

**JOHNSON COUNTY, TEXAS**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2010

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, 2010

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**INTRODUCTORY SECTION**



# JOHNSON COUNTY

## AUDITOR'S OFFICE

**J.R. Kirkpatrick**  
County Auditor

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Fax (817) 556-6075

March 28, 2011

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, 2010, is submitted herewith. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. This report has been prepared using generally accepted accounting principles and guidelines promulgated by the Governmental Accounting Standards Board. We have endeavored to conform substantially to the high standards of public financial reporting as recommended by the Government Finance Officers Association of the United States and Canada. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

Johnson County, like most of the state and nation, has seen a slight downturn in the business environment. 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 a few years ago. However, the County's tax base continued to see a modest growth. 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.

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

Population growth continues in Johnson County with significant residential growth in Cleburne, Burleson and other cities. Combined efforts of the cities and county government have proven to be effective in attracting industry as well. The downtown area of Cleburne benefits from aggressive tax incentives approved by the city and county. 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.

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 has received 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. This project has been in the planning stages for decades and is now a reality. The economic impact to Johnson County is expected to be tremendous.

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

## **MAJOR INITIATIVES**

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

### **For the Year**

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 with the latest being the old high school gym. 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. With the county having purchased the gym building, adjacent to the Guinn Justice Center, construction plans have commenced for office space to accommodate the needs of additional Johnson and Somervell Counties Community Supervision Department personnel.

Additionally, the county has installed 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 allows 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.

In the past year, the County has completed expansion of the law library and conference center. The Conference Center is equipped to receive continuing education courses over the internet in a classroom setting, which lessens the need for County employees and members of the local bar association to travel out of town to participate in required continuing legal education.

Johnson County contracted with a jail administration vendor to manage virtually all jail operations beginning September 1, 2008. With a couple of year's experience of contracting jail management, the Commissioners Court views this to have been a worthwhile endeavor.

## **For the Future**

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

Johnson County plans to see the completion of the Community Supervision and Corrections Department office building in fiscal year 2011, along with the construction of an Emergency Management Center. This center will serve as headquarters for emergency management operations in times of natural disasters.

## **FINANCIAL CONDITION**

**Current Condition.** Johnson County currently has the largest fund balances, as a percentage of budget, that it has ever maintained in the past. The County is well-positioned to fund all services into the near future notwithstanding the national economic downturn, all while maintaining a tax rate which is acceptable to taxpayers.

**Long Range Financial Planning.** Johnson County has a determination to manage growing fund balances in a conservative and judicious manner. Fund balances will continue to exceed the popular rules of thumb. Maintaining a tax rate which consistently funds all services needed and intentionally funding a contingency line in the budget ensures that fund balances will remain at a very healthy level. Additionally, the County sets aside funds that represent some of the tax revenue derived from mineral properties for funding many capital construction projects. In addition to tax revenue, the County also receives mineral royalty which is all deposited into this unbudgeted, separate fund. However, for reporting purposes, it is considered part of the General Fund. With the knowledge that these revenues will fluctuate with the price of natural gas, the County will not use such funds for things which demand ongoing commitments such as additional personnel. Therefore, the significant fund balance in the General Fund will be used to avoid some future debt by using cash at times when otherwise, borrowing would be the norm.

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

**Administration.** The officials having responsibility for the financial administration of the County are the County Judge and four County Commissioners (the "Commissioners Court"), the Tax 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, 2010, 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, 2010, 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, 2009. This was the nineteenth 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, 2009

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.

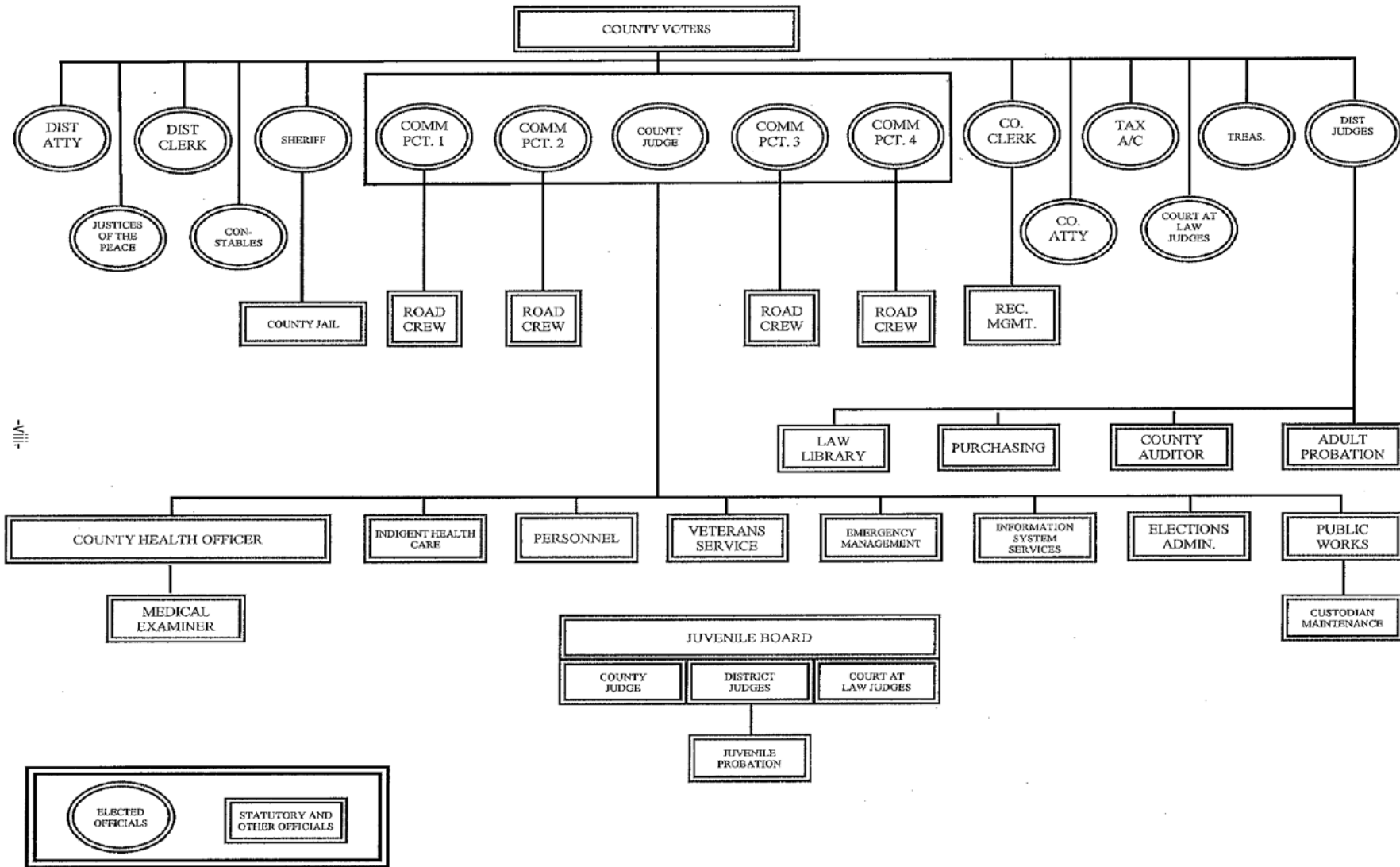


A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



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**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

18<sup>th</sup> Judicial District

John E. Neill

249<sup>th</sup> Judicial District

Wayne Bridewell

413<sup>th</sup> Judicial District

William C. Bosworth, Jr.

COUNTY COURT-AT-LAW I

Robert B. Mayfield, III

COUNTY COURT-AT-LAW II

Jerry D. Webber

JUSTICE OF THE PEACE

Precinct 1

Ronald R. McBroom

Precinct 2

Jeff Monk

Precinct 3

Pat Jacobs

Precinct 4

John Bekkelund

**LAW ENFORCEMENT AND LEGAL**

DISTRICT ATTORNEY

Dale Hanna

COUNTY ATTORNEY

Bill Moore

SHERIFF

Bob Alford

CONSTABLES

Precinct 1

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

Debbie Rice

TAX ASSESSOR—COLLECTOR

Scott Porter

PURCHASING AGENT\*

Margaret Cook

**COURT CLERKS**

DISTRICT CLERK

David Lloyd

COUNTY CLERK

Becky Williams

\*Denotes appointed officials. All others are elected officials.





## **FINANCIAL SECTION**



# KENNEMER, MASTERS & LUNSFORD

CERTIFIED PUBLIC ACCOUNTANTS  
Limited Liability Company

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Lake Jackson, Texas 77566  
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Houston, Texas 77077  
(281) 752-0200 Fax: (281) 752-0204

## Independent Auditor's Report

March 28, 2011

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, 2010, 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, 2010, 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 28, 2011 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](http://www.kmkwllc.com) – Email: [kmkw@kmkwllc.com](mailto: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 28, 2011  
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 57, 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, 2010*

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, 2010. 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 \$ 85,561,495 (net assets). Of this amount, \$ 30,652,273 (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 \$ 9,204,807.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 41,401,732. 93.04% of this amount, \$ 38,518,793 (unreserved fund balance), were available for use within the County's fund designations. Of the governmental funds amount, \$ 13,704,228 has been designated for specific uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 24,814,565 or 67.47% 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, 2010*

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-nine (59) 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); all of which are considered to be major funds. Data from the other fifty-seven (57) 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, 2010*

- **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 126 through 128.

**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 52 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 57 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 66 through 125 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 \$ 85,561,495 as of September 30, 2010. This is an increase in net assets of \$ 9,204,807 which is primarily due to a net increase in property taxes due to an overall improvement in property values.

The largest portion of the County's net assets, \$ 38,696,684 (45.23%) 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. Capital assets decreased by \$ 272,019 due to a net reduction in furniture, equipment and vehicles due to the retirement of assets.

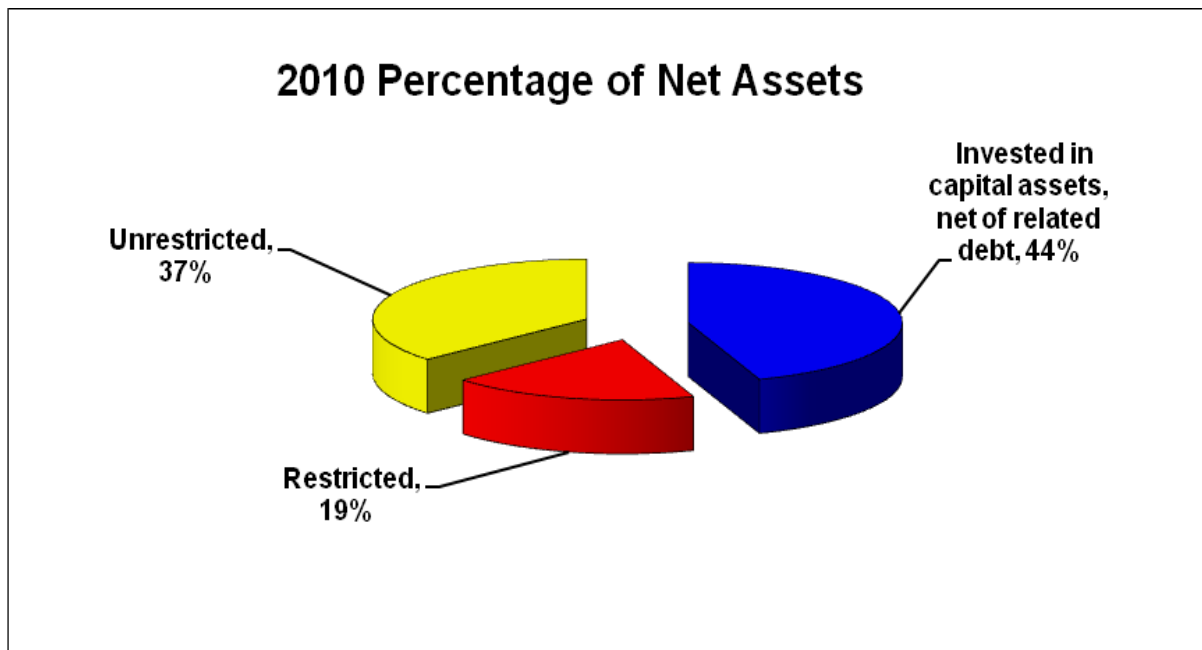
An additional portion of the County's net assets of \$ 16,212,538 (18.95%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$ 30,652,273 (35.82%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2010, 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, 2010*

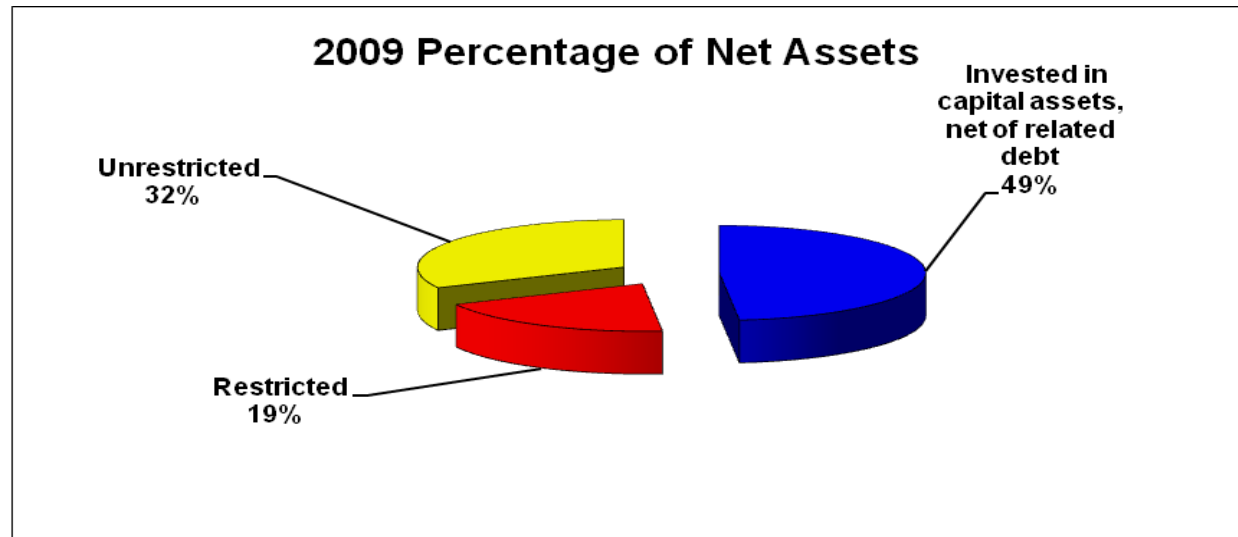
**JOHNSON COUNTY'S NET ASSETS**

	<u>Governmental Activities</u>		
	<u>September 30, 2010</u>	<u>Restated September 30, 2009</u>	<u>Net Change</u>
Current and other assets	\$ 53,655,658	\$ 45,396,651	\$ 8,259,007
Capital assets	<u>60,605,129</u>	<u>60,877,148</u>	<u>( 272,019)</u>
Total assets	<u>114,260,787</u>	<u>106,273,799</u>	<u>7,986,988</u>
Current and other liabilities	5,390,439	5,238,300	152,139
Long-term liabilities	<u>23,308,853</u>	<u>24,678,811</u>	<u>( 1,369,958)</u>
Total liabilities	<u>28,699,292</u>	<u>29,917,111</u>	<u>( 1,217,819)</u>
Net Assets:			
Invested in capital assets, net of related debt	38,696,684	37,272,013	1,424,671
Restricted	16,212,538	14,910,199	1,302,339
Unrestricted	<u>30,652,273</u>	<u>24,174,476</u>	<u>6,477,797</u>
Total net assets	<u>\$ 85,561,495</u>	<u>\$ 76,356,688</u>	<u>\$ 9,204,807</u>





**JOHNSON COUNTY, TEXAS**  
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**Analysis of the County's Operations.** Governmental activities reported an increase in net assets in the amount of \$ 9,795,118. The following table provides a summary of the County's operations for the year ended September 30, 2010.

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

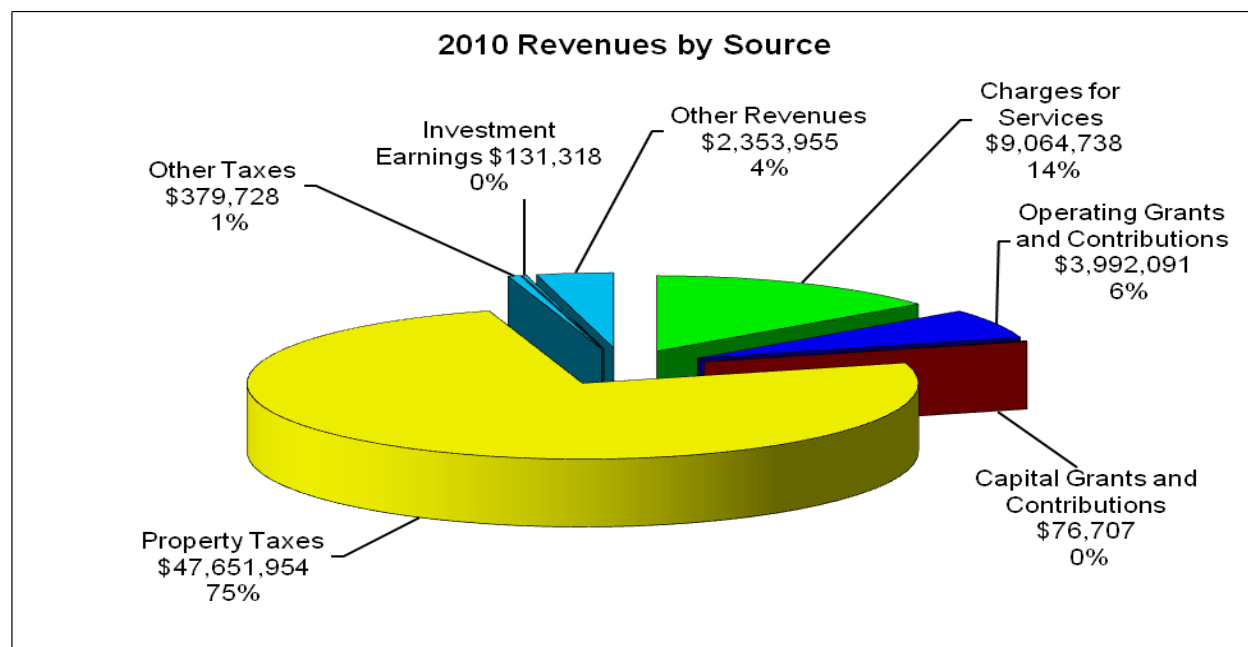
	Governmental Activities		
	September 30, 2010	Restated September 30, 2009	Net Change
Revenues:			
Program Revenues:			
Charges for services	\$ 9,064,738	\$ 10,266,400	\$( 1,201,662)
Operating grants and contributions	3,992,091	3,855,193	136,898
Capital grants and contributions	76,707	1,086,130	( 1,009,423)
General Revenues:			
Property taxes	47,651,954	43,069,773	4,582,181
Other taxes	379,728	386,625	( 6,897)
Unrestricted Investment earnings	131,318	256,184	( 124,866)
Gain on disposition of capital assets	60,093	58,494	1,599
Miscellaneous	<u>2,293,862</u>	<u>871,103</u>	<u>1,422,759</u>
Total revenues	<u>63,650,491</u>	<u>59,849,902</u>	<u>3,800,589</u>

(Continued)

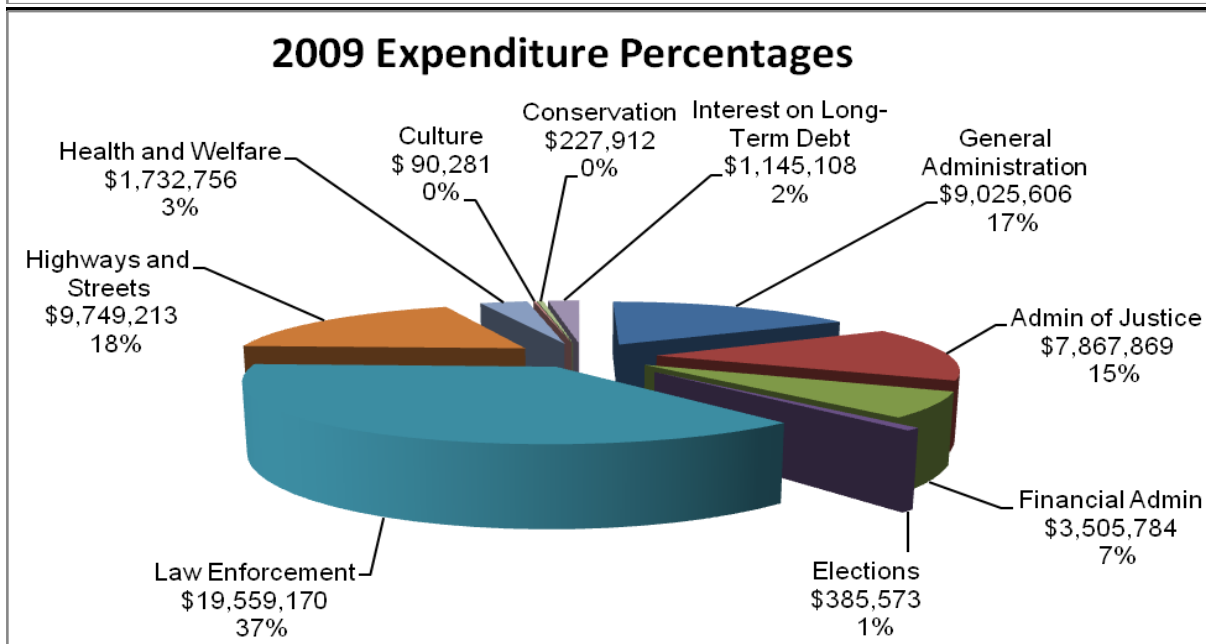
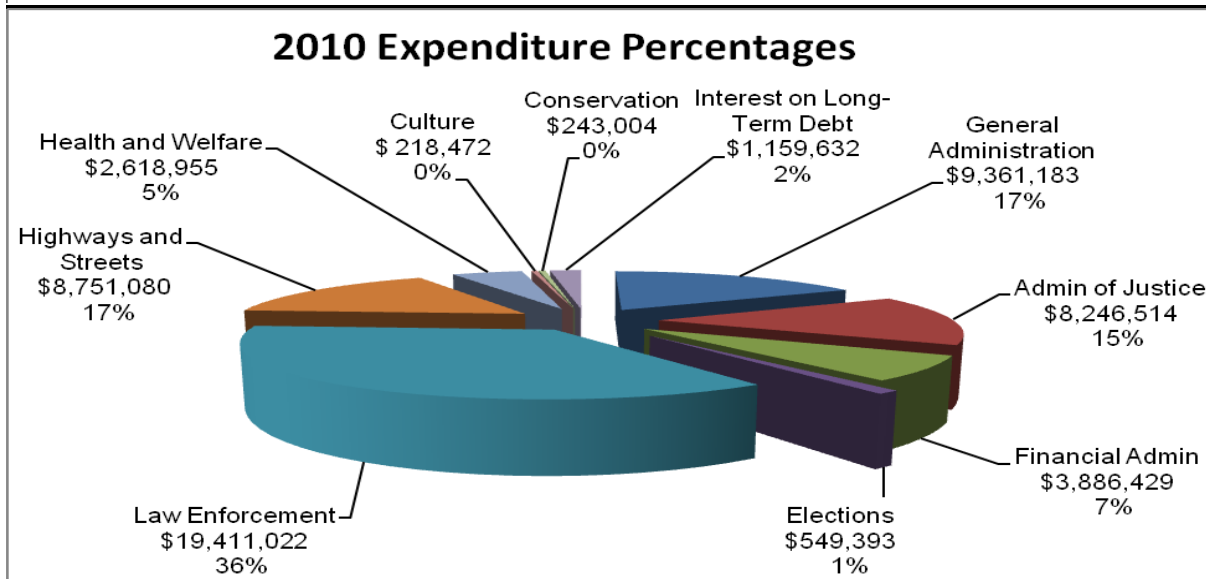
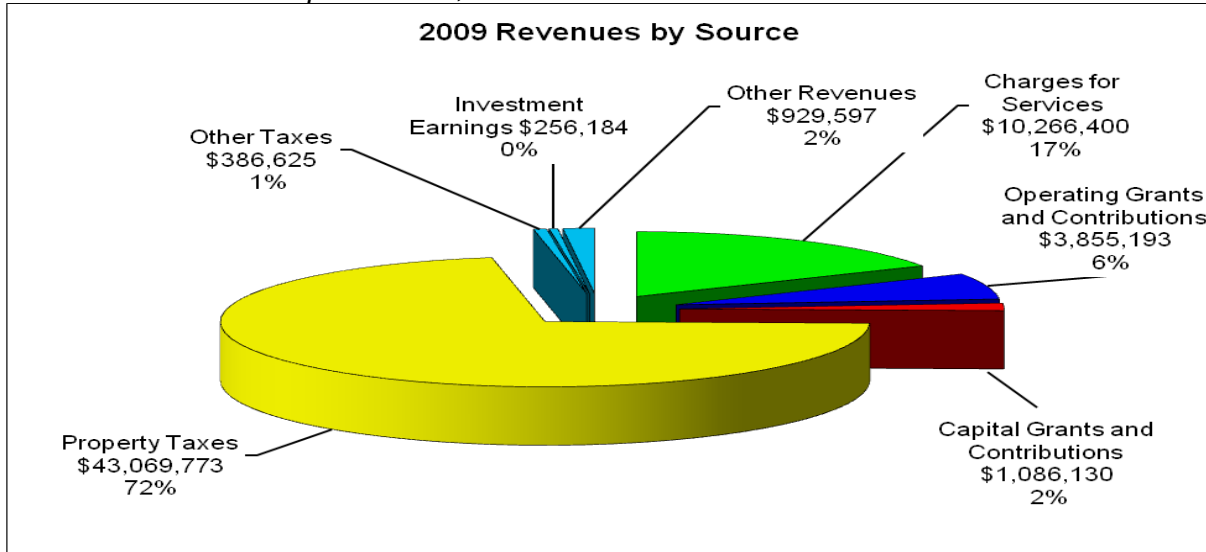
**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2010*

**JOHNSON COUNTY'S CHANGES IN NET ASSETS - Continued**

	Governmental Activities		
	September 30, 2010	Restated September 30, 2009	Net Change
Expenses:			
General government	\$ 9,361,183	\$ 9,025,606	\$ 335,577
Administration of justice	8,246,514	7,867,869	378,645
Financial Administration	3,886,429	3,505,784	380,645
Elections	549,393	385,573	163,820
Law enforcement	19,411,022	19,559,170	( 148,148)
Highways and streets	8,751,080	9,749,213	( 998,133)
Health and welfare	2,618,955	1,732,756	886,199
Culture and recreation	218,472	90,281	128,191
Conservation	243,004	227,912	15,092
Interest on long-term debt	<u>1,159,632</u>	<u>1,145,108</u>	<u>14,524</u>
Total expenses	<u>54,445,684</u>	<u>53,289,272</u>	<u>1,156,412</u>
Increase in net assets before contributions and transfers	<u>9,204,807</u>	<u>6,560,630</u>	<u>2,644,177</u>
Increase in net assets	9,204,807	6,560,630	2,644,177
Net assets – October 1,	<u>76,356,688</u>	<u>69,796,058</u>	<u>6,560,630</u>
Net assets - September 30,	<u>\$ 85,561,495</u>	<u>\$ 76,356,688</u>	<u>\$ 9,204,807</u>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
 For the Year Ended September 30, 2010



## **JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2010*

### **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 \$ 41,401,732. 93.04% of this total amount (\$ 38,518,793) 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 (\$ 271,421), 2) for the expenditure of inventories (\$ 328,469), 3) for the expenditure of encumbrances (\$ 34,268), and 4) to pay for debt service (\$ 2,248,781).

Fund balance of the General Fund increased by \$ 7,692,139; the Road and Bridge (special revenue fund) increased by \$ 750,426; and, other (non-major) governmental funds increased by \$ 850,223.

The increase in fund balance in the general fund is due to the increase in property tax revenues as a result of property tax values which have rebounded somewhat from the dip in prior years. General fund expenditures were fairly consistent with the previous year. As a result there was a net \$ 2,318,293 larger increase in the fund balance of the general fund versus the prior year. Regarding the Road & Bridge funds, the increase in fund balance was slightly less than the prior year increase due to increased highway and street expenditures in the current year to complete certain repairs for damaged county roads. The change in fund balance for other governmental funds generally is a result of changes in special revenue projects, grants and awards and other capital project expenditures. The related increase in fund balance in the current year is minimally lower than the prior year increase in fund balance.

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

The difference between the General Fund original expenditure budget and the revised budget was a \$ 743,309 increase. The largest amendments are enumerated here with many smaller amendments: Salary and fringes in Law Enforcement of \$ 295,477 due to an increase in health insurance costs and property acquisition and capital equipment of \$ 449,230 primarily due to expansion needs of our court systems.

During the year, revenues exceeded budget while expenditures were less than budget. Revenues were higher due to property taxes collected exceeding estimates. Lower than budgeted expenditures resulted from significantly reduced general government expenditures and lower than expected law enforcement staffing.

**JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2010*

Total General Fund revenue exceeded the budget by 6% and total fund expenditures were under budget by 13%.

**Capital Assets**

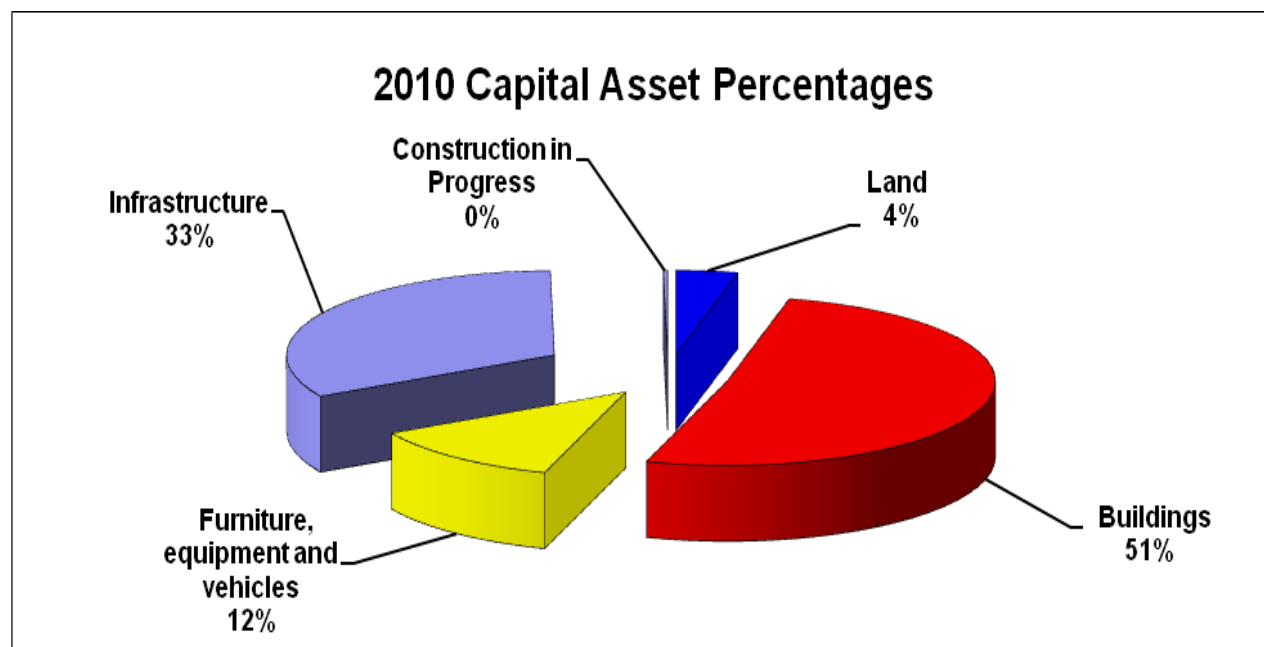
This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

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

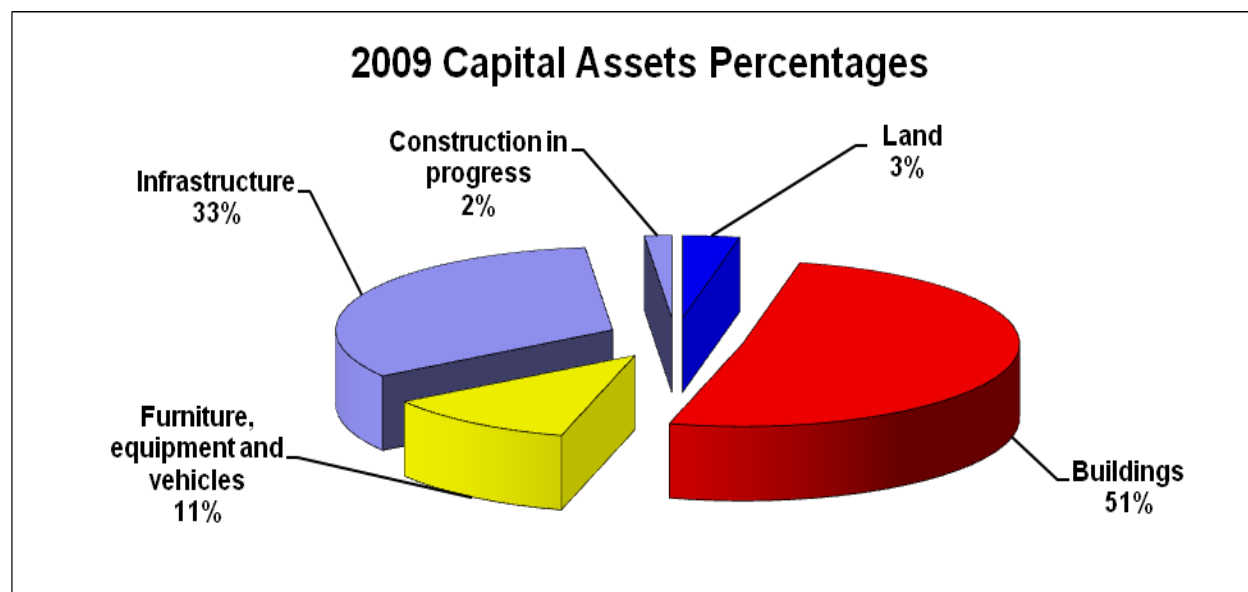
- Retired older equipment with net book value of approximately \$ 78,508.
- Acquisition of new vehicles, tractors, various road and bridge equipment.
- Acquisition of real property with building adjacent to the Courts Building.

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

	Governmental Activities		
	September 30, 2010	September 30, 2009	Net Change
Land	\$ 2,280,281	\$ 2,023,058	\$ 257,223
Buildings and improvements	30,983,354	31,006,843	( 23,489)
Furniture, equipment and vehicles	7,260,790	6,894,471	366,319
Infrastructure	19,927,379	19,986,132	( 58,753)
Construction in progress	<u>153,325</u>	<u>966,644</u>	<u>( 813,319)</u>
<b>Total</b>	<b><u>\$ 60,605,129</u></b>	<b><u>\$ 60,877,148</u></b>	<b><u>\$ ( 272,019)</u></b>



**JOHNSON COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*For the Year Ended September 30, 2010*



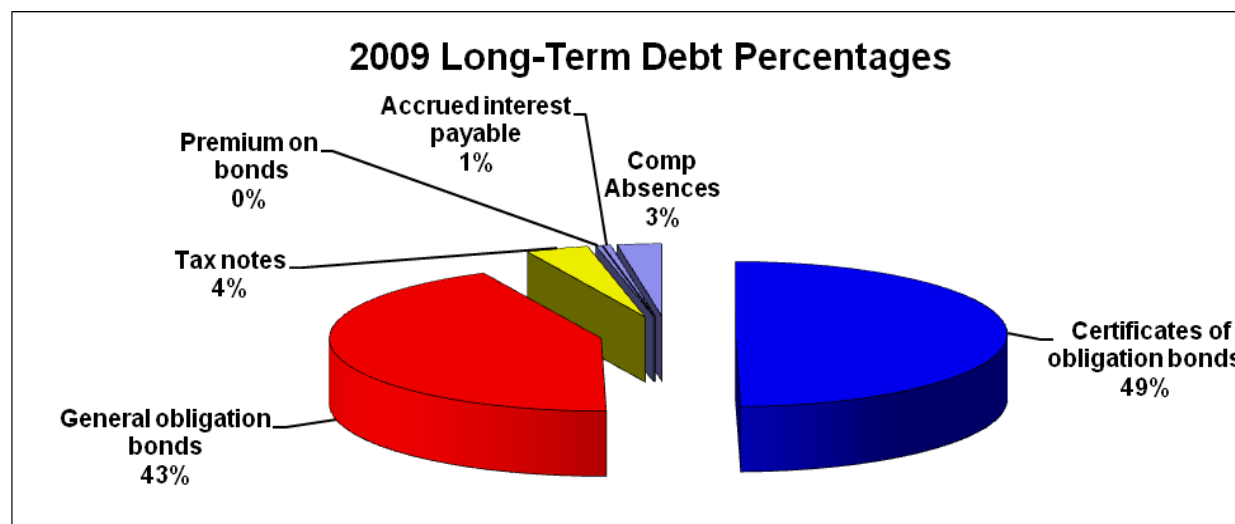
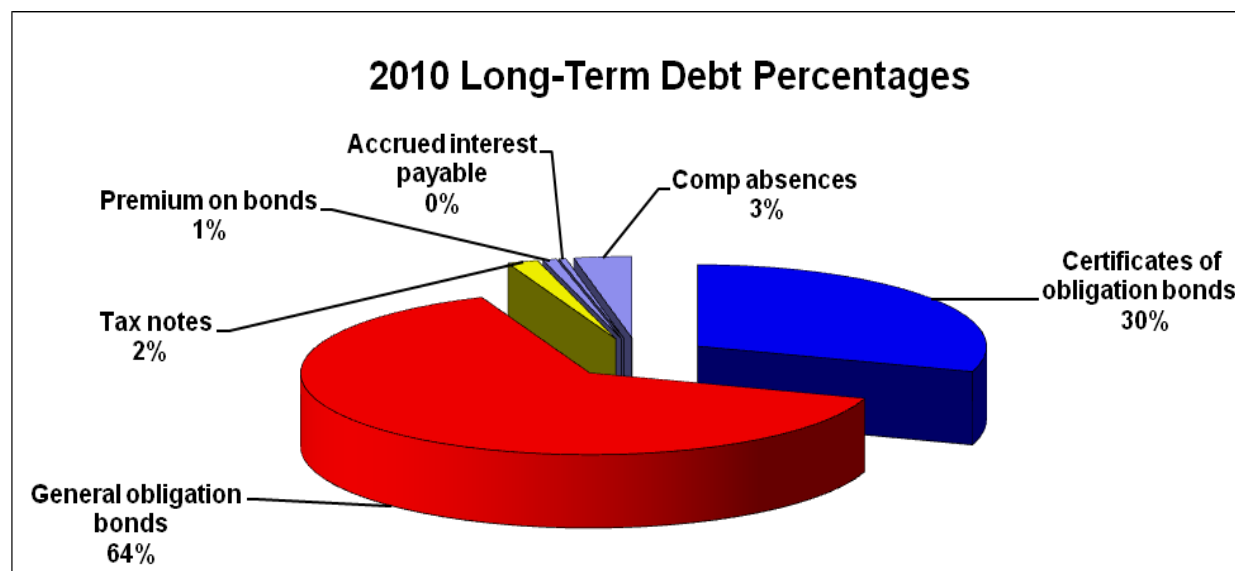
Additional information on the County's capital assets can be found in note 5 on pages 41 through 42 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the County had a total bonded and tax note debt of \$ 22,288,209, 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, 2010	Restated September 30, 2009	Net Change
Certificates of Obligation bonds	\$ 7,005,000	\$ 12,265,000	\$( 5,260,000)
General Obligation bonds	14,883,209	10,652,172	4,231,037
Tax notes	400,000	920,000	( 520,000)
Components of Debt:			
Premium on bonds	179,295	78,642	100,653
Accrued interest payable	90,692	111,920	( 21,228)
Compensated absences	<u>750,657</u>	<u>651,077</u>	<u>99,580</u>
<b>Total</b>	<b><u>\$ 23,308,853</u></b>	<b><u>\$ 24,678,811</u></b>	<b><u>\$( 1,369,958)</u></b>



During the fiscal year, the County's total debt decreased \$ 1,369,958 or 5.6%. The net decrease was due primarily to the principal payments on debt and tax notes. During the year the County issued \$ 4,495,000 of General Obligation Refunding Bonds, Series 2010 which refunded the remaining 2001 Certificates of Obligation.

All of the outstanding Bonds of the County payable from its limited taxes are insured and are, therefore, rated "A1" by Moody's Investors Service Inc. ("Moody's"), and "AA" by Standard & Poor's ("S&P"). State statutes limit the amount of general obligation debt a government may issue to 25% of its total assessed valuation. The current limitation for 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 42 through 45 of this report.

## **JOHNSON COUNTY, TEXAS**

*Management's Discussion and Analysis  
For the Year Ended September 30, 2010*

### **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 2011, Commissioners' Court considered the following factors:

- Property tax rate was set at an amount significantly under the rollback rate. Even with this, the County will continue to increase unencumbered fund balances.
- Employees were given additional compensation of a one-time \$ 500 payment each. This payment therefore does not bind the governing body to any future payroll cost increases.

### **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, 2010

Exhibit 1

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and temporary investments	\$ 43,924,665
Receivables (Net of Allowance for Uncollectibles):	
Taxes	730,320
Accounts	7,444,825
Due from other governments	508,726
Prepaid items	275,127
Inventories	328,469
Bond issuance cost (net of accumulated amortization)	443,526
Capital Assets:	
Land	2,280,281
Buildings and improvements (net)	30,983,354
Furniture, equipment and vehicles (net)	7,260,790
Infrastructure (net)	19,927,379
Construction in progress	<u>153,325</u>
Total assets	<u>114,260,787</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	4,676,413
Due to others	460,969
Unearned revenue	253,057
Noncurrent Liabilities:	
Due within one year	2,615,497
Due in more than one year	<u>20,693,356</u>
Total liabilities	<u>28,699,292</u>
<u>Net Assets</u>	
Invested in capital assets, net of related debt	38,696,684
Restricted For:	
General government	2,109,110
Administration of justice	855,405
Financial administration	17,572
Elections	89,780
Law enforcement	1,169,970
Highways and streets	8,199,654
Health and welfare	1,089,004
Culture and recreation	36,678
Debt service	2,645,365
Unrestricted	<u>30,652,273</u>
Total net assets	<u>\$ 85,561,495</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, 2010

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	\$ 9,361,183	\$ 2,386,939	\$ 202,561	\$ ( 6,771,683)
Administration of justice	8,246,514	2,674,906	612,081	( 4,959,527)
Financial administration	3,886,429	1,039,688		( 2,846,741)
Elections	549,393		33,141	( 516,252)
Law enforcement	19,411,022	839,972	2,120,986	( 16,450,064)
Highways and streets	8,751,080	2,064,296		( 6,610,077)
Health and welfare	2,618,955	11,372	1,023,322	( 1,584,261)
Culture and recreation	218,472	47,565		( 170,907)
Conservation	243,004			( 243,004)
Interest on long-term debt	<u>1,159,632</u>			<u>( 1,159,632)</u>
Total governmental activities	<u>54,445,684</u>	<u>9,064,738</u>	<u>3,992,091</u>	<u>( 41,312,148)</u>
General Revenue:				
Property taxes				47,651,954
Other taxes				379,728
Unrestricted investment earnings				131,318
Miscellaneous				2,293,862
Gain on sale of capital assets				<u>60,093</u>
Total general revenues, special items and transfers				<u>50,516,955</u>
Change in net assets				9,204,807
Net assets – beginning (restated)				<u>76,356,688</u>
Net assets – ending				<u>\$ 85,561,495</u>

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

**JOHNSON COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2010

Exhibit 3

	Major Funds		Non-Major Funds	Total Governmental Funds
	General Fund	Road & Bridge Fund	Other Governmental Funds	
<b>ASSETS</b>				
Cash and temporary investments	\$ 26,969,279	\$ 6,459,328	\$ 10,496,058	\$ 43,924,665
Receivables (Net of Allowance for Uncollectibles):				
Taxes	557,947	95,820	76,553	730,320
Accounts	348,786	26,300	107,608	482,694
Due from other governments	53,203		455,523	508,726
Due from other funds	391,509	54,948	228,926	675,383
Prepaid expenditures	271,421		3,706	275,127
Inventories		328,469		328,469
<b>Total assets</b>	<b>\$ 28,592,145</b>	<b>\$ 6,964,865</b>	<b>\$ 11,368,374</b>	<b>\$ 46,925,384</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and accrued liabilities payable	\$ 2,347,312	\$ 461,475	\$ 704,197	\$ 3,512,984
Due to others	460,970			460,970
Due to other funds	228,926	1	495,745	724,672
Deferred revenue	440,795	72,668	311,563	825,026
<b>Total liabilities</b>	<b>3,478,003</b>	<b>534,144</b>	<b>1,511,505</b>	<b>5,523,652</b>
<b>Fund Balances:</b>				
<b>Reserved:</b>				
Prepaid expenditures	271,421			271,421
Inventories		328,469		328,469
Encumbrances	28,156	6,112		34,268
Debt service			2,248,781	2,248,781
<b>Unreserved:</b>				
<b>Designated, Reported In:</b>				
Capital Projects			1,183,189	1,183,189
Subsequent years expenditures (Special Revenue)		6,096,140	6,424,899	12,521,039
Undesignated	24,814,565			24,814,565
<b>Total fund balances</b>	<b>25,114,142</b>	<b>6,430,721</b>	<b>9,856,869</b>	<b>41,401,732</b>
<b>Total liabilities and fund balance</b>	<b>\$ 28,592,145</b>	<b>\$ 6,964,865</b>	<b>\$ 11,368,374</b>	<b>\$ 46,925,384</b>

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

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

September 30, 2010

Exhibit 3R

Page 1

Total fund balances - governmental funds balance sheet (Exhibit 3)	\$ 41,401,732
<b>Amounts reported for <i>governmental activities</i> in the statement of net assets (Exhibit 1) are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include \$ 103,493,447 in assets less \$ 42,888,318 in accumulated depreciation.	60,605,129
Judicial accounts receivables net of related allowance for uncollectible accounts are unavailable to pay for current period expenditures and availability of funds that are uncertain as to availability are not recorded in the funds. Judicial receivables of \$ 12,295,173 net of allowance for uncollectible accounts of \$ 5,283,752 in the General fund amounted to \$ 7,011,421.	7,011,421
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 \$ 440,795, \$ 72,668, \$ 14,755, \$ 22,772 and \$ 20,979, respectively.	571,969
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 \$ 987,526 less accumulated amortization of \$ 544,000.	443,526
Payables for bond principal are not reported in the funds.	( 22,288,209)
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 \$ 179,295 (premium on the sale of bonds of \$ 207,194 less amortization of \$ 27,899).	( 179,295)
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 \$ 90,692.	( 90,692)
The liability for the underfunded annual required contribution as calculated for the post employment health insurance benefits is not reported in the funds.	( 1,163,429)
Payables for compensated absences are not reported in the funds.	( <u>750,657</u> )
Net assets of governmental activities - statement of net assets (Exhibit 1)	\$ <u><u>85,561,495</u></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, 2010

	Major Funds		Non-Major	Total
	General Fund	Road & Bridge Fund	Other Governmental Funds	
Revenues:				
Taxes	\$ 36,071,670	\$ 7,123,716	\$ 4,860,023	\$ 48,055,409
Intergovernmental	1,210,402		2,708,948	3,919,350
Fees	4,241,634	2,064,296	862,828	7,168,758
Fines	1,814,407		81,573	1,895,980
Investment income	88,657	14,439	28,222	131,318
Miscellaneous	1,095,932	563,004	599,804	2,258,740
Total revenues	<u>44,522,702</u>	<u>9,765,455</u>	<u>9,141,398</u>	<u>63,429,555</u>
Expenditures:				
Current:				
General administration	7,128,188		667,825	7,796,013
Administration of justice	7,832,666		554,543	8,387,209
Financial administration	3,800,390		18,112	3,818,502
Elections	418,442		125,431	543,873
Law enforcement	16,046,806		1,845,148	17,891,954
Highways and streets		6,120,607	104,068	6,224,675
Public health and welfare	422,313		2,187,045	2,609,358
Culture and recreation	203,150		12,226	215,376
Conservation	148,347		800	149,147
Capital outlay	777,412	3,003,055	1,220,353	5,000,820
Debt Service:				
Principal			1,620,000	1,620,000
Interest and fiscal charges			1,041,312	1,041,312
Total expenditures	<u>36,777,714</u>	<u>9,123,662</u>	<u>9,396,863</u>	<u>55,298,239</u>
Excess (deficiency) of revenues over expenditures	<u>7,744,988</u>	<u>641,793</u>	<u>( 255,465)</u>	<u>8,131,316</u>
Other Financing Sources (Uses):				
Proceeds from sale of bonds	\$	\$	\$ 4,495,000	\$ 4,495,000
Premium on bonds			107,869	107,869
Proceeds from sale of capital asset	2,437	108,633	27,533	138,603
Proceeds from tax notes			900,000	900,000
Payments to escrow agent			( 4,480,000)	( 4,480,000)
Transfers in	1,028,311		1,083,597	2,111,908
Transfers out	( 1,083,597)		( 1,028,311)	( 2,111,908)
Total other financing sources and (uses)	<u>( 52,849)</u>	<u>108,633</u>	<u>1,105,688</u>	<u>1,161,472</u>
Net change in fund balances	7,692,139	750,426	850,223	9,292,788
Fund balances - beginning	<u>17,422,003</u>	<u>5,680,295</u>	<u>9,006,646</u>	<u>32,108,944</u>
Fund balances - ending	<u>\$ 25,114,142</u>	<u>\$ 6,430,721</u>	<u>\$ 9,856,869</u>	<u>\$ 41,401,732</u>



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

For the Year Ended September 30, 2010

Exhibit 4R

Page 1

Net change in fund balances - total governmental funds (Exhibit 4)	\$	9,292,788
<b>Amounts reported for <i>governmental activities</i> in the statement of activities (Exhibit 2) are different because:</b>		
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 \$ 5,257,431 exceeded capital outlays \$ 5,000,820 in the current period.	(	256,611)
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, \$ 63,100 of land and equipment were contributed to and accepted by the County.		63,100
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 \$( 45,323), \$( 9,832), \$ 325, \$ 4,226, and \$ 5,714, respectively.		44,890
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 \$ 78,508. (Cost of \$ 2,689,569 less accumulated depreciation of \$ 2,611,061).	(	78,508)
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 an increase in revenues reported in the governmental activities statement of activities.		350,227
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 \$ 70,726.	(	70,726)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the governmental activities statement of net assets. The funds statements reported \$ 5,395,000 in note proceeds.	(	5,395,000)
Payment to an escrow agent is reported as other financing use in the governmental funds, but defeasement of the debt reduces long-term liabilities in the governmental activities statement of net assets. Payments to escrow agent of \$ 4,503,383 less \$ 23,383 in defeasement costs.		4,480,000
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net assets. The funds statements reported \$ 1,645,000 in bond principal payments.		1,645,000
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. Bond premium added was \$ 107,869 less current period amortization of \$ 7,216	(	100,653)

(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, 2010

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 \$ 21,228

\$( 79,809)

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

( 590,311)

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.

( 99,580)

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

\$ 9,204,807

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, 2010

Exhibit 5

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and temporary investments	\$ 8,946,435
Receivables:	
Accounts receivable	169,815
Due from others	335,777
Due from other funds	126,567
Other assets	<u>1,391</u>
Total assets	<u>\$ 9,579,985</u>
<u>Liabilities</u>	
Accounts and accrued liabilities payable	\$ 389,714
Due to other funds	77,278
Amounts held for others	<u>9,112,993</u>
Total liabilities	<u>\$ 9,579,985</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, 2010

INDEX

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## JOHNSON COUNTY, TEXAS

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

### 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, 2010, 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, 2010

#### 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, 2010

### 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, 2010

#### 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.

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. 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. This statement has been implemented and did not have a material impact on the County's financial statements.

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.

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. This statement has been implemented and did not have a material impact on the County's financial statements. The County 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.

## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

#### New Pronouncements - continued

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 effect on the County's financial statements.

GASB No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", was issued December 2009. This statement is effective immediately and did not have a material impact on the County's financial statements.

GASB No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies", was issued December 2009. This statement is effective for periods beginning after June 15, 2009. The statement was implemented and did not have an impact on the County's financial statements.

GASB No. 59, "Financial Instrument Omnibus", was issued December 2009. The management of the County does not believe that the implementation of this statement will affect the financial statements of the County. This statement is effective for periods beginning after June 15, 2010.

#### 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, Justice Court Security Fund, Election Services Contract Fund, Juvenile Justice Alternative Education Fund, Special Crimes Operation Fund, District Attorney Forfeiture Fund, Sheriff Forfeiture Fund, Indigent Health Care Fund, Pecan Valley MHMR Fund, Teen Court Fund, Right of Way Fund, Historical Society Account Fund, Guardianship Fee 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.



**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

Budgetary Data - continued

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.

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	\$ 28,156
Road and Bridge (Special Revenue Fund)	<u>6,112</u>
Total	<u>\$ 34,268</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.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

Property Taxes

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

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

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

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

The County's 2009 tax levy, supporting the 2010 fiscal period budget, totaled \$ 0.353379 per \$ 100 valuation and was comprised as follows:

Constitutional Levy:	
General Fund	\$ 0.265125
Indigent Health Care	0.008833
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	0.014042
Equipment Interest and Sinking:	
Tax Notes	<u>0.012589</u>
Combined tax rate	<u>\$ 0.353379</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

Interfund Receivables and Payables

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

Inventories

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, 2010, 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

## **JOHNSON COUNTY, TEXAS**

### *Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

##### Compensated Absences

Employees are allowed paid absences due to sickness and vacation time. Sick leave benefits are earned by all full time employees at a rate of 96 hours annually. The leave policy allows employees to accumulate up to ninety days of sick leave benefit. Sick leave benefits are recognized in the period in which time off is actually taken. Vacation benefits accrue monthly at rates depending upon an employee's length of service. Employees may accumulate a maximum of 18 months of vacation credits based on the earning rate and length of service. Employees who reach the maximum accumulated rate will not accrue additional time until they use sufficient vacation to bring their accumulated rate below the maximum level.

The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at September 30, 2010, computed at pay rates in effect at that time was \$ 750,657.

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.

# JOHNSON COUNTY, TEXAS

## Notes to the Financial Statements

For The Year Ended September 30, 2010

### 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, 2010 are as follows:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and Temporary Investments:			
Cash (petty cash accounts)	\$ 7,070	\$	\$ 7,070
Financial Institution Deposits:			
Demand deposits	3,445,625	5,455,561	8,901,186
Certificates of deposit	10,000,000	3,402,066	13,402,066
Local Government Investment Pool:			
TexPool	25,008,064	88,808	25,096,872
TexSTAR	<u>5,463,906</u>	<u>                    </u>	<u>5,463,906</u>
	<u>\$ 43,924,665</u>	<u>\$ 8,946,435</u>	<u>\$ 52,871,100</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 \$ 7,070, the carrying amount of the County's financial institution deposits, was \$ 22,303,252, while the financial institution balances totaled \$ 23,574,064. 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 remaining balances, \$ 250,000 was covered by federal depository insurance coverage, and \$ 18,334,184 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, 2010

#### 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, 2010

### 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, 2010 TexPool and TexSTAR had a weighted average maturity of 34 and 50 days, respectively. Although TexPool and TexSTAR had a weighted average maturity of 34 and 50 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, 2010, 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	\$ 25,096,872	34.0
TexSTAR	Varies	<u>5,463,906</u>	50.0
		<u>\$ 30,560,778</u>	38.0

Credit Risk – As of September 30, 2010, 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. To receive funds from Johnson County an investment pool must be rated no lower than AAA or AAAM or equivalent.

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

#### Derivatives

Interest in derivative products has increased in recent years. Derivatives are investment products, which may be a security or contract, which derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The County made no direct investments in derivatives during the year ended September 30, 2010, and holds no direct investments in derivatives at September 30, 2010.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

Receivables and Allowances

Receivables as of September 30, 2010, 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 &amp; Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes (property)	\$ 2,068,440	\$ 411,752	\$ 326,483	\$ 2,806,675
Accounts	348,786	26,300	107,608	482,694
Receivables from other governments	<u>53,203</u>	<u>          </u>	<u>455,523</u>	<u>508,726</u>
Gross receivables	2,470,429	438,052	889,614	3,798,095
Less allowance for uncollectibles	<u>1,510,493</u>	<u>315,932</u>	<u>249,930</u>	<u>2,076,355</u>
Net total receivables	<u>\$ 959,936</u>	<u>\$ 122,120</u>	<u>\$ 639,684</u>	<u>\$ 1,721,740</u>

Receivables From Other Governments

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

Amounts due from federal, state, and local governments as of September 30, 2010 are summarized below:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Local Governments</u>	<u>Total</u>
General Fund	\$ 41,902	\$ 7,601	\$ 3,700	\$ 53,203
Other funds	<u>301,031</u>	<u>95,503</u>	<u>58,989</u>	<u>455,523</u>
Net total receivables	<u>\$ 342,933</u>	<u>\$ 103,104</u>	<u>\$ 62,689</u>	<u>\$ 508,726</u>



**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

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, 2010:

	<u>Judicial Receivable</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Judicial Receivables:			
Justice of the Peace	\$ 866,226	\$ 259,868	\$ 606,358
County courts	2,762,359	690,590	2,071,769
District courts	<u>8,666,588</u>	<u>4,333,294</u>	<u>4,333,294</u>
	<u>\$ 12,295,173</u>	<u>\$ 5,283,752</u>	<u>\$ 7,011,421</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, 2010, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Unavailable:				
Delinquent property taxes receivable	\$ 440,795	\$ 72,668	\$ 58,505	\$ 571,968
Unearned:				
Federal grants			95,345	95,345
State grants			<u>157,713</u>	<u>157,713</u>
Total	<u>\$ 440,795</u>	<u>\$ 72,668</u>	<u>\$ 311,563</u>	<u>\$ 825,026</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

Interfund receivables and payables at September 30, 2010 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>09-30-10</u>
General Fund	Road and Bridge Fund	\$ 1
General Fund	Other Governmental Funds	369,178
General Fund	Fiduciary Funds	22,330
Road and Bridge Fund	Fiduciary Funds	54,948
Other Governmental Funds	General Fund	228,926
Fiduciary Funds	Other Governmental Funds	<u>126,567</u>
		<u>\$ 801,950</u>

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

Interfund transfers for the year ended September 30, 2010 consisted of the following individual fund transfers in and transfers out:

<u>Transferring Fund</u>	<u>Receiving Fund</u>	<u>09-30-10</u>
General Fund	Other Governmental Funds	\$ 1,083,597
Other Governmental Funds	General Fund	<u>1,028,311</u>
Total		<u>\$ 2,111,908</u>

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

**JOHNSON COUNTY, TEXAS**  
*Notes to the Financial Statements*  
For The Year Ended September 30, 2010

**NOTE 5 - CAPITAL ASSETS**

Capital Transactions

	Balance 10-01-09	Additions	Retirements	Transfers	Balance 09-30-10
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 2,023,058	\$ 257,223	\$	\$	\$ 2,280,281
Construction in progress	<u>966,644</u>	<u>153,325</u>	<u>                    </u>	<u>( 966,644)</u>	<u>153,325</u>
Total capital assets not being depreciated	<u>2,989,702</u>	<u>410,548</u>	<u>-0-</u>	<u>( 966,644)</u>	<u>2,433,606</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	44,463,023	812,545		960,548	46,236,116
Furniture, equipment and vehicles	16,613,759	2,117,824	594,807	6,096	18,142,872
Infrastructure	<u>37,052,612</u>	<u>1,723,003</u>	<u>2,094,762</u>	<u>                    </u>	<u>36,680,853</u>
Total capital assets being depreciated	<u>98,129,394</u>	<u>4,653,372</u>	<u>2,689,569</u>	<u>966,644</u>	<u>101,059,841</u>
Less Accumulated Depreciation For:					
Buildings and improvements	13,456,180	1,796,582			15,252,762
Furniture, equipment and vehicles	9,719,288	1,679,092	516,298		10,882,082
Infrastructure	<u>17,066,480</u>	<u>1,781,757</u>	<u>2,094,763</u>	<u>                    </u>	<u>16,753,474</u>
Total accumulated depreciation	<u>40,241,948</u>	<u>5,257,431</u>	<u>2,611,061</u>	<u>-0-</u>	<u>42,888,318</u>
Total capital assets being depreciated, net	<u>57,887,446</u>	<u>( 604,059)</u>	<u>78,508</u>	<u>966,644</u>	<u>58,171,523</u>
Governmental activities capital assets, net	<u>\$ 60,877,148</u>	<u>\$( 193,511)</u>	<u>\$ 78,508</u>	<u>\$ -0-</u>	<u>\$ 60,605,129</u>

During the year ended September 30, 2010, the County received equipment and roads from various sources totaling \$ 63,101.

Depreciation

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

	<u>09-30-10</u>
Governmental Activities:	
General government	\$ 1,411,943
Administration of justice	27,056
Law enforcement	1,260,534
Highways and streets	2,496,976
Health and welfare	55,822
Culture and recreation	<u>5,100</u>
	<u>\$ 5,257,431</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

**NOTE 5 - CAPITAL ASSETS - Continued**

Construction Commitments

Construction in progress for various projects at September 30, 2010 is as follows.

	<u>Contract Value</u>	<u>Expended To Date</u>	<u>Commitment</u>
Market Square	\$ 20,000	\$ 1,619	\$ 18,381
Jail Security	589,462	122,635	466,827
Emergency Operations Center	<u>700,000</u>	<u>29,071</u>	<u>670,929</u>
Total	<u>\$ 1,309,462</u>	<u>\$ 153,325</u>	<u>\$ 1,156,137</u>

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

Accounts and accrued liabilities payable as of September 30, 2010, for the government's individual governmental major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>Other Governmental Funds</u>	
Accounts and Accrued Liabilities Payable:				
Vendors	\$ 1,725,213	\$ 339,576	\$ 662,027	\$ 2,726,816
Accrued compensation	<u>622,099</u>	<u>121,899</u>	<u>42,170</u>	<u>786,168</u>
Totals	<u>\$ 2,347,312</u>	<u>\$ 461,475</u>	<u>\$ 704,197</u>	<u>\$ 3,512,984</u>
			<u>Fiduciary Funds</u>	
Accounts and Accrued Liabilities Payable:				
Vendors			\$ 275,561	
Accrued compensation			<u>114,153</u>	
Totals			<u>\$ 389,714</u>	

**NOTE 7 - LONG-TERM DEBT**

General Obligation Bonded Debt

General obligation and certificates of obligations payable at September 30, 2010, are summarized as follows:

	<u>Interest Rate %</u>	<u>Series Dates</u>			<u>Bonds Outstanding 09-30-10</u>
		<u>Issued</u>	<u>Maturity</u>	<u>Callable</u>	
Certificates of Obligation Bonds, Series 2004	3.00 - 4.35	2003	2024		\$ 4,110,000
Certificates of Obligation Bonds, Series 2004A	3.50 - 4.30	2004	2024		2,895,000 (continued)

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2010

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

General Obligation Debt - continued

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-10
		Issued	Maturity	Callable	
General Obligation Refunding Bonds, Series 2007	4.00 - 5.00	2007	2020		\$ 10,388,209
General Obligation Refunding Bonds, Series 2010	2.00	2010	2014		<u>4,495,000</u>
Total					<u>\$ 21,888,209</u>

General obligation and certificates of obligation bond transactions for the year ended September 30, 2010 were as follows:

Bonds outstanding, October 1, 2009	\$ 22,917,172
Issued	4,495,000
Accreted	101,037
Maturities and payments to escrow agents	<u>( 5,625,000)</u>
Bonds outstanding, September 30, 2010	<u>\$ 21,888,209</u>

The \$ 506,791 difference between the general obligation bonds outstanding at September 30, 2010 of \$ 21,888,209 and the general obligation bond principal requirements of \$ 22,395,000 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, 2010, the amount of ad valorem taxes collected for interest and sinking were \$ 1,693,807, while the debt service requirements for principal and interest was \$ 1,462,313. 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, 2010:

Year Ending September 30,	Total		
	Principal	Interest	Requirement
2011	\$ 1,335,000	\$ 699,387	\$ 2,034,387
2012	1,460,000	669,132	2,129,132
2013	1,590,000	632,000	2,222,000
2014	1,730,000	591,905	2,321,905
2015	1,860,000	562,410	2,422,410
2016-2020	11,985,000	1,865,514	13,850,514
2021-2024	<u>2,435,000</u>	<u>226,444</u>	<u>2,661,444</u>
	<u>\$ 22,395,000</u>	<u>\$ 5,246,792</u>	<u>\$ 27,641,792</u>

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

**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.

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

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

Tax Note Debt

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, 2010 are summarized as follows:

	Interest Rate %	Series Dates			Bonds Outstanding 09-30-10
		Issued	Maturity	Callable	
Tax Notes:					
Tax Note, Series 2009	2.50	2009	2011	N/A	\$ <u>400,000</u>
Total					\$ <u><u>400,000</u></u>

Tax note transactions for the year ended September 30, 2010 were as follows:

Notes outstanding, October 1, 2009	\$ 920,000
Proceeds	900,000
Maturities	( <u>1,420,000</u> )
Notes outstanding, September 30, 2010	\$ <u><u>400,000</u></u>

# JOHNSON COUNTY, TEXAS

## Notes to the Financial Statements

For The Year Ended September 30, 2010

### NOTE 7 - LONG-TERM DEBT - Continued

#### Tax Note Debt - continued

On November, 9, 2006, November 11, 2007, September 23, 2008, and October 20, 2009, 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, and \$ 900,000 of Tax Notes, Series 2009, 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, 2010, the amount of ad valorem taxes collected for interest and sinking was \$ 1,690,584, while the debt service requirements for principal and interest was \$ 1,467,610. The debt service fund also transferred \$ 920,000 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.

The following is a summary of tax note requirements by year as of September 30, 2010:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2011	\$ <u>400,000</u>	\$ <u>5,000</u>	\$ <u>405,000</u>

#### Changes in Outstanding Debt

Transactions for the year ended September 30, 2010 are summarized as follows:

	<u>Balance</u> <u>10-01-09</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>09-30-10</u>	<u>Due Within</u> <u>One Year</u>
Governmental Type Activities:					
Certificates of obligation bonds	\$ 12,265,000	\$	\$ 5,260,000	\$ 7,005,000	\$ 385,000
General obligation bonds	10,652,172	4,596,037	365,000	14,883,209	950,000
Tax notes		900,000	500,000	400,000	400,000
Component of Bonded Debt:					
Premium on bonds	78,642	107,869	7,216	179,295	39,148
Accrued interest	111,920	90,692	111,920	90,692	90,692
Compensated absences	<u>651,077</u>	<u>925,479</u>	<u>825,899</u>	<u>750,657</u>	<u>750,657</u>
Total governmental activities	\$ <u>23,758,811</u>	\$ <u>6,620,077</u>	\$ <u>7,070,035</u>	\$ <u>23,308,853</u>	\$ <u>2,615,497</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 2010 through 2015. The County has not determined the cost of these facilities as of September 30, 2010.

Minimum future rentals to be received on noncancelable leases, as of September 30, 2010, for each of the next five years and in the aggregate are as follows:

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

**NOTE 8 - LEASING OPERATIONS - Continued**

Operating Leases – Lessor - continued

<u>Year Ended September 30,</u>	
2011	\$ 16,500
2012	14,250
2013	13,500
2014	13,500
2015	<u>13,500</u>
	<u>\$ 71,250</u>

Gross rental income for operating leases, including month-to-month, for the year ended September 30, 2010 was \$ 173,632.

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, 2010, for each of the next five years and in the aggregate are as follows:

<u>Year Ended September 30,</u>	
2011	\$ 3,600
2012	3,600
2013	3,600
2014	3,600
2015	3,600
2016-2020	18,000
2021-2022	<u>5,400</u>
	<u>\$ 41,400</u>

Gross rental expenditures for this operating lease for the year ended September 30, 2010 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.



## **JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

#### Plan Description - continued

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.

#### 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 7.11% for the months of the accounting year in 2008, and 8.11% for the months of the accounting year in 2009 and 8.92% for the months in the accounting year in 2010.

The contribution rate payable by the employee members for calendar years 2010, 2009 and 2008 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, 2010 and 2009, the annual pension cost for the TCDRS plan for its employees was \$ 1,765,911 and \$ 1,620,052, and the actual contributions were \$ 1,765,911 and \$ 1,620,052, 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, 2007 and December 31, 2008, the basis for determining the contribution rates for calendar years 2008 and 2009. The December 31, 2009 actuarial valuation is the most recent valuation.

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2010

**NOTE 9 - PENSION PLAN - Continued**

Annual Pension Cost - continued

Actuarial Valuation Information

Actuarial valuation date	12/31/07	12/31/08	12/31/09
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	15	15	20
Asset valuation method	SAF: 10 Year smoothed value ESP: Fund value	SAF: 10 Year smoothed value ESP: Fund value	SAF: 10 Year smoothed value ESP: Fund value
	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
Actuarial Assumptions:			
Investment return <sup>1</sup>	8.0%	8.0%	8.0%
Projected salary increases <sup>1</sup>	5.3%	5.3%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/08	\$ 1,598,231	100.00%	\$ -0-
9/30/09	1,620,052	100.00%	-0-
9/30/10	1,765,911	100.00%	-0-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>1</sup> (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	\$ 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%
12/31/09	41,007,700	46,261,174	5,253,474	88.64%	23,441,746	22.41%

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

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

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

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

*Funding Policy* - The County may contribute all, part, or none of the premium payment and the County's contribution, if any, is determined annually by Commissioner's Court during the County budget process and is effective on a fiscal year basis. For the year ended September 30, 2010 the County contributed \$ 78,267 to the post employment health insurance benefits.

*Annual Other Post Employment Benefit (OPEB) Cost and Net OPEB Obligation* - The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters established by GASB Statement 45. The annual OPEB cost represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 668,578
Interest on net OPEB obligation	25,790
Adjustment to annual required contribution	<u>( 23,894)</u>
Annual OPEB cost	670,474
Contributions made	<u>( 78,267)</u>
Increase in net OPEB obligation	592,207
Net OPEB obligation – beginning of year	<u>573,118</u>
Net OPEB obligation – end of year	<u>\$ 1,165,325</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2010 and the preceding year were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/09	\$ 649,105	11.7%	\$ 573,118
9/30/10	670,474	11.7%	1,165,325

**JOHNSON COUNTY, TEXAS**

Notes to the Financial Statements

For The Year Ended September 30, 2010

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

*Funding Status and Funding Progress* - As of September 30, 2010, the most recent actuarial valuation date, the plan was 0% funded as the County is using a pay-as-you-go approach. The actuarial accrued liability for benefits was \$ 5,186,237, and the actuarial value of assets was \$ -0- resulting in an unfunded liability (UAAL) of \$ 5,186,237.

*Actuarial Methods and Assumptions* - In the September 30, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions include a 4.5% investment rate of return. An inflation rate of costs ranging from 9% down to 4.5% after 9 years is used. An interest discount rate of 4.5% was used to value the liability. The UAAL is being amortized over a closed period of thirty years. The remaining amortization period at September 30, 2010, was 29 years.

The County has made contributions each year which are below the required annual contribution (ARC) therefore, a liability has been reported within the Governmental Activities financial statements. As of September 30, 2010, the County has contributed a total of \$ 154,254 to the annual contribution (ARC) which results in a liability of \$ 1,163,429. The following is a summary of the year ended September 30, 2010 and the preceding year:

Fiscal Year Ended	Actual Contribution	Annual Required Contribution (ARC)	Unfunded (ARC)
9/30/09	\$ 75,987	\$ 649,105	\$ 573,118
9/30/10	78,267	668,578	590,311

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

During the year ended September 30, 2010, 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 12 - BAIL BOND COLLATERAL**

The County holds, as collateral, time deposits and other cash equivalents and real property pledged toward bail bonds. The County does not have access to the assets unless the bond is violated; therefore, these assets are not reported in the financial statements of the County as of September 30, 2010. As of September 30, 2010, bail bonds outstanding totaled \$ 5,186,250 and collateral pledged against these bonds amounted to \$ 1,244,067, respectively.

**NOTE 13 - LITIGATION**

The County is involved in the following legal actions, and is represented by legal counsel. The stated probable outcome and the possible effect are the opinion of legal counsel based upon conditions existing as of March 28, 2011.

## JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2010

### NOTE 13 - LITIGATION - Continued

Cause No. 4-09-CV-325-Y, *Rechinda Lee Williams v. Johnson County, Texas, in the Northern District Court of Fort Worth, 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 Rechinda L. Williams was being held on Johnson County warrants. On or about May 15, 2007, Rechinda 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 Rechinda 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.

Cause No. 4-08CV1548-G, *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. 3-10-CV-2556-N, *Robert Walter Bonner v. Sheriff Bob Alford and Johnson County, et. al., In the United States District Court for the Northern District of Texas, Dallas Division*. Plaintiff alleges that his civil rights were violated when Sheriff Alford ordered Plaintiff, while incarcerated at the Johnson County Law Enforcement Center, to be shackled and handcuffed and moved to solitary confinement for a period of 32 days. Plaintiff alleges his treatment caused psychological duress and was unmerited and cruel. Plaintiff is seeking compensatory, punitive and injunctive 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. 3-10-CV-02150-BH, *Robert Walter Bonner v. William Bosworth, Martin Strayhan, Toby Ross, Larry Sparks, Don Adams, Adam King, Jay Stubbs, and Sheriff Bob Alford, In the United States District Court for the Northern District of Texas, Dallas Division*. Plaintiff alleges that his civil rights were violated while incarcerated in Johnson County, Texas. Plaintiff alleges being placed in administrative segregation without just cause and was refused due process hearing. Plaintiff alleges excessive restraint without cause or required hearing. Plaintiff is seeking compensatory, punitive and injunctive 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. 4-10CV-874-Y, *Jeremy Ryan Haddix v. State of Texas, Justin Smith, Kenneth Moser, Michael Gaudet, Stephanie Miller, Bill Moore, Robert Mayfield, Ricardo De Los Santos, Shelly Fowler, Robert E. Luttrell, and Person(s) Unknown, In the United States District Court for the Northern District of Texas, Dallas Division*. Plaintiff claims Deputies committed unlawful acts of dishonesty, libel and slander, and tampering with evidence in a subsequent arrest of Plaintiff on or about August 13, 2009 for the offense of Prohibited Weapon. Plaintiff claims prosecution and conviction, in which Plaintiff pled guilty to the charge, was under fraud, malice and dishonesty. Plaintiff claims conviction was obtained illegally and attorneys acted with willful intent and disregarded the rights of the Plaintiff. 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.

**JOHNSON COUNTY, TEXAS**

*Notes to the Financial Statements*

For The Year Ended September 30, 2010

**NOTE 14 - DEFICIT FUND BALANCES**

As of September 30, 2010, two funds had a deficit fund balance; Juvenile Justice Alternative Education Fund \$ 7,161 and JP & Guinn Renovation Projects Fund \$ 12,441. Deficit balances will either be offset by future revenues or reimbursed by the General Fund.

**NOTE 15 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

During the year ended September 30, 2010, the County incurred expenditures in excess of appropriations in the General Interest and Sinking Fund of \$ 87,597 and in the Justice Court Security Building Fund of \$ 4,809.

**NOTE 16 - RESTATEMENT OF NET ASSETS**

During the year ended September 30, 2010, it was determined that an actuarially determined liability existed at September 30, 2009 for the underfunded annual required contribution for the County's post employment health insurance benefits. The following is a summary of the prior period adjustment, restated to September 30, 2009 net assets, for governmental activities:

	<u>Governmental Activities</u>
Net Assets - September 30, 2009 (Previously Reported)	\$ 76,929,806
Prior Period Adjustment: Understatement of liability	<u>573,118</u>
Net Assets - September 30, 2009 (Restated)	<u>\$ 76,356,688</u>

**NOTE 16 - EVALUATION OF SUBSEQUENT EVENTS**

The County has evaluated subsequent events through March 25, 2011, the date which the financial statements were available to be issued.

**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, 2010

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 34,467,817	\$ 34,467,817	\$ 36,071,670	\$ 1,603,853
Intergovernmental	1,269,040	1,269,040	1,210,402	( 58,638)
Fees	4,006,000	4,006,000	4,241,634	235,634
Fines	1,715,000	1,715,000	1,814,407	99,407
Investment income	148,470	148,470	88,657	( 59,813)
Miscellaneous	<u>359,562</u>	<u>359,562</u>	<u>1,095,932</u>	<u>736,370</u>
Total revenues	<u>41,965,889</u>	<u>41,965,889</u>	<u>44,522,702</u>	<u>2,556,813</u>
Expenditures:				
Current:				
General government	10,422,090	10,212,236	7,128,188	3,084,048
Administration of justice	8,368,443	8,507,508	7,832,666	674,842
Financial administration	4,082,884	4,132,666	3,800,390	332,276
Elections	450,334	452,860	418,442	34,418
Law enforcement	17,429,631	17,725,108	16,046,806	1,678,302
Highways and street				-0-
Health and welfare	421,296	434,369	422,313	12,056
Culture and recreation	317,757	320,375	203,150	117,225
Conservation	176,273	177,665	148,347	29,318
Capital outlay		<u>449,230</u>	<u>777,412</u>	<u>( 328,182)</u>
Total expenditures	<u>41,668,708</u>	<u>42,412,017</u>	<u>36,777,714</u>	<u>5,634,303</u>
Excess (deficiency) of revenues over expenditures	<u>297,181</u>	<u>( 446,128)</u>	<u>7,744,988</u>	<u>8,191,116</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets			2,437	2,437
Transfers in			1,028,311	1,028,311
Transfers out	<u>( 1,088,339)</u>	<u>( 1,486,290)</u>	<u>( 1,083,597)</u>	<u>402,693</u>
Total other financing sources (uses)	<u>( 1,088,339)</u>	<u>( 1,486,290)</u>	<u>( 52,849)</u>	<u>1,433,441</u>
Net change in fund balances	<u>( 791,158)</u>	<u>( 1,932,418)</u>	<u>7,692,139</u>	<u>9,624,557</u>
Fund balances – beginning	<u>17,422,003</u>	<u>17,422,003</u>	<u>17,422,003</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 16,630,845</u>	<u>\$ 15,489,585</u>	<u>\$ 25,114,142</u>	<u>\$ 9,624,557</u>



Road and Bridge Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 6,753,075	\$ 6,753,075	\$ 7,123,716	\$ 370,641
			-0-
2,165,000	2,165,000	2,064,296	( 100,704 )
			-0-
55,000	55,000	14,439	( 40,561 )
<u>40,000</u>	<u>40,000</u>	<u>563,004</u>	<u>523,004</u>
<u>9,013,075</u>	<u>9,013,075</u>	<u>9,765,455</u>	<u>752,380</u>
			-0-
			-0-
			-0-
			-0-
			-0-
11,111,414	11,120,737	6,120,607	5,000,130
			-0-
			-0-
			-0-
<u>2,664,161</u>	<u>3,144,642</u>	<u>3,003,055</u>	<u>141,587</u>
<u>13,775,575</u>	<u>14,265,379</u>	<u>9,123,662</u>	<u>5,141,717</u>
( <u>4,762,500</u> )	( <u>5,252,304</u> )	<u>641,793</u>	<u>5,894,097</u>
		108,633	108,633
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>108,633</u>	<u>108,633</u>
( <u>4,762,500</u> )	( <u>5,252,304</u> )	750,426	6,002,730
<u>5,680,295</u>	<u>5,680,295</u>	<u>5,680,295</u>	<u>-0-</u>
<u>\$ 917,795</u>	<u>\$ 427,991</u>	<u>\$ 6,430,721</u>	<u>\$ 6,002,730</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)
12-31-07	\$ 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%
12-31-09	41,007,700	46,261,174	5,253,474	88.64%	23,441,746	22.41%

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

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

## **JOHNSON COUNTY, TEXAS**

*Notes to the Required Supplementary Information*  
For The Year Ended September 30, 2010

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

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

Although the level of budgetary control is total revenues plus available fund balance, the County adopts its budget at a line-item level for managerial control purposes. Line item level is defined for revenue purposes as the type of revenue to be derived and for expenditures purposes by department and type of expenditure. Budget amendments to transfer budgeted amounts from one line item to another may be made at the discretion of the Commissioners' Court. Appropriations not exercised in the current year lapse at the end of the year. The County made only minor overall amendments to the budget during the year with the most significant being to increase Law Enforcement salaries and wages, and employee benefits for increased insurance costs and for capital equipment primarily related to expansion of court systems.



**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.

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

**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 Crimes 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.

**18<sup>th</sup> 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.

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

**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.

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

**Sheriff LEOSE Fund** - This fund accounts for fees provided for utilization 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 utilization 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.

**Juvenile Case Manager 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.

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

**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.

**County District Court Technology 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.

**CDBG Water Tower Project Fund** - This fund accounts for state grant revenues to be utilized in the construction of a 250,000 gallon elevated water storage tank.

**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.

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

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

**Bullet Proof Vest Partnership Fund** - This fund accounts for federal grant revenues to be utilized for the purchase of NIJ approved ballistic and stab resistant protective vests.

**EOC Grant Program Fund** - This fund accounts for federal grant revenues to be utilized toward improving emergency management and preparedness capabilities.

**OJP STOP SCU Fund** - This fund accounts for federal grant revenues to be utilized to disrupt, dismantle and discourage criminal groups and organizations who engage in the illegal manufacture, use and distribution of narcotics and other controlled substances.

**Ed Byrne Memorial Fund** - This fund accounts for federal grant revenues to be utilized toward the purchase and enhancement of technology integration and computer forensics capability.

**Mental Health Peace Officer Fund** - This fund accounts for state grant revenues to be utilized in the hiring and training of a mental health peace officer to meet the health and Safety Code requirements.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds - Continued

#### 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.

**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.

**Market Square Project Fund** - This fund is used to account for capital expenditures incurred in regards to the County's Market Square.

**Jail Security Improvements Fund** - This fund is used to account for capital expenditures in the upgrades which are being made to the County jail facilities to improve security.

**Equipment Construction and Maintenance Fund** - This fund is used to account for capital expenditures for the purchase and construction of new equipment.



**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2010

	Special		
	Lateral Road Fund	Law Library Fund	Records Management and Preservation Fund
<u>Assets</u>			
Cash and temporary investments	\$ 43,575	\$ 290,923	\$ 1,104,165
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds		9,440	21,644
Prepaid expenditures			
	43,575	300,363	1,125,809
Total assets	\$ 43,575	\$ 300,363	\$ 1,125,809
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 26,386	\$ 18,479
Due to other funds			
Deferred revenue			
	-0-	26,386	18,479
Total liabilities	-0-	26,386	18,479
 Fund Balance (Deficit):			
Reserved:			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	43,575	273,977	1,107,330
Total fund balance	43,575	273,977	1,107,330
 Total liabilities and fund balance	 \$ 43,575	 \$ 300,363	 \$ 1,125,809

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
\$ 916,947	\$ 78,482	\$ 244,078	\$ 86,780	\$ 43,964	\$ 1,626
					88,248
<u>15,315</u>	<u>974</u>	<u>2,536</u>	<u>6,960</u>	<u>621</u>	
<u>\$ 932,262</u>	<u>\$ 79,456</u>	<u>\$ 246,614</u>	<u>\$ 93,740</u>	<u>\$ 44,585</u>	<u>\$ 89,874</u>
\$	\$	\$ 1,568	\$ 3,378	\$ 845	\$ ( 364)
<u>-0-</u>	<u>-0-</u>	<u>1,568</u>	<u>3,378</u>	<u>845</u>	<u>( 364)</u>
<u>932,262</u>	<u>79,456</u>	<u>245,046</u>	<u>90,362</u>	<u>43,740</u>	<u>90,238</u>
<u>932,262</u>	<u>79,456</u>	<u>245,046</u>	<u>90,362</u>	<u>43,470</u>	<u>90,238</u>
<u>\$ 932,262</u>	<u>\$ 79,456</u>	<u>\$ 246,614</u>	<u>\$ 93,740</u>	<u>\$ 44,585</u>	<u>\$ 89,874</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2010

	Special		
	Juvenile Probation Fees Fund	Foster Care Title IV-E Fund	Juvenile Probation Fund
<u>Assets</u>			
Cash and temporary investments	\$ 36,740	\$ 173,533	\$ 96,400
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			26,074
Due from other funds	1,539		497
Prepaid expenditures			
Total assets	\$ 38,279	\$ 173,533	\$ 122,971
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 1,539	\$ 8,794	\$ 24,361
Due to other funds		488	
Deferred revenue		95,345	98,609
Total liabilities	1,539	104,627	122,970
Fund Balance (Deficit):			
Reserved:			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	36,740	68,906	1
Total fund balance	36,740	68,906	1
Total liabilities and fund balance	\$ 38,279	\$ 173,533	\$ 122,971

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
\$ 8,112	\$ 235,652	\$ 29,835	\$ 90,696	\$ 16,260	\$ 3,640
1,053	6,518	30,168			
80	40,013				
<u>80</u>	<u>368</u>				
<u>\$ 9,245</u>	<u>\$ 282,551</u>	<u>\$ 60,003</u>	<u>\$ 90,696</u>	<u>\$ 16,260</u>	<u>\$ 3,640</u>
\$ 16,406	\$ 12,652	\$	\$ 56	\$	\$
	6,518	60,003	1,160	2,687	2,037
<u>16,406</u>	<u>19,170</u>	<u>60,003</u>	<u>1,216</u>	<u>2,687</u>	<u>2,037</u>
( 7,161)	263,381		89,480	13,573	1,603
( 7,161)	263,381	-0-	89,480	13,573	1,603
<u>\$ 9,245</u>	<u>\$ 282,551</u>	<u>\$ 60,003</u>	<u>\$ 90,696</u>	<u>\$ 16,260</u>	<u>\$ 3,640</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2010

	<u>Special</u>		
	<u>Court Record Preservation Fund</u>	<u>STOP Federal Forfeiture Fund</u>	<u>District Attorney Forfeiture Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 20,712	\$ 815	\$ 83,783
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other governments	2,820		
Prepaid expenditures			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 23,532</u>	<u>\$ 815</u>	<u>\$ 83,783</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:			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	23,532	815	83,783
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>23,532</u>	<u>815</u>	<u>83,783</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balance	<u>\$ 23,532</u>	<u>\$ 815</u>	<u>\$ 83,783</u>



Revenue Funds

Sheriff Forfeiture Fund	Combined Constables LEOSE Fund	Sheriff LEOSE Fund	County Attorney LEOSE Fund	Abandoned Vehicle Fund	Sheriff Inmate Commissary Fund
\$ 14,960	\$ 4,990	\$ 3,080	\$ 1,351	\$ 16,331	\$ 118,720
<u>14,960</u>	<u>4,990</u>	<u>3,080</u>	<u>1,351</u>	<u>16,331</u>	<u>118,720</u>
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 14,230 36	\$ 25,634 2,979
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>14,266</u>	<u>28,613</u>
<u>14,960</u>	<u>4,990</u>	<u>3,080</u>	<u>1,351</u>	<u>2,065</u>	<u>90,107</u>
<u>14,960</u>	<u>4,990</u>	<u>3,080</u>	<u>1,351</u>	<u>2,065</u>	<u>90,107</u>
<u>\$ 14,960</u>	<u>\$ 4,990</u>	<u>\$ 3,080</u>	<u>\$ 1,351</u>	<u>\$ 16,331</u>	<u>\$ 118,720</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2010

	<u>Special</u>		
	<u>Indigent Health Care Fund</u>	<u>Pecan Valley MHMR Fund</u>	<u>Teen Court Fund</u>
<u>Assets</u>			
Cash and temporary investments	\$ 1,145,104	\$	\$ 1,937
Receivables (Net of Allowance for Uncollectibles):			
Taxes	18,298		
Accounts			
Due from other governments			
Due from other funds	722		60
Prepaid expenditures			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 1,164,124</u>	<u>\$ -0-</u>	<u>\$ 1,997</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$ 103,693	\$	\$
Due to other funds	29		
Deferred revenue	<u>14,755</u>		
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>118,477</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficit):			
Reserved:			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	<u>1,045,647</u>		<u>1,997</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>1,045,647</u>	<u>-0-</u>	<u>1,997</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balance	<u>\$ 1,164,124</u>	<u>\$ -0-</u>	<u>\$ 1,997</u>

Revenue Funds

TDSHS Cities Readiness Initiative Fund	Juvenile Case Manager Fund	TCEQ Aircheck Texas Fund	MVIE - Special Inventory Fund	Right of Way Fund	Historical Society Account Fund
\$ 8,745	\$ 37,523	\$	\$ 9,819	\$ 1,655,245	\$ 36,888
8,741 308	3,098	37,207	7,843	924	
<u>\$ 17,794</u>	<u>\$ 40,621</u>	<u>\$ 37,207</u>	<u>\$ 17,662</u>	<u>\$ 1,656,169</u>	<u>\$ 36,888</u>
\$ 2,793 15,001	\$	\$ 37,207	\$	\$ 4,567	\$ 23
<u>17,794</u>	<u>-0-</u>	<u>37,207</u>	<u>-0-</u>	<u>4,567</u>	<u>23</u>
	<u>40,621</u>		<u>17,662</u>	<u>1,651,602</u>	<u>36,865</u>
<u>-0-</u>	<u>40,621</u>	<u>-0-</u>	<u>17,662</u>	<u>1,651,602</u>	<u>36,865</u>
<u>\$ 17,794</u>	<u>\$ 40,621</u>	<u>\$ 37,207</u>	<u>\$ 17,662</u>	<u>\$ 1,656,169</u>	<u>\$ 36,888</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2010

	Special		
	County District Court Technology	OJP Special Crimes Unit Fund	Guardianship Fee Fund
<u>Assets</u>			
Cash and temporary investments	\$ 1,213	\$ 20,165	\$ 21,375
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments		71	
Due from other funds	395		800
Prepaid expenditures			
Total assets	\$ 1,608	\$ 20,236	\$ 22,175
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$
Due to other funds		20,236	
Deferred revenue			
Total liabilities	-0-	20,236	-0-
Fund Balance (Deficit):			
Reserved:			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated	1,608		22,175
Total fund balance	1,608	-0-	22,175
Total liabilities and fund balance	\$ 1,608	\$ 20,236	\$ 22,175

Revenue Funds

Indigent Defense Formula/ Improvements Fund	CDBG Water Tower Project	Ed Byrne Local Solicitation Fund	Clean Vehicle Fleet Fund	Election Funds Management Fund	District Court Records Technical Fund
\$ 60,454	\$	\$ 99,977	\$ 2	\$	\$ 8,492
	232,613			2,951 41	1,036
<u>\$ 60,454</u>	<u>\$ 232,613</u>	<u>\$ 99,977</u>	<u>\$ 2</u>	<u>\$ 2,992</u>	<u>\$ 9,528</u>
\$ 950 400 <u>59,104</u>	\$ 232,613	\$ 99,977	\$	\$ 1,642 1,350	\$
<u>60,454</u>	<u>232,613</u>	<u>99,977</u>	<u>-0-</u>	<u>2,992</u>	<u>-0-</u>
			2		9,528
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2</u>	<u>-0-</u>	<u>9,528</u>
<u>\$ 60,454</u>	<u>\$ 232,613</u>	<u>\$ 99,977</u>	<u>\$ 2</u>	<u>\$ 2,992</u>	<u>\$ 9,528</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2010

	Special Revenue		
	Bullet Proof Vest Partnership Fund	EOC Grant program Fund	OJP STOP SCU Fund
<u>Assets</u>			
Cash and temporary investments	\$ 1,938	\$ 5,929	\$ 5,779
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments		29,071	53,559
Due from other funds			86,040
Prepaid expenditures			3,258
Total assets	\$ 1,938	\$ 35,000	\$ 148,636
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$	\$ 9,108
Due to other funds	1,938	35,000	139,528
Deferred revenue			
Total liabilities	1,938	35,000	148,636
Fund Balance (Deficit):			
Reserved:			
Debt service			
Unreserved:			
Designated for capital projects			
Undesignated			
Total fund balance	-0-	-0-	-0-
Total liabilities and fund balance	\$ 1,938	\$ 35,000	\$ 148,636

Funds			Debt Service Funds		
Ed Byrne Memorial Fund	Mental Health Peace Officer Fund	Total Special Revenue Funds	General Interest & Sinking Fund	Equipment Interest & Sinking Fund	Total Debt Service Funds
\$ 80,010	\$	\$ 6,966,745	\$ 1,054,857	\$ 1,189,243	\$ 2,244,100
		18,298	31,964	26,291	58,255
		94,766	12,842		12,842
4,744	29,271	455,523			-0-
44		124,148	2,626	2,492	5,118
		3,706			-0-
<u>\$ 84,798</u>	<u>\$ 29,271</u>	<u>\$ 7,663,186</u>	<u>\$ 1,102,289</u>	<u>\$ 1,218,026</u>	<u>\$ 2,320,315</u>
\$ 4,788	\$ 3,226	\$ 554,551	\$ 13,046	\$ 14,738	\$ 27,784
80,010	26,045	415,923			-0-
		267,813	22,772	20,978	43,750
<u>84,798</u>	<u>29,271</u>	<u>1,238,287</u>	<u>35,818</u>	<u>35,716</u>	<u>71,534</u>
		-0-	1,066,471	1,182,310	2,248,781
		-0-			-0-
		6,424,899			-0-
<u>-0-</u>	<u>-0-</u>	<u>6,424,899</u>	<u>1,066,471</u>	<u>1,182,310</u>	<u>2,248,781</u>
<u>\$ 84,798</u>	<u>\$ 29,271</u>	<u>\$ 7,663,186</u>	<u>\$ 1,102,289</u>	<u>\$ 1,218,026</u>	<u>\$ 2,320,315</u>

(continued)

**JOHNSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - Continued**  
September 30, 2010

	Capital Projects		
	CSCD/ Dispatch Construction Fund	JP & Guinn Renovation Projects Fund	Market Square Project Fund
<u>Assets</u>			
Cash and temporary investments	\$ 1,273	\$	\$ 118,720
Receivables (Net of Allowance for Uncollectibles):			
Taxes			
Accounts			
Due from other governments			
Due from other funds		20,138	
Prepaid expenditures			
	\$ 1,273	\$ 20,138	\$ 118,720
Total assets	\$ 1,273	\$ 20,138	\$ 118,720
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts and accrued liabilities payable	\$	\$ 32,579	\$
Due to other funds			300
Deferred revenue			
	-0-	32,579	300
Total liabilities	-0-	32,579	300
Fund Balance (Deficit):			
Reserved:			
Debt service			
Unreserved:			
Designated for capital projects	1,273	( 12,441)	118,420
Undesignated			
	1,273	( 12,441)	118,420
Total fund balance	1,273	( 12,441)	118,420
Total liabilities and fund balance	\$ 1,273	\$ 20,138	\$ 118,720



<u>Funds</u>			
<u>Jail Security Improvements Fund</u>	<u>Equipment Construction &amp; Maintenance Fund</u>	<u>Total Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
\$ 597,388	\$ 567,832	\$ 1,285,213	\$ 10,496,058
		-0-	76,553
		-0-	107,608
		-0-	455,523
		20,138	228,926
		-0-	3,706
<u>\$ 597,388</u>	<u>\$ 567,832</u>	<u>\$ 1,305,351</u>	<u>\$ 11,368,374</u>
\$ 80,510	\$ 8,773	\$ 121,862	\$ 704,197
		300	495,745
		-0-	311,563
<u>80,510</u>	<u>8,773</u>	<u>122,162</u>	<u>1,511,505</u>
		-0-	2,248,781
516,878	559,059	1,183,189	1,183,189
		-0-	6,424,899
<u>516,878</u>	<u>559,059</u>	<u>1,183,189</u>	<u>9,856,869</u>
<u>\$ 597,388</u>	<u>\$ 567,832</u>	<u>\$ 1,305,351</u>	<u>\$ 11,368,374</u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

	Special		
	Lateral Road Fund	Law Library Fund	Records Management and Preservation Fund
Revenues:			
Taxes	\$ 68,617	\$	\$
Intergovernmental			
Fees		111,038	278,433
Fines			
Investment income	177	819	2,205
Miscellaneous			25
Total revenues	<u>68,794</u>	<u>111,857</u>	<u>280,663</u>
Expenditures:			
Current:			
General government			344,984
Administration of justice		179,150	
Financial administration			
Elections			
Law enforcement			
Highways and streets	68,700		
Health and welfare			
Culture and recreation			
Capital outlay		142,526	
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>68,700</u>	<u>321,676</u>	<u>344,984</u>
Excess (deficiency) of revenue over (under) expenditures	<u>94</u>	<u>( 209,819)</u>	<u>( 64,321)</u>
Other Financing Sources (Uses):			
Proceeds from sale of bonds			
Premium on bonds			
Proceeds from tax notes			
Proceeds from sale of assets			
Payment to escrow agent			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	94	( 209,819)	( 64,321)
Fund Balance (Deficits):			
Beginning of year	<u>43,481</u>	<u>483,796</u>	<u>1,171,651</u>
End of year	<u>\$ 43,575</u>	<u>\$ 273,977</u>	<u>\$ 1,107,330</u>

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
\$	\$	\$	\$	\$	\$
190,535	11,686	43,839	96,420	10,563	
1,912	152	442	80	70	94
<u>192,447</u>	<u>11,838</u>	<u>44,281</u>	<u>96,500</u>	<u>10,633</u>	<u>111,283</u>
314,352		17,644	19,549	4,809	
			6,988		92,290
<u>314,352</u>	<u>-0-</u>	<u>17,644</u>	<u>26,537</u>	<u>4,809</u>	<u>92,290</u>
( <u>121,905</u> )	<u>11,838</u>	<u>26,637</u>	<u>69,963</u>	<u>5,824</u>	<u>19,087</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
( <u>121,905</u> )	<u>11,838</u>	<u>26,637</u>	<u>69,963</u>	<u>5,824</u>	<u>19,087</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>
<u>\$ 932,262</u>	<u>\$ 79,456</u>	<u>\$ 245,046</u>	<u>\$ 90,362</u>	<u>\$ 43,740</u>	<u>\$ 90,238</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

	Special		
	Juvenile Probation Fees Fund	Foster Care Title IV-E Fund	Juvenile Probation Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental		145,972	704,058
Fees	12,586		
Fines			
Investment income	314	475	16
Miscellaneous	28		201
Total revenues	<u>12,928</u>	<u>146,447</u>	<u>704,275</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement	6,871	146,447	704,073
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay	22,319		
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>29,190</u>	<u>146,447</u>	<u>704,073</u>
Excess (deficiency) of revenue over (under) expenditures	<u>( 16,262 )</u>	<u>-0-</u>	<u>202</u>
Other Financing Sources (Uses):			
Proceeds from sale of bonds			
Premium on bonds			
Proceeds from tax notes			
Proceeds from sale of assets			
Payment to escrow agent			
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>( 16,262 )</u>	<u>-0-</u>	<u>202</u>
Fund Balance (Deficits):			
Beginning of year (restated)	<u>53,002</u>	<u>68,906</u>	<u>( 201 )</u>
End of year	<u>\$ 36,740</u>	<u>\$ 68,906</u>	<u>\$ 1</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
\$ 144,833		\$ 30,190		\$ 32,616	\$
	71,222		36,868		8,367
124	444		150	18	24
	<u>5,428</u>			<u>5,935</u>	
<u>144,957</u>	<u>77,094</u>	<u>30,190</u>	<u>37,018</u>	<u>38,569</u>	<u>8,391</u>
			6,103	4,381	
347,106	42,722	30,190			
<u>347,106</u>	<u>42,722</u>	<u>30,190</u>	<u>6,103</u>	<u>4,381</u>	<u>-0-</u>
<u>( 202,149)</u>	<u>34,372</u>	<u>-0-</u>	<u>30,915</u>	<u>34,188</u>	<u>8,391</u>
191,803			( 13,928)	( 32,244)	( 26,172)
<u>191,803</u>	<u>-0-</u>	<u>-0-</u>	<u>( 13,928)</u>	<u>( 32,244)</u>	<u>( 26,172)</u>
( 10,346)	34,372	-0-	16,987	1,944	( 17,781)
<u>3,185</u>	<u>229,009</u>		<u>72,493</u>	<u>11,629</u>	<u>19,384</u>
<u>\$( 7,161)</u>	<u>\$ 263,381</u>	<u>\$ -0-</u>	<u>\$ 89,480</u>	<u>\$ 13,573</u>	<u>\$ 1,603</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

	Special		
	Court Record Preservation Fund	STOP Federal Forfeiture Fund	District Attorney Forfeiture Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental	23,521		
Fees			
Fines			5,980
Investment income	11	1	158
Miscellaneous			
Total revenues	<u>23,532</u>	<u>1</u>	<u>6,138</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>23,532</u>	<u>1</u>	<u>6,138</u>
Other Financing Sources (Uses):			
Proceeds from sale of bonds			
Premium on bonds			
Proceeds from tax notes			
Proceeds from sale of assets			
Payment to escrow agent			
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	23,532	1	6,138
Fund Balance (Deficits):			
Beginning of year		814	77,645
End of year	<u>\$ 23,532</u>	<u>\$ 815</u>	<u>\$ 83,783</u>

Revenue Funds

Sheriff Forfeiture Fund	Combined Constables LEOSE Fund	Sheriff LEOSE Fund	County Attorney LEOSE Fund	Abandoned Vehicle Fund	Sheriff Inmate Commissary Fund
\$	\$	\$	\$	\$	\$
	3,324	10,779	1,218		
4,104				267	
33	12	17	2	4	213
<u>3,895</u>					<u>418,008</u>
<u>8,032</u>	<u>3,336</u>	<u>10,796</u>	<u>1,220</u>	<u>271</u>	<u>418,221</u>
			1,512		
699	4,444	19,344		899	368,927
47,364					
<u>48,063</u>	<u>4,444</u>	<u>19,344</u>	<u>1,512</u>	<u>899</u>	<u>368,927</u>
( 40,031)	( 1,108)	( 8,548)	( 292)	( 628)	<u>49,294</u>
27,533					( 35,967)
<u>27,533</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>( 35,967)</u>
( 12,498)	( 1,108)	( 8,548)	( 292)	( 628)	13,327
<u>27,458</u>	<u>6,098</u>	<u>11,628</u>	<u>1,643</u>	<u>2,693</u>	<u>76,780</u>
<u>\$ 14,960</u>	<u>\$ 4,990</u>	<u>\$ 3,080</u>	<u>\$ 1,351</u>	<u>\$ 2,065</u>	<u>\$ 90,107</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

	Special		
	Indigent Health Care Fund	Pecan Valley MHMR Fund	Teen Court Fund
Revenues:			
Taxes	\$ 523,946	\$	\$
Intergovernmental	36,036		
Fees	11,372		470
Fines			
Investment income	2,787	25	3
Miscellaneous	48,077		
Total revenues	<u>622,218</u>	<u>25</u>	<u>473</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare	1,094,553	27,330	
Culture and recreation			
Capital outlay			
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>1,094,553</u>	<u>27,328</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>( 472,335)</u>	<u>( 27,305)</u>	<u>473</u>
Other Financing Sources (Uses):			
Proceeds from sale of bonds			
Premium on bonds			
Proceeds from tax notes			
Proceeds from sale of assets			
Payment to escrow agent			
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>( 472,335)</u>	<u>( 27,305)</u>	<u>473</u>
Fund Balance (Deficits):			
Beginning of year	<u>1,517,982</u>	<u>27,305</u>	<u>1,524</u>
End of year	<u>\$ 1,045,647</u>	<u>\$ -0-</u>	<u>\$ 1,997</u>



Revenue Funds

TDSHS Cities Readiness Initiative Fund	Juvenile Case Manager Fund	TCEQ Aircheck Texas Fund	MVIE - Special Inventory Fund	Right of Way Fund	Historical Society Account Fund
\$ 36,694	\$ 40,597	\$ 443,078	\$	\$ 667,217	\$
	24		23	2,836	77
			4,572		2,352
<u>36,694</u>	<u>40,621</u>	<u>443,078</u>	<u>4,595</u>	<u>670,053</u>	<u>2,429</u>
			9,102		
36,694		443,078		35,368	11,311
<u>36,694</u>	<u>-0-</u>	<u>443,078</u>	<u>9,102</u>	<u>35,368</u>	<u>11,311</u>
<u>-0-</u>	<u>40,621</u>	<u>-0-</u>	<u>( 4,507)</u>	<u>634,685</u>	<u>( 8,882)</u>
					10,000
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,000</u>
	40,621	-0-	( 4,507)	634,685	1,118
			22,169	1,016,917	35,747
<u>\$ -0-</u>	<u>\$ 40,621</u>	<u>\$ -0-</u>	<u>\$ 17,662</u>	<u>\$ 1,651,602</u>	<u>\$ 36,865</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

	Special		
	County District Court Technology	OJP Special Crimes Unit Fund	Guardianship Fee Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental		34,849	
Fees	1,608		8,446
Fines			
Investment income			40
Miscellaneous			
Total revenues	<u>1,608</u>	<u>34,849</u>	<u>8,486</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement		34,849	
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay			
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>-0-</u>	<u>34,849</u>	<u>-0-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,608</u>	<u>-0-</u>	<u>8,486</u>
Other Financing Sources (Uses):			
Proceeds from sale of bonds			
Premium on bonds			
Proceeds from tax notes			
Proceeds from sale of assets			
Payment to escrow agent			
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	1,608	-0-	8,486
Fund Balance (Deficits):			
Beginning of year	<u>-0-</u>	<u>-0-</u>	<u>13,689</u>
End of year	<u>\$ 1,608</u>	<u>\$ -0-</u>	<u>\$ 22,175</u>

Revenue Funds

Indigent Defense Formula/ Improvements Fund	CDBG Water Tower Project	Ed Byrne Local Solicitation Fund	Clean Vehicle Fleet Fund	Election Funds Management Fund	District Court Records Technical Fund
\$ 106,974	\$ 544,208	\$ 89,843	\$	\$ 2,951	\$ 9,524
118			2		4
<u>107,092</u>	<u>544,208</u>	<u>89,843</u>	<u>2</u>	<u>2,951</u>	<u>9,528</u>
58,278				2,951	
48,814	544,208	94,732			
<u>107,092</u>	<u>544,208</u>	<u>94,732</u>	<u>-0-</u>	<u>2,951</u>	<u>9,528</u>
<u>-0-</u>	<u>-0-</u>	<u>( 4,889)</u>	<u>2</u>	<u>-0-</u>	<u>-0-</u>
		4,889			
<u>-0-</u>	<u>-0-</u>	<u>4,889</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	-0-	-0-	2	-0-	9,528
<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>\$ 2</u>	<u>\$ -0-</u>	<u>\$ 9,528</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

	Special Revenue		
	Bullet Proof Vest Partnership Fund	EOC Grant program Fund	OJP STOP SCU Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental		29,071	136,796
Fees			
Fines			
Investment income			
Miscellaneous			
Total revenues	<u>-0-</u>	<u>29,071</u>	<u>136,796</u>
Expenditures:			
Current:			
General government			
Administration of justice			136,796
Financial administration			
Elections			
Law enforcement			
Highways and streets			
Health and welfare			
Culture and recreation			
Capital outlay		29,071	
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>-0-</u>	<u>29,071</u>	<u>136,796</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other Financing Sources (Uses):			
Proceeds from sale of bonds			
Premium on bonds			
Proceeds from tax notes			
Proceeds from sale of assets			
Payment to escrow agent			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (Deficits):			
Beginning of year			
End of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Funds			Debt Service Funds		
Ed Byrne Memorial Fund	Mental Health Peace Officer Fund	Total Special Revenue Funds	General Interest & Sinking Fund	Equipment Interest & Sinking Fund	Total Debt Service Funds
\$ 87,565	\$ 54,848	\$ 1,259,780	\$ 1,898,508	\$ 1,701,735	\$ 3,600,243
		2,708,948			-0-
		862,828			-0-
		81,573			-0-
	12	13,918	10,388	2,215	12,603
		599,804			-0-
<u>87,565</u>	<u>54,860</u>	<u>5,526,851</u>	<u>1,908,896</u>	<u>1,703,950</u>	<u>3,612,846</u>
		659,336			-0-
80,221		508,443			-0-
		9,102			-0-
		125,431			-0-
		1,676,381			-0-
		104,068			-0-
	40,891	2,186,754			-0-
		11,311			-0-
7,344	13,969	413,127			-0-
		-0-	1,120,000	500,000	1,620,000
		-0-	975,615	42,313	1,017,928
<u>87,565</u>	<u>54,860</u>	<u>5,693,953</u>	<u>2,095,615</u>	<u>542,313</u>	<u>2,637,928</u>
<u>-0-</u>	<u>-0-</u>	<u>( 167,102)</u>	<u>( 186,719)</u>	<u>1,161,637</u>	<u>974,918</u>
		-0-	4,495,000		4,495,000
		-0-	107,869		107,869
		-0-			-0-
		27,533			-0-
		-0-	( 4,503,384)		( 4,503,384)
		206,692			-0-
		( 108,311)		( 920,000)	( 920,000)
<u>-0-</u>	<u>-0-</u>	<u>125,914</u>	<u>99,485</u>	<u>( 920,000)</u>	<u>( 820,515)</u>
<u>-0-</u>	<u>-0-</u>	<u>( 41,188)</u>	<u>( 87,234)</u>	<u>241,637</u>	<u>154,403</u>
<u>-0-</u>	<u>-0-</u>	<u>6,466,087</u>	<u>1,153,705</u>	<u>940,673</u>	<u>2,094,378</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 6,424,899</u>	<u>\$ 1,066,471</u>	<u>\$ 1,182,310</u>	<u>\$ 2,248,781</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

	Capital Projects		
	CSCD/ Dispatch Construction Fund	JP & Guinn Renovation Projects Fund	Market Square Project Fund
Revenues:			
Taxes	\$	\$	\$
Intergovernmental			
Fees			
Fines			
Investment income	2	170	39
Miscellaneous			
Total revenues	<u>2</u>	<u>170</u>	<u>39</u>
Expenditures:			
Current:			
General government			
Administration of justice			
Financial administration			
Elections			
Law enforcement		868	
Highways and streets			
Health and welfare			
Culture and recreation			
Conservation			
Capital outlay		263,417	1,619
Debt Service:			
Principal			
Interest and fees			
Total expenditures	<u>-0-</u>	<u>264,285</u>	<u>1,619</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2</u>	<u>( 264,115)</u>	<u>( 1,580)</u>
Other Financing Sources (Uses):			
Proceeds from sale of bonds			
Premium on bonds			
Proceeds from tax notes			
Proceeds from sale of assets			
Payment to escrow agent			
Operating transfers in		117,443	120,000
Operating transfers out			
Total other financing sources (uses)	<u>-0-</u>	<u>117,443</u>	<u>120,000</u>
Net change in fund balance	2	( 146,672)	118,420
Fund Balance (Deficits):			
Beginning of year (restated)	<u>1,271</u>	<u>134,231</u>	<u>-0-</u>
End of year	<u>\$ 1,273</u>	<u>\$( 12,441)</u>	<u>\$ 118,420</u>

Funds

Jail Security Improvements Fund	Equipment Construction & Maintenance Fund	Total Capital Projects Funds	Total Non-Major Governmental Funds
\$	\$	\$ -0-	\$ 4,860,023
		-0-	2,708,948
		-0-	862,828
		-0-	81,573
51	1,439	262	28,222
			599,804
<u>51</u>	<u>1,439</u>	<u>262</u>	<u>9,141,398</u>
	8,489	-0-	667,825
	46,100	-0-	554,543
	9,010	-0-	18,112
		-0-	125,431
	167,899	868	1,845,148
		-0-	104,068
	291	-0-	2,187,045
	915	-0-	12,226
	800		800
122,635	419,555	387,671	1,220,353
		-0-	1,620,000
		-0-	1,041,312
<u>122,635</u>	<u>653,059</u>	<u>388,539</u>	<u>9,396,863</u>
( 122,584 )	( 651,620 )	( 388,277 )	( 255,465 )
			4,495,000
			107,869
	900,000		900,000
			27,533
639,462		876,905	( 4,480,000 )
			1,083,597
			( 1,028,311 )
<u>639,462</u>	<u>900,000</u>	<u>876,905</u>	<u>1,105,688</u>
516,878	248,380	488,628	850,223
<u>-0-</u>	<u>310,679</u>	<u>135,502</u>	<u>9,006,646</u>
<u>\$ 516,878</u>	<u>\$ 559,059</u>	<u>\$ 624,130</u>	<u>\$ 9,856,869</u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

Exhibit 10  
Page 1 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration:				
County Clerk:				
Salaries and wages, and employee benefits	\$ 1,617,314	\$ 1,638,696	\$ 1,503,387	\$ 135,309
Operating expenditures	114,550	113,050	91,015	22,035
Total County Clerk	1,731,864	1,751,746	1,594,402	157,344
County Judge:				
Salaries and wages, and employee benefits	399,922	405,200	361,002	44,198
Operating expenditures	14,400	14,400	42,073	( 27,673 )
Total County Judge	414,322	419,600	403,075	16,525
Veterans:				
Salaries and wages, and employee benefits	106,034	109,200	100,187	9,013
Operating expenditures	5,650	5,650	11,511	( 5,861 )
Total Veterans	111,684	114,850	111,698	3,152
Public Works:				
Salaries and wages, and employee benefits	1,055,315	1,069,793	992,423	77,370
Operating expenditures	48,860	48,260	40,384	7,876
Total Public Works	1,104,175	1,118,053	1,032,807	85,246
Print Shop:				
Salaries and wages, and employee benefits	41,600	42,141	40,781	1,360
Operating expenditures	35,600	35,600	30,563	5,037
Total Print Shop	77,200	77,741	71,344	6,397
Mail Room:				
Salaries and wages, and employee benefits	76,720	77,692	75,618	2,074
Operating expenditures	8,900	8,900	6,938	1,962
Total Mail Room	85,620	86,592	82,556	4,036
Non-departmental:				
Salaries and wages, and employee benefits	2,804,724	2,540,539	656,396	1,884,143
Operating expenditures	2,874,036	2,662,553	2,255,510	407,043
Capital outlay		443,230	771,503	( 328,273 )
Total Non-departmental	5,678,760	5,646,322	3,683,409	1,962,913
Courthouse:				
Operating expenditures	171,365	173,365	140,301	33,064
Total Courthouse	171,365	173,365	140,301	33,064

(continued)



**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2010

Exhibit 10  
Page 2 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Bldg Maint Bank Annex:				
Operating expenditures	\$ 248,500	\$ 177,600	\$ 138,618	\$ 38,982
Total Bldg Maint Bank Annex	248,500	177,600	138,618	38,982
Bldg Maint Guinn Building:				
Operating expenditures	364,600	424,378	377,157	47,221
Total Bldg Maint Guinn Bldg	364,600	424,378	377,157	47,221
Bldg Maint Alvarado Sub-courthouse:				
Operating expenditures	28,000	28,000	18,856	9,144
Total Bldg Maint Alvarado Sub-courthouse	28,000	28,000	18,856	9,144
Bldg Maint Burleson Sub-courthouse :				
Operating expenditures	49,700	54,700	52,754	1,946
Total Bldg Maint Burleson Sub-courthouse	49,700	54,700	52,754	1,946
Bldg Main Law Enforcement Center:				
Operating expenditures	99,500	340,951	72,603	268,348
Total Bldg Maint Law Enforcement Center	99,500	340,951	72,603	268,348
Bldg Maint Health Bldg:				
Operating expenditures	7,500	7,500	2,454	5,046
Total Bldg Maint Health Bldg	7,500	7,500	2,454	5,046
Bldg Maint Mill St. Bldg:				
Operating expenditures	18,300	18,300	8,883	9,417
Total Bldg Maint Mill St. Bldg	18,300	18,300	8,883	9,417
Bldg Maint Doty HS:				
Operating expenditures	11,200	28,468	19,454	9,014
Total Bldg Maint Doty HS	11,200	28,468	19,454	9,014
Bldg Maint Adult Probation Bldg:				
Operating expenditures	143,000	107,500	46,894	60,606
Total Bldg Maint Adult Probation Bldg	143,000	107,500	46,894	60,606
Bldg Maint Harris Creek Park:				
Operating expenditures	20,000	20,000	16,739	3,261
Total Bldg Maint Harris Creek Park	20,000	20,000	16,739	3,261

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2010

Exhibit 10  
Page 3 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Administration - Continued:				
Bldg Maint CASA/United Bldg:				
Operating expenditures	\$ 16,000	\$ 16,000	\$ 11,343	\$ 4,657
Total Bldg Maint CASA/United Bldg	16,000	16,000	11,343	4,657
Bldg Maint JP #1 Bldg:				
Operating expenditures	14,000	17,000	11,225	5,775
Total Bldg Maint JP #1 Bldg	14,000	17,000	11,225	5,775
Newly Acquired Buildings:				
Operating expenditures	10,500	10,500	3,043	7,457
Total Newly Acquired Buildings	10,500	10,500	3,043	7,457
Bldg Maint Emergency Mgt Bldg:				
Operating expenditures	16,300	16,300	76	16,224
Total Bldg Maint Emergency Mgt Bldg	16,300	16,300	76	16,224
Total General Administration	10,422,090	10,655,466	7,899,691	2,755,775
Administration of Justice:				
County Court at Law I:				
Salaries and wages, and employee benefits	454,659	435,791	425,154	10,637
Operating expenditures	250,800	273,389	263,229	10,160
Total County Court at Law I	705,459	709,180	688,383	20,797
County Court at Law II:				
Salaries and wages, and employee benefits	411,983	414,924	374,152	40,772
Operating expenditures	274,200	274,200	226,478	47,722
Total County Court at Law II	686,183	689,124	600,630	88,494
General District Court:				
Salaries and wages, and employee benefits	87,547	88,274	74,504	13,770
Operating expenditures	56,487	57,987	10,554	47,433
Total General District Court	144,034	146,261	85,058	61,203
249 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	243,276	246,660	241,568	5,092
Operating expenditures	401,800	494,306	415,740	78,566
Total 249 <sup>th</sup> District Court	645,076	740,966	657,308	83,658

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

Exhibit 10  
Page 4 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
18 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	\$ 219,798	\$ 222,791	\$ 217,008	\$ 5,783
Operating expenditures	411,000	393,658	353,344	40,314
Total 18 <sup>th</sup> District Court	630,798	616,449	570,352	46,097
413 <sup>th</sup> District Court:				
Salaries and wages, and employee benefits	212,429	216,706	204,884	11,822
Operating expenditures	422,060	408,016	337,978	70,038
Total 413 <sup>th</sup> District Court	634,489	624,722	542,862	81,860
District Clerk:				
Salaries and wages, and employee benefits	975,727	988,091	917,309	70,782
Operating expenditures	44,680	44,680	39,566	5,114
Total District Clerk	1,020,407	1,032,771	956,875	75,896
Justice of the Peace #1:				
Salaries and wages, and employee benefits	190,778	193,263	186,210	7,053
Operating expenditures	8,700	9,080	6,117	2,963
Total Justice of the Peace #1	199,478	202,343	192,327	10,016
Justice of the Peace #2:				
Salaries and wages, and employee benefits	183,147	185,556	180,378	5,178
Operating expenditures	9,600	9,600	8,944	656
Total Justice of the Peace #2	192,747	195,156	189,322	5,834
Justice of the Peace #3:				
Salaries and wages, and employee benefits	183,673	186,113	178,614	7,499
Operating expenditures	10,100	10,100	8,763	1,337
Total Justice of the Peace #3	193,773	196,213	187,377	8,836
Justice of the Peace #4:				
Salaries and wages, and employee benefits	183,168	185,587	179,327	6,260
Operating expenditures	5,000	5,000	3,209	1,791
Total Justice of the Peace #4	188,168	190,587	182,536	8,051
County Attorney:				
Salaries and wages, and employee benefits	1,456,581	1,473,085	1,450,471	22,614
Operating expenditures	80,550	82,550	71,246	11,304
Total County Attorney	1,537,131	1,555,635	1,521,717	33,918

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2010

Exhibit 10  
Page 5 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Administration of Justice - Continued:				
District Attorney:				
Salaries and wages, and employee benefits	\$ 1,388,727	\$ 1,404,247	\$ 1,293,163	\$ 111,084
Operating expenditures	<u>125,250</u>	<u>125,360</u>	<u>87,506</u>	<u>37,854</u>
Total District Attorney	<u>1,513,977</u>	<u>1,529,607</u>	<u>1,380,669</u>	<u>148,938</u>
County/District Attorney Supplement:				
Salaries and wages, and employee benefits	<u>76,723</u>	<u>78,494</u>	<u>77,250</u>	<u>1,244</u>
Total County/District Attorney Supplement	<u>76,723</u>	<u>78,494</u>	<u>77,250</u>	<u>1,244</u>
Total Administration of Justice	<u>8,368,443</u>	<u>8,507,508</u>	<u>7,832,666</u>	<u>674,842</u>
Financial Administration:				
Purchasing:				
Salaries and wages, and employee benefits	254,862	241,467	250,744	( 9,277 )
Operating expenditures	<u>23,850</u>	<u>40,662</u>	<u>21,456</u>	<u>19,206</u>
Total Purchasing	<u>278,712</u>	<u>282,129</u>	<u>272,200</u>	<u>9,929</u>
Information Systems:				
Salaries and wages, and employee benefits	471,869	484,390	390,036	94,354
Operating expenditures	<u>845,050</u>	<u>832,900</u>	<u>784,034</u>	<u>48,866</u>
Total Information Systems	<u>1,316,919</u>	<u>1,317,290</u>	<u>1,174,070</u>	<u>143,220</u>
County Auditor:				
Salaries and wages, and employee benefits	665,825	674,940	650,181	24,759
Operating expenditures	<u>21,800</u>	<u>21,800</u>	<u>18,281</u>	<u>3,519</u>
Total County Auditor	<u>687,625</u>	<u>696,740</u>	<u>668,462</u>	<u>28,278</u>
Personnel:				
Salaries and wages, and employee benefits	282,050	286,002	272,798	13,204
Operating expenditures	<u>28,400</u>	<u>43,400</u>	<u>14,173</u>	<u>29,227</u>
Total Personnel	<u>310,450</u>	<u>329,402</u>	<u>286,971</u>	<u>42,431</u>
County Treasurer:				
Salaries and wages, and employee benefits	150,738	151,811	135,401	16,410
Operating expenditures	<u>11,967</u>	<u>11,967</u>	<u>9,930</u>	<u>2,037</u>
Total County Treasurer	<u>162,705</u>	<u>163,778</u>	<u>145,331</u>	<u>18,447</u>

(continued)

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

For the Year Ended September 30, 2010

Exhibit 10  
Page 6 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Financial Administration - Continued:				
County Tax Collector:				
Salaries and wages, and employee benefits	\$ 1,136,105	\$ 1,148,959	\$ 1,082,566	\$ 66,393
Operating expenditures	<u>190,368</u>	<u>194,368</u>	<u>170,790</u>	<u>23,578</u>
Total County Tax Collector	<u>1,326,473</u>	<u>1,343,327</u>	<u>1,253,356</u>	<u>89,971</u>
Total Financial Administration	<u>4,082,884</u>	<u>4,132,666</u>	<u>3,800,390</u>	<u>332,276</u>
Elections:				
Elections:				
Salaries and wages, and employee benefits	350,084	358,610	335,594	23,016
Operating expenditures	<u>100,250</u>	<u>94,250</u>	<u>82,848</u>	<u>11,402</u>
Total Elections	<u>450,334</u>	<u>452,860</u>	<u>418,442</u>	<u>34,418</u>
Law Enforcement:				
Constable - Precinct 1:				
Salaries and wages, and employee benefits	139,319	157,455	145,032	12,423
Operating expenditures	<u>15,800</u>	<u>15,800</u>	<u>9,716</u>	<u>6,084</u>
Total Constable - Precinct 1	<u>155,119</u>	<u>173,255</u>	<u>154,748</u>	<u>18,507</u>
Constable - Precinct 2:				
Salaries and wages, and employee benefits	148,587	161,778	158,052	3,726
Operating expenditures	<u>14,500</u>	<u>14,500</u>	<u>12,197</u>	<u>2,303</u>
Total Constable - Precinct 2	<u>163,087</u>	<u>176,278</u>	<u>170,249</u>	<u>6,029</u>
Constable - Precinct 3:				
Salaries and wages, and employee benefits	150,494	179,006	169,745	9,261
Operating expenditures	<u>15,050</u>	<u>17,122</u>	<u>11,409</u>	<u>5,713</u>
Total Constable - Precinct 3	<u>165,544</u>	<u>196,128</u>	<u>181,154</u>	<u>14,974</u>
Constable - Precinct 4:				
Salaries and wages, and employee benefits	158,631	158,315	153,693	4,622
Operating expenditures	<u>20,330</u>	<u>23,606</u>	<u>21,961</u>	<u>1,645</u>
Total Constable - Precinct 4	<u>178,961</u>	<u>181,921</u>	<u>175,654</u>	<u>6,267</u>
ASAP-JISD:				
Salaries and wages, and employee benefits	53,368	53,368	50,672	2,696
Operating expenditures	<u>2,650</u>	<u>2,650</u>	<u>2,264</u>	<u>386</u>
Total ASAP-JISD	<u>56,018</u>	<u>56,018</u>	<u>52,936</u>	<u>3,082</u>

(continued)

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

Exhibit 10  
Page 7 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement - Continued:				
ASAP-BISD:				
Salaries and wages, and employee benefits	\$ 100,952	\$ 101,594	\$ 98,090	\$ 3,504
Operating expenditures	<u>5,260</u>	<u>5,918</u>	<u>5,610</u>	<u>308</u>
Total ASAP-BISD	<u>106,212</u>	<u>107,512</u>	<u>103,700</u>	<u>3,812</u>
ASAP-CISD:				
Salaries and wages, and employee benefits	112,452	104,402	86,718	17,684
Operating expenditures	<u>13,350</u>	<u>22,850</u>	<u>14,372</u>	<u>8,478</u>
Total ASAP-CISD	<u>125,802</u>	<u>127,252</u>	<u>101,090</u>	<u>26,162</u>
SRO-Keene ISD:				
Salaries and wages, and employee benefits	54,102	54,812	52,662	2,150
Operating expenditures	<u>3,400</u>	<u>2,800</u>	<u>1,196</u>	<u>1,604</u>
Total SRO-Keene ISD	<u>57,502</u>	<u>57,612</u>	<u>53,858</u>	<u>3,754</u>
Sheriff Admin-Patrol:				
Salaries and wages, and employee benefits	5,251,806	5,297,979	5,149,425	148,554
Operating expenditures	<u>517,146</u>	<u>602,729</u>	<u>552,308</u>	<u>50,421</u>
Total Sheriff Admin-Patrol	<u>5,768,952</u>	<u>5,900,708</u>	<u>5,701,733</u>	<u>198,675</u>
Sheriff-Jail:				
Salaries and wages, and employee benefits	857,934	867,663	811,370	56,293
Operating expenditures	7,933,104	7,971,104	6,889,797	1,081,307
Capital outlay	<u>        </u>	<u>6,000</u>	<u>5,909</u>	<u>91</u>
Total Sheriff-Jail	<u>8,791,038</u>	<u>8,844,767</u>	<u>7,707,076</u>	<u>1,137,691</u>
Bail Bonds Office:				
Salaries and wages, and employee benefits	38,376	39,120	39,045	75
Operating expenditures	<u>1,950</u>	<u>1,821</u>	<u>1,423</u>	<u>398</u>
Total Bail Bonds Office	<u>40,326</u>	<u>40,941</u>	<u>40,468</u>	<u>473</u>
Sheriff Licenses and Weights:				
Salaries and wages, and employee benefits	209,018	236,150	231,222	4,928
Operating expenditures	<u>27,500</u>	<u>27,500</u>	<u>27,007</u>	<u>493</u>
Total Sheriff Licenses and Weights	<u>236,518</u>	<u>263,650</u>	<u>258,229</u>	<u>5,421</u>
Adult Probation:				
Operating expenditures	<u>38,104</u>	<u>38,104</u>	<u>23,329</u>	<u>14,775</u>
Total Adult Probation	<u>38,104</u>	<u>38,104</u>	<u>23,329</u>	<u>14,775</u>

(continued)

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

For the Year Ended September 30, 2010

Exhibit 10  
Page 8 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Law Enforcement – Continued:				
Texas DPS Office:				
Salaries and wages, and employee benefits	\$ 94,681	\$ 95,933	\$ 93,703	\$ 2,230
Operating expenditures	600	600	597	3
Total Texas DPS Office	95,281	96,533	94,300	2,233
Texas DPS License Weight:				
Operating expenditures	1,250	1,250	1,162	88
Total Texas DPS License Weight	1,250	1,250	1,162	88
Juvenile Probation:				
Salaries and wages, and employee benefits	425,817	451,250	436,750	14,500
Operating expenditures	680,150	670,005	465,336	204,669
Total Juvenile Probation	1,105,967	1,121,255	902,086	219,169
SRO-Godley ISD:				
Salaries and wages, and employee benefits	50,944	52,080	49,930	2,150
Operating expenditures	2,150	2,150	1,470	680
Total SRO-Godley ISD	53,094	54,230	51,400	2,830
SRO-Joshua ISD:				
Salaries and wages, and employee benefits	114,720	116,160	111,794	4,366
Operating expenditures	3,050	3,096	2,533	563
Total SRO-Joshua ISD	117,770	119,256	114,327	4,929
SRO-Alvarado ISD:				
Salaries and wages, and employee benefits	57,296	58,058	55,838	2,220
Operating expenditures	2,150	2,150	1,948	202
Total SRO-Alvarado ISD	59,446	60,208	57,786	2,422
SRO-Venus ISD:				
Salaries and wages, and employee benefits	51,718	52,368	49,069	3,299
Operating expenditures	2,150	1,850	1,323	527
Total SRO-Venus ISD	53,868	54,218	50,392	3,826
SRO-Grandview ISD:				
Salaries and wages, and employee benefits	56,522	52,741	55,040	( 2,299)
Operating expenditures	3,250	7,271	1,998	5,273
Total SRO-Grandview ISD	59,772	60,012	57,038	2,974
Total Law Enforcement	17,429,631	17,731,108	16,052,715	1,678,393

(continued)

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BY FUNCTION, DEPARTMENT  
AND LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND - Continued**  
For the Year Ended September 30, 2010

Exhibit 10  
Page 9 of 9

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Medical Examiner:				
Salaries and wages, and employee benefits	\$ 176,125	\$ 175,238	\$ 170,315	\$ 4,923
Operating expenditures	181,800	184,867	181,458	3,409
Total Medical Examiner	357,925	360,105	351,773	8,332
Emergency Management:				
Salaries and wages, and employee benefits	55,421	68,395	67,336	1,059
Operating expenditures	7,950	5,869	3,204	2,665
Total Emergency Management	63,371	74,264	70,540	3,724
Total Health and Welfare	421,296	434,369	422,313	12,056
Culture and Recreation:				
Parks:				
Salaries and wages, and employee benefits	258,557	260,175	168,084	92,091
Operating expenditures	59,200	60,200	35,066	25,134
Total Parks	317,757	320,375	203,150	117,225
Total Culture and Recreation	317,757	320,375	203,150	117,225
Conservation:				
County Extension:				
Salaries and wages, and employee benefits	158,643	160,035	135,474	24,561
Operating expenditures	17,630	17,630	12,873	4,757
Total County Extension	176,273	177,665	148,347	29,318
Total Conservation	176,273	177,665	148,347	29,318
Total current expenditures	\$ 41,668,708	\$ 42,412,017	\$ 36,777,714	\$ 5,634,303



**JOHNSON COUNTY, TEXAS**

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

Exhibit 11

For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Highways and Streets:				
Road and Bridge Precinct 1:				
Salaries and wages, and employee benefits	\$ 1,099,713	\$ 1,094,563	\$ 1,022,365	\$ 72,198
Operating expenditures	2,287,160	2,299,503	454,339	1,845,164
Capital outlay	1,119,128	1,123,935	524,097	599,838
Total Road and Bridge Precinct 1	<u>4,506,001</u>	<u>4,518,001</u>	<u>2,000,801</u>	<u>2,517,200</u>
Road and Bridge Precinct 2:				
Salaries and wages, and employee benefits	1,031,011	1,031,971	934,771	97,200
Operating expenditures	899,321	1,057,883	451,825	606,058
Capital outlay	375,790	416,889	587,553	(170,664)
Total Road and Bridge Precinct 2	<u>2,306,122</u>	<u>2,506,743</u>	<u>1,974,149</u>	<u>532,594</u>
Road and Bridge Precinct 3:				
Salaries and wages, and employee benefits	1,180,031	1,178,057	1,089,067	88,990
Operating expenditures	2,582,800	2,388,685	812,661	1,576,024
Capital outlay	761,537	957,626	1,186,505	(228,879)
Total Road and Bridge Precinct 3	<u>4,524,368</u>	<u>4,524,368</u>	<u>3,088,233</u>	<u>1,436,135</u>
Road and Bridge Precinct 4:				
Salaries and wages, and employee benefits	1,141,984	1,141,984	1,060,412	81,572
Operating expenditures	889,394	928,091	295,167	632,924
Capital outlay	407,706	646,192	704,900	(58,708)
Total Road and Bridge Precinct 4	<u>2,439,084</u>	<u>2,716,267</u>	<u>2,060,479</u>	<u>655,788</u>
Total expenditures	<u>\$ 13,775,575</u>	<u>\$ 14,265,379</u>	<u>\$ 9,123,662</u>	<u>\$ 5,141,717</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, 2010

	Lateral Road Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 68,800	\$ 68,800	\$ 68,617	\$( 183)
Fees				-0-
Investment income	300	300	177	( 123)
Total revenues	<u>69,100</u>	<u>69,100</u>	<u>68,794</u>	<u>( 306)</u>
Expenditures:				
Current:				
Administration of justice				-0-
Highways and street	68,800	68,800	68,700	100
Capital outlay				-0-
Total expenditures	<u>68,800</u>	<u>68,800</u>	<u>68,700</u>	<u>100</u>
Excess (deficiency) of revenues over expenditures	<u>300</u>	<u>300</u>	<u>94</u>	<u>( 206)</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	300	300	94	( 206)
Fund balances – beginning	<u>43,481</u>	<u>43,481</u>	<u>43,481</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 43,781</u>	<u>\$ 43,781</u>	<u>\$ 43,575</u>	<u>\$( 206)</u>

Law Library Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
106,500	106,500	111,038	4,538
<u>3,700</u>	<u>3,700</u>	<u>819</u>	<u>( 2,881 )</u>
<u>110,200</u>	<u>110,200</u>	<u>111,857</u>	<u>1,657</u>
132,555	213,623	179,150	34,473
<u>          </u>	<u>147,594</u>	<u>142,526</u>	<u>5,068</u>
<u>132,555</u>	<u>361,217</u>	<u>321,676</u>	<u>39,541</u>
<u>( 22,355 )</u>	<u>( 251,017 )</u>	<u>( 209,819 )</u>	<u>41,198</u>
<u>          </u>	<u>          </u>	<u>          </u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>( 22,355 )</u>	<u>( 251,017 )</u>	<u>( 209,819 )</u>	<u>41,198</u>
<u>483,796</u>	<u>483,796</u>	<u>483,796</u>	<u>-0-</u>
<u>\$ 461,441</u>	<u>\$ 232,779</u>	<u>\$ 273,977</u>	<u>\$ 41,198</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, 2010

	Records Management & Preservation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 286,000	\$ 286,000	\$ 278,433	\$( 7,567)
Investment income	8,600	8,600	2,205	( 6,395)
Miscellaneous			25	25
Total revenues	<u>294,600</u>	<u>294,600</u>	<u>280,663</u>	<u>( 13,937)</u>
Expenditures:				
Current:				
General government	<u>708,250</u>	<u>710,250</u>	<u>344,984</u>	<u>365,266</u>
Total expenditures	<u>708,250</u>	<u>710,250</u>	<u>344,984</u>	<u>365,266</u>
Excess (deficiency) of revenues over expenditures	<u>( 413,650)</u>	<u>( 415,650)</u>	<u>( 64,321)</u>	<u>351,329</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>( 413,650)</u>	<u>( 415,650)</u>	<u>( 64,321)</u>	<u>351,329</u>
Fund balances – beginning	<u>1,171,651</u>	<u>1,171,651</u>	<u>1,171,651</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 758,001</u>	<u>\$ 756,001</u>	<u>\$ 1,107,330</u>	<u>\$ 351,329</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, 2010

	Records Archive District Clerk Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 10,000	\$ 10,000	\$ 11,686	\$ 1,686
Intergovernmental				-0-
Investment income	500	500	152	( 348)
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>11,838</u>	<u>1,338</u>
Expenditures:				
Current:				
General government	60,000	60,000	-0-	60,000
Administration of justice				-0-
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>-0-</u>	<u>60,000</u>
Excess (deficiency) of revenues over expenditures	( 49,500)	( 49,500)	11,838	61,338
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	( 49,500)	( 49,500)	11,838	61,338
Fund balances – beginning	<u>67,618</u>	<u>67,618</u>	<u>67,618</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 18,118</u>	<u>\$ 18,118</u>	<u>\$ 79,456</u>	<u>\$ 61,338</u>

Justice of the Peace Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$
41,200	41,200	43,839	2,639
<u>1,750</u>	<u>1,750</u>	<u>442</u>	<u>(1,308)</u>
<u>42,950</u>	<u>42,950</u>	<u>44,281</u>	<u>1,331</u>
<u>4,800</u>	<u>27,961</u>	<u>17,644</u>	<u>10,317</u>
<u>4,800</u>	<u>27,961</u>	<u>17,644</u>	<u>10,317</u>
<u>38,150</u>	<u>14,989</u>	<u>26,637</u>	<u>11,648</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>38,150</u>	<u>14,989</u>	<u>26,637</u>	<u>11,648</u>
<u>218,409</u>	<u>218,409</u>	<u>218,409</u>	<u>-0-</u>
<u>\$ 256,559</u>	<u>\$ 233,398</u>	<u>\$ 245,046</u>	<u>\$ 11,648</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, 2010

	Courthouse Security Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 102,000	\$ 102,000	\$ 96,420	\$( 5,580)
Investment income	100	100	80	( 20)
Total revenues	<u>102,100</u>	<u>102,100</u>	<u>96,500</u>	<u>( 5,600)</u>
Expenditures:				
Current:				
Administration of justice	16,500	28,183	19,549	8,634
Capital outlay		<u>15,000</u>	<u>6,988</u>	<u>8,012</u>
Total expenditures	<u>16,500</u>	<u>43,183</u>	<u>26,537</u>	<u>16,646</u>
Excess (deficiency) of revenues over expenditures	<u>85,600</u>	<u>58,917</u>	<u>69,963</u>	<u>11,046</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	85,600	58,917	69,963	11,046
Fund balances – beginning	<u>20,399</u>	<u>20,399</u>	<u>20,399</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 105,999</u>	<u>\$ 79,316</u>	<u>\$ 90,362</u>	<u>\$ 11,046</u>



Justice Court Security Building Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 10,000	\$ 10,000	\$ 10,563	\$ 563
<u>50</u>	<u>50</u>	<u>70</u>	<u>20</u>
<u>10,050</u>	<u>10,050</u>	<u>10,633</u>	<u>583</u>
		4,809	( 4,809)
<u>-0-</u>	<u>-0-</u>	<u>4,809</u>	<u>( 4,809)</u>
<u>10,050</u>	<u>10,050</u>	<u>5,824</u>	<u>( 4,226)</u>
( 27,885)	( 27,885)		-0- 27,885
( 27,885)	( 27,885)	-0-	27,885
( 17,835)	( 17,835)	5,824	23,659
<u>37,916</u>	<u>37,916</u>	<u>37,916</u>	<u>-0-</u>
<u>\$ 20,081</u>	<u>\$ 20,081</u>	<u>\$ 43,740</u>	<u>\$ 23,659</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, 2010

	Election Services Contract Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$	\$ -0-
Investment income	50	50	94	44
Miscellaneous	3,000	3,000	111,283	108,283
Total revenues	3,050	3,050	111,377	108,327
Expenditures:				
Current:				
Law enforcement				-0-
Elections	29,000	144,161	92,290	51,871
Total expenditures	29,000	144,161	92,290	51,871
Excess (deficiency) of revenues over expenditures	( 25,950)	( 141,111)	19,087	160,198
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	( 25,950)	( 141,111)	19,087	160,198
Fund balances – beginning	71,151	71,151	71,151	-0-
Fund balances – ending	\$ 45,201	\$( 69,960)	\$ 90,238	\$ 160,198

Juvenile Justice Alternative Education Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 240,000	\$ 240,000	\$ 144,833	\$( 95,167)
400	400	124	( 276)
<u>240,400</u>	<u>240,400</u>	<u>144,957</u>	<u>( 95,443)</u>
399,438	399,438	347,303	52,135
<u>399,438</u>	<u>399,438</u>	<u>347,303</u>	<u>52,135</u>
( 159,038)	( 159,038)	( 202,346)	( 43,308)
150,000	150,000	192,000	42,000
<u>150,000</u>	<u>150,000</u>	<u>192,000</u>	<u>42,000</u>
( 9,038)	( 9,038)	( 10,346)	( 1,308)
<u>3,185</u>	<u>3,185</u>	<u>3,185</u>	<u>-0-</u>
<u>\$( 5,853)</u>	<u>\$( 5,853)</u>	<u>\$( 7,161)</u>	<u>\$( 1,308)</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, 2010

	Special Crimes Operations Unit			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines	\$	\$	\$	\$ -0-
Investment income	300	300	444	144
Miscellaneous			76,650	76,650
Total revenues	<u>300</u>	<u>300</u>	<u>77,094</u>	<u>76,794</u>
Expenditures:				
Current:				
Law enforcement	<u>47,000</u>	<u>47,000</u>	<u>42,722</u>	<u>4,278</u>
Total expenditures	<u>47,000</u>	<u>47,000</u>	<u>42,722</u>	<u>4,278</u>
Excess (deficiency) of revenues over expenditures	<u>( 46,700)</u>	<u>( 46,700)</u>	<u>34,372</u>	<u>81,072</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>( 46,700)</u>	<u>( 46,700)</u>	<u>34,372</u>	<u>81,072</u>
Fund balances – beginning	<u>229,009</u>	<u>229,009</u>	<u>229,009</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 182,309</u>	<u>\$ 182,309</u>	<u>\$ 263,381</u>	<u>\$ 81,072</u>

District Attorney Forfeiture Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 600	\$ 600	\$ 5,980 158	\$ 5,980 ( 442)
<u>600</u>	<u>600</u>	<u>6,138</u>	<u>-0-</u> <u>5,538</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>600</u>	<u>600</u>	<u>6,138</u>	<u>-0-</u> <u>-0-</u> <u>5,538</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>600</u>	<u>600</u>	<u>6,138</u>	<u>5,538</u>
<u>77,645</u>	<u>77,645</u>	<u>77,645</u>	<u>-0-</u>
<u>\$ 78,245</u>	<u>\$ 78,245</u>	<u>\$ 83,783</u>	<u>\$ 5,538</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, 2010

	Sheriff Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$	\$	\$	\$ -0-
Intergovernmental				-0-
Fees				-0-
Fines			4,104	4,104
Investment income	100	100	33	( 67)
Miscellaneous			3,895	3,895
Total revenues	<u>100</u>	<u>100</u>	<u>8,032</u>	<u>7,932</u>
Expenditures:				
Current:				
Law enforcement	2,500	2,500	699	1,801
Health and welfare				-0-
Capital outlay	<u>9,000</u>	<u>60,553</u>	<u>47,364</u>	<u>13,189</u>
Total expenditures	<u>11,500</u>	<u>63,053</u>	<u>48,063</u>	<u>14,990</u>
Excess (deficiency) of revenues over expenditures	<u>( 11,400)</u>	<u>( 62,953)</u>	<u>( 40,031)</u>	<u>22,922</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets			27,533	27,533
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>27,533</u>	<u>27,533</u>
Net change in fund balances	<u>( 11,400)</u>	<u>( 62,953)</u>	<u>( 12,498)</u>	<u>50,455</u>
Fund balances – beginning (restated)	<u>27,458</u>	<u>27,458</u>	<u>27,458</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 16,058</u>	<u>\$( 35,495)</u>	<u>\$ 14,960</u>	<u>\$ 50,455</u>

Indigent Health Care Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 640,977	\$ 640,977	\$ 523,946	\$( 117,031 )
67,000	67,000	36,036	( 30,964 )
		11,372	11,372
			-0-
13,000	13,000	2,787	( 10,213 )
		48,077	48,077
<u>720,977</u>	<u>720,977</u>	<u>622,218</u>	<u>( 98,759 )</u>
720,977	1,150,977	1,094,555	56,422
			-0-
<u>720,977</u>	<u>1,150,977</u>	<u>1,094,555</u>	<u>56,422</u>
<u>-0-</u>	<u>( 430,000 )</u>	<u>( 472,337 )</u>	<u>( 42,337 )</u>
			-0-
			-0-
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-	( 430,000 )	( 472,337 )	( 42,337 )
<u>1,517,982</u>	<u>1,517,982</u>	<u>1,517,982</u>	<u>-0-</u>
<u>\$ 1,517,982</u>	<u>\$ 1,087,982</u>	<u>\$ 1,045,645</u>	<u>\$( 42,337 )</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, 2010

	Pecan Valley MHMR Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$	\$	\$	\$ -0-
Investment income			25	25
Miscellaneous				-0-
Total revenues	-0-	-0-	25	25
Expenditures:				
Current:				
Health and welfare	5,000	27,552	27,330	222
Total expenditures	5,000	27,552	27,330	222
Excess (deficiency) of revenues over expenditures	( 5,000)	( 27,552)	( 27,305)	247
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	-0-	-0-	-0-	-0-
Net change in fund balances	( 5,000)	( 27,552)	( 27,305)	247
Fund balances – beginning (restated)	27,305	27,305	27,305	-0-
Fund balances – ending	\$ 22,305	\$( 247)	\$ -0-	\$ 247



Teen Court Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 900	\$ 900	\$ 470	\$( 430)
50	50	3	( 47)
			-0-
<u>950</u>	<u>950</u>	<u>473</u>	<u>( 477)</u>
			-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>950</u>	<u>950</u>	<u>473</u>	<u>( 477)</u>
			-0-
		<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
950	950	473	( 477)
<u>1,524</u>	<u>1,524</u>	<u>1,524</u>	<u>-0-</u>
<u>\$ 2,474</u>	<u>\$ 2,474</u>	<u>\$ 1,997</u>	<u>\$( 477)</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, 2010

	Right of Way Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 628,000	\$ 628,000	\$ 667,217	\$ 39,217
Investment income	2,000	2,000	2,836	836
Miscellaneous				-0-
Total revenues	<u>630,000</u>	<u>630,000</u>	<u>670,053</u>	<u>40,053</u>
Expenditures:				
Current:				
Culture and recreation				-0-
Highways and street	<u>630,000</u>	<u>630,000</u>	<u>35,368</u>	<u>594,632</u>
Total expenditures	<u>630,000</u>	<u>630,000</u>	<u>35,368</u>	<u>594,632</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>-0-</u>	<u>634,685</u>	<u>634,685</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-	634,685	634,685
Fund balances – beginning	<u>1,016,917</u>	<u>1,016,917</u>	<u>1,016,917</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 1,016,917</u>	<u>\$ 1,016,917</u>	<u>\$ 1,651,602</u>	<u>\$ 634,685</u>

Historical Society Account Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$	\$	\$	\$ -0-
300	300	77	( 223 )
<u>10,000</u>	<u>10,000</u>	<u>2,352</u>	<u>( 7,648 )</u>
<u>10,300</u>	<u>10,300</u>	<u>2,429</u>	<u>( 7,871 )</u>
43,500	42,400	11,311	31,089
<u>43,500</u>	<u>42,400</u>	<u>11,311</u>	<u>-0-</u>
<u>( 33,200 )</u>	<u>( 32,100 )</u>	<u>( 8,882 )</u>	<u>23,218</u>
<u>-0-</u>	<u>-0-</u>	<u>10,000</u>	<u>10,000</u>
<u>-0-</u>	<u>-0-</u>	<u>10,000</u>	<u>10,000</u>
<u>( 33,200 )</u>	<u>( 32,100 )</u>	<u>1,118</u>	<u>33,218</u>
<u>35,747</u>	<u>35,747</u>	<u>35,747</u>	<u>-0-</u>
<u>\$ 2,547</u>	<u>\$ 3,647</u>	<u>\$ 36,865</u>	<u>\$ 33,218</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, 2010

Exhibit 12  
 Page 10 of 10

	Guardianship Fee Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fees	\$ 7,000	\$ 7,000	\$ 8,446	\$ 1,446
Investment income	50	50	40	( 10)
Total revenues	<u>7,050</u>	<u>7,050</u>	<u>8,486</u>	<u>1,436</u>
Expenditures:				
Current:				
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>7,050</u>	<u>7,050</u>	<u>8,486</u>	<u>1,436</u>
Other Financing Sources (Uses):				
Transfers in				-0-
Transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	7,050	7,050	8,486	1,436
Fund balances – beginning	<u>13,689</u>	<u>13,689</u>	<u>13,689</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 20,739</u>	<u>\$ 20,739</u>	<u>\$ 22,175</u>	<u>\$ 1,436</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, 2010

	General Interest & Sinking Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,686,911	\$ 1,686,911	\$ 1,898,508	\$ 211,597
Investment income	8,000	8,000	10,388	2,388
Total revenues	<u>1,694,911</u>	<u>1,694,911</u>	<u>1,908,896</u>	<u>213,985</u>
Expenditures:				
Debt Service:				
Principal on long-term debt	1,120,000	1,120,000	1,120,000	-0-
Interest on long-term debt	<u>884,611</u>	<u>888,018</u>	<u>975,615</u>	<u>( 87,597)</u>
Total expenditures	<u>2,004,611</u>	<u>2,008,018</u>	<u>2,095,615</u>	<u>( 87,597)</u>
Excess (deficiency) of revenues over expenditures	<u>( 309,700)</u>	<u>( 313,107)</u>	<u>( 186,719)</u>	<u>126,388</u>
Other Financing Sources (Uses):				
Proceeds from the sale of bonds			4,495,000	4,495,000
Premium on the sale of bonds			107,869	107,869
Payment to escrow agent			( 4,503,384)	( 4,503,384)
Operating transfers out				-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>99,485</u>	<u>99,485</u>
Net change in fund balances	<u>( 309,700)</u>	<u>( 313,107)</u>	<u>( 87,234)</u>	<u>225,873</u>
Fund balances – beginning	<u>1,153,705</u>	<u>1,153,705</u>	<u>1,153,705</u>	<u>-0-</u>
Fund balances – ending	<u>\$ 844,005</u>	<u>\$ 840,598</u>	<u>\$ 1,066,471</u>	<u>\$ 225,873</u>

Equipment Interest & Sinking Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
Original	Final		
\$ 1,493,610	\$ 1,493,610	\$ 1,701,735	\$ 208,125
<u>5,000</u>	<u>5,000</u>	<u>2,215</u>	<u>( 2,785)</u>
<u>1,498,610</u>	<u>1,498,610</u>	<u>1,703,950</u>	<u>205,340</u>
500,000	500,000	500,000	-0-
<u>47,610</u>	<u>47,610</u>	<u>42,313</u>	<u>5,297</u>
<u>547,610</u>	<u>547,610</u>	<u>542,313</u>	<u>5,297</u>
<u>951,000</u>	<u>951,000</u>	<u>1,161,637</u>	<u>210,637</u>
			-0-
			-0-
			-0-
<u>( 920,000)</u>	<u>( 920,000)</u>	<u>( 920,000)</u>	<u>-0-</u>
<u>( 920,000)</u>	<u>( 920,000)</u>	<u>( 920,000)</u>	<u>-0-</u>
31,000	31,000	241,637	210,637
<u>940,673</u>	<u>940,673</u>	<u>940,673</u>	<u>-0-</u>
<u>\$ 971,673</u>	<u>\$ 971,673</u>	<u>\$ 1,182,310</u>	<u>\$ 210,637</u>

**JOHNSON COUNTY, TEXAS**

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

For the Year Ended September 30, 2010

Exhibit 14  
Page 1 of 3

	<u>Balance 10-01-09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-10</u>
<b>UNCLAIMED MONEY FUND:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>15,079</u>	\$ <u>44</u>	\$ <u>          </u>	\$ <u>15,123</u>
Total assets	\$ <u>15,079</u>	\$ <u>44</u>	\$ <u>-0-</u>	\$ <u>15,123</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>15,079</u>	\$ <u>44</u>	\$ <u>          </u>	\$ <u>15,123</u>
Total liabilities	\$ <u>15,079</u>	\$ <u>44</u>	\$ <u>-0-</u>	\$ <u>15,123</u>
<b>TAX ASSESSOR/COLLECTOR FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 1,613,417	\$ 311,569,674	\$ 311,285,506	\$ 1,897,585
Due from others		335,777		335,777
Due from other funds	<u>305,031</u>	<u>126,567</u>	<u>305,031</u>	<u>126,567</u>
Total assets	\$ <u>1,918,448</u>	\$ <u>312,032,018</u>	\$ <u>311,590,537</u>	\$ <u>2,359,929</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to other funds	\$ 376,057	\$ 66,881	\$ 376,057	\$ 66,881
Due to others	<u>1,542,391</u>	<u>43,766,989</u>	<u>43,016,332</u>	<u>2,293,048</u>
Total liabilities	\$ <u>1,918,448</u>	\$ <u>43,833,870</u>	\$ <u>43,392,389</u>	\$ <u>2,359,929</u>
<b>COUNTY CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>4,193,900</u>	\$ <u>591,948</u>	\$ <u>1,409,628</u>	\$ <u>3,376,220</u>
Total assets	\$ <u>4,193,900</u>	\$ <u>591,948</u>	\$ <u>1,409,628</u>	\$ <u>3,376,220</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ 4,193,900	\$ 4,143,738	\$ 5,148,992	\$ 3,188,646
Accounts payable and accrued expenses	<u>-0-</u>	<u>187,574</u>	<u>-0-</u>	<u>187,574</u>
Total liabilities	\$ <u>4,193,900</u>	\$ <u>4,331,312</u>	\$ <u>5,148,992</u>	\$ <u>3,376,220</u>



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

For the Year Ended September 30, 2010

Exhibit 14  
Page 2 of 3

	<u>Balance</u> 10-01-09	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 09-30-10
<b>DISTRICT CLERK FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>2,685,350</u>	\$ <u>1,719,561</u>	\$ <u>1,320,261</u>	\$ <u>3,084,650</u>
Total assets	\$ <u><u>2,685,350</u></u>	\$ <u><u>1,719,561</u></u>	\$ <u><u>1,320,261</u></u>	\$ <u><u>3,084,650</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>2,685,350</u>	\$ <u>2,685,346</u>	\$ <u>2,286,046</u>	\$ <u>3,084,650</u>
Total liabilities	\$ <u><u>2,685,350</u></u>	\$ <u><u>2,685,346</u></u>	\$ <u><u>2,286,046</u></u>	\$ <u><u>3,084,650</u></u>
<b>SHERIFF DEPARTMENT FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>75,256</u>	\$ <u>45,159</u>	\$ <u>88,446</u>	\$ <u>31,969</u>
Total assets	\$ <u><u>75,256</u></u>	\$ <u><u>45,159</u></u>	\$ <u><u>88,446</u></u>	\$ <u><u>31,969</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>75,256</u>	\$ <u>1,363,913</u>	\$ <u>1,407,200</u>	\$ <u>31,969</u>
Total liabilities	\$ <u><u>75,256</u></u>	\$ <u><u>1,363,913</u></u>	\$ <u><u>1,407,200</u></u>	\$ <u><u>31,969</u></u>
<b>JUSTICE OF THE PEACE FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ <u>17,356</u>	\$ _____	\$ <u>17,356</u>	\$ <u>-0-</u>
Total assets	\$ <u><u>17,356</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>17,356</u></u>	\$ <u><u>-0-</u></u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	\$ <u>17,356</u>	\$ _____	\$ <u>17,356</u>	\$ <u>-0-</u>
Total liabilities	\$ <u><u>17,356</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>17,356</u></u>	\$ <u><u>-0-</u></u>

**JOHNSON COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**

**AGENCY FUNDS - Continued**

For the Year Ended September 30, 2010

Exhibit 14  
Page 3 of 3

	<u>Balance 10-01-09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-10</u>
<b>SEIZURE AND RESTITUTION FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 99,553	\$ 23,920	\$ 77,194	\$ 46,279
Due from others	<u>617</u>		<u>617</u>	
Total assets	<u>\$ 100,170</u>	<u>\$ 23,920</u>	<u>\$ 77,811</u>	<u>\$ 46,279</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Due to others	<u>\$ 100,170</u>	<u>\$ 92,650</u>	<u>\$ 146,541</u>	<u>\$ 46,279</u>
Total liabilities	<u>\$ 100,170</u>	<u>\$ 92,650</u>	<u>\$ 146,541</u>	<u>\$ 46,279</u>
<b>TDCJ-CJAD:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 738,025	\$ 5,703,894	\$ 5,947,310	\$ 494,609
Accounts receivable	9,052	169,815	9,052	169,815
Other assets		1,391		1,391
Due from others	<u>148</u>	<u>148</u>	<u>296</u>	<u>-0-</u>
Total assets	<u>\$ 747,225</u>	<u>\$ 5,875,248</u>	<u>\$ 5,956,658</u>	<u>\$ 665,815</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 402,683	\$ 3,474,921	\$ 3,675,464	\$ 202,140
Due to other funds		10,397		10,397
Due to others	<u>344,542</u>	<u>405,375</u>	<u>296,639</u>	<u>453,278</u>
Total liabilities	<u>\$ 747,225</u>	<u>\$ 3,890,693</u>	<u>\$ 3,972,103</u>	<u>\$ 665,815</u>
<b>TOTALS - ALL AGENCY FUNDS:</b>				
<i>Assets</i>				
Cash and temporary investments	\$ 9,437,936	\$ 319,654,200	\$ 320,145,701	\$ 8,946,435
Accounts receivable	9,052	169,815	9,052	169,815
Other assets		1,391		1,391
Due from others	765	335,925	913	335,777
Due from other funds	<u>305,031</u>	<u>126,567</u>	<u>305,031</u>	<u>126,567</u>
Total assets	<u>\$ 9,752,784</u>	<u>\$ 320,287,898</u>	<u>\$ 320,460,697</u>	<u>\$ 9,579,985</u>
<i>Liabilities and Fund Balance</i>				
Liabilities:				
Accounts payable and accrued expenses	\$ 402,683	\$ 3,662,495	\$ 3,675,464	\$ 389,714
Due to other funds	376,057	77,278	376,057	77,278
Due to others	<u>8,974,044</u>	<u>52,458,055</u>	<u>52,319,106</u>	<u>9,112,993</u>
Total liabilities	<u>\$ 9,752,784</u>	<u>\$ 56,197,828</u>	<u>\$ 56,370,627</u>	<u>\$ 9,579,985</u>

## **STATISTICAL SECTION**



# JOHNSON COUNTY, TEXAS

Statistical Section  
(unaudited)

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

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

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

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

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

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

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

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

**JOHNSON COUNTY, TEXAS**  
**NET ASSETS BY COMPONENTS**  
 Last Ten Fiscal Years<sup>1</sup>

Table 1

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:					
Invested in capital assets, net of related debt	\$	\$	\$ 5,509,581	\$ 26,264,076	\$ 26,019,061
Restricted			13,714,296	16,532,649	12,721,810
Unrestricted			<u>9,125,190</u>	<u>13,503,382</u>	<u>17,243,663</u>
Total governmental activities net assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 28,349,067</u>	<u>\$ 56,300,107</u>	<u>\$ 55,984,534</u>

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

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

<u>2006</u>	<u>2007</u>	Restated <u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 27,551,960	\$ 35,136,805	\$ 35,509,134	\$ 37,272,013	\$ 38,696,684
6,865,408	11,756,299	12,711,090	14,910,199	16,212,538
<u>21,150,662</u>	<u>17,699,334</u>	<u>21,575,834</u>	<u>24,747,594</u>	<u>31,815,702</u>
<u>\$ 54,568,030</u>	<u>\$ 64,592,438</u>	<u>\$ 69,796,058</u>	<u>\$ 76,929,806</u>	<u>\$ 86,724,924</u>

**JOHNSON COUNTY, TEXAS**  
**CHANGES IN NET ASSETS**  
 Last Ten Fiscal Years<sup>1</sup>

Table 2

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Expenses</b>					
Governmental Activities:					
General government <sup>2</sup>	\$	\$	\$ 7,354,208	\$ 7,687,361	\$ 9,312,766
Highways/streets			6,249,617	7,824,243	7,465,644
Law Enforcement			12,104,480	12,660,979	12,780,185
Administration of justice			2,992,458	3,645,720	3,812,413
Financial			444,101	464,622	469,342
Public health and welfare			3,223,354	2,014,287	1,578,568
Interest on long-term debt			938,815	945,480	1,187,004
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 33,307,033</u>	<u>\$ 35,242,692</u>	<u>\$ 36,605,922</u>
<b>Program Revenues</b>					
Governmental Activities:					
Fees, Fines and Charges for Services:					
General government <sup>2</sup>	\$	\$	\$ 3,874,274	\$ 4,376,927	\$ 4,049,529
Highways/streets			2,090,833	2,089,045	2,258,279
Law Enforcement			544,538	493,836	381,404
Administration of justice			155,423	795,960	2,844,599
Financial					
Public health and welfare					
Operating grants and contributions			3,969,343	2,554,415	3,336,944
Capital grants and contributions					
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total governmental activities program revenues	<u>-0-</u>	<u>-0-</u>	<u>10,634,411</u>	<u>10,310,183</u>	<u>12,870,755</u>
Net (expense) revenue	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(22,672,622)</u>	<u>\$(24,932,509)</u>	<u>\$(23,735,167)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities:					
Taxes	\$	\$	\$ 19,180,815	\$ 21,489,545	\$ 23,354,100
Investment earnings			359,886	328,941	842,666
Gain/(loss) on disposal					
Miscellaneous			1,006,151	1,262,172	539,844
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total general revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 20,546,852</u>	<u>\$ 23,080,658</u>	<u>\$ 24,736,610</u>
Change in assets before extraordinary items	\$	\$	\$( 2,125,770)	\$(1,851,851)	\$ 1,001,443
Extraordinary items			2,500,000		
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Change in net assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 374,230</u>	<u>\$( 1,851,851)</u>	<u>\$ 1,001,443</u>
Prior period adjustment	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 422,500</u>	<u>\$ 29,082,891</u>	<u>\$ 1,317,016</u>

Source: Comprehensive Annual Financial Report

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

<sup>2</sup> Elections, Culture & Recreation and Conservation programs included here.



<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 8,181,158	\$ 7,763,235	\$ 9,365,726	\$ 9,545,034	\$ 10,182,184
7,367,643	7,747,391	10,423,688	9,743,940	8,745,648
15,769,865	16,139,399	18,163,642	19,374,254	19,220,559
4,865,771	5,983,462	7,029,121	7,734,733	8,109,384
533,187	3,012,304	2,906,858	3,444,059	3,822,853
1,269,057	1,038,950	1,280,130	1,729,026	2,615,113
<u>1,169,216</u>	<u>1,497,019</u>	<u>1,177,707</u>	<u>1,145,108</u>	<u>1,159,632</u>
<u>\$ 39,155,897</u>	<u>\$ 43,181,760</u>	<u>\$ 50,346,872</u>	<u>\$ 52,716,154</u>	<u>\$ 53,855,373</u>

\$ 5,153,714	\$ 3,235,707	\$ 3,898,229	\$ 2,150,433	\$ 2,434,504
2,216,100	2,214,245	2,816,738	2,488,572	2,064,296
564,555	1,590,551	1,363,846	1,465,446	839,972
2,487,519	3,585,853	3,140,098	3,021,563	2,674,906
	862,350	1,043,597	1,079,530	1,039,688
		31,410	60,856	11,372
2,628,142	3,065,163	3,834,540	3,855,193	3,992,091
	<u>5,398,255</u>	<u>1,420,109</u>	<u>1,086,130</u>	<u>76,707</u>
<u>13,050,030</u>	<u>19,952,124</u>	<u>17,548,567</u>	<u>15,207,723</u>	<u>13,133,536</u>
<u>\$(26,105,867)</u>	<u>\$(23,229,636)</u>	<u>\$(32,798,305)</u>	<u>\$(37,508,431)</u>	<u>\$(40,721,837)</u>

\$ 26,103,185	\$ 30,432,894	\$ 35,965,010	\$ 43,456,398	\$ 48,031,682
1,161,504	1,535,829	1,008,287	256,184	131,318
( 282,023)	63,844		58,494	60,093
<u>1,216,413</u>	<u>1,221,477</u>	<u>175,565</u>	<u>871,103</u>	<u>2,293,862</u>
<u>\$ 28,199,079</u>	<u>\$ 33,254,044</u>	<u>\$ 37,148,862</u>	<u>\$ 44,642,179</u>	<u>\$ 50,516,955</u>
\$ 2,093,212	\$ 10,024,408	\$ 4,350,557	\$ 7,133,748	\$ 9,795,118
<u>\$ 2,093,212</u>	<u>\$ 10,024,408</u>	<u>\$ 4,350,557</u>	<u>\$ 7,133,748</u>	<u>\$ 9,795,118</u>
<u>\$( 798,098)</u>	<u>\$( 2,711,629)</u>	<u>\$ 130,932</u>	<u>\$ 235,227</u>	<u>\$ -0-</u>

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

Table 3

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund:					
Reserved	\$	\$	\$	\$	\$
Unreserved	<u>1,518,951</u>	<u>1,156,420</u>	<u>1,897,454</u>	<u>3,327,363</u>	<u>5,494,132</u>
Total general fund	<u>\$ 1,518,951</u>	<u>\$ 1,156,420</u>	<u>\$ 1,897,454</u>	<u>\$ 3,327,363</u>	<u>\$ 5,494,132</u>
Road and Bridge Fund:					
Reserved	\$	\$	\$	\$	\$
Unreserved	<u>          </u>	<u>          </u>	<u>2,301,677</u>	<u>2,141,192</u>	<u>2,076,088</u>
Total road and bridge	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,301,677</u>	<u>\$ 2,141,192</u>	<u>\$ 2,076,088</u>
All Other Governmental Funds:					
Reserved for debt service	\$( 14,071 )	\$ 365,090	\$ 262,036	\$ 341,976	\$ 322,090
Other					
Unreserved:					
Capital projects funds	13,199,989	12,007,434	6,264,270	9,980,478	5,982,111
Special revenue funds	<u>7,298,186</u>	<u>6,977,290</u>	<u>5,232,845</u>	<u>4,677,869</u>	<u>5,648,376</u>
Total all other governmental funds	<u>\$ 20,484,104</u>	<u>\$ 19,349,814</u>	<u>\$ 11,759,151</u>	<u>\$ 15,000,323</u>	<u>\$ 11,952,577</u>

Source: Comprehensive Annual Financial Report (Balance Sheet - Governmental Funds)

<u>2006</u>	<u>2007</u>	Restated <u>2008</u>	<u>2009</u>	<u>2010</u>
\$	\$ 1,534,905	\$ 469,717	\$ 555,131	\$ 299,577
<u>7,073,102</u>	<u>10,462,146</u>	<u>11,578,430</u>	<u>16,866,872</u>	<u>24,814,565</u>
\$ <u>7,073,102</u>	\$ <u>11,997,051</u>	\$ <u>12,048,147</u>	\$ <u>17,422,003</u>	\$ <u>25,114,142</u>
\$	\$ 493,959	\$ 406,313	\$ 439,578	\$ 334,581
<u>2,336,572</u>	<u>4,015,628</u>	<u>4,407,191</u>	<u>5,240,717</u>	<u>6,096,140</u>
\$ <u>2,336,572</u>	\$ <u>4,509,587</u>	\$ <u>4,813,504</u>	\$ <u>5,680,295</u>	\$ <u>6,430,721</u>
\$ 604,455	\$ 1,127,308	\$ 1,676,881	\$ 2,094,378	\$ 2,248,781
	7,396	412,254	30,659	
1,716,845	101,826	2,068,155	426,996	1,183,189
<u>4,473,217</u>	<u>5,444,217</u>	<u>5,177,086</u>	<u>6,454,612</u>	<u>6,424,899</u>
\$ <u>6,794,517</u>	\$ <u>6,680,747</u>	\$ <u>9,334,376</u>	\$ <u>9,006,645</u>	\$ <u>9,856,869</u>

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

Last Ten Fiscal Years

Table 4

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues:					
Taxes	\$ 14,848,383	\$ 17,030,271	\$ 19,059,086	\$ 21,610,079	\$ 23,474,200
Licenses and permits	2,055,415	2,115,617	2,084,792	2,089,045	2,199,800
Intergovernmental	2,683,141	2,710,365	3,969,343	2,554,415	3,527,418
Fees	4,042,265	3,991,230	3,303,182	3,788,752	4,668,039
Fines	1,153,088	1,208,992	1,277,094	1,250,247	1,276,788
Interest	1,231,315	627,841	359,886	328,941	845,183
Miscellaneous	<u>2,642,895</u>	<u>3,664,728</u>	<u>1,006,151</u>	<u>1,262,172</u>	<u>901,224</u>
Total revenues	<u>28,656,502</u>	<u>31,349,044</u>	<u>31,059,534</u>	<u>32,883,651</u>	<u>36,892,652</u>
Expenditures:					
General government	6,470,795	7,360,531	6,781,222	7,408,860	8,389,639
Highways/streets	5,606,309	5,122,038	5,699,207	5,348,608	5,593,591
Law enforcement	8,483,517	9,466,560	11,838,315	11,865,471	11,968,031
Administration of justice	5,088,199	5,502,583	2,968,082	3,308,311	3,753,590
Financial	333,386	409,506	442,432	464,622	469,342
Public health and welfare	2,421,329	2,566,089	3,216,302	2,009,726	1,578,568
Capital outlay	2,252,831	1,632,568	5,835,751	6,273,037	4,662,900
Debt Service:					
Principal	1,275,000	620,000	300,000	550,000	480,000
Interest	543,713	1,110,975	701,514	701,467	1,124,777
Other		<u>10,255</u>			
Total expenditures	<u>32,475,079</u>	<u>33,801,105</u>	<u>37,782,825</u>	<u>37,930,102</u>	<u>38,020,438</u>
Excess of revenues over (under) expenditures	<u>( 3,818,577)</u>	<u>( 2,452,061)</u>	<u>( 6,723,291)</u>	<u>( 5,046,451)</u>	<u>( 1,127,786)</u>
Other Financing Sources (Uses):					
Transfers in	104,644	1,799,358	2,527,005	2,221,544	621,267
Transfers out	( 104,644)	( 1,799,358)	( 2,527,005)	( 2,221,544)	( 627,267)
Debt issuance/other	<u>14,000,574</u>	<u>500,000</u>		<u>9,558,670</u>	<u>26,187</u>
Total other financing sources (uses)	<u>14,000,574</u>	<u>500,000</u>	<u>-0-</u>	<u>9,558,670</u>	<u>26,187</u>
Extraordinary items			<u>2,500,000</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	<u>\$ 10,181,997</u>	<u>\$( 1,952,061)</u>	<u>\$( 4,223,291)</u>	<u>\$ 4,512,219</u>	<u>\$( 1,101,599)</u>
Debt service as a percentage of noncapital expenditures	6.0%	5.4%	3.1%	4.0%	4.8%

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

<u>2006</u>	<u>2007</u>	<u>Restated 2008</u>	<u>2009</u>	<u>2010</u>
\$ 26,127,510	\$ 31,235,915	\$ 35,940,947	\$ 43,468,684	\$ 48,055,409
2,216,100				
1,965,268	4,041,247	3,471,311	3,364,428	3,919,350
6,892,207	8,608,032	8,528,155	7,368,544	7,168,758
1,454,090	1,880,639	2,067,448	2,002,246	1,895,980
1,161,504	1,535,829	1,008,287	256,184	131,318
<u>1,216,413</u>	<u>2,300,966</u>	<u>2,814,390</u>	<u>2,257,478</u>	<u>2,258,740</u>
<u>41,033,092</u>	<u>49,602,628</u>	<u>53,830,538</u>	<u>58,717,564</u>	<u>63,429,555</u>
8,600,515	6,826,813	8,153,121	8,181,184	8,704,409
5,885,584	5,447,360	8,100,515	7,363,664	6,224,675
14,084,973	15,159,789	17,116,396	18,118,570	17,891,954
4,896,102	5,950,970	6,981,582	7,784,305	8,387,209
533,187	3,008,958	2,896,376	3,440,812	3,818,502
1,269,057	1,035,673	1,284,676	1,721,213	2,609,358
7,403,055	5,720,961	3,334,376	4,637,822	5,000,820
835,000	1,491,000	890,000	1,005,000	1,620,000
1,045,927	1,271,587	1,044,715	961,177	1,041,312
<u>44,553,400</u>	<u>45,913,111</u>	<u>49,801,757</u>	<u>53,213,747</u>	<u>55,298,239</u>
<u>( 3,520,308)</u>	<u>3,689,517</u>	<u>4,028,781</u>	<u>5,503,817</u>	<u>8,131,316</u>
3,897,357	442,436	2,176,013	3,760,479	2,111,908
( 3,897,357)	( 442,436)	( 2,176,013)	( 3,760,479)	( 2,111,908)
<u>375,000</u>	<u>2,025,200</u>	<u>15,034</u>	<u>132,699</u>	<u>1,161,472</u>
<u>375,000</u>	<u>2,025,200</u>	<u>15,034</u>	<u>132,699</u>	<u>1,161,472</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$( 3,145,308)</u>	<u>\$ 5,714,717</u>	<u>\$ 4,043,815</u>	<u>\$ 5,636,516</u>	<u>\$ 9,292,788</u>
5.2%	6.9%	4.2%	4.0%	5.3%

**JOHNSON COUNTY, TEXAS**

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

Table 5

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Less Exempt, Homestead, Other Exemptions
	Residential Property	Commercial Property	Other Property		
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
2010	5,077,633,061	1,734,032,644	6,213,853,003	2,262,282,136	2,095,982,431

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. 2001-2002 Tax data unavailable for these specific categories.

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

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

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

<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate<sup>c</sup></u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ --	0.417360	---
--	0.417350	---
4,452,887,716	0.425085	100.00%
4,906,680,174	0.434878	100.00%
5,351,680,566	0.434878	100.00%
6,019,731,680	0.434878	100.00%
6,958,259,958	0.421794	100.00%
8,364,143,888	0.409752	100.00%
11,831,450,070	0.359498	100.00%
13,191,818,413	0.353379	100.00%

# 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	2001 Tax Rate	2002 Tax Rate	2003 Tax Rate	2004 Tax Rate
<b>Cities:</b>					
Alvarado	100.00%	0.778670	0.778670	0.750000	0.750000
Burleson	77.26%	0.604380	0.604260	0.598480	0.598480
Cleburne	100.00%	0.693000	0.730000	0.711900	0.711900
Godley	100.00%	0.638600	0.619530	0.609930	0.583450
Grandview	100.00%	0.721361	0.710662	0.724185	0.682700
Joshua	100.00%	0.476430	0.524700	0.520000	0.540900
Keene	100.00%	0.729599	0.729599	0.687071	0.676614
Mansfield	5.71%	0.710000	0.710000	0.710000	0.710000
Rio Vista	100.00%	0.493700	0.498900	0.489200	0.495500
Venus	86.22%	0.692500	0.731680	0.755000	0.755000
<b>School Districts:</b>					
Alvarado ISD	100.00%	1.690000	1.171000	1.710000	1.720000
Burleson ISD	64.11%	1.824330	1.779913	1.749599	1.748400
Cleburne ISD	100.00%	1.673100	1.693700	1.678700	1.686700
Crowley ISD	1.44%	1.706000	1.723000	1.768000	1.768000
Godley ISD	84.70%	1.600000	1.613340	1.607840	1.596840
Granbury ISD	2.04%	1.730000	1.730000	1.700000	1.670000
Grandview ISD	97.29%	1.540000	1.585000	1.575000	1.575000
Joshua ISD	100.00%	1.598080	1.738080	1.738080	1.738080
Keene ISD	100.00%	1.600000	1.740000	1.740000	1.558500
Mansfield ISD	6.30%	1.671400	1.682000	1.682000	1.717000
Rio Vista ISD	98.90%	1.669250	1.650000	1.650000	1.630000
Venus ISD	100.00%	1.500000	1.500000	1.550000	1.590000
<b>Johnson County:</b>					
County	100.00%	0.345440	0.357295	0.382088	0.382088
FMLR	100.00%	0.071910	0.067790	0.052790	0.052790
Total		0.417350	0.425085	0.434878	0.434878
<b>Special District Rates:</b>					
Emergency Service	100.00%	0.030000	0.030000	0.030000	0.030000
Hill College - Alvarado ISD	100.00%	0.046878	0.045450	0.041633	0.041392
Hill College - Cleburne ISD	100.00%	0.048941	0.049774	0.048507	0.048140
Hill College - Godley ISD	84.70%	0.039407	0.038010	0.036094	0.034769
Hill College - Grandview ISD	97.29%	0.045524	0.042548	0.041123	0.039714
Hill College - Joshua ISD	100.00%	0.043667	0.042254	0.040287	0.040203
Hill College - Keene ISD	100.00%	0.045656	0.044966	0.045234	0.040498
Hill College - Rio Vista ISD	98.90%	0.041833	0.040982	0.038482	0.033976
Hill College - Venus ISD	100.00%	0.040630	0.040790	0.039233	0.039250

Source: Johnson County Appraisal District  
Texas Municipal Report



<u>2005</u> <u>Tax Rate</u>	<u>2006</u> <u>Tax Rate</u>	<u>2007</u> <u>Tax Rate</u>	<u>2008</u> <u>Tax Rate</u>	<u>2009</u> <u>Tax Rate</u>	<u>2010</u> <u>Tax Rate</u>
0.750000	0.750000	0.697315	0.697313	0.697313	0.722313
0.596400	0.629900	0.661825	0.694000	0.694000	0.710000
0.748108	0.714000	0.650000	0.620000	0.620000	0.706446
0.583450	0.500000	0.500000	0.500000	0.500000	0.500000
0.754984	0.742823	0.742823	0.742823	0.742823	0.742823
0.633500	0.669000	0.656219	0.653476	0.634331	0.685270
0.676614	0.676614	0.821737	0.757861	0.757861	0.797861
0.690000	0.690000	0.690000	0.710000	0.710000	0.710000
0.649860	0.590143	0.528004	0.515560	0.513276	0.564162
0.762698	0.794900	0.794900	0.801506	0.821506	0.841506
1.730000	1.406883	1.410000	1.306900	1.280000	1.316000
1.735220	1.450050	1.405100	1.468800	1.540000	1.540000
1.693500	1.238550	1.236800	1.236600	1.236600	1.236600
1.789000	1.671000	1.409850	1.535000	1.535000	1.535000
1.438795	1.011963	1.031820	1.081800	1.071481	1.122390
1.670000	1.440000	1.171150	1.170000	1.155000	1.140000
1.575000	1.115050	1.115000	1.160000	1.160000	1.270000
1.738080	1.538850	1.460000	1.390000	1.390000	1.390000
1.500000	1.400500	1.040000	1.420000	1.382300	1.490900
1.772000	1.687500	1.450000	1.450000	1.450000	1.496000
1.630000	1.600500	1.180000	1.144500	1.183300	1.386200
1.600000	1.40050	1.180000	1.240000	1.198300	1.270000
0.382088	0.369004	0.356962	0.306708	0.300589	0.327500
0.052790	0.052790	0.052790	0.052790	0.052790	0.052000
0.434878	0.421794	0.409752	0.359498	0.353379	0.379500
0.030000	0.030000	0.030000	0.030000	0.030000	0.060000
0.045873	0.043862	0.039360	0.025254	0.022745	0.028883
0.050000	0.044988	0.039930	0.030717	0.030252	0.039049
0.025531	0.015924	0.015843	0.011388	0.009243	0.010931
0.045167	0.034489	0.036045	0.031739	0.031375	0.039672
0.040203	0.038778	0.034000	0.028234	0.025561	0.031394
0.046877	0.044475	0.041379	0.035143	0.030062	0.030062
0.034621	0.028091	0.026756	0.020197	0.020059	0.023200
0.040007	0.036287	0.031375	0.025562	0.020585	0.025394

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

Table 7

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
EOG Resources Inc.	\$ 884,332,844	1	6.71%	\$ --	--	--
Chesapeake Operating Inc	414,746,024	2	3.14%	--	--	--
Devon Energy Op Co LP	375,824,642	3	2.85%	--	--	--
XTO Energy Inc	296,194,978	4	2.25%	--	--	--
Williams Prod Gulf Coast LP	120,540,680	5	0.91%	--	--	--
Energy Transfer Fuel LP	112,126,899	6	0.85%	--	--	--
Texas Midstream Gas	103,773,106	7	0.79%	--	--	--
Halliburton Energy Serv Inc	96,511,110	8	0.73%	--	--	--
ETC Texas Processing LTD	95,418,280	9	0.72%	--	--	--
Brazos Electric Power Co op	93,311,270	10	0.71%	--	--	--
Manville Sales Corp	--	--	--	58,272,613	1	1.63%
Southwestern Bell	--	--	--	44,992,354	2	1.26%
TXU Electric	--	--	--	40,324,387	3	1.13%
James Hardie Building	--	--	--	32,618,629	4	0.91%
Corrections Corporation	--	--	--	24,656,436	5	0.69%
Wal-Mart Store	--	--	--	23,573,902	6	0.66%
Burlington Northern	--	--	--	23,341,858	7	0.65%
Tenaska	--	--	--	27,603,414	8	0.77%
United Coop Services	--	--	--	19,718,806	9	0.55%
Halliburton Energy Services	--	--	--	18,665,020	10	0.52%
Total	<u>\$ 2,592,79,833</u>		<u>19.65%</u>	<u>\$ 313,767,419</u>		<u>8.76%</u>
Total Taxable Assessed Value	<u>\$ 13,191,818,413</u>			<u>\$ 3,580,635,555</u>		

Source: Johnson County Central Appraisal District

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

Table 8

Fiscal Year	Tax Levy as of Fiscal Year End <sup>a</sup>	Collected Within the Fiscal Year of the Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2010	47,628,987	46,699,219	98.05%	712,248	47,411,467	99.54%

Source: Johnson County Tax Assessor-Collector

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

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

Table 9

Fiscal Year	General Bonded Debt Outstanding				Less:		Percentage of Actual Taxable Property Value <sup>a</sup>	Per Capita <sup>b</sup>	Percentage of Personal Income
	General Obligation Bonds	Certificates of Obligation	Tax Anticipation Notes	Total	Amounts Available for Principal	Remaining			
2001	\$ --	\$ 15,885,395	\$ 570,000	\$ 16,455,395	\$( 14,071 )	\$16,469,466	\$ 0.46%	\$ 125.50	0.51%
2002	--	15,843,016	510,000	16,353,016	365,090	15,987,926	0.40%	117.82	0.48%
2003	--	16,030,317	260,000	16,290,317	262,036	16,028,281	0.36%	114.49	0.46%
2004	--	25,382,279	300,000	25,682,279	341,976	25,340,303	0.52%	173.09	0.70%
2005	1,460,000	23,860,684	--	25,320,684	322,090	24,998,594	0.47%	166.15	0.65%
2006	1,460,000	23,335,903	190,000	24,985,903	604,455	24,381,448	0.41%	159.77	0.59%
2007	11,180,098	13,430,000	994,000	25,604,098	1,127,308	24,476,790	0.35%	157.00	0.56%
2008	10,764,579	12,905,000	2,856,000	26,525,579	1,676,881	24,848,698	0.30%	159.54	0.53%
2009	10,652,172	12,265,000	920,000	23,837,172	2,094,378	21,742,794	0.18%	138.92	0.44%
2010	14,883,209	7,005,000	400,000	22,288,209	2,248,780	20,039,429	0.15%	123.81	0.38%

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

<sup>a</sup> Assessed values from the office of the Johnson County Central Appraisal District.

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

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

As of September 30, 2010

Table 10

<u>Taxing Jurisdiction</u>	<u>Net Bonded Debt as of Sept. 30, 2010</u>	<u>% Applicable to Johnson County (1)</u>	<u>Amount Applicable to Johnson County (1)</u>
<b><u>Direct Debt</u></b>			
Johnson County	\$ 22,288,209	100.00%	\$ 22,288,209
<b><u>Overlapping Debt</u></b>			
<b><u>Cities</u></b>			
City of Alvarado	9,302,000	100.00%	9,302,000
City of Burleson	48,204,350	77.26%	37,242,680
City of Cleburne	22,119,093	100.00%	22,119,093
City of Crowley	26,540,000	0.00%	--
City of Godley	2,318,684	100.00%	2,318,684
City of Grandview	1,525,000	100.00%	1,525,000
City of Joshua	5,224,106	100.00%	5,224,106
City of Keene	6,385,000	100.00%	6,385,000
City of Mansfield	99,155,000	5.71%	5,661,751
City of Rio Vista	460,000	100.00%	460,000
City of Venus	2,147,000	86.22%	1,851,143
<b><u>School Districts</u></b>			
Alvarado ISD	55,759,514	100.00%	55,759,514
Burleson ISD	293,814,007	64.11%	188,364,160
Cleburne ISD	49,804,102	100.00%	49,804,102
Crowley ISD	293,406,488	1.44%	4,225,053
Godley ISD	33,288,060	84.70%	28,194,987
Granbury ISD	47,488,219	2.04%	968,760
Grandview ISD	17,202,255	97.29%	16,736,074
Joshua ISD	71,819,373	100.00%	71,819,373
Keene ISD	14,745,000	100.00%	14,745,000
Mansfield ISD	693,978,345	6.30%	43,720,636
Rio Vista ISD	14,718,683	98.90%	14,556,777
Venus ISD	12,224,188	100.00%	<u>12,224,188</u>
Total Overlapping Debt			<b><u>\$ 593,208,081</u></b>
Total Direct & Overlapping Debt			<b><u>\$ 615,496,290</u></b>

(1) Source: Municipal Advisory Council of Texas

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

Table 11

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Assessed value of real property <sup>(1)</sup>	\$ 2,710,038,747	\$ 4,034,803,165	\$ 4,452,887,716	\$ 4,906,680,174	\$ 5,351,680,566
Debt limit <sup>(2)</sup>	677,509,687	1,008,700,791	1,113,221,929	1,226,670,044	1,337,920,142
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total bonded debt	16,455,395	16,353,016	16,290,317	25,682,279	25,320,684
Less: Assets in debt service fund	( 14,071 )	365,090	262,036	341,976	322,090
Total net debt applicable to limit	16,469,466	15,987,926	16,028,281	25,340,303	24,998,594
Legal debt margin	<u>\$ 661,040,221</u>	<u>\$ 992,712,865</u>	<u>\$ 1,097,193,648</u>	<u>\$ 1,201,329,741</u>	<u>\$ 1,312,921,548</u>
Total net debt applicable to the limit as a percentage of debt limit	2.43%	1.59%	1.44%	2.07%	1.87%
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed value of real property <sup>(1)</sup>	\$ 6,019,731,680	\$ 6,958,259,958	\$ 8,364,143,888	\$ 11,831,450,070	\$ 13,191,818,413
Debt limit <sup>(2)</sup>	1,504,932,920	1,739,564,990	2,091,035,972	2,957,862,518	3,297,954,603
Amount of Debt Applicable to Limit <sup>(3)</sup>					
Total bonded debt	24,985,903	26,316,186	26,525,579	23,837,172	22,288,209
Less: Assets in debt service fund	<u>604,455</u>	<u>1,706,088</u>	<u>1,683,067</u>	<u>2,094,378</u>	<u>2,248,781</u>
Total net debt applicable to limit	24,381,448	24,610,098	24,842,512	21,742,794	20,039,428
Legal debt margin	<u>\$ 1,480,551,472</u>	<u>\$ 1,714,954,892</u>	<u>\$ 2,066,193,460</u>	<u>\$ 2,936,119,724</u>	<u>\$ 3,277,915,175</u>
Total net debt applicable to the limit as a percentage of debt limit	1.62%	1.41%	1.19%	0.74%	0.61%

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<sup>a</sup></u>	<u>Personal Income (thousands of dollars)<sup>b</sup></u>	<u>Per Capita Personal Income<sup>b</sup></u>	<u>Unemployment Rate<sup>c</sup></u>
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%
2010	161,680	5,252,431	32,487	8.1%

<sup>a</sup> Estimated Population data for 2001 through 2008 is from BEA, Regional Economic Accounts. Figures for 2009 and 2010 are estimated derived from trended BEA data.

<sup>b</sup> Personal & Per Capita Income from 2001 through 2008 is from BEA, Regional Economic Accounts. Figures for 2009 and 2010 are estimates derived from trended BEA data.

<sup>c</sup> Unemployment rates were provided by the Texas Workforce Commission.

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

Table 13

Employer	2010			2001		
	Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Burleson ISD	1,513	1	2.15%	N/A	--	N/A
Cleburne ISD	1,024	2	1.46%	N/A	--	N/A
Wal-Mart Distribution Center	818	3	1.16%	N/A	--	N/A
Joshua ISD	660	4	0.94%	N/A	--	N/A
Johnson County	588	5	0.84%	N/A	--	N/A
Wal-Mart Supercenter (Burleson)	587	6	0.83%	N/A	--	N/A
Wal-Mart Supercenter (Cleburne)	467	7	0.66%	N/A	--	N/A
Johns Manville	460	8	0.65%	N/A	--	N/A
Harris Methodist Walls Hospital	371	9	0.53%	N/A	--	N/A
City of Cleburne	361	10	0.51%	N/A	--	N/A
Total	6,849		9.73%	N/A		N/A
Total County Employment	70,371			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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	--	--	84	87	93	98	106	126	141	135
Highways/streets	--	--	75	77	78	77	74	72	90	79
Law enforcement	--	--	231	243	238	263	293	304	189 <sup>(a)</sup>	198
Administrative justice	--	--	49	54	62	63	70	81	87	89
Financial	--	--	12	12	12	12	12	12	14	14
Public health & welfare	--	--	11	10	10	10	10	9	9	8
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>7<sup>(b)</sup></u>	<u>6</u>
Total	<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>	<u>529</u>

Source: County budget records

N/A - Not available

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

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

Table 15  
 Page 1 of 2

Function	Fiscal Year				
	2001	2002	2003	2004	2005
General Government:					
County Clerk					
Criminal Cases filed	4,078	4,278	4,823	5,446	5,597
Civil Cases filed	1,104	1,129	1,096	1,293	1,370
Juvenile petitions filed	154	242	223	223	177
Personnel					
Positions filed	N/A	550	560	577	625
Payroll checks processed	13,950	14,023	14,213	14,394	14,546
Public Works					
Permits Issued	1,631	1,440	1,135	1,162	1,333
Septic complaints addressed	N/A	N/A	N/A	N/A	N/A
Purchasing					
Purchase orders issued	7,755	8,506	8,061	7,791	8,014
Competitive bids	33	31	28	34	31
Tax Assessor/Collector					
County Tax accounts	71,878	70,433	72,853	75,343	77,907
Automobile registrations	121,601	125,648	129,982	129,465	133,814
Elections Administration					
Registered voters	N/A	71,096	73,737	73,939	76,694
Administrative Justice					
District Courts					
Civil cases filed	2,735	2,725	2,756	2,935	2,191
Criminal cases filed	1,173	1,322	1,481	1,630	1,326
County Courts					
Criminal cases disposed	4,199	4,765	4,762	5,344	6,220
Civil cases disposed	1,133	1,103	909	1,038	1,026
Juvenile petitions disposed	114	216	247	202	192
District Clerk					
Civil cases disposed	2,563	3,094	3,177	3,086	3,074
Criminal cases disposed	1,584	1,489	1,688	1,851	1,747
Justice of the Peace					
Civil cases filed	1,432	1,516	1,676	1,771	1,585
Criminal cases filed	10,568	11,593	15,298	15,810	16,820
Law Enforcement					
County Jail					
Average daily jail population	440	460	506	515	449

(continued)

Fiscal Year				
2006	2007	2008	2009	2010
6,546	6,317	4,972	4,395	4,316
1,671	1,800	1,723	1,238	1,179
200	264	309	281	266
675	685	725	608 <sup>(1)</sup>	607
16,302	16,829	17,816	15,585 <sup>(1)</sup>	15,903
1,424	1,659	1,561	964	715
435	458	408	256	214
6,584	6,643	7,018	6,507	5,896
42	39	55	23	39
82,549	92,788	114,151	136,166	185,126
142,218	146,544	157,150	158,597	158,676
80,834	76,890	78,544	79,811	81,486
3,134	3,297	3,544	3,397	3,268
1,724	1,881	1,596	1,366	1,338
6,181	7,238	6,070	4,819	4,871
1,096	1,803	1,859	1,822	1,371
188	184	212	200	193
3,126	2,835	3,195	3,404	3,264
2,071	1,798	1,546	1,565	1,416
1,754	1,839	2,804	2,168	1,928
17,551	18,698	15,047	16,710	14,789
503	566	447	580	564

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

Last Ten Fiscal Years

Table 15

Page 2 of 2

Function	Fiscal Year				
	2001	2002	2003	2004	2005
<b>Sheriff</b>					
E-911 calls received (approx)	31,922	31,922	31,922	31,922	31,922
Warrants received	8,688	10,440	12,157	8,904	8,600
<b>Financial</b>					
<b>County Auditor</b>					
A/P checks processed	10,715	11,265	9,752	8,925	7,588
Invoices processed	--	--	--	--	--
<b>Highways and Streets</b>					
Miles of roads resurfaced	201	99	213	180	126
<b>Public Health &amp; Welfare</b>					
Autopsies performed	70	78	37	39	28
Medical Examiner cases	390	391	354	327	344
Indigent clients	N/A	N/A	N/A	421	300
<b>Culture &amp; Recreation</b>					
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) This year the total number of calls were reported. All other years reflect the number of incidents. It is normal to have more than one call per incident.
  - (3) Hamm Creek Park opened in May 2009.

Fiscal Year				
2006	2007	2008	2009	2010
31,922	52,231	64,500	224,566 <sup>(2)</sup>	37,667
10,210	15,400	18,256	12,688	11,704
6,312	6,780	6,624	7,131	7,137
31,147	30,419	31,392	31,931	32,207
104	299	221	104	114
36	44	87	90	123
360	355	460	399	441
175	128	107	94	160
--	--	--	3,519 <sup>(3)</sup>	7,214

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

Table 16

Function	Fiscal Year				
	2001	2002	2003	2004	2005
Administration of Justice					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
General Government					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Highways and Streets					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Law Enforcement					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Health & Welfare					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					
Culture & Recreation					
Furniture and equipment					
Vehicles & mobile equipment					
Land & building					

Source: Johnson County Financial Records

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

Fiscal Year				
2006	2007	2008	2009	2010

20  
6  
1

288  
11  
77

8  
311  
14

98  
196  
8

6  
3  
--

1  
3  
--





**FEDERAL AND STATE AWARDS SECTION**



# KENNEMER, MASTERS & LUNSFORD

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## 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 28, 2011

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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 28, 2011. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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The Honorable County Judge,  
and Members of Commissioners  
Court of Johnson County, Texas  
March 28, 2011  
Page 2

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, as discussed below, we consider the deficiency described in the accompanying schedule of findings and questioned costs (item 10-1) to be a significant deficiency in internal control over financial reporting.

#### 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, 2010, no instances of noncompliance were found.

We noted certain matters that we reported to management of the County, in a separate letter dated March 28, 2011.

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 & Hunzford, LLC*

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## Independent Auditor's Report

Report on Compliance with Requirements that Could Have a Direct and Material Effect on  
Each Major Program and on Internal Control Over Compliance in Accordance with  
OMB Circular A-133

March 28, 2011

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 federal and state programs for the year ended September 30, 2010. 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*, and the *Texas Single Audit Circular*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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, 2010.

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The Honorable County Judge,  
and Members of Commissioners  
Court of Johnson County, Texas  
March 28, 2011  
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 deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the County's internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, 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 & Rungford, LLC*

**JOHNSON COUNTY, TEXAS**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

For the Year Ended September 30, 2010

Page 1 of 2

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unqualified.
2. One internal control finding (10-1), that was required to be reported in this schedule, was disclosed in the audit of the financial statements. It was not considered to be a material weakness.
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 #16.753
    - Community Development Block Grant CFDA #14.228
  - State:
    - TJPC Cluster Programs:
      - TJPC-A-10/11-126 State Aid Program
      - TJPC-Y-10/11-126 Community Correction Assistance Program
      - TJPC-Z-10/11-126 Salary Adjustment Funding JP and Detention Centers
      - TJPC-F-10/11-126 Progressive Sanctions JPO
      - TJPC-X-10-126 Intensive Community Based Placement
      - TJPC-C-10-126 Commitment Reduction Program
      - TJPC-P-10/11-126 Juvenile Justice Alternative Education Program Boot Camp
8. Dollar threshold used to distinguish between Type A and Type B programs: Federal \$ 300,000; State \$ 300,000.
9. Low risk auditee: No.

**JOHNSON COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended September 30, 2010

Page 2 of 2

II. Findings related to the financial statements.

The audit disclosed the following finding required to be reported:

1. Schedule reference number 10-1: Unrecorded Liabilities. Controls over recording of liabilities were not consistently executed.

Criteria: Procedures should be followed to properly account for all liabilities of the County as they are incurred and therefore properly recognizing the related expenditure at incurrence of the liability not at the time the actual payment is made.

Condition Found: The County has a practice of waiting until the federal and Johnson County Special Utility District reimbursements are received before the County pays the related invoices. This is acceptable, however the County does not record these invoices as a liability at the time when the liability is incurred, specifically at the end of a reporting period.

Questioned costs/basis: None

Instances/universe: These items were noted during the audit search for liabilities for the year ended September 30, 2010.

Effect: Liabilities would be understated by any amount of liability incurred which had not been recorded as a liability at the end of the reporting period.

Recommendation: The practice of waiting until the federal and Johnson County Special District reimbursements are received before the County pays the related invoices is acceptable, however we recommend that the County record any amount of liability which has been incurred during the period in which the liability was incurred. We further recommend that the County perform a thorough search for unrecorded liabilities subsequent to year end.

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

The audit disclosed no findings required to be reported.



**JOHNSON COUNTY, TEXAS**  
*SCHEDULE OF STATUS OF PRIOR FINDINGS*  
Year Ended September 30, 2010

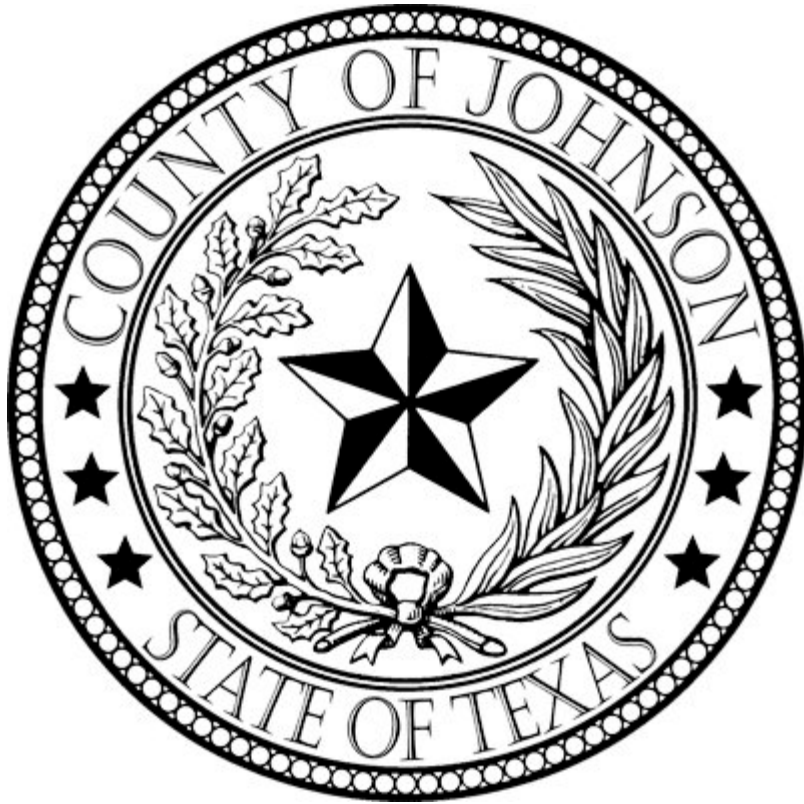
*Page 1 of 1*

None.

Schedule reference number 10-1: Unrecorded Liabilities. Controls over recording of liabilities were not consistently executed.

Corrective action plan: The Auditor's office will perform a detailed review of invoices on hand at the end of the year to determine if liability has been incurred as of the year end date and will record liabilities where necessary. The Auditor's office will consistently perform a review of disbursements subsequent to year end for a reasonable period of time in search of liabilities that are required to be recorded in the year end period.

Responsible: J.R. Kirkpatrick, County Auditor



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

For the Year Ended September 30, 2010

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	727310	\$ <u>343,764</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>\$ <u>343,764</u></b>
U.S. Department of Interior: Passed Through Fish and Wildlife Service: Refuge Revenue Sharing Act of 1978	15.000	--	\$ <u>1,242</u>
<b>TOTAL U.S. DEPARTMENT OF INTERIOR</b>			<b>\$ <u>1,242</u></b>
U.S. Department of Justice: Direct:			
2009 State Criminal Alien Assistance Program	16.606	2008-AP-BX-1154	\$ 37,021
2009 State Criminal Alien Assistance Program	16.606	2009-AP-BX-0193	<u>41,902</u>
			78,923
FY06 BJA Congressional Mandated Awards	16.580	2008-DD-BX-0474	34,849
FY06 BJA Congressional Mandated Awards	16.753	2009-D1-BX-0025	136,796
Edward Byrne Memorial Justice Assistance Grant Program	16.804	2009-SB-B9-0345	89,843
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-B9-0606	922
Edward Byrne Memorial Justice Assistance Grant Program – ARRA	16.803	SU-09-A10-22722-01	86,643
Bulletproof Vest Partnership Program	16.607	--	<u>1,938</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>\$ <u>429,914</u></b>
General Services Administration: Passed Through Texas Secretary of State: Help America Vote Act – TEAMS Compatibility	39.011	79116	\$ <u>14</u>
<b>TOTAL GENERAL SERVICES ADMINISTRATION</b>			<b>\$ <u>14</u></b>
Elections Assistance Commission: Passed Through Texas Secretary of State: Help America Vote Act – General HAVA Compliance	90.401	---	\$ <u>30,175</u>
<b>TOTAL ELECTIONS ASSISTANCE COMMISSION</b>			<b>\$ <u>30,175</u></b>

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

For the Year Ended September 30, 2010

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	2009-031759	\$ 31,284
Cities Readiness Initiative	93.283	2010-000000	<u>5,410</u>
			36,694
Passed Through Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	E-2010-126	<u>145,972</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICE			<u>\$ 182,666</u>
U.S. Department of Homeland Security:			
Passed Through the Texas Department of Public Safety:			
Emergency Operations Center Grant Program (EOCGP)	97.052	2010-EO-MX-0017	<u>\$ 29,071</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>\$ 29,071</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,016,846</u>
TOTAL MAJOR PROGRAMS			<u>\$ 626,532</u>
TYPE A PROGRAM			<u>\$ 300,000</u>

**JOHNSON COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
For the Year Ended September 30, 2010

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:		
Mental Health Peace Officer	SF-10-A-21695-01	\$ 50,642
Mental Health Peace Officer	SF-10-A-21695-02	<u>4,206</u>
		54,848
 Criminal Justice Planning Fund (Fund 421)	 19329-03	 <u>20,350</u>
 TOTAL OFFICE OF GOVERNOR		 \$ <u><u>75,198</u></u>
Texas Juvenile Probation Commission:		
Direct Programs:		
State Aid Program (1)	TJPC-A-10-126	\$ 152,204
State Aid Program (1)	TJPC-A-11-126	32,182
Community Correction Assistance Program (1)	TJPC-Y-10-126	256,700
Community Correction Assistance Program (1)	TJPC-Y-11-126	23,180
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-10-126	28,577
Salary Adjustment Funding JP and Detention Centers (1)	TJPC-Z-11-126	2,894
Progressive Sanctions JPO (1)	TJPC-F-10-126	25,234
Progressive Sanctions JPO (1)	TJPC-F-11-126	2,333
Intensive Community Based Placement (1)	TJPC-X-10-126	34,887
Level 5 Placement	TJPC-CCP-LV5	14,250
Interagency	TJPC-I-10-126	34,200
Commitment Reduction Program	TJPC-C-10-126	51,100
Diversionsary Placement	TJPC-H-10-126	94,766
Passed Through Texas Education Agency:		
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-10-126	116,604
Juvenile Justice Alternative Education Program (Boot Camp) (1)	TJPC-P-11-126	<u>16,906</u>
 TOTAL TEXAS JUVENILE PROBATION COMMISSION		 \$ <u><u>886,017</u></u>
Texas Commission on Environmental Quality:		
Direct:		
Aircheck Texas Repair and Replacement Assistance Program	582-9-90416-10	\$ 405,871
Aircheck Texas Repair and Replacement Assistance Program	582-9-90416-11	<u>37,307</u>
 TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY		 \$ <u><u>443,178</u></u>
Secretary of State - Elections Division:		
Direct Program:		
Chapter 19 - Election Funds Management	---	\$ <u>2,951</u>
 TOTAL SECRETARY OF STATE		 \$ <u><u>2,951</u></u>

**JOHNSON COUNTY, TEXAS****SCHEDULE OF EXPENDITURES OF STATE AWARDS - Continued**  
For the Year Ended September 30, 2010Exhibit 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	\$ 20,165
911 PSAP Room Preparation		<u>3,000</u>
TOTAL COMMISSION ON STATE OF TEXAS EMERGENCY COMMUNICATIONS		<u>\$ 23,165</u>
Office of Attorney General:		
Direct Program:		
Texas Victim Information and Notification Everyday (VINE)	10-12434	\$ 27,599
Texas Victim Information and Notification Everyday (VINE)	11-21169	<u>2,560</u>
		30,159
Sexual Assault Prevention and Crisis Services Program	---	<u>23,936</u>
TOTAL OFFICE OF ATTORNEY GENERAL		<u>\$ 54,095</u>
Texas Task Force on Indigent Defense:		
Direct Program:		
Indigent Defense Services	212-10-126	<u>\$ 162,833</u>
TOTAL TEXAS TASK FORCE ON INDIGENT DEFENSE		<u>\$ 162,833</u>
TOTAL STATE ASSISTANCE		<u>\$ 1,647,437</u>
TOTAL MAJOR PROGRAMS		<u>\$ 742,802</u>
TYPE A PROGRAM		<u>\$ 300,000</u>

(1) Cluster Programs per TJPC

## **JOHNSON COUNTY, TEXAS**

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

Year Ended September 30, 2010

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, 2010

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, 2010.

