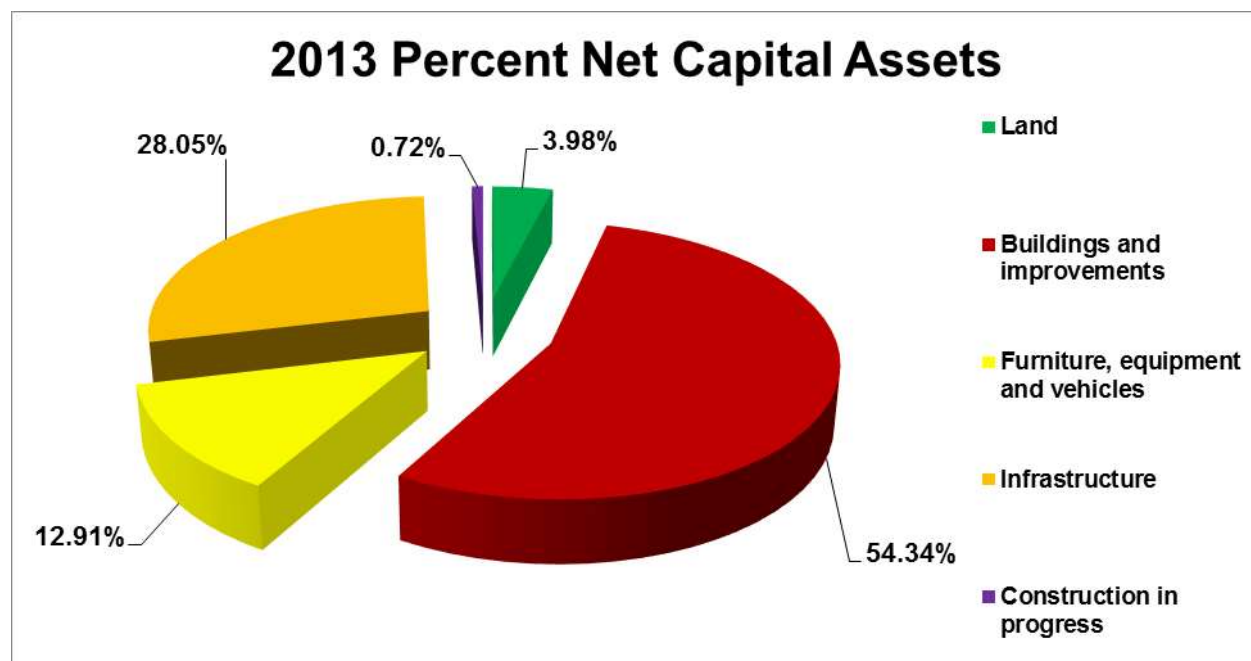


JOHNSON COUNTY, TEXAS

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



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

DEBT ADMINISTRATION

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

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

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