

JOHNSON COUNTY, TEXAS

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

During the fiscal year, the County's total debt increased \$ 3,171,003 or 21.24%. The net increase was due primarily to the issuance of tax notes.

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 52 through 56 of this report.

Economic Factors and Next Year's Budgets and Rates

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

In considering the budget for FY 2015, Commissioners Court considered the following factors:

- Property tax rate was set at an amount significantly under the rollback rate but slightly higher than the rate set for previous year. It appears the County will continue to increase unencumbered fund balances.
- Employees were given additional compensation of \$ 2,000 each and 1% for each department to distribute as determined by the department head.

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.