164	(17,036)	37,575	54,611
<u>446,221</u>	<u>446,221</u>	<u>446,221</u>	<u>-0-</u>
<u>\$ 449,385</u>	<u>\$ 429,185</u>	<u>\$ 483,796</u>	<u>\$ 54,611</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Records Management & Preservation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 361,000	\$ 361,000	\$ 297,386	\$(63,614)
Investment income	21,500	21,500	8,987	(12,513)
Miscellaneous	21,000	21,000		(21,000)
Total revenues	<u>403,500</u>	<u>403,500</u>	<u>306,373</u>	<u>(97,127)</u>
Expenditures:				
Current:				
General government	<u>702,152</u>	<u>762,152</u>	<u>328,154</u>	<u>433,998</u>
Total expenditures	<u>702,152</u>	<u>762,152</u>	<u>328,154</u>	<u>433,998</u>
Excess (deficiency) of revenues over expenditures	<u>(298,652)</u>	<u>(358,652)</u>	<u>(21,781)</u>	<u>336,871</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>(298,652)</u>	<u>(358,652)</u>	<u>(21,781)</u>	<u>336,871</u>
Fund balances – beginning	<u>1,193,432</u>	<u>1,193,432</u>	<u>1,193,432</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 894,780</u>	<u>\$ 834,780</u>	<u>\$ 1,171,651</u>	<u>\$ 336,871</u>

Records Archive County Clerk Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 250,000	\$ 250,000	\$ 211,395	\$(38,605)
10,000	10,000	7,027	(2,973)
<u> </u>	<u> </u>	<u> </u>	<u> </u>
260,000	260,000	218,422	(41,578)
<u> </u>	<u> </u>	<u> </u>	<u> </u>
1,264,352	1,264,352	<u> </u>	1,264,352
<u> </u>	<u> </u>	<u> </u>	<u> </u>
1,264,352	1,264,352	-0-	1,264,352
<u> </u>	<u> </u>	<u> </u>	<u> </u>
(1,004,352)	(1,004,352)	218,422	1,222,774
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	-0-
<u> </u>	<u> </u>	<u> </u>	-0-
-0-	-0-	-0-	-0-
<u> </u>	<u> </u>	<u> </u>	<u> </u>
(1,004,352)	(1,004,352)	218,422	1,222,774
<u> </u>	<u> </u>	<u> </u>	<u> </u>
835,745	835,745	835,745	-0-
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$(168,607)	\$(168,607)	\$ 1,054,167	\$ 1,222,774

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Records Archive District Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 12,000	\$ 12,000	\$ 11,510	\$(490)
Intergovernmental				-0-
Investment income	<u>800</u>	<u>800</u>	<u>460</u>	<u>(340)</u>
Total revenues	<u>12,800</u>	<u>12,800</u>	<u>11,970</u>	<u>(830)</u>
Expenditures:				
Current:				
General government		60,000		60,000
Law enforcement				<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>60,000</u>	<u>-0-</u>	<u>60,000</u>
Excess (deficiency) of revenues over expenditures	<u>12,800</u>	<u>(47,200)</u>	<u>11,970</u>	<u>59,170</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	12,800	(47,200)	11,970	59,170
Fund balances – beginning	<u>55,648</u>	<u>55,648</u>	<u>55,648</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 68,448</u>	<u>\$ 8,448</u>	<u>\$ 67,618</u>	<u>\$ 59,170</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Courthouse Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Fees	110,000	110,000	102,827	(7,173)
Investment income	700	700	94	(606)
Total revenues	<u>110,700</u>	<u>110,700</u>	<u>102,921</u>	<u>(7,779)</u>
Expenditures:				
Current:				
Administration of justice	193,522	204,515	188,983	15,532
Law enforcement				-0-
Capital outlay				-0-
Total expenditures	<u>193,522</u>	<u>204,515</u>	<u>188,983</u>	<u>15,532</u>
Excess (deficiency) of revenues over expenditures	<u>(82,822)</u>	<u>(93,815)</u>	<u>(86,062)</u>	<u>7,753</u>
Other Financing Sources (Uses):				
Transfers in	64,000	64,000	64,000	-0-
Transfers out				-0-
Total other financing sources (uses)	<u>64,000</u>	<u>64,000</u>	<u>64,000</u>	<u>-0-</u>
Net change in fund balances	<u>(18,822)</u>	<u>(29,815)</u>	<u>(22,062)</u>	<u>7,753</u>
Fund balances – beginning	<u>42,461</u>	<u>42,461</u>	<u>42,461</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 23,639</u>	<u>\$ 12,646</u>	<u>\$ 20,399</u>	<u>\$ 7,753</u>

HSGP LETPP Fund				
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)	
Original	Final			
\$ 80,831	\$ 80,831	\$ 80,831	\$ -0-	
			-0-	
			-0-	
<u>80,831</u>	<u>80,831</u>	<u>80,831</u>	<u>-0-</u>	
			-0-	
5,630	5,630	5,631	(1)	
<u>110,126</u>	<u>110,126</u>	<u>110,125</u>	<u>1</u>	
<u>115,756</u>	<u>115,756</u>	<u>115,756</u>	<u>-0-</u>	
<u>(34,925)</u>	<u>(34,925)</u>	<u>(34,925)</u>	<u>-0-</u>	
34,925	34,925	34,925	-0-	
			-0-	
<u>34,925</u>	<u>34,925</u>	<u>34,925</u>	<u>-0-</u>	
-0-	-0-	-0-	-0-	
			-0-	
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Juvenile Justice Alternative Education Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 240,000	\$ 240,000	\$ 146,985	\$(93,015)
Fines				-0-
Investment income	5,000	5,000	395	(4,605)
Miscellaneous				-0-
Total revenues	<u>245,000</u>	<u>245,000</u>	<u>147,380</u>	<u>(97,620)</u>
Expenditures:				
Current:				
Law enforcement	<u>368,250</u>	<u>368,250</u>	<u>329,162</u>	<u>39,088</u>
Total expenditures	<u>368,250</u>	<u>368,250</u>	<u>329,162</u>	<u>39,088</u>
Excess (deficiency) of revenues over expenditures	<u>(123,250)</u>	<u>(123,250)</u>	<u>(181,782)</u>	<u>(58,532)</u>
Other Financing Sources (Uses):				
Transfers in	100,000	100,000	100,000	-0-
Transfers out				-0-
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-0-</u>
Net change in fund balances	<u>(23,250)</u>	<u>(23,250)</u>	<u>(81,782)</u>	<u>(58,532)</u>
Fund balances – beginning	<u>84,967</u>	<u>84,967</u>	<u>84,967</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 61,717</u>	<u>\$ 61,717</u>	<u>\$ 3,185</u>	<u>\$(58,532)</u>

Special Crimes Operations Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$ -0-
		11,481	11,481
4,500	4,500	374	(4,126)
<u>4,500</u>	<u>4,500</u>	<u>30,537</u>	<u>30,537</u>
<u>4,500</u>	<u>4,500</u>	<u>42,392</u>	<u>37,892</u>
<u>217,370</u>	<u>69,500</u>	<u>47,796</u>	<u>21,704</u>
<u>217,370</u>	<u>69,500</u>	<u>47,796</u>	<u>21,704</u>
(<u>212,870</u>)	(<u>65,000</u>)	(<u>5,404</u>)	<u>59,596</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(<u>212,870</u>)	(<u>65,000</u>)	(<u>5,404</u>)	<u>59,596</u>
<u>234,413</u>	<u>234,413</u>	<u>234,413</u>	<u>-0-</u>
<u>\$ 21,543</u>	<u>\$ 169,413</u>	<u>\$ 229,009</u>	<u>\$ 59,596</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	OJP Special Crimes Unit Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 178,870	\$ 178,870	\$ 144,021	\$(34,849)
Investment income				-0-
Miscellaneous				-0-
Total revenues	<u>178,870</u>	<u>178,870</u>	<u>144,021</u>	<u>(34,849)</u>
Expenditures:				
Current:				
Law enforcement	178,870	178,870	144,021	34,849
Capital outlay				-0-
Total expenditures	<u>178,870</u>	<u>178,870</u>	<u>144,021</u>	<u>34,849</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	-0-	-0-	-0-	-0-
Fund balances – beginning				-0-
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Sheriff Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 200	\$ 200	\$ 105	\$ -0- (95)
		<u>23,911</u>	<u>23,911</u>
<u>200</u>	<u>200</u>	<u>24,016</u>	<u>23,816</u>
5,500	5,500		5,500
	<u>17,000</u>	<u>14,750</u>	<u>2,250</u>
<u>5,500</u>	<u>22,500</u>	<u>14,750</u>	<u>7,750</u>
(5,300)	(22,300)	<u>9,266</u>	<u>31,566</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(5,300)	(22,300)	9,266	31,566
<u>18,192</u>	<u>18,192</u>	<u>18,192</u>	<u>-0-</u>
<u>\$ 12,892</u>	<u>\$(4,108)</u>	<u>\$ 27,458</u>	<u>\$ 31,566</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Indigent Health Care Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 548,199	\$ 548,199	\$ 547,872	\$(327)
Intergovernmental	70,000	70,000	88,818	18,818
Investment income	40,000	40,000	13,997	(26,003)
Miscellaneous			60,856	60,856
Total revenues	<u>658,199</u>	<u>658,199</u>	<u>711,543</u>	<u>53,344</u>
Expenditures:				
Current:				
Health and welfare	<u>658,199</u>	<u>867,510</u>	<u>849,561</u>	<u>17,949</u>
Total expenditures	<u>658,199</u>	<u>867,510</u>	<u>849,561</u>	<u>17,949</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>(209,311)</u>	<u>(138,018)</u>	<u>71,293</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	-0-	(209,311)	(138,018)	71,293
Fund balances – beginning (restated)	<u>1,656,000</u>	<u>1,656,000</u>	<u>1,656,000</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,656,000</u>	<u>\$ 1,446,689</u>	<u>\$ 1,517,982</u>	<u>\$ 71,293</u>

TDSHS Cities Readiness Initiative Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 44,000	\$ 44,000	\$ 47,189	\$ -0- 3,189
<u>44,000</u>	<u>44,000</u>	<u>47,189</u>	<u>-0- 3,189</u>
<u>44,000</u>	<u>44,000</u>	<u>47,189</u>	<u>(3,189)</u>
<u>44,000</u>	<u>44,000</u>	<u>47,189</u>	<u>(3,189)</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	CDBG County (HUD) Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$	\$	\$ -0-
Intergovernmental	89,706	89,706	89,706	-0-
Investment income				-0-
Miscellaneous				-0-
Total revenues	<u>89,706</u>	<u>89,706</u>	<u>89,706</u>	<u>-0-</u>
Expenditures:				
Current:				
Law enforcement	421,956	421,956	89,706	332,250
Highways and streets				-0-
Total expenditures	<u>421,956</u>	<u>421,956</u>	<u>89,706</u>	<u>332,250</u>
Excess (deficiency) of revenues over expenditures	<u>(332,250)</u>	<u>(332,250)</u>	<u>-0-</u>	<u>332,250</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>(332,250)</u>	<u>(332,250)</u>	<u>-0-</u>	<u>332,250</u>
Fund balances – beginning (restated)				-0-
Fund balances – ending	<u><u>\$(332,250)</u></u>	<u><u>\$(332,250)</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 332,250</u></u>

Right of Way Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 625,000	\$ 625,000	\$ 702,447	\$ 77,447
			-0-
5,000	5,000	2,699	(2,301)
		<u>108,026</u>	<u>108,026</u>
<u>630,000</u>	<u>630,000</u>	<u>813,172</u>	<u>183,172</u>
			-0-
<u>630,000</u>	<u>630,000</u>	<u>230,507</u>	<u>399,493</u>
<u>630,000</u>	<u>630,000</u>	<u>230,507</u>	<u>399,493</u>
<u>-0-</u>	<u>-0-</u>	<u>582,665</u>	<u>582,665</u>
			-0-
		<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	582,665	582,665
<u>434,252</u>	<u>434,252</u>	<u>434,252</u>	<u>-0-</u>
<u>\$ 434,252</u>	<u>\$ 434,252</u>	<u>\$ 1,016,917</u>	<u>\$ 582,665</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Elections Services Contract Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Investment income	500	500	70	(430)
Miscellaneous	4,000	4,000	27,061	23,061
Total revenues	4,500	4,500	27,131	22,631
Expenditures:				
Current:				
Elections	40,000	40,000	20,089	19,911
Total expenditures	40,000	40,000	20,089	19,911
Excess (deficiency) of revenues over expenditures	(35,500)	(35,500)	7,042	42,542
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	(35,500)	(35,500)	7,042	42,542
Fund balances – beginning	64,109	64,109	64,109	-0-
Fund balances – ending	\$ 28,609	\$ 28,609	\$ 71,151	\$ 42,542

HAVA Grant Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 29,000	\$ 29,000	\$ 29,187	\$ 187
			-0-
			-0-
<u>29,000</u>	<u>29,000</u>	<u>29,187</u>	<u>187</u>
<u>170,283</u>	<u>170,283</u>	<u>29,187</u>	<u>141,096</u>
<u>170,283</u>	<u>170,283</u>	<u>29,187</u>	<u>141,096</u>
(<u>141,283</u>)	(<u>141,283</u>)	<u>-0-</u>	<u>141,283</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(<u>141,283</u>)	(<u>141,283</u>)	<u>-0-</u>	<u>141,283</u>
			-0-
<u>\$(141,283)</u>	<u>\$(141,283)</u>	<u>\$ -0-</u>	<u>\$ 141,283</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Clean Vehicle Fleet Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 97,356	\$ 97,356	\$ 97,356	\$ -0-
Investment income			74	74
Total revenues	<u>97,356</u>	<u>97,356</u>	<u>97,430</u>	<u>74</u>
Expenditures:				
Current:				
Law enforcement				-0-
Capital outlay	<u>194,712</u>	<u>194,712</u>	<u>194,712</u>	<u>-0-</u>
Total expenditures	<u>194,712</u>	<u>194,712</u>	<u>194,712</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>(97,356)</u>	<u>(97,356)</u>	<u>(97,282)</u>	<u>74</u>
Other Financing Sources (Uses):				
Transfers in	97,356	97,356	97,282	(74)
Transfers out				-0-
Total other financing sources (uses)	<u>97,356</u>	<u>97,356</u>	<u>97,282</u>	<u>(74)</u>
Net change in fund balances	-0-	-0-	-0-	-0-
Fund balances – beginning				-0-
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Ed Byrne Local Solicitation Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 89,965	\$ 89,965	\$	\$(89,965)
			-0-
<u>89,965</u>	<u>89,965</u>	<u>-0-</u>	<u>(89,965)</u>
12,440	12,440	12,440	-0-
<u>164,324</u>	<u>164,324</u>	<u>69,470</u>	<u>94,854</u>
<u>176,764</u>	<u>176,764</u>	<u>81,910</u>	<u>94,854</u>
<u>(86,799)</u>	<u>(86,799)</u>	<u>(81,910)</u>	<u>4,889</u>
86,799	86,799	81,910	(4,889)
			-0-
<u>86,799</u>	<u>86,799</u>	<u>81,910</u>	<u>(4,889)</u>
-0-	-0-	-0-	-0-
			-0-
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Pecan Valley MHMR Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Investment income	500	500	53	(447)
Miscellaneous			9	9
Total revenues	<u>500</u>	<u>500</u>	<u>62</u>	<u>(438)</u>
Expenditures:				
Current:				
General government		5,000	226	4,774
Total expenditures	<u>-0-</u>	<u>5,000</u>	<u>226</u>	<u>4,774</u>
Excess (deficiency) of revenues over expenditures	<u>500</u>	<u>(4,500)</u>	<u>(164)</u>	<u>4,336</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	500	(4,500)	(164)	4,336
Fund balances – beginning	<u>27,469</u>	<u>27,469</u>	<u>27,469</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 27,969</u>	<u>\$ 22,969</u>	<u>\$ 27,305</u>	<u>\$ 4,336</u>

Texas Solid Waste Investigator Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 27,304	\$ 27,304	\$ 29,850	\$ 2,546
			-0-
			-0-
<u>27,304</u>	<u>27,304</u>	<u>29,850</u>	<u>2,546</u>
<u>51,253</u>	<u>51,506</u>	<u>44,401</u>	<u>7,105</u>
<u>51,253</u>	<u>51,506</u>	<u>44,401</u>	<u>7,105</u>
(23,949)	(24,202)	(14,551)	<u>9,651</u>
<u>24,080</u>	<u>24,202</u>	<u>21,656</u>	(2,546)
		(<u>7,105</u>)	(<u>7,105</u>)
<u>24,080</u>	<u>24,080</u>	<u>14,551</u>	(<u>9,651</u>)
131	-0-	-0-	-0-
			-0-
<u>\$ 131</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Historical Society Account Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$	\$
Investment income	900	900	295	(605)
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-0-</u>
Total revenues	<u>10,900</u>	<u>10,900</u>	<u>10,295</u>	<u>(605)</u>
Expenditures:				
Current:				
Culture and recreation	39,500	39,500	7,717	31,783
Administration of justice				<u>-0-</u>
Total expenditures	<u>39,500</u>	<u>39,500</u>	<u>7,717</u>	<u>31,783</u>
Excess (deficiency) of revenues over expenditures	<u>(28,600)</u>	<u>(28,600)</u>	<u>2,578</u>	<u>31,178</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>(28,600)</u>	<u>(28,600)</u>	<u>2,578</u>	<u>31,178</u>
Fund balances – beginning	<u>33,169</u>	<u>33,169</u>	<u>33,169</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 4,569</u>	<u>\$ 4,569</u>	<u>\$ 35,747</u>	<u>\$ 31,178</u>

Justice of the Peace Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 43,700	\$ 43,700	\$ 46,473	\$ 2,773
3,400	3,400	1,560	(1,840)
<u>47,100</u>	<u>47,100</u>	<u>48,033</u>	<u>-0-</u>
			933
			-0-
	<u>20,688</u>	<u>18,727</u>	<u>1,961</u>
<u>-0-</u>	<u>20,688</u>	<u>18,727</u>	<u>1,961</u>
<u>47,100</u>	<u>26,412</u>	<u>29,306</u>	<u>2,894</u>
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
47,100	26,412	29,306	2,894
<u>189,103</u>	<u>189,103</u>	<u>189,103</u>	<u>-0-</u>
<u>\$ 236,203</u>	<u>\$ 215,515</u>	<u>\$ 218,409</u>	<u>\$ 2,894</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	Election Funds Management Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,200	\$ 1,200	\$ 1,306	\$ 106
Investment income				-0-
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,306</u>	<u>106</u>
Expenditures:				
Current:				
Elections	1,350	1,350	1,306	44
Law enforcement				-0-
Capital outlay				-0-
Total expenditures	<u>1,350</u>	<u>1,350</u>	<u>1,306</u>	<u>44</u>
Excess (deficiency) of revenues over expenditures	<u>(150)</u>	<u>(150)</u>	<u>-0-</u>	<u>150</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>(150)</u>	<u>(150)</u>	<u>-0-</u>	<u>150</u>
Fund balances – beginning				-0-
Fund balances – ending	<u>\$(150)</u>	<u>\$(150)</u>	<u>\$ -0-</u>	<u>\$ 150</u>

Indigent Defense Improvements Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 62,556	\$ 62,556	\$ 2,590	\$(59,966)
		68	68
<u>62,556</u>	<u>62,556</u>	<u>2,658</u>	<u>(59,898)</u>
	5,665	5,441	-0- 224
	<u>8,689</u>		<u>8,689</u>
<u>-0-</u>	<u>14,354</u>	<u>5,441</u>	<u>8,913</u>
<u>62,556</u>	<u>48,202</u>	<u>(2,783)</u>	<u>(50,985)</u>
		2,783	2,783
			-0-
<u>-0-</u>	<u>-0-</u>	<u>2,783</u>	<u>2,783</u>
62,556	48,202	-0-	(48,202)
			-0-
<u>\$ 62,556</u>	<u>\$ 48,202</u>	<u>\$ -0-</u>	<u>\$(48,202)</u>

(continued)

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	TCEQ Aircheck Texas Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 416,103	\$ 416,103	\$ 453,001	\$ 36,898
Fees				-0-
Investment income				-0-
Total revenues	<u>416,103</u>	<u>416,103</u>	<u>453,001</u>	<u>36,898</u>
Expenditures:				
Current:				
Health and welfare	416,103	416,103	453,001	(36,898)
Administration of Justice				-0-
Total expenditures	<u>416,103</u>	<u>416,103</u>	<u>453,001</u>	<u>(36,898)</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	-0-	-0-	-0-	-0-
Fund balances – beginning				-0-
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Justice Court Security Building Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 9,500	\$ 9,500	\$ 11,078	\$ 1,578
<u>300</u>	<u>300</u>	<u>61</u>	<u>(239)</u>
<u>9,800</u>	<u>9,800</u>	<u>11,139</u>	<u>1,339</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>9,800</u>	<u>9,800</u>	<u>11,139</u>	<u>1,339</u>
			-0-
			<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
9,800	98,000	11,139	1,339
<u>26,777</u>	<u>26,777</u>	<u>26,777</u>	<u>-0-</u>
<u>\$ 36,577</u>	<u>\$ 36,577</u>	<u>\$ 37,916</u>	<u>\$ 1,339</u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

	General Interest & Sinking Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,823,964	\$ 1,823,964	\$ 2,038,924	\$ 214,960
Investment income	23,000	23,000	9,548	(13,452)
Total revenues	<u>1,846,964</u>	<u>1,846,964</u>	<u>2,048,472</u>	<u>201,508</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	1,005,000	1,005,000	1,005,000	-0-
Interest on long-term debt	910,114	911,160	910,899	261
Total expenditures	<u>1,915,114</u>	<u>1,916,160</u>	<u>1,915,899</u>	<u>261</u>
Excess (deficiency) of revenues over expenditures	(68,150)	(69,196)	132,573	201,769
Other Financing Sources (Uses):				
Operating 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	(68,150)	(69,196)	132,573	201,769
Fund balances – beginning	<u>1,021,132</u>	<u>1,021,132</u>	<u>1,021,132</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 952,982</u>	<u>\$ 951,936</u>	<u>\$ 1,153,705</u>	<u>\$ 201,769</u>

Equipment Interest & Sinking Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 2,032,658	\$ 2,032,658	\$ 2,282,712	\$ 250,054
<u>13,000</u>	<u>13,000</u>	<u>5,679</u>	<u>(7,321)</u>
<u>2,045,658</u>	<u>2,045,658</u>	<u>2,288,391</u>	<u>242,733</u>
			-0-
<u>68,658</u>	<u>68,658</u>	<u>50,278</u>	<u>18,380</u>
<u>2,004,658</u>	<u>2,004,658</u>	<u>1,986,278</u>	<u>18,380</u>
<u>41,000</u>	<u>41,000</u>	<u>302,113</u>	<u>261,113</u>
<u>(1,936,000)</u>	<u>(1,953,189)</u>	<u>(1,953,189)</u>	<u>-0-</u>
<u>(1,936,000)</u>	<u>(1,953,189)</u>	<u>(1,953,189)</u>	<u>-0-</u>
41,000	23,811	284,924	261,113
<u>655,749</u>	<u>655,749</u>	<u>655,749</u>	<u>-0-</u>
<u>\$ 696,749</u>	<u>\$ 679,560</u>	<u>\$ 940,673</u>	<u>\$ 261,113</u>

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

For the Year Ended September 30, 2009

Exhibit 12
Page 1 of 3

	<u>Balance 10-01-08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-09</u>
UNCLAIMED MONEY FUND:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>12,554</u>	\$ <u>5,107</u>	\$ <u>2,582</u>	\$ <u>15,079</u>
Total assets	\$ <u><u>12,554</u></u>	\$ <u><u>5,107</u></u>	\$ <u><u>2,582</u></u>	\$ <u><u>15,079</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>12,554</u>	\$ <u>5,107</u>	\$ <u>2,582</u>	\$ <u>15,079</u>
Total liabilities	\$ <u><u>12,554</u></u>	\$ <u><u>5,107</u></u>	\$ <u><u>2,582</u></u>	\$ <u><u>15,079</u></u>
TAX ASSESSOR/COLLECTOR FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 1,751,214	\$ 15,345,694	\$ 15,483,491	\$ 1,613,417
Due from other funds	<u> </u>	<u>305,031</u>	<u> </u>	<u>305,031</u>
Total assets	\$ <u><u>1,751,214</u></u>	\$ <u><u>15,650,725</u></u>	\$ <u><u>15,483,491</u></u>	\$ <u><u>1,918,448</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 22,936	\$ 376,057	\$ 22,936	\$ 376,057
Due to others	<u>1,728,278</u>	<u>42,946,903</u>	<u>43,132,790</u>	<u>1,542,391</u>
Total liabilities	\$ <u><u>1,751,214</u></u>	\$ <u><u>43,322,960</u></u>	\$ <u><u>43,155,726</u></u>	\$ <u><u>1,918,448</u></u>
COUNTY CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>3,480,578</u>	\$ <u>1,841,342</u>	\$ <u>1,128,020</u>	\$ <u>4,193,900</u>
Total assets	\$ <u><u>3,480,578</u></u>	\$ <u><u>1,841,342</u></u>	\$ <u><u>1,128,020</u></u>	\$ <u><u>4,193,900</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 9,840	\$ 50,162	\$ 9,840	\$ 50,162
Due to others	<u>3,470,738</u>	<u>4,143,738</u>	<u>3,470,738</u>	<u>4,143,738</u>
Total liabilities	\$ <u><u>3,480,578</u></u>	\$ <u><u>4,193,900</u></u>	\$ <u><u>3,480,578</u></u>	\$ <u><u>4,193,900</u></u>

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

For the Year Ended September 30, 2009

Exhibit 12
Page 2 of 3

	<u>Balance</u> 10-01-08	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-09
DISTRICT CLERK FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,867,394</u>	\$ <u>931,112</u>	\$ <u>1,113,156</u>	\$ <u>2,685,350</u>
Total assets	\$ <u><u>2,867,394</u></u>	\$ <u><u>931,112</u></u>	\$ <u><u>1,113,156</u></u>	\$ <u><u>2,685,350</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 13,905	\$ 4	\$ 13,905	\$ 4
Due to others	<u>2,853,489</u>	<u>2,685,346</u>	<u>2,853,489</u>	<u>2,685,346</u>
Total liabilities	\$ <u><u>2,867,394</u></u>	\$ <u><u>2,685,350</u></u>	\$ <u><u>2,867,394</u></u>	\$ <u><u>2,685,350</u></u>
SHERIFF DEPARTMENT FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ <u>54,456</u>	\$ <u>29,572</u>	\$ <u>8,772</u>	\$ <u>75,256</u>
Total assets	\$ <u><u>54,456</u></u>	\$ <u><u>29,572</u></u>	\$ <u><u>8,772</u></u>	\$ <u><u>75,256</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$	\$ 5,142	\$	\$ 5,142
Due to others	<u>54,456</u>	<u>1,361,074</u>	<u>1,345,416</u>	<u>70,114</u>
Total liabilities	\$ <u><u>54,456</u></u>	\$ <u><u>1,366,216</u></u>	\$ <u><u>1,345,416</u></u>	\$ <u><u>75,256</u></u>
JUSTICE OF THE PEACE FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 27,788	\$ 7,302	\$ 17,734	\$ 17,356
Due from other funds	<u>62</u>	<u></u>	<u>62</u>	<u>-0-</u>
Total assets	\$ <u><u>27,850</u></u>	\$ <u><u>7,302</u></u>	\$ <u><u>17,796</u></u>	\$ <u><u>17,356</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$	\$ 5,381	\$	\$ 5,381
Due to others	<u>27,850</u>	<u>2,145,799</u>	<u>2,161,674</u>	<u>11,975</u>
Total liabilities	\$ <u><u>27,850</u></u>	\$ <u><u>2,151,180</u></u>	\$ <u><u>2,161,674</u></u>	\$ <u><u>17,356</u></u>

JOHNSON COUNTY, TEXAS

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

For the Year Ended September 30, 2009

Exhibit 12
Page 3 of 3

	<u>Balance 10-01-08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-09</u>
SEIZURE AND RESTITUTION FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 44,513	\$ 76,567	\$ 21,527	\$ 99,553
Due from other funds		<u>617</u>		<u>617</u>
Total assets	<u>\$ 44,513</u>	<u>\$ 77,184</u>	<u>\$ 21,527</u>	<u>\$ 100,170</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$	\$ 4,225	\$	\$ 4,225
Due to others	<u>44,513</u>	<u>90,980</u>	<u>39,548</u>	<u>95,945</u>
Total liabilities	<u>\$ 44,513</u>	<u>\$ 95,205</u>	<u>\$ 39,548</u>	<u>\$ 100,170</u>
TDCJ-CJAD:				
<i>Assets</i>				
Cash and temporary investments	\$ 1,121,468	\$ 4,610,029	\$ 4,993,472	\$ 738,025
Accounts receivable	182,644	9,052	182,644	9,052
Due from other funds	<u>257</u>	<u>148</u>	<u>257</u>	<u>148</u>
Total assets	<u>\$ 1,304,369</u>	<u>\$ 4,619,229</u>	<u>\$ 5,176,373</u>	<u>\$ 747,225</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 220,342	\$ 3,474,921	\$ 3,292,580	\$ 402,683
Due to others	<u>1,084,027</u>	<u>3,274</u>	<u>742,759</u>	<u>344,542</u>
Total liabilities	<u>\$ 1,304,369</u>	<u>\$ 3,478,195</u>	<u>\$ 4,035,339</u>	<u>\$ 747,225</u>
TOTALS - ALL AGENCY FUNDS:				
<i>Assets</i>				
Cash and temporary investments	\$ 9,359,965	\$ 22,846,725	\$ 22,768,754	\$ 9,437,936
Accounts receivable	182,644	9,052	182,644	9,052
Due from other funds	<u>319</u>	<u>305,796</u>	<u>319</u>	<u>305,796</u>
Total assets	<u>\$ 9,542,928</u>	<u>\$ 23,161,573</u>	<u>\$ 22,951,717</u>	<u>\$ 9,752,784</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 220,342	\$ 3,474,921	\$ 3,292,580	\$ 402,683
Due to other funds	46,681	440,971	46,681	440,971
Due to others	<u>9,275,905</u>	<u>53,382,221</u>	<u>53,748,996</u>	<u>8,909,130</u>
Total liabilities	<u>\$ 9,542,928</u>	<u>\$ 57,298,113</u>	<u>\$ 57,088,257</u>	<u>\$ 9,752,784</u>

STATISTICAL SECTION



JOHNSON COUNTY, TEXAS

Statistical Section
(unaudited)

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

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

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

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

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

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

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

JOHNSON COUNTY, TEXAS
NET ASSETS BY COMPONENTS
 Last Ten Fiscal Years¹

Table 1

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental Activities:					
Invested in capital assets, net of related debt	\$	\$	\$	\$ 5,509,581	\$ 26,264,076
Restricted				13,714,296	16,532,649
Unrestricted				<u>9,125,190</u>	<u>13,503,382</u>
Total governmental activities net assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 28,349,067</u>	<u>\$ 56,300,107</u>

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

¹ Ten years of information is not available, the County did not implement GASB Statement 34 until 2003.

<u>2005</u>	<u>2006</u>	<u>2007</u>	Restated <u>2008</u>	<u>2009</u>
\$ 26,019,061	\$ 27,551,960	\$ 35,136,805	\$ 35,509,134	\$ 37,272,013
12,721,810	6,865,408	11,756,299	12,711,090	14,910,199
<u>17,243,663</u>	<u>21,150,662</u>	<u>17,699,334</u>	<u>21,575,834</u>	<u>24,747,594</u>
<u>\$ 55,984,534</u>	<u>\$ 54,568,030</u>	<u>\$ 64,592,438</u>	<u>\$ 69,796,058</u>	<u>\$ 76,929,806</u>

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

Table 2

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Expenses					
Governmental Activities:					
General government ²	\$	\$	\$	\$ 7,354,208	\$ 7,687,361
Highways/streets				6,249,617	7,824,243
Law Enforcement				12,104,480	12,660,979
Administration of justice				2,992,458	3,645,720
Financial				444,101	464,622
Public health and welfare				3,223,354	2,014,287
Interest on long-term debt				<u>938,815</u>	<u>945,480</u>
Total expenses	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 33,307,033</u>	<u>\$ 35,242,692</u>
Program Revenues					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General government ²	\$	\$	\$	\$ 3,874,274	\$ 4,376,927
Highways/streets				2,090,833	2,089,045
Law Enforcement				544,538	493,836
Administration of justice				155,423	795,960
Financial					
Public health and welfare					
Operating grants and contributions				3,969,343	2,554,415
Capital grants and contributions					
Total governmental activities program revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,634,411</u>	<u>10,310,183</u>
Net (expense) revenue	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(22,672,622)</u>	<u>\$(24,932,509)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes	\$	\$	\$	\$ 19,180,815	\$ 21,489,545
Investment earnings				359,886	328,941
Gain/(loss) on disposal					
Miscellaneous				<u>1,006,151</u>	<u>1,262,172</u>
Total general revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 20,546,852</u>	<u>\$ 23,080,658</u>
Change in assets before extraordinary items	\$	\$	\$	\$(2,125,770)	\$(1,851,851)
Extraordinary items				<u>2,500,000</u>	
Change in net assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 374,230</u>	<u>\$(1,851,851)</u>
Prior period adjustment	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 422,500</u>	<u>\$ 29,082,891</u>

Source: Comprehensive Annual Financial Report

¹ Ten years of information is not available, the County did not implement GASB 34 until 2003.

² Elections, Culture & Recreation and Conservation programs included here.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 9,312,766	\$ 8,181,158	\$ 7,763,235	\$ 9,365,726	\$ 9,545,034
7,465,644	7,367,643	7,747,391	10,423,688	9,743,940
12,780,185	15,769,865	16,139,399	18,163,642	19,374,254
3,812,413	4,865,771	5,983,462	7,029,121	7,734,733
469,342	533,187	3,012,304	2,906,858	3,444,059
1,578,568	1,269,057	1,038,950	1,280,130	1,729,026
<u>1,187,004</u>	<u>1,169,216</u>	<u>1,497,019</u>	<u>1,177,707</u>	<u>1,145,108</u>
<u>\$ 36,605,922</u>	<u>\$ 39,155,897</u>	<u>\$ 43,181,760</u>	<u>\$ 50,346,872</u>	<u>\$ 52,716,154</u>

\$ 4,049,529	\$ 5,153,714	\$ 3,235,707	\$ 3,898,229	\$ 2,150,433
2,258,279	2,216,100	2,214,245	2,816,738	2,488,572
381,404	564,555	1,590,551	1,363,846	1,465,446
2,844,599	2,487,519	3,585,853	3,140,098	3,021,563
		862,350	1,043,597	1,079,530
			31,410	60,856
3,336,944	2,628,142	3,065,163	3,834,540	3,855,193
		<u>5,398,255</u>	<u>1,420,109</u>	<u>1,086,130</u>
<u>12,870,755</u>	<u>13,050,030</u>	<u>19,952,124</u>	<u>17,548,567</u>	<u>15,207,723</u>
<u>\$(23,735,167)</u>	<u>\$(26,105,867)</u>	<u>\$(23,229,636)</u>	<u>\$(32,798,305)</u>	<u>\$(37,508,431)</u>

\$ 23,354,100	\$ 26,103,185	\$ 30,432,894	\$ 35,965,010	\$ 43,456,398
842,666	1,161,504	1,535,829	1,008,287	256,184
	(282,023)	63,844		58,494
<u>539,844</u>	<u>1,216,413</u>	<u>1,221,477</u>	<u>175,565</u>	<u>871,103</u>
<u>\$ 24,736,610</u>	<u>\$ 28,199,079</u>	<u>\$ 33,254,044</u>	<u>\$ 37,148,862</u>	<u>\$ 44,642,179</u>
\$ 1,001,443	\$ 2,093,212	\$ 10,024,408	\$ 4,350,557	\$ 7,133,748
<u>\$ 1,001,443</u>	<u>\$ 2,093,212</u>	<u>\$ 10,024,408</u>	<u>\$ 4,350,557</u>	<u>\$ 7,133,748</u>
<u>\$ 1,317,016</u>	<u>\$ (798,098)</u>	<u>\$ (2,711,629)</u>	<u>\$ 130,932</u>	<u>\$ 235,227</u>

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

Table 3

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund:					
Reserved	\$	\$	\$	\$	\$
Unreserved	<u>1,512,472</u>	<u>1,518,951</u>	<u>1,156,420</u>	<u>1,897,454</u>	<u>3,327,363</u>
Total general fund	<u>\$ 1,512,472</u>	<u>\$ 1,518,951</u>	<u>\$ 1,156,420</u>	<u>\$ 1,897,454</u>	<u>\$ 3,327,363</u>
Road and Bridge Fund:					
Reserved	\$	\$	\$	\$	\$
Unreserved	<u> </u>	<u> </u>	<u> </u>	<u>2,301,677</u>	<u>2,141,192</u>
Total road and bridge	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,301,677</u>	<u>\$ 2,141,192</u>
All Other Governmental Funds:					
Reserved for debt service	\$ 40,840	\$(14,071)	\$ 365,090	\$ 262,036	\$ 341,976
Other					
Unreserved:					
Capital projects funds	1,278,768	13,199,989	12,007,434	6,264,270	9,980,478
Special revenue funds	<u>8,303,220</u>	<u>7,298,186</u>	<u>6,977,290</u>	<u>5,232,845</u>	<u>4,677,869</u>
Total all other governmental funds	<u>\$ 9,622,828</u>	<u>\$ 20,484,104</u>	<u>\$ 19,349,814</u>	<u>\$ 11,759,151</u>	<u>\$ 15,000,323</u>

Source: Comprehensive Annual Financial Report (Balance Sheet)

<u>2005</u>	<u>2006</u>	<u>2007</u>	Restated <u>2008</u>	<u>2009</u>
\$	\$	\$ 1,534,905	\$ 469,717	\$ 555,131
<u>5,494,132</u>	<u>7,073,102</u>	<u>10,462,146</u>	<u>11,578,430</u>	<u>16,866,872</u>
<u>\$ 5,494,132</u>	<u>\$ 7,073,102</u>	<u>\$ 11,997,051</u>	<u>\$ 12,048,147</u>	<u>\$ 17,422,003</u>
\$	\$	\$ 493,959	\$ 406,313	\$ 439,578
<u>2,076,088</u>	<u>2,336,572</u>	<u>4,015,628</u>	<u>4,407,191</u>	<u>5,240,717</u>
<u>\$ 2,076,088</u>	<u>\$ 2,336,572</u>	<u>\$ 4,509,587</u>	<u>\$ 4,813,504</u>	<u>\$ 5,680,295</u>
\$ 322,090	\$ 604,455	\$ 1,127,308	\$ 1,676,881	\$ 2,094,378
		7,396	412,254	30,659
5,982,111	1,716,845	101,826	2,068,155	426,996
<u>5,648,376</u>	<u>4,473,217</u>	<u>5,444,217</u>	<u>5,177,086</u>	<u>6,454,612</u>
<u>\$ 11,952,577</u>	<u>\$ 6,794,517</u>	<u>\$ 6,680,747</u>	<u>\$ 9,334,376</u>	<u>\$ 9,006,645</u>

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

Last Ten Fiscal Years

Table 4

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues:					
Taxes	\$ 13,786,494	\$ 14,848,383	\$ 17,030,271	\$ 19,059,086	\$ 21,610,079
Licenses and permits	N/A	2,055,415	2,115,617	2,084,792	2,089,045
Intergovernmental	433,861	2,683,141	2,710,365	3,969,343	2,554,415
Fees	4,786,467	4,042,265	3,991,230	3,303,182	3,788,752
Fines	1,222,303	1,153,088	1,208,992	1,277,094	1,250,247
Interest	937,142	1,231,315	627,841	359,886	328,941
Miscellaneous	<u>1,980,524</u>	<u>2,642,895</u>	<u>3,664,728</u>	<u>1,006,151</u>	<u>1,262,172</u>
Total revenues	<u>23,146,791</u>	<u>28,656,502</u>	<u>31,349,044</u>	<u>31,059,534</u>	<u>32,883,651</u>
Expenditures:					
General government	5,460,539	6,470,795	7,360,531	6,781,222	7,408,860
Highways/streets	3,672,555	5,606,309	5,122,038	5,699,207	5,348,608
Law enforcement	9,563,498	8,483,517	9,466,560	11,838,315	11,865,471
Administration of justice	N/A	5,088,199	5,502,583	2,968,082	3,308,311
Financial	701,287	333,386	409,506	442,432	464,622
Public health and welfare	2,053,815	2,421,329	2,566,089	3,216,302	2,009,726
Capital outlay	2,924,111	2,252,831	1,632,568	5,835,751	6,273,037
Debt Service:					
Principal	1,115,000	1,275,000	620,000	300,000	550,000
Interest	131,260	543,713	1,110,975	701,514	701,467
Other	<u>752</u>	<u> </u>	<u>10,255</u>	<u> </u>	<u> </u>
Total expenditures	<u>25,622,817</u>	<u>32,475,079</u>	<u>33,801,105</u>	<u>37,782,825</u>	<u>37,930,102</u>
Excess of revenues over (under) expenditures	<u>(2,476,026)</u>	<u>(3,818,577)</u>	<u>(2,452,061)</u>	<u>(6,723,291)</u>	<u>(5,046,451)</u>
Other Financing Sources (Uses):					
Transfers in	1,119,565	104,644	1,799,358	2,527,005	2,221,544
Transfers out	(1,119,565)	(104,644)	(1,799,358)	(2,527,005)	(2,221,544)
Debt issuance/other	<u>1,115,000</u>	<u>14,000,574</u>	<u>500,000</u>	<u> </u>	<u>9,558,670</u>
Total other financing sources (uses)	<u>1,115,000</u>	<u>14,000,574</u>	<u>500,000</u>	<u>-0-</u>	<u>9,558,670</u>
Extraordinary items	<u> </u>	<u> </u>	<u> </u>	<u>2,500,000</u>	<u>-0-</u>
Net change in fund balances	<u>\$(1,361,026)</u>	<u>\$ 10,181,997</u>	<u>\$(1,952,061)</u>	<u>\$(4,223,291)</u>	<u>\$ 4,512,219</u>
Debt service as a percentage of noncapital expenditures	5.5%	6.0%	5.4%	3.1%	4.0%

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

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Restated 2008</u>	<u>2009</u>
\$ 23,474,200	\$ 26,127,510	\$ 31,235,915	\$ 35,940,947	\$ 43,468,684
2,199,800	2,216,100			
3,527,418	1,965,268	4,041,247	3,471,311	3,364,428
4,668,039	6,892,207	8,608,032	8,528,155	7,368,544
1,276,788	1,454,090	1,880,639	2,067,448	2,002,246
845,183	1,161,504	1,535,829	1,008,287	256,184
<u>901,224</u>	<u>1,216,413</u>	<u>2,300,966</u>	<u>2,814,390</u>	<u>2,257,478</u>
<u>36,892,652</u>	<u>41,033,092</u>	<u>49,602,628</u>	<u>53,830,538</u>	<u>58,717,564</u>
8,389,639	8,600,515	6,826,813	8,153,121	8,181,184
5,593,591	5,885,584	5,447,360	8,100,515	7,363,664
11,968,031	14,084,973	15,159,789	17,116,396	18,118,570
3,753,590	4,896,102	5,950,970	6,981,582	7,784,305
469,342	533,187	3,008,958	2,896,376	3,440,812
1,578,568	1,269,057	1,035,673	1,284,676	1,721,213
4,662,900	7,403,055	5,720,961	3,334,376	4,637,822
480,000	835,000	1,491,000	890,000	1,005,000
1,124,777	1,045,927	1,271,587	1,044,715	961,177
<u>38,020,438</u>	<u>44,553,400</u>	<u>45,913,111</u>	<u>49,801,757</u>	<u>53,213,747</u>
<u>(1,127,786)</u>	<u>(3,520,308)</u>	<u>3,689,517</u>	<u>4,028,781</u>	<u>5,503,817</u>
621,267	3,897,357	442,436	2,176,013	3,760,479
(621,267)	(3,897,357)	(442,436)	(2,176,013)	(3,760,479)
<u>26,187</u>	<u>375,000</u>	<u>2,025,200</u>	<u>15,034</u>	<u>132,699</u>
<u>26,187</u>	<u>375,000</u>	<u>2,025,200</u>	<u>15,034</u>	<u>132,699</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$(1,101,599)</u>	<u>\$(3,145,308)</u>	<u>\$ 5,714,717</u>	<u>\$ 4,043,815</u>	<u>\$ 5,636,516</u>
4.8%	5.2%	6.9%	4.2%	4.0%

JOHNSON COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY^{a,b}

Table 5

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Less Exempt, Homestead, Other Exemptions
	Residential Property	Commercial Property	Other Property		
2000	\$ --	\$ --	\$ --	\$ --	\$ --
2001	--	--	--	--	--
2002	--	--	--	--	--
2003	2,955,165,941	566,121,867	1,286,511,633	743,120,174	1,098,031,899
2004	3,235,158,380	687,490,620	1,402,327,760	683,474,160	1,101,770,746
2005	3,509,632,135	724,348,644	1,480,363,908	738,299,499	1,100,963,620
2006	3,800,150,897	762,049,149	1,697,576,588	786,294,620	1,026,339,574
2007	4,056,545,082	797,867,553	2,260,555,194	963,850,697	1,120,558,568
2008	4,499,312,497	908,382,252	2,889,030,474	1,313,208,833	1,245,790,168
2009	4,871,087,376	1,559,093,868	5,293,929,417	2,087,751,648	1,980,412,239

Source: Johnson County Central Appraisal District

Note: Property is required to be reappraised at least once every three years according to Texas Tax Code.
 Totals do not include tax-exempt property.
 2000-2002 Tax data unavailable for these specific categories.

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

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

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

Total Taxable Assessed Value	Total Direct Tax Rate ^c
\$ --	0.417360
--	0.417360
--	0.417350
4,452,887,716	0.425085
4,906,680,174	0.434878
5,351,680,566	0.434878
6,019,731,680	0.434878
6,958,259,958	0.421794
8,364,143,888	0.409752
11,831,450,070	0.359498

JOHNSON COUNTY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Table 6

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	% Applicable to Johnson County	2000 Tax Rate	2001 Tax Rate	2002 Tax Rate	2003 Tax Rate
Cities:					
Alvarado	100.00%	0.778670	0.778670	0.778670	0.750000
Burleson	76.24%	0.630846	0.604380	0.604260	0.598480
Cleburne	100.00%	0.694000	0.693000	0.730000	0.711900
Godley	100.00%	0.638600	0.638600	0.619530	0.609930
Grandview	100.00%	0.676361	0.721361	0.710662	0.724185
Joshua	100.00%	0.486428	0.476430	0.524700	0.520000
Keene	100.00%	0.716782	0.729599	0.729599	0.687071
Mansfield	4.60%	0.730000	0.710000	0.710000	0.710000
Rio Vista	100.00%	0.578100	0.493700	0.498900	0.489200
Venus	86.13%	0.692500	0.692500	0.731680	0.755000
School Districts:					
Alvarado ISD	100.00%	1.450000	1.690000	1.171000	1.710000
Burleson ISD	65.79%	1.677667	1.824330	1.779913	1.749599
Cleburne ISD	100.00%	1.622030	1.673100	1.693700	1.678700
Crowley ISD	2.15%	1.706000	1.706000	1.723000	1.768000
Godley ISD	91.54%	1.600000	1.600000	1.613340	1.607840
Granbury ISD	2.43%	1.730000	1.730000	1.730000	1.700000
Grandview ISD	97.26%	1.500000	1.540000	1.585000	1.575000
Joshua ISD	100.00%	1.454430	1.598080	1.738080	1.738080
Keene ISD	100.00%	1.580000	1.600000	1.740000	1.740000
Mansfield ISD	6.57%	1.687000	1.671400	1.682000	1.682000
Rio Vista ISD	99.06%	1.760000	1.669250	1.650000	1.650000
Venus ISD	100.00%	1.550000	1.500000	1.500000	1.550000
Johnson County:					
County	100.00%	0.341310	0.345440	0.357295	0.382088
FMLR	100.00%	<u>0.076050</u>	<u>0.071910</u>	<u>0.067790</u>	<u>0.052790</u>
Total		0.417360	0.417350	0.425085	0.434878
Special District Rates:					
Emergency Service	100.00%	0.030000	0.030000	0.030000	0.030000
Hill College - Alvarado ISD	100.00%	0.047200	0.046878	0.045450	0.041633
Hill College - Cleburne ISD	100.00%	0.050000	0.048941	0.049774	0.048507
Hill College - Godley ISD	100.00%	0.043000	0.039407	0.038010	0.036094
Hill College - Grandview ISD	97.26%	0.048800	0.045524	0.042548	0.041123
Hill College - Joshua ISD	100.00%	0.046800	0.043667	0.042254	0.040287
Hill College - Keene ISD	100.00%	0.046980	0.045656	0.044966	0.045234
Hill College - Rio Vista ISD	99.06%	0.048390	0.041833	0.040982	0.038482
Hill College - Venus ISD	100.00%	0.041431	0.040630	0.040790	0.039233

Source: Johnson County Appraisal District
Texas Municipal Report

<u>2004 Tax Rate</u>	<u>2005 Tax Rate</u>	<u>2006 Tax Rate</u>	<u>2007 Tax Rate</u>	<u>2008 Tax Rate</u>	<u>2009 Tax Rate</u>
0.750000	0.750000	0.750000	0.697315	0.697313	0.697313
0.598480	0.596400	0.629900	0.661825	0.694000	0.694000
0.711900	0.748108	0.714000	0.650000	0.620000	0.620000
0.583450	0.583450	0.500000	0.500000	0.500000	0.500000
0.682700	0.754984	0.742823	0.742823	0.742823	0.742823
0.540900	0.633500	0.669000	0.656219	0.653476	0.634331
0.676614	0.676614	0.676614	0.821737	0.757861	0.757861
0.710000	0.690000	0.690000	0.690000	0.710000	0.710000
0.495500	0.649860	0.590143	0.528004	0.515560	0.513276
0.755000	0.762698	0.794900	0.794900	0.801506	0.821506
1.720000	1.730000	1.406883	1.410000	1.306900	1.280000
1.748400	1.735220	1.450050	1.405100	1.468800	1.540000
1.686700	1.693500	1.238550	1.236800	1.236600	1.236600
1.768000	1.789000	1.671000	1.409850	1.535000	1.535000
1.596840	1.438795	1.011963	1.031820	1.081800	1.071481
1.670000	1.670000	1.440000	1.171150	1.170000	1.155000
1.575000	1.575000	1.115050	1.115000	1.160000	1.160000
1.738080	1.738080	1.538850	1.460000	1.390000	1.390000
1.558500	1.500000	1.400500	1.040000	1.420000	1.382300
1.717000	1.772000	1.687500	1.450000	1.450000	1.450000
1.630000	1.630000	1.600500	1.180000	1.144500	1.183300
1.590000	1.600000	1.40050	1.180000	1.240000	1.198300
0.382088	0.382088	0.369004	0.356962	0.306708	0.300589
<u>0.052790</u>	<u>0.052790</u>	<u>0.052790</u>	<u>0.052790</u>	<u>0.052790</u>	<u>0.052790</u>
0.434878	0.434878	0.421794	0.409752	0.359498	0.353379
0.030000	0.030000	0.030000	0.030000	0.030000	0.030000
0.041392	0.045873	0.043862	0.039360	0.025254	0.022745
0.048140	0.050000	0.044988	0.039930	0.030717	0.030252
0.034769	0.025531	0.015924	0.015843	0.011388	0.009243
0.039714	0.045167	0.034489	0.036045	0.031739	0.031375
0.040203	0.040203	0.038778	0.034000	0.028234	0.025561
0.040498	0.046877	0.044475	0.041379	0.035143	0.030062
0.033976	0.034621	0.028091	0.026756	0.020197	0.020059
0.039250	0.040007	0.036287	0.031375	0.025562	0.020585

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

Table 7

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
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%	--	--	--
Halliburton Energy Services Inc	144,043,170	5	1.22%	--	--	--
Energy Transfer Fuel LP	120,193,551	6	1.02%	--	--	--
Texas Midstream Gas	112,968,010	7	0.95%	--	--	--
ETC Texas Processing LTD	110,123,090	8	0.93%	--	--	--
Williams Prod Gulf Coast LP	107,682,646	9	0.91%	--	--	--
Brazos Electric Power Co op	96,891,150	10	0.82%	--	--	--
Manville Sales Corp	--	--	--	58,500,593	1	1.80%
Southwestern Bell	--	--	--	42,844,741	2	1.32%
James Hardie Building	--	--	--	38,017,304	3	1.17%
T U Electric	--	--	--	36,732,287	4	1.13%
Tenaska	--	--	--	27,603,414	5	0.85%
TCFF Correctional	--	--	--	25,692,685	6	0.79%
Wall-Mart Store	--	--	--	23,793,139	7	0.73%
Johnson County Electric	--	--	--	20,759,279	8	0.64%
Burlington Northern	--	--	--	19,222,788	9	0.59%
Rubbermaid Inc	--	--	--	18,323,043	10	0.56%
Total	<u>\$ 2,463,857,889</u>		<u>20.82%</u>	<u>\$ 311,489,273</u>		<u>9.59%</u>
Total Taxable Assessed Value	<u>\$ 11,831,450,070</u>			<u>\$ 3,248,531,567</u>		

Source: Johnson County Central Appraisal District

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

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End ^a	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 13,591,258	\$ 13,063,441	96.12%	\$ 434,043	\$ 13,497,484	99.31%
2001	14,944,998	14,243,886	95.31%	589,866	14,833,752	99.26%
2002	16,912,712	16,117,370	95.30%	664,412	16,781,782	99.23%
2003	18,872,838	18,047,602	95.63%	698,558	18,746,160	99.33%
2004	21,353,691	20,519,404	96.09%	594,727	21,114,131	98.88%
2005	23,176,557	22,331,369	96.35%	454,934	22,786,303	98.32%
2006	25,838,712	25,037,560	96.90%	454,778	25,492,338	98.66%
2007	30,456,562	29,799,402	97.84%	401,562	30,200,964	99.16%
2008	35,534,532	34,698,756	97.65%	632,173	35,330,929	99.43%
2009	42,785,252	41,927,084	97.99%	745,121	42,672,205	99.74%

Source: Johnson County Tax Assessor-Collector

^a Tax levies consider supplemental value changes during the initial fiscal year.

JOHNSON COUNTY, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Table 9

Fiscal Year	General Bonded Debt Outstanding				Total	Less: Amounts Available for Debt Principal	Remaining	Percentage of Actual Taxable Property Value ^a	Per Capita ^b
	General Obligation Bonds	Certificates of Obligation	Tax Anticipation Notes						
2000	\$ --	2,412,560	\$ 1,164,598	\$ 3,577,158	\$ 40,840	\$ 3,536,318	\$ 0.11%	\$ 27.89	
2001	--	15,885,395	570,000	16,455,395	(14,071)	16,469,466	0.46%	125.50	
2002	--	15,843,016	510,000	16,353,016	365,090	15,987,926	0.40%	117.82	
2003	--	16,030,317	260,000	16,290,317	262,036	16,028,281	0.36%	114.49	
2004	--	25,382,279	300,000	25,682,279	341,976	25,340,303	0.52%	173.09	
2005	1,460,000	23,860,684	--	25,320,684	322,090	24,998,594	0.47%	166.15	
2006	1,460,000	23,335,903	190,000	24,985,903	604,455	24,381,448	0.41%	159.77	
2007	11,180,098	13,430,000	994,000	25,604,098	1,127,308	24,476,790	0.35%	157.00	
2008	10,764,579	12,905,000	2,856,000	26,525,579	1,676,881	24,848,698	0.30%	159.54	
2009	10,652,172	12,265,000	920,000	23,837,172	2,094,378	21,742,794	0.18%	138.92	

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

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

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

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

As of September 30, 2009

Table 10

<u>Taxing Jurisdiction</u>	<u>Net Bonded Debt as of Sept. 30, 2009</u>	<u>% Applicable to Johnson County (1)</u>	<u>Amount Applicable to Johnson County (1)</u>
<u>Direct Debt</u>			
Johnson County	\$ 24,484,579	100.00%	\$ 24,484,579
<u>Overlapping Debt</u>			
<u>Cities</u>			
City of Alvarado	9,846,000	100.00%	9,846,000
City of Burleson	41,685,291	76.24%	31,780,866
City of Cleburne	19,822,093	100.00%	19,822,093
City of Godley	1,943,000	100.00%	1,943,000
City of Grandview	1,525,075	100.00%	1,525,075
City of Joshua	2,980,000	100.00%	2,980,000
City of Keene	6,880,000	100.00%	6,880,000
City of Mansfield	99,054,627	4.60%	4,556,513
City of Rio Vista	525,000	100.00%	525,000
City of Venus	1,724,322	86.13%	1,485,159
<u>School Districts</u>			
Alvarado ISD	59,206,528	100.00%	59,206,528
Burleson ISD	226,110,884	65.79%	148,758,351
Cleburne ISD	52,417,102	100.00%	52,417,102
Crowley ISD	309,934,531	2.15%	6,663,592
Godley ISD	32,483,010	91.54%	29,734,947
Granbury ISD	49,992,794	2.43%	1,214,825
Grandview ISD	3,138,278	97.26%	3,052,289
Joshua ISD	72,690,040	100.00%	72,690,040
Keene ISD	14,910,000	100.00%	14,910,000
Mansfield ISD	662,504,942	6.57%	43,526,575
Rio Vista ISD	5,290,262	99.06%	5,240,533
Venus ISD	12,962,358	100.00%	<u>12,962,358</u>
Total Overlapping Debt			<u>\$ 531,720,845</u>
Total Direct & Overlapping Debt			<u>\$ 556,205,424</u>

(1) Source: Municipal Advisory Council of Texas

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

Table 11

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Assessed value of real property ⁽¹⁾	\$ 2,575,086,538	\$ 2,710,038,747	\$ 4,034,803,165	\$ 4,452,887,716	\$ 4,906,680,174
Debt limit ⁽²⁾	643,771,635	677,509,687	1,008,700,791	1,113,221,929	1,226,670,044
Amount of Debt Applicable to Limit ⁽³⁾					
Total bonded debt	3,577,158	16,455,395	16,353,016	16,290,317	25,682,279
Less: Assets in debt service fund	<u>40,840</u>	<u>(14,071)</u>	<u>365,090</u>	<u>262,036</u>	<u>341,976</u>
Total net debt applicable to limit	3,536,318	16,469,466	15,987,926	16,028,281	25,340,303
Legal debt margin	<u>\$ 640,235,317</u>	<u>\$ 661,040,221</u>	<u>\$ 992,712,865</u>	<u>\$ 1,097,193,648</u>	<u>\$ 1,201,329,741</u>
Total net debt applicable to the limit as a percentage of debt limit	0.55%	2.43%	1.59%	1.44%	2.07%
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed value of real property ⁽¹⁾	\$ 5,351,680,566	\$ 6,019,731,680	\$ 6,958,259,958	\$ 8,364,143,888	\$ 11,831,450,070
Debt limit ⁽²⁾	1,337,920,142	1,504,932,920	1,739,564,990	2,091,035,972	2,957,862,518
Amount of Debt Applicable to Limit ⁽³⁾					
Total bonded debt	25,320,684	24,985,903	26,316,186	26,525,579	23,837,172
Less: Assets in debt service fund	<u>322,090</u>	<u>604,455</u>	<u>1,706,088</u>	<u>1,683,067</u>	<u>2,094,378</u>
Total net debt applicable to limit	24,998,594	24,381,448	24,610,098	24,842,512	21,742,794
Legal debt margin	<u>\$ 1,312,921,548</u>	<u>\$ 1,480,551,472</u>	<u>\$ 1,714,954,892</u>	<u>\$ 2,066,193,460</u>	<u>\$ 2,936,119,724</u>
Total net debt applicable to the limit as a percentage of debt limit	1.87%	1.62%	1.41%	1.19%	0.74%

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 Assets).

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

Table 12

<u>Calendar Year</u>	<u>Estimated Population^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Per Capita Personal Income^b</u>	<u>Unemployment Rate^c</u>
2000	127,967	\$ 3,088,334	\$ 24,134	3.9%
2001	131,675	3,241,036	24,614	4.3%
2002	134,853	3,355,533	24,883	5.8%
2003	138,218	3,500,624	25,327	6.3%
2004	141,398	3,604,126	25,489	5.4%
2005	143,843	3,823,668	26,582	4.7%
2006	145,914	4,113,593	28,182	3.7%
2007	149,634	4,383,404	29,347	4.1%
2008	152,895	4,670,911	30,550	6.0%
2009	156,509	4,977,276	31,802	8.0%

^a Estimated Population data for 2000 through 2007 is from BEA, Regional Economic Accounts. Figures for 2008 and 2009 are estimated derived from trended BEA data.

^b Personal & Per Capita Income from 2000 through 2007 is from BEA, Regional Economic Accounts. Figures for 2008 and 2009 are estimates derived from trended BEA data.

^c Unemployment rates were provided by the Texas Workforce Commission.

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

Table 13

Employer	2009			2000		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,461	1	2.09%	N/A	--	N/A
Cleburne ISD	1,047	2	1.50%	N/A	--	N/A
Wal-Mart Distribution Center	846	3	1.21%	N/A	--	N/A
Joshua ISD	651	4	0.93%	N/A	--	N/A
Wal-Mart Supercenter (Burleson)	616	5	0.83%	N/A	--	N/A
Johnson County	590	6	0.84%	N/A	--	N/A
Wal-Mart Supercenter (Cleburne)	515	7	0.74%	N/A	--	N/A
Johns Manville	377	8	0.54%	N/A	--	N/A
Harris Methodist Walls Hospital	375	9	0.54%	N/A	--	N/A
City of Cleburne	374	10	0.53%	N/A	--	N/A
Total	6,852		9.79%	N/A		N/A
Total County Employment	69,985			N/A		N/A

Source: Johnson County Economic Development Commission
 Individual Employers

N/A - Not Available

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

Last Ten Fiscal Years

Table 14

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	--	--	--	84	87	93	98	106	126	141
Highways/streets	--	--	--	75	77	78	77	74	72	90
Law enforcement	--	--	--	231	243	238	263	293	304	189 ^(a)
Administrative justice	--	--	--	49	54	62	63	70	81	87
Financial	--	--	--	12	12	12	12	12	12	14
Public health & welfare	--	--	--	11	10	10	10	10	9	9
Culture & recreation	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>7</u> ^(b)
Total	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>462</u>	<u>483</u>	<u>493</u>	<u>523</u>	<u>565</u>	<u>604</u>	<u>537</u>

Source: County budget records

N/A - Not available

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

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

Table 15
 Page 1 of 2

Function	Fiscal Year				
	2000	2001	2002	2003	2004
General Government:					
County Clerk					
Criminal Cases filed	3,707	4,078	4,278	4,823	5,446
Civil Cases filed	1,229	1,104	1,129	1,096	1,293
Juvenile petitions filed	275	154	242	223	223
Personnel					
Positions filed	N/A	N/A	550	560	577
Payroll checks processed	10,213	13,950	14,023	14,213	14,394
Public Works					
Permits Issued	2,124	1,631	1,440	1,135	1,162
Purchasing					
Purchase orders issued	8,706	7,755	8,506	8,061	7,791
Competitive bids	41	33	31	28	34
Tax Assessor/Collector					
County Tax accounts	70,227	71,878	70,433	72,853	75,343
Automobile registrations	114,993	121,601	125,648	129,982	129,465
Elections Administration					
Registered voters	68,240	N/A	71,096	73,737	73,939
Administrative Justice					
District Courts					
Civil cases filed	2,751	2,735	2,725	2,756	2,935
Criminal cases filed	1,177	1,173	1,322	1,481	1,630
County Courts					
Criminal cases disposed	5,588	4,199	4,765	4,762	5,344
Civil cases disposed	1,114	1,133	1,103	909	1,038
Juvenile petitions disposed	269	114	216	247	202
District Clerk					
Civil cases disposed	2,696	2,563	3,094	3,177	3,086
Criminal cases disposed	1,355	1,584	1,489	1,688	1,851
Justice of the Peace					
Civil cases filed	1,052	1,432	1,516	1,676	1,771
Criminal cases filed	12,725	10,568	11,593	15,298	15,810
Law Enforcement					
County Jail					
Average daily jail population	340	440	460	506	515

(continued)

Fiscal Year				
2005	2006	2007	2008	2009
5,597	6,546	6,317	4,972	4,395
1,370	1,671	1,800	1,723	1,238
177	200	264	309	281
625	675	685	725	608 ⁽¹⁾
14,546	16,302	16,829	17,816	15,585 ⁽¹⁾
1,333	1,424	1,659	1,561	964
8,014	6,584	6,643	7,018	6,507
31	42	39	55	23
77,907	82,549	92,788	114,151	136,166
133,814	142,218	146,544	157,150	158,597
76,694	80,834	76,890	78,544	79,811
2,191	3,134	3,297	3,544	3,397
1,326	1,724	1,881	1,596	1,366
6,220	6,181	7,238	6,070	4,819
1,026	1,096	1,803	1,859	1,822
192	188	184	212	200
3,074	3,126	2,835	3,195	3,404
1,747	2,071	1,798	1,546	1,565
1,585	1,754	1,839	2,804	2,168
16,820	17,551	18,698	15,047	16,710
449	503	566	447	580

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

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2000	2001	2002	2003	2004
Sheriff					
E-911 calls received (approx)	25,000	31,922	31,922	31,922	31,922
Warrants received	5,590	8,688	10,440	12,157	8,904
Financial					
County Auditor					
A/P checks processed	9,622	10,715	11,265	9,752	8,925
Invoices processed	--	--	--	--	--
Highways and Streets					
Miles of roads resurfaced	216	201	99	213	180
Public Health & Welfare					
Autopsies performed	75	70	78	37	39
Medical Examiner cases	384	390	391	354	327
Indigent clients	N/A	N/A	N/A	N/A	421
Culture & Recreation					
Hamm Creek Park Visitors	--	--	--	--	--

Sources: Texas Courts Online Annual Statistical Reports
Johnson County Offices

Notes: (1) Decrease due to outside contracting of jail administration.
(2) Began logging by number of calls versus number of incidents.
(3) Hamm Creek park opened in May 2009.

Fiscal Year				
2005	2006	2007	2008	2009
31,922	31,922	52,231	64,500	224,566 ⁽²⁾
8,600	10,210	15,400	18,256	12,688
7,588	6,312	6,780	6,624	7,131
--	31,147	30,419	31,392	31,931
126	104	299	221	104
28	36	44	87	90
344	360	355	460	399
300	175	128	107	94
--	--	--	--	3,519 ⁽³⁾



FEDERAL AND STATE AWARDS SECTION



KENNEMER, MASTERS & LUNSFORD

CERTIFIED PUBLIC ACCOUNTANTS
Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566
(979) 297-4075 Fax: (979) 297-6648
(800) 399-4075

Houston Office:
12000 Westheimer, Suite 105
Houston, Texas 77077
(281) 752-0200 Fax: (281) 752-0204

Independent Auditor's Report

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

March 26, 2010

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

We have audited 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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 26, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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

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The Honorable County Judge,
and Members of Commissioners
Court of Johnson County, Texas
March 26, 2010
Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We have performed tests designed to verify the County's compliance with the requirements of the Public Funds Investment Act. During the year ended September 30, 2009, no instances of noncompliance were found.

We noted certain matters that we reported to management of the County, in a separate letter dated March 26, 2010.

This report is intended solely for the information and use of the County Judge, members of Commissioners Court, management, and appropriate state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kennemer, Masters & Hunsford, LLC

KENNEMER, MASTERS & LUNSFORD

CERTIFIED PUBLIC ACCOUNTANTS

Limited Liability Company

Lake Jackson Office:
8 West Way Court
Lake Jackson, Texas 77566
(979) 297-4075 Fax: (979) 297-6648
(800) 399-4075

Houston Office:
12000 Westheimer, Suite 105
Houston, Texas 77077
(281) 752-0200 Fax: (281) 752-0204

Independent Auditor's Report

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

March 26, 2010

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

Compliance

We have audited the compliance of Johnson County (the "County"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major state programs for the year ended September 30, 2009. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2009.

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The Honorable County Judge,
and Members of Commissioners
Court of Johnson County, Texas
March 26, 2010
Page 2

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that non compliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above.

This report is intended solely for the information and use of the County Judge, members of Commissioners Court, management, and appropriate state and federal agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Kennemer, Masters & Hunsford, LLC

JOHNSON COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2009

Page 1 of 1

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unqualified.
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, required to be reported in this schedule, were disclosed in the audit of the major programs.
5. Type of auditor's report on compliance for major programs: Unqualified.
6. Did the audit disclose findings which are required to be reported under Sec._510(a): No
7. Major programs include:
 - Federal:
 - Foster Care Title IV-E CFDA #93.658
 - FY 06 BJA Congressional Mandated Awards CFDA #16.580
 - Public Safety Partnership and Community Policing Grant CFDA #16.710
 - State:
 - TJPC Cluster Programs:
 - TJPC-A-09/10-126 State Aid Program
 - TJPC-Y-09/10-126 Community Correction Assistance Program
 - TJPC-Z-09/10-126 Salary Adjustment Funding JP and Detention Centers
 - TJPC-F-09/10-126 Progressive Sanctions JPO
 - TJPC-X-09/10-126 Intensive Community Based Placement
 - TJPC-G-09/10-126 Progressive Sanctions Level 1-2-3
8. Dollar threshold used to distinguish between Type A and Type B programs: Federal \$ 300,000; State \$ 300,000.
9. Low risk auditee: No.

II. Findings related to the financial statements.

The audit disclosed no findings required to be reported.

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

The audit disclosed no findings required to be reported.

Schedule reference number 08-1: Control over the General ledger. Controls over general ledger accounts were limited to cash and related revenues and expenditures as they relate to the budget. Other balance sheet accounts were not reconciled and required significant adjustments for the financial statements to be fairly presented in accordance with accepted accounting principals.

Corrective action taken: The Auditor's Office initiated plans to adjust responsibilities within the office to focus on current reconciliations of all general ledger accounts. Once completed, the reassignment of personnel responsibilities was able to provide adequate controls over all general ledger accounts. Further, the Auditor's Office provided additional training to assist its staff in accomplishing the restoration of controls over all general ledger accounts. Finally, frequent review meetings were held within the Auditor's Office to monitor the status of the control over general ledger accounts.

Schedule reference number 08-2: Control over all County Funds. Numerous County funds are not maintained on the County's general ledger system. Except for a few, these funds do not produce accounting records other than bank statements and related reconciliations. Some of these funds were not previously reported in the financial statements of the County and required prior period adjustments of equities.

Corrective action taken: The Auditor's Office initiated plans to adjust responsibilities within the office to focus on maintaining all County funds on the general ledger and ensuring adequate accounting records are maintained. Many of the funds are now being maintained on the County's General ledger system whereas for others a proof of cash is being performed by the Auditor's Office at least annually and transactions are being recorded into the general ledger by the Auditor's Office.

Schedule reference number 08-3: Software Cash Receipts Controls - Controls over cash receipts were not consistently maintained during the year ended September 30, 2008.

Corrective action taken: Upon initial notification of software control deficiencies, the County Auditor requested and the County Judge and Commissioners approved a request of the software providers to appropriately modify controls over their software. Changes in Net Data software were initiated during the year ended September 30, 2008. Changes were made to the general ledger cash receipts software during the year ended September 30, 2009 in which the software no longer allows certain cash receipts transactions which has now eliminated the control issue as previously noted.

Schedule reference number 08-4: Financial and Grant Reporting. Since controls over the general ledger do not provide for accurate accrual reporting, some grant reporting has not been performed in accordance with grant requirements. Grant operations are decentralized and lack accounting controls and knowledge of grant requirements that centralization could provide.

Corrective action plan: The Auditor's Office initiated plans to adjust responsibilities within the office to focus on current reconciliations of all general ledger accounts. Once completed, the reassignment of personnel responsibilities was able to provide adequate controls over all general ledger accounts. The County Auditor's Office maintained reconciliations of grant revenues (receipts) and expenditures and now coordinates with grant administrators in an effort to strengthen controls over grant reporting. J.R. Kirkpatrick, Jr., County Auditor, will monitor on an ongoing basis to ensure proper performance of these processes and procedures.

JOHNSON COUNTY, TEXAS
CORRECTIVE ACTION PLAN
Year Ended September 30, 2009

None.

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

For the Year Ended September 30, 2009

Exhibit 13

Page 1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Housing and Urban Development: Passed Through Office of Rural Community Affairs (ORCA): Community Development Block Grant	14.228	726030	\$ <u>89,706</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ <u>89,706</u>
U.S. Department of Interior: Passed Through Fish and Wildlife Service: Refuge Revenue Sharing Act of 1978	15.000	--	\$ <u>1,215</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			\$ <u>1,215</u>
U.S. Department of Justice: Direct: 2008 State Criminal Alien Assistance Program	16.606	2008-AP-BX-1154	\$ 41,910
FY06 BJA Congressional Mandated Awards	16.580	2008-DD-BX-0474	144,021
Public Safety Partnership & Community Policing Grant	16.710	207CKWX0190	<u>135,889</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			\$ <u>321,820</u>
General Services Administration: Passed Through Texas Secretary of State: Help America Vote Act – TEAMS Compatibility	39.011	79116	\$ <u>92</u>
TOTAL GENERAL SERVICES ADMINISTRATION			\$ <u>92</u>
U.S. Department of Education: Passed Through Office of Governor - Criminal Justice Division: School Resource Officer	84.186	18298-03	\$ <u>15,961</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ <u>15,961</u>
Elections Assistance Commission: Passed Through Texas Secretary of State: Help America Vote Act – General HAVA Compliance	90.401	78601	\$ <u>29,095</u>
TOTAL ELECTIONS ASSISTANCE COMMISSION			\$ <u>29,095</u>

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

For the Year Ended September 30, 2009

Exhibit 13

Page 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Contract/ Program Number	Expenditures Indirect Costs or Award Amount
U.S. Department of Health and Human Service:			
Passed Through Texas Department of State Health Services:			
Cities Readiness Initiative	93.283	2008-028272	\$ 39,669
Cities Readiness Initiative	99.283	2009-031759	7,519
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	E-2008-126	116,035
Foster Care Title IV-E	93.658	E-2009-126	<u>14,345</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICE			<u>\$ 177,568</u>
U.S. Department of Homeland Security:			
Passed Through the Governor's Office –			
Division of Emergency Management:			
Homeland Security HSGP UASI 2006	97.074	2006-GE-T6-0068	\$ 5,831
Homeland Security HSGP UASI 2007	97.008	2007-GE-T7-0024	<u>75,000</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 80,831</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 716,288</u>
TOTAL MAJOR PROGRAMS			<u>\$ 410,290</u>
TYPE A PROGRAM			<u>\$ 300,000</u>

JOHNSON COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2009

Exhibit 14
Page 1

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Office of Governor - Criminal Justice Division:		
Direct Programs:		
Criminal Justice Planning Fund (Fund 421)	19329-02	\$ 27,130
Criminal Justice Planning Fund (Fund 421)	19329-03	<u>1,850</u>
TOTAL OFFICE OF GOVERNOR		\$ <u>28,980</u>
Texas Juvenile Probation Commission:		
Direct Programs:		
State Aid Program (1)	TJPC-A-09-126	\$ 116,519
State Aid Program (1)	TJPC-A-10-126	14,568
Community Correction Assistance Program (1)	TJPC-Y-09-126	259,675
Community Correction Assistance Program (1)	TJPC-Y-10-126	22,600
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-09-126	28,588
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-10-126	2,773
Progressive Sanctions JPO (1)	TJPC-F-09-126	27,355
Progressive Sanctions JPO (1)	TJPC-F-10-126	2,333
Progressive Sanctions Level 1-2-3 (1)	TJPC-G-09-126	35,134
Intensive Community Based Placement (1)	TJPC-X-09-126	38,424
Level 5 Placement	TJPC-CCP-LV5	2,850
Diversionary Placement	TJPC-H-09-126	113,400
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-09-126	116,604
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-10-126	<u>15,247</u>
TOTAL TEXAS JUVENILE PROBATION COMMISSION		\$ <u>796,070</u>
Texas Commission on Environmental Quality:		
Direct:		
Aircheck Texas Repair and Replacement Assistance Program	582-9-90416-09	\$ 416,103
Aircheck Texas Repair and Replacement Assistance Program	582-9-90416-10	36,897
LIRAP-Clean Vehicle Fleet Program	582-8-89954	97,356
Passed Through North Central Council of Governments:		
2008-2009 Regional Solid Waste Grant Program	08-04-G17	<u>29,850</u>
TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		\$ <u>580,206</u>
Secretary of State - Elections Division:		
Direct Program:		
Chapter 19 - Election Funds Management	---	<u>1,306</u>
TOTAL SECRETARY OF STATE		\$ <u>1,306</u>

JOHNSON COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued
For the Year Ended September 30, 2009

Exhibit 14
Page 2

State Grantor/ Pass-Through Grantor/ Program Title	Contract/ Program Number	Expenditures or Award Amount
Commission on State of Texas Emergency Communications:		
Passed Through North Central Council of Governments:		
911 Addressing Maintenance Contract	911410	\$ <u>14,740</u>
 TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS		 \$ <u><u>14,740</u></u>
Office of Attorney General:		
Direct Program:		
Sexual Assault Prevention and Crisis Services Program	---	\$ 23,936
Texas Victim Information and Notification Everyday (VINE)	09-08285	27,599
Texas Victim Information and Notification Everyday (VINE)	10-12434	<u>2,509</u>
 TOTAL OFFICE OF ATTORNEY GENERAL		 \$ <u><u>54,044</u></u>
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-09-126	\$ <u>76,541</u>
 TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		 \$ <u><u>76,541</u></u>
 TOTAL STATE ASSISTANCE		 \$ <u><u>1,551,887</u></u>
 TOTAL MAJOR PROGRAMS		 \$ <u><u>679,820</u></u>
 TYPE A PROGRAM		 \$ <u><u>300,000</u></u>

(1) Cluster Programs per TJPC

JOHNSON COUNTY, TEXAS

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS

Year Ended September 30, 2009

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 current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Federal and State grant funds were accounted for in the General Fund, Special Revenue Fund, and the Capital Projects Fund, a component of the Governmental Fund type.

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

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

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

Year Ended September 30, 2009

3. The period of availability for state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
4. Indirect Costs - Johnson County, Texas received no reimbursements for indirect costs during the year ended September 30, 2009.