

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

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

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

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

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

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

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