

JOHNSON COUNTY, TEXAS

Notes to the Financial Statements

For The Year Ended September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes - continued

The County's 2013 tax levy, supporting the 2014 fiscal period budget, totaled \$ 0.420154 per \$ 100 valuation and was comprised as follows:

| | |
|--|--------------------|
| Constitutional Levy: | |
| General Fund | \$ 0.342788 |
| Indigent Health Care | 0.010544 |
| Road and Bridge | 0.049000 |
| Special Road and Bridge: | |
| Article 6790 | -0- |
| Article 7048a | -0- |
| Debt Service: | |
| Interest and Sinking: | |
| General Obligation Refunding Bonds, Series 2007, and | |
| General Obligation Refunding Bonds, Series 2010 | <u>0.017822</u> |
| Combined tax rate | \$ <u>0.420154</u> |

Interfund Receivables and Payables

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

Inventories and Prepaid Items

The County utilizes the consumption method to account for inventory and prepaid expenditures. Under this method, inventory and prepaid expenditures are 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 government-wide and prepaid expenditures in the fund financial statements.