

# Comprehensive Annual Financial Report



for the fiscal year  
ended Dec. 31, 2017

## About the cover

Many areas of Johnson County Government are hard at work on multiple projects around the county. Johnson County Library has one new library opening later this year and Johnson County Park & Recreation District will be opening multiple facilities in 2018. All this is happening as the design/build teams are hard at work preparing for the county's new courthouse and medical examiner's facilities.

### Meadowbrook Park

#### Prairie Village

**Anticipated opening: Summer 2018**

Meadowbrook Park in Prairie Village is an 80-acre component of a mixed-used development on the site of the former Meadowbrook Country Club. The park portion will include a destination playground, nature play area, large pavilion shelter, outdoor fitness equipment, and the 10,000-square-foot Meadowbrook Park Clubhouse.

### Monticello Library

#### Shawnee

**Anticipated opening: Fall 2018**

Work to finish the interiors and make the building systems operational is in full swing while librarians continue to assemble the branch's collection. The building's interior will be the bright, modern colors and textures seen in the animation on the Johnson County Library webpage, [jocolibrary.org/locations/monticello](http://jocolibrary.org/locations/monticello).

### Big Bull Creek Park

#### Between Gardner and Edgerton

**Anticipated opening: Summer 2018**

Big Bull Creek Park is slated to open in late 2017, with a park police substation and maintenance building, playground, shelters, trails and group camping areas. The 2,000-acre park will offer recreation amenities unmatched in the Kansas City region.

### Lenexa City Center Library

#### Lenexa

**Anticipated opening: Mid-2019**

The Board of County Commissioners and the Library's Board of Directors broke ground for Lenexa City Center Library in November 2017. This stunning new facility will be about 40,000 square feet on two levels, doubling the size of the existing Lackman branch, which it will replace. A dynamic open floor plan at Lenexa City Center Library allows for rearrangement, as needed.

The new beach house at Shawnee Mission Park opens in Summer 2018



Meadowbrook Park will include a new club house in the next phase of construction.



Work is underway on design and construction of a new county courthouse — groundbreaking anticipated in mid-2018.



The greatly anticipated opening of the Monticello branch will bring a new community resource to western Shawnee.

The opening of Big Bull Creek in 2018 brings one of the county's largest park developments to the southeast part of Johnson County.



The new Lenexa City Center branch will replace the Lackman branch and include services such as a drive-up kiosk in the parking garage.

**JOHNSON COUNTY, KANSAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the year ended**  
**December 31, 2017**

**Prepared by:**  
**Treasury and Financial Management**  
**Accounting and Financial Reporting Division**

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## Johnson County, Kansas For the year ended December 31, 2017

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# **INTRODUCTORY SECTION**



June 7, 2018

To the Honorable Chair and Commissioners of the Governing Board, and the Citizens of Johnson County:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Johnson County, Kansas (the County), for the fiscal year ended December 31, 2017. Kansas statutes require the County to publish a complete set of annual financial statements presented in conformity with generally accepted accounting principles (GAAP) of the United States, and audited by an independent firm of licensed certified public accountants. The CAFR is prepared in accordance with GAAP and with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), and it is audited in accordance with auditing standards generally accepted (GAAS) in the United States of America.

### **Accounting and Internal Controls**

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### **Independent Audit**

The County's basic financial statements have been audited by Allen, Gibbs & Houlik, L.C., an independent firm of licensed certified public accountants that has issued an unmodified opinion that the financial statements of the County for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the County is part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

## **Management's Discussion and Analysis**

Generally accepted accounting principles (GAAP) in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a document titled *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of independent auditors in the *Financial Section* of this CAFR.

## **PROFILE OF THE COUNTY**

Johnson County was organized as a county on September 7, 1857. The County was named for the Reverend Thomas Johnson, founder of the Shawnee Methodist Mission and Indian Manual Labor School in 1830. The County encompasses about 480 square miles and includes twenty incorporated cities and nine townships within its boundaries. The City of Olathe, located in the center of the County, was named as the County seat in 1858. Three major westward migration routes traversed Johnson County: the Santa Fe Trail, the Oregon Trail, and the California Road.

The highest authority in the Johnson County Government is the electorate. Voters choose the Board of County Commissioners (the Board). The Board consists of a Chairman and six district commissioners. The Chairman of the Commission is elected on a countywide basis and serves as a full-time County official. The six District Commissioners serve as part-time County officials and are elected by residents in specific geographical areas, or districts, of the County. The Board meets in regular business session once each week. The Commissioners serve staggered, four-year terms with no term limitations.

In addition to the Board of County Commissioners, the voters elect the District Attorney and the Sheriff. These positions are elected at large and serve four-year terms with no term limitations.

Johnson County government has a Council-Manager form of government. Under this form of government, the Board appoints a professional County Manager to administer a variety of County functions. The County Manager is responsible for policy implementation, budget development and implementation, and the appointment and supervision of certain department directors.

In addition to the County Manager, the Board also appoints members to serve in an advisory capacity for four agency governing boards: Airport Commission; Developmental Supports Board; Library Board; and the Parks and Recreation District Board. The governing boards for these four agencies are responsible for a number of items, including the appointment and direction of an Executive Director for their respective agency and the submission by each agency of an annual budget request to the Board of County Commissioners.

The County provides a full range of services, including public safety and judiciary, health and human services, cultural and recreational activities, and public works and transportation.

## **THE FINANCIAL REPORTING ENTITY**

This CAFR includes the financial activities of the primary government, which also encompasses several enterprise activities, and the financial activities of the County's component units. Component units are legally separate entities for which the primary government is financially accountable, and/or legally separate organizations for which the

nature and significance of their relationship with the primary government are such that exclusion would cause the County's financial statements to be misleading or incomplete.

The Public Building Commission (PBC) is a component unit of Johnson County. The PBC Board is comprised of the same members as the Board of County Commissioners. For financial reporting purposes, the PBC's operations are presented as a blended component unit (i.e., as though it was a fund of the County).

The Parks and Recreation District (the District) is also a component unit of Johnson County. The District is governed by a seven-member board appointed by the Board of County Commissioners. The County is financially accountable for the District, because the County's Board approves the District's operating budget and levies taxes to fund the District. For financial reporting purposes, the District is shown as a discretely presented component unit.

Other independent agencies exist for schools and municipal utilities. They do not meet the definition of a component unit and are not included in this report. The County cannot impose its will on these agencies, nor is there any financial benefit or burden to the County, nor any fiscal dependency on the County by these agencies.

### **Budgetary Information**

The Board of County Commissioners plans for the orderly operation of the County by the adoption of a balanced annual budget of anticipated revenues and expenditures, as required by Kansas statutes. It is the responsibility of all elected officials, agency directors, governing boards, and employees to exercise good stewardship in the management of public funds and resources for which they are responsible according to applicable statutes, the Board policy and priorities, and approved budgets. The County maintains an encumbrance accounting system as another method of accomplishing budgetary control.

Since budgets must be formulated well in advance of their execution, the Board recognizes that it can become necessary to amend a fund's budget. Budgets will be amended only for an emergency or other unanticipated need. In such cases, budgets will only be amended in accordance with Kansas statutes.

The statutes establish the overall legal level of control at the fund level by prohibiting expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

### **Local Economy**

Johnson County's economy has experienced nearly unprecedented growth and diversification over the last several decades and has become one of the most dynamic metro-centers in the nation's heartland. Johnson County is a thriving force in the metropolitan Kansas City area and continues to be an attractive location for both families and businesses. According to the County Economic Research Institute Inc. (CERI), Johnson County enables the State of Kansas and the Kansas City metropolitan area to successfully compete with the nation's other premier business locations, attracting investment from throughout the world.

Johnson County's population has grown dramatically in the recent decades and has become the state's largest county with an estimated population of approximately 590,000 in 2017. Johnson County has also grown in its proportion of population of both the State

of Kansas and the Kansas City region. Johnson County leads the State in population density with more than 1,200 residents per square mile.

Between 2008 and 2017, the number of full and part-time jobs increased from 317,238 to 322,790 - a 2% increase. At the end of 2017, Johnson County's civilian labor force totaled 323,585 members and the unemployment rate was 2.6%, as compared to the national unemployment rate of 4.4%.

The number of businesses with payroll employment in the County grew from 17,352 establishments in 2008 to 17,907 in 2017 - an increase of 555 businesses. Numerous Fortune 1,000 companies have located offices in the greater Kansas City area, with a few headquartered in Johnson County, including YRC Worldwide.

Over \$724 million dollars in Kansas State sales tax was collected in Johnson County. This amounted to approximately 26% of the state's total revenue from this source.

In 2017, Johnson County had the highest assessed valuation in the State of Kansas. The assessed valuation for Johnson County increased 6.8% from the previous year. The upturn in assessed valuations marks the fifth straight year of increase.

Johnson County has the lowest mill levy rate of all 105 counties in Kansas. The second lowest county in terms of mill levy rate is 51% higher than the 19.318 mills levied in Johnson County, which dropped from 19.590 at the end of 2016.

### **Long-term Financial Planning and Major Initiatives**

The Board of County Commissioners has developed several strategic goals to align financial decisions for the County to the services being provided to the community. The Board is committed to be responsible stewards of the taxpayers' money, to provide the best possible mandatory and discretionary services, to build a "Community of Choice," and to advance a positive organizational work environment.

Assessed valuation, the basis for ad valorem taxes, the County's largest revenue source, grew 6.8%, a significant increase for the second year in a row. At the same time, the State of Kansas implemented a five-year phase out of the mortgage registration fee in 2014, which will ultimately cost the County over \$18 million annually. A portion of the lost fees are being negated by increased document charges for mortgage transactions.

The fiscal year 2018 budget reflects a prudent and realistic approach, with an emphasis on maintaining existing services and capital assets. Overall, the adopted budget maintains the quality of life for Johnson County residents, including a reasonable tax burden. The 2018 budget was developed in accordance with the Board of County Commissioner's strategic goals, which align financial decisions to the services provided to the community.

The Board's first goal is to be "responsible stewards of the taxpayers' money." The 2018 budget was adopted with a total mill levy of 26.351. The mill levy broken down by taxing district is 19.318 for Johnson County, 3.921 for the Library, and 3.112 for the Park and Recreation District. The Board is also committed to funding continuing operating expenditures with on-going revenue sources, to maintaining sufficient General Fund reserves for unanticipated and unusual circumstances, and to estimating revenues conservatively to avoid budget shortfalls.

The second goal for the Board is to "provide the best possible mandatory and discretionary services." Providing quality services to residents is at the heart of what makes Johnson

County government an excellent organization. The FY 2017 Budget continues to meet the needs of the community, while planning for the future. Every effort was made to preserve the quality and level of services when budget reductions were considered.

The Board's third goal is to "build a Community of Choice where people want to live and work." The Board's commitment to this goal is demonstrated by allocating \$15 million to the County Assistance Road System (CARS), a joint partnership with local cities in 2017. Continued support to public libraries and park and recreation activities are secure in the FY 2017 Budget as well. The Park and Recreation District mill levy rose slightly to 3.112, and the Library District mill levy also rose slightly to 3.921 mills.

The fourth goal for the Board is to "empower employee innovation and productivity." Employee pay ranges are based on market conditions and are reviewed annually to ensure the County remains competitive. Both the 2017 and 2018 budgets allocated funds for a 3.0% merit increase pool for employees. The County's benefits program continues to place an increased emphasis on wellness programs, which have been shown to reduce costs in the long range.

The long-term financial forecast reflects a wait and see approach taken by the Board in order to properly assess the impacts of the mortgage registration legislation phase out. Future budgets will likely require additional revenues as well as potential expenditure reductions to accommodate the full impact of the lost revenue. Uncertainty in state funding, needed improvement to the existing courthouse, and attention to quality of life priorities in libraries and parks are a few of the major initiatives facing the Board and the community. Significant capital expenditures are anticipated for Wastewater as the Board and staff evaluate whether to continue to send substantial flow to Kansas City for treatment or to undertake a large-scale expansion to the Tomahawk plant.

The County's tax base is forecasted to increase slightly in each of the next five years. The mill levy decreased to 19.318 in FY 2017. Multi-year projections show no future increases through FY 2022. The projections are based on maintaining the County's service levels as well as the General Fund reserves.

Using a conservative revenue estimation approach, the County's major revenue sources are estimated to reflect a steadily growing economy of recovery with solid increases in property, sales, and use taxes. Expenditure assumptions project 1) minimal increases to service delivery in FY 2017 through FY 2022, and 2) no changes in legislation occurring which impact County expenditures.

### **Relevant Financial Policies**

The County's policy is to fund on-going expenditures with on-going revenues. For 2018, the adopted General Fund budget includes the use of reserves for one-time capital and operating expenditures. Through carefully controlling expenditures in tandem with modest revenue increases, the projected fund balance for the year ending December 31, 2018 is anticipated to be approximately \$91.9 million, or 27.3% of the General Fund revenues (excluding intra-fund transfers and the General Fund cost allocations), in line with County policy of a reserve calculated to be from 20% to 25% of revenues.

The revised Reserves Policy approved by the Board of County Commissioners took effect in 2013. In keeping with that policy, reserves are projected to decrease from 22.2% in FY 2016 to 20.0% in FY 2020.

## **Awards and Acknowledgements:**

The Government Finance Officers Association (GFOA) awarded its *Certificate of Achievement for Excellence in Financial Reporting* to the County for its Comprehensive Annual Financial Report for the year ended December 31, 2016. This was the thirtieth consecutive year the County applied for and received this prestigious award. In order to be awarded a *Certificate of Achievement*, the government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. A *Certificate of Achievement* is valid for a period of one year only. We believe that the 2017 Comprehensive Annual Financial Report continues to meet the *Certificate of Achievement* program requirements, and we will submit it to GFOA to determine its eligibility for certification.

In addition, the County also received the GFOA's *Distinguished Budget Award* for its annual Capital and Operating Budgets document for the fiscal year beginning January 1, 2018. The County has received this award twenty-eight times. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Our appreciation is extended to the Board of County Commissioners for their continued support in maintaining the highest standards for financial reporting. Our gratitude is also expressed to the various elected officials, agency and department heads, as well as employees responsible for contributing to the sound financial position of Johnson County. In particular, special thanks are extended to all Treasury and Financial Management staff for their contributions to this year's Comprehensive Annual Financial Report. Special gratitude is due to the Accounting staff of Treasury and Financial Management: Accounting and Financial Reporting Manager Julie Highfill, Senior Accountants Jim Longmire, Lisa Yu, and Curtis Yates, and Accountants Gary Doggett and Jerry Verhulst; for their hours of commitment to excellence. We would also like to acknowledge the accounting firm of Allen, Gibbs & Houlik, L.C. for their review and comments in the preparation of this report.

Thomas G. Franzen, CTP, CPFO  
Director of Treasury and  
Financial Management

Hannes Zacharias  
County Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**Johnson County  
Kansas**

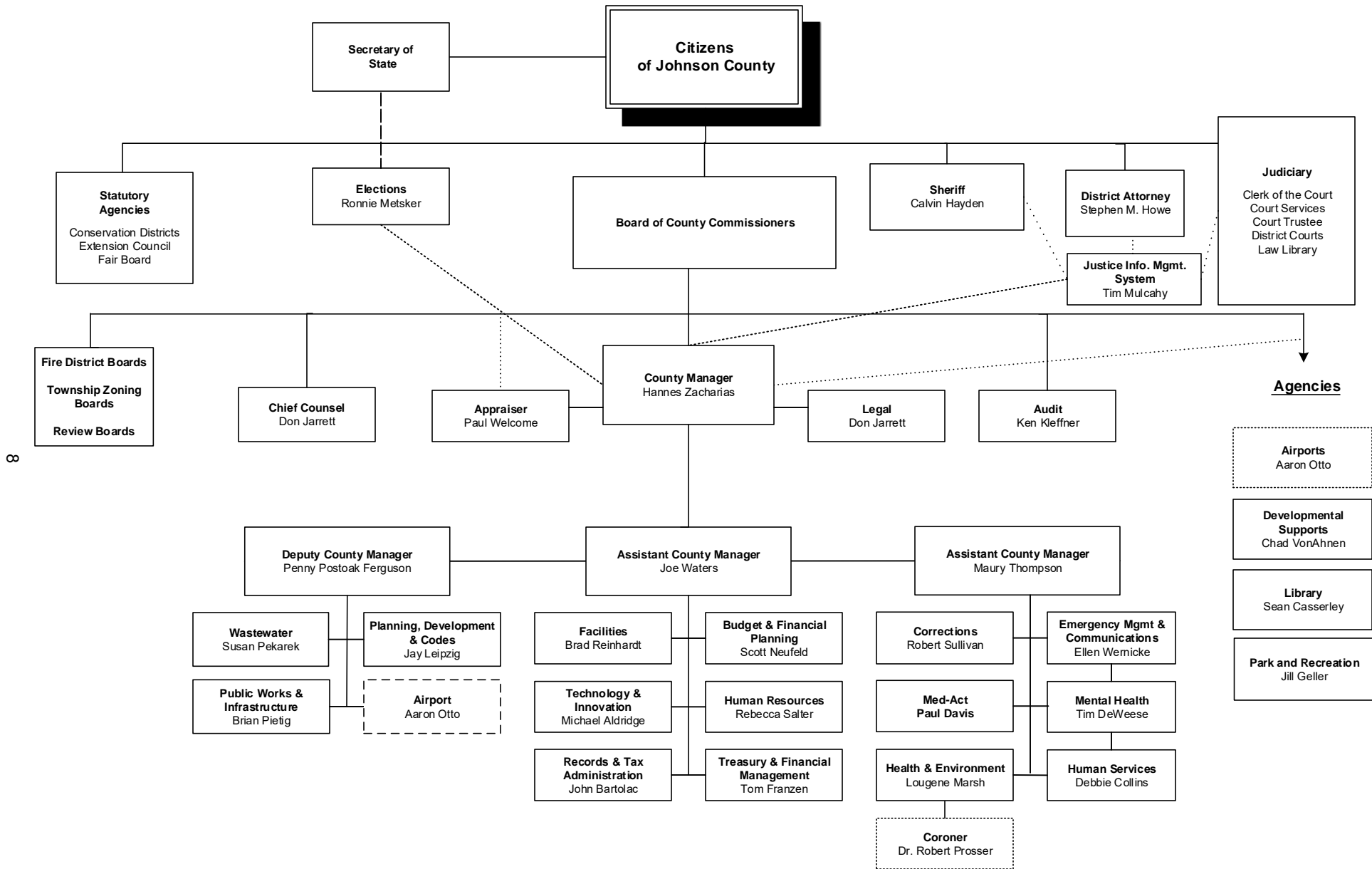
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Merrill*

Executive Director/CEO

**Johnson County Organization Chart**





# Elected Officials

As of December 31, 2017

<b><u>Board of County Commissioners</u></b>	<b><u>Length of Service</u></b>	<b><u>Term Expires</u></b>	<b><u>Position</u></b>
Ed Eilert	11 years	2019	Chairman
Ronald L. Shaffer	3 years	2019	1st District
James P. Allen	9 years	2021	2nd District
Steven C. Klika	5 years	2021	3rd District
Jason L. Osterhaus	7 years	2019	4th District
Michael L. Ashcraft	7 years	2019	5th District
Mike Brown	1 year	2021	6th District

<b><u>Elected Officials</u></b>			
Cal Hayden	1 year	2021	Sheriff
Stephen M. Howe	9 years	2021	District Attorney

## Appointed Officials as of December 31, 2017

Appointed Officials	Position	Length of Service to Johnson County	Other Government Service
Hannes Zacharias	County Manager	16 years	25 years
Penny Postoak Ferguson	Deputy County Manager	8 years	9 years
Maury Thompson	Assistant County Manager	26 years	3 years
Joe Waters	Assistant County Manager	23 years	6 years
Don Jarrett	Director of Legal Services/Chief Counsel	32 years	N/A
Paul Davis	Chief of Emergency Medical Service	1 year	N/A
Paul Welcome	County Appraiser	26 years	12 years
Ken Kleffner	County Auditor	10 years	N/A
Sean Casserley	County Librarian	6 years	22 years
Scott Neufeld	Director of Budget and Financial Planning	23 years	8 years
Robert Sullivan	Director of Corrections	3 years	21 years
Ellen Wernicke	Director of Emergency Management & Communications	20 years	N/A
Brad Reinhardt	Director of Facilities	3 years	N/A
Lougene Marsh	Director of Health and Environmental	9 years	26 years
Becky Salter	Director of Human Resources	10 years	11 years
Deborah Collins	Director of Human Services	32 years	N/A
Jill Geller	Director of Parks and Recreation	37 years	N/A
Jay Leipzig	Director of Planning	.5 years	24 years
Brian Pietig	Director of Public Works & Infrastructure/County Engineer	18 years	2.5 years
John Bartolac	Director of Records and Tax Administration	24 years	12 years
Michael Aldridge	Director of Technology & Innovation	1 year	N/A
Tom Franzen	Director of Treasury and Financial Management/County Treasurer	19 years	N/A
Ronnie Metsker	Election Commissioner	2 years	N/A
Aaron Otto	Executive Director of Airports	3 years	15.5 years
Chad VonAhnen	Executive Director of Developmental Supports	5 years	17 years
Tim DeWeese	Executive Director of Mental Health	17 years	5 years
Susan Pekarek	Wastewater General Manager	16 years	N/A

# **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Notes to the Financial Statements**

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
**Johnson County, Kansas**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Johnson County, Kansas (County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions 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, the *Kansas Municipal Audit and Accounting Guide*, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Johnson County, Kansas, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 7, 2018  
Wichita, Kansas

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Johnson County, Kansas (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$606,783,123 (net position). Of this amount, \$112,124,549 (unrestricted net position) may be used to meet the County's on-going obligations to citizens and creditors.
- As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$224,929,232. Approximately 84% of this total amount, \$189,509,923, is available to meet the County's current and future needs.
- At the close of the current fiscal year, fund balance for the County's primary operating fund, the General Fund, was \$95,092,840 or 35% of total general fund expenditures of \$274,610,718. Approximately 31% of this total amount, \$85,350,805 is available to meet the County's current and future needs.
- The County's total bonded debt decreased by \$26,555,001 (4%) during the current fiscal year. This was primarily due to the refunding of debt related to Johnson County Wastewater.

### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements and 3) **Notes** to the basic 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 position* presents information on all of the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is measured as the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as 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 future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public works, public safety, health and human services, planning and economic development, and culture and recreation. The business-type activities of the County include two airports, wastewater treatment, transportation operations and the Public Building Commission.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Parks and Recreation District for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize their status as legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Parks and Recreation District is reported as a discretely presented component unit.

Included within the business-type activities of the government-wide financial statements are the operations of the Johnson County Public Building Commission (PBC). Although legally separate from the County, this component unit is blended with the primary government for the following reasons: the County is financially accountable for the PBC, the PBC has substantially the same governing board as the County, and the PBC provides services entirely to the County. Accordingly, the PBC is reported as an enterprise fund of the primary government.

**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 the following 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 (i.e., most of the County's basic services are reported in governmental funds). However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows 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 the County'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 County's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances both provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). 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 Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

***Proprietary funds.*** Proprietary funds are generally used to account for services for which the County charges customers. These customers include both external customers and internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the operations of its airport, transportation operations, wastewater services and the Public Building Commission. The proprietary fund financial statements provide separate information for Johnson County Wastewater and for the PBC, both of which are considered to be major funds of the County.
- **Internal Service funds** are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its risk management, self-insured health care, and fleet services. Because these services predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County's agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the County's own programs, they are *not* reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the basic financial statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's and the Parks and Recreation District Component Unit's progress in funding their other postemployment benefits other than pensions (OPEB) obligations to their employees. Net pension liability information for KPERS and KP&F is also presented.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

<b>Johnson County's Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Assets:</b>						
Current and other assets	\$ 509,966,133	\$ 474,346,429	\$ 322,792,165	\$ 326,530,821	\$ 832,758,298	\$ 800,877,250
Capital assets	164,760,426	165,174,651	801,514,569	781,616,847	966,274,995	946,791,498
Total assets	674,726,559	639,521,080	1,124,306,734	1,108,147,668	1,799,033,293	1,747,668,748
Deferred Outflow s	36,763,763	44,985,821	1,120,688	1,291,328	37,884,451	46,277,149
<b>Liabilities:</b>						
Long-term liabilities outstanding	233,619,370	241,814,431	686,651,640	710,722,104	920,271,010	952,536,535
Other liabilities	49,680,419	46,475,331	21,924,602	20,793,043	71,605,021	67,268,374
Total liabilities	283,299,789	288,289,762	708,576,242	731,515,147	991,876,031	1,019,804,909
Deferred Inflow s	236,113,785	222,310,300	2,144,805	2,134,801	238,258,590	224,445,101
<b>Net position:</b>						
Net investment in capital assets	159,173,282	159,594,348	287,469,063	267,997,151	446,642,345	427,591,499
Restricted	32,652,747	25,468,576	15,363,482	15,695,389	48,016,229	41,163,965
Unrestricted	250,719	(11,156,085)	111,873,830	92,096,508	112,124,549	80,940,423
Total net position	\$ 192,076,748	\$ 173,906,839	\$ 414,706,375	\$ 375,789,048	\$ 606,783,123	\$ 549,695,887

**Analysis of Net Position.** As noted earlier, net position may serve as a useful indicator of a government's financial position. For the County, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$606,783,123 at the close of the current fiscal year.

The largest portion of the County's net position (74%) reflects its investment of \$446,642,345 in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services 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 liquidated for these liabilities.

An additional portion of the County's net position, \$48,016,229 (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$112,124,549 (18%) may be used to meet the government's ongoing obligations to citizens and creditors.

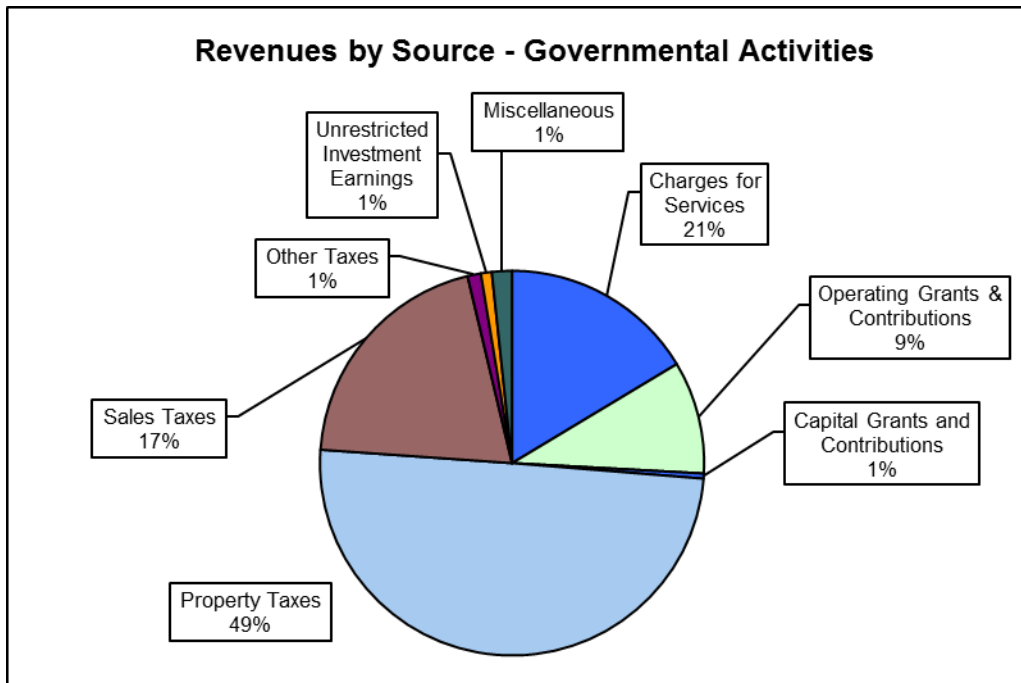
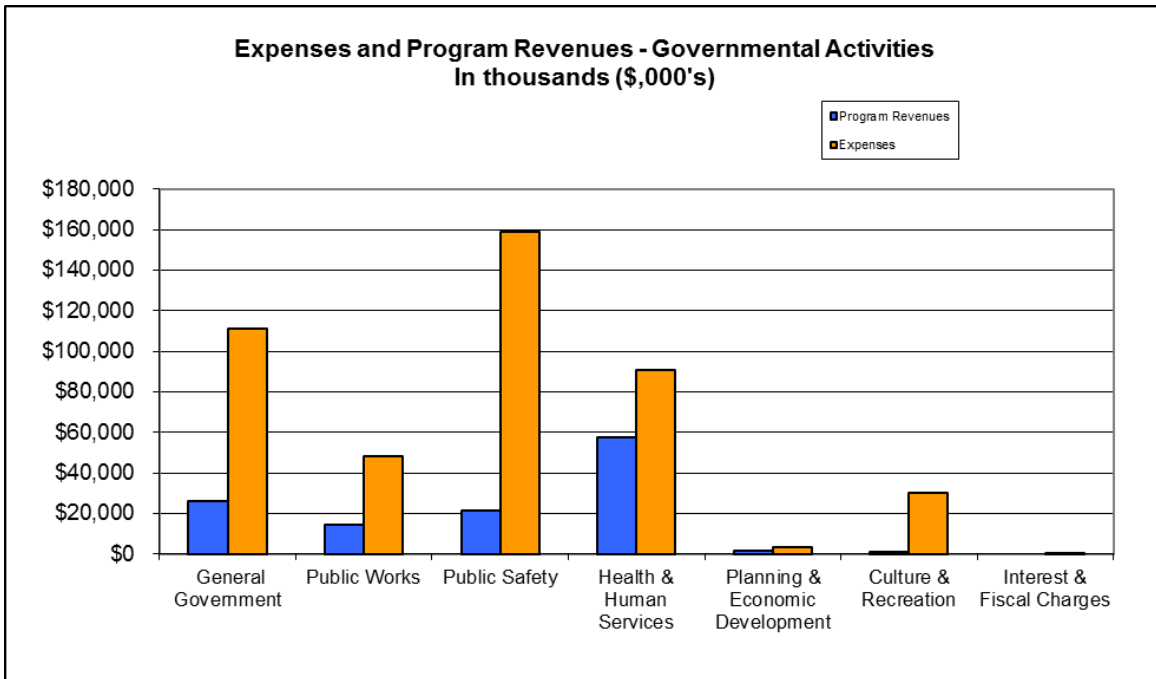
The following table reflects the revenues and expenses for the County's activities for the year ended December 31, 2017, and illustrates the comparison between 2017 and the prior year:

<b>Johnson County's Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 76,352,255	\$ 94,473,604	\$ 160,651,474	\$ 143,136,721	\$ 237,003,729	\$ 237,610,325
Operating grants and contributions	44,107,182	41,987,803	2,559,297	3,168,276	46,666,479	45,156,079
Capital grants and contributions	2,003,024	563,533	5,283,959	3,084,798	7,286,983	3,648,331
<b>General revenues:</b>						
Property taxes	232,081,211	217,668,398	-	583	232,081,211	217,668,981
Sales taxes	93,904,750	75,600,644	-	-	93,904,750	75,600,644
Other taxes	5,208,009	5,095,421	-	-	5,208,009	5,095,421
Unrestricted investment earnings	4,273,258	3,320,270	3,190,932	1,078,579	7,464,190	4,398,849
Miscellaneous	7,882,037	6,284,302	-	-	7,882,037	6,284,302
Total revenues	465,811,726	444,993,975	171,685,662	150,468,957	637,497,388	595,462,932
<b>Expenses, net of indirect cost allocation:</b>						
General government	110,932,097	92,465,347	-	-	110,932,097	92,465,347
Public works	48,257,622	70,477,225	-	-	48,257,622	70,477,225
Public safety	158,620,702	150,633,697	-	-	158,620,702	150,633,697
Health and human services	90,647,969	87,547,070	-	-	90,647,969	87,547,070
Planning and economic development	3,356,356	3,698,531	-	-	3,356,356	3,698,531
Culture and recreation	30,141,206	29,739,841	-	-	30,141,206	29,739,841
Interest on long term debt	205,744	175,284	-	-	205,744	175,284
Airport	-	-	11,101,995	8,128,196	11,101,995	8,128,196
Johnson County Wastewater	-	-	99,207,626	96,963,797	99,207,626	96,963,797
Transportation	-	-	8,991,257	10,685,502	8,991,257	10,685,502
Public Building Commission	-	-	18,947,578	17,470,365	18,947,578	17,470,365
Total expenses	442,161,696	434,736,995	138,248,456	133,247,860	580,410,152	567,984,855
Increase (decrease) in net position before transfers	23,650,030	10,256,980	33,437,206	17,221,097	57,087,236	27,478,077
Transfers	(5,480,121)	(4,497,929)	5,480,121	4,497,929	-	-
Change in net position	18,169,909	5,759,051	38,917,327	21,719,026	57,087,236	27,478,077
Net position - 1/1/17	173,906,839	173,358,408	375,789,048	355,375,405	549,695,887	528,733,813
Prior period adjustments	-	(5,210,620)	-	(1,305,383)	-	(6,516,003)
Net position - beginning of year restated	173,906,839	168,147,788	375,789,048	354,070,022	549,695,887	522,217,810
Net position - 12/31/17	\$ 192,076,748	\$ 173,906,839	\$ 414,706,375	\$ 375,789,048	\$ 606,783,123	\$ 549,695,887

## Analysis of Changes in Net Position.

### Governmental Activities

During the current fiscal year, the County's net position related to governmental activities increased \$18,169,909 when compared to 2016. The change was due primarily to increases in property tax and sales tax revenues.

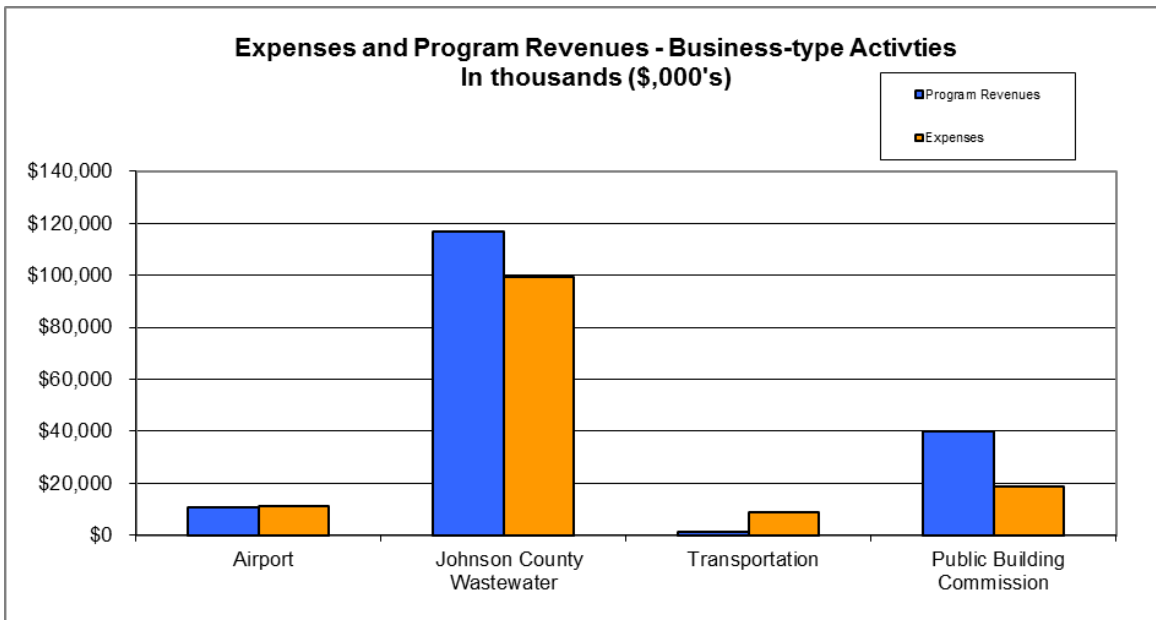


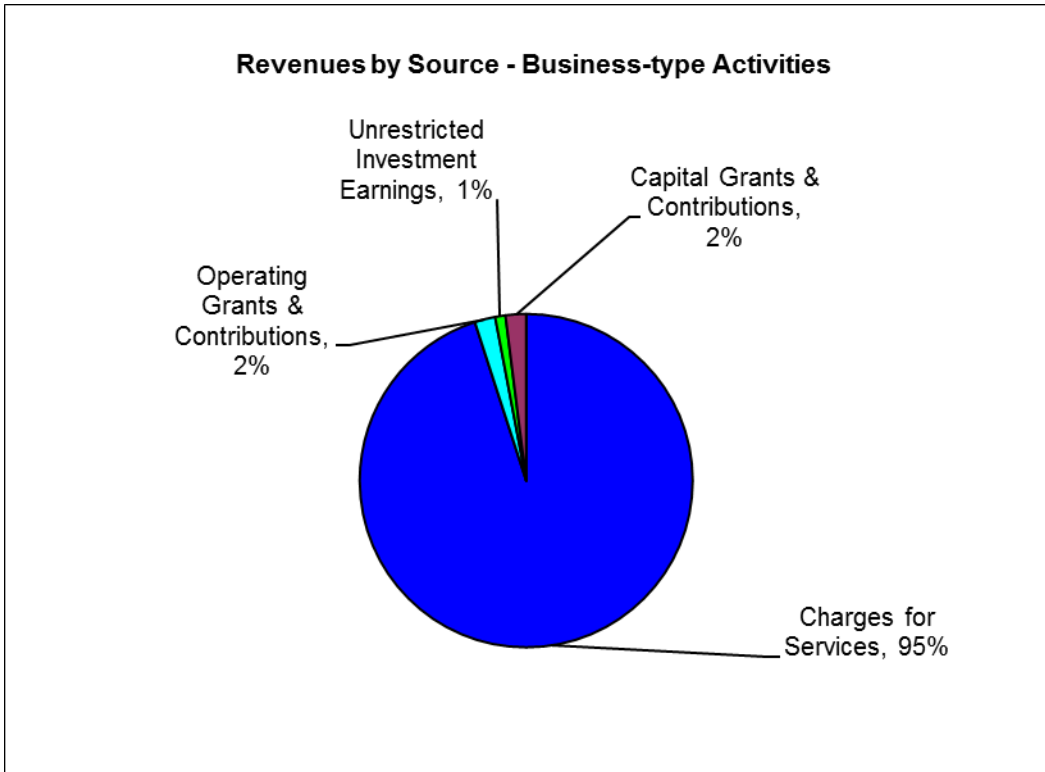
The charts above illustrate the County's governmental expenses and revenues by function, and revenues by source. As shown, public safety is the largest function in expense (36%), followed by general government (25%), health and human services (21%), and public works (11%). General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities

countywide. For governmental activities overall, without regard to program, property taxes is the largest single source of funds (50%), followed by charges for services (16%) and sales taxes (20%).

**Business-type Activities**

During the current fiscal year, the County’s net position related to business-type activities increased by \$38,917,327. Charges for services increased by \$17,514,753 due to Public Safety Sales Tax funding for the new courthouse (\$13 million) and a transfer from the Library Fund and Library Special Use Fund for the Lenexa City Center Library (\$4.8 Million), which are both being built for the Public Building Commission. Capital grants and contributions increased \$2,199,161 due to increased Federal Grant funds received.





The charts above and on the previous page illustrate the County's business-type activities' expenses and revenues by department, and its revenues by source. As expected, the primary source of revenue for business-type activities results from charges for services.

### **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 resources that are available for spending. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$224,929,232, an increase of \$19,042,267 from the prior year. Approximately 84% of this total amount, or \$189,509,923 constitutes fund balance that is available to meet the County's current and future needs. The remainder of the fund balance totaling \$35,419,309 is either non-spendable or restricted for specific spending; including \$2,766,562 "not in spendable form" for items that are not expected to be converted to cash such as inventories and prepaid items, and \$32,652,747 restricted for programs at various levels.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the available fund balance of the general fund was \$85,350,805, while total fund balance was \$95,092,840. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 31% of total general fund expenditures of \$274,610,718, while total fund balance represents 35% of that same amount.

The fund balance in the County's general fund has increased by \$12,930,867 during the current fiscal year. Total revenue in the general fund was \$306,391,273, a decrease of \$86,219 from the previous year. Total expenditures decreased in the areas of general government, health and human services, and capital outlay, but increased slightly in public safety. Total expenses were less than total revenues received.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the business-type activities at the end of the year amounted to \$111,873,830. The total change in net position for Johnson County Wastewater was \$19,038,379 and \$21,756,244 for the Public Building Commission, respectively. The increases in net position for Johnson County Wastewater and Public Building Commission are primarily due to the increases in charges for services.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There was no variance between the original budget and the final budget. Actual revenues were above the final budget by \$10,966,354. Due to the County's effective budget controls expenditures were \$80,305,587 less than budgeted, which resulted in a positive variance of \$84,937,642 in the General Fund. A summary of the significant differences between budgetary estimates for revenues and expenditures is as follows:

- Intergovernmental revenues were \$6,404,878 less than expected as the County received fewer federal and state grant funds.
- General fund reserves of \$71,188,071 remain available at the end of 2017.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The County's investment in capital assets for its governmental and business type activities as of December 31, 2017 amounted to \$966,274,995 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways and bridges.



Johnson County's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 26,737,119	\$ 24,404,861	\$ 9,738,854	\$ 9,738,854	\$ 36,475,973	\$ 34,143,715
Buildings	34,309,379	37,189,678	383,161,487	375,635,266	417,470,866	412,824,944
Improvements other than buildings	3,145,515	2,452,635	252,022,306	269,633,906	255,167,821	272,086,541
Machinery and equipment	29,797,014	32,764,716	16,179,438	19,249,654	45,976,452	52,014,370
Infrastructure	39,868,080	42,742,023	1,834,408	1,896,037	41,702,488	44,638,060
Construction in progress	30,903,319	25,620,738	138,578,076	105,463,130	169,481,395	131,083,868
Total	\$ 164,760,426	\$ 165,174,651	\$ 801,514,569	\$ 781,616,847	\$ 966,274,995	\$ 946,791,498

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

**Long-Term Debt.** At the end of the current fiscal year, the County had total long-term bonded debt outstanding of \$624,664,997. This amount was comprised of \$347,757,613 of general obligation and \$1,855,000 of special obligation debt backed by the full faith and credit of the County. Special Assessment debt in the amount of \$107,384 is debt for which the County is liable in the event of default by the property owners subject to the assessment. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Johnson County's Outstanding Debt General Obligation and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 3,035,000	\$ 2,275,000	\$ 344,722,613	\$ 389,398,568	\$ 347,757,613	\$ 391,673,568
Special obligation bonds	1,855,000	2,725,000	-	-	1,855,000	2,725,000
Special assessment debt	97,700	106,900	9,684	14,530	107,384	121,430
Revenue bonds	-	-	274,945,000	256,700,000	274,945,000	256,700,000
Total	\$ 4,987,700	\$ 5,106,900	\$ 619,677,297	\$ 646,113,098	\$ 624,664,997	\$ 651,219,998

The County's total long-term debt decreased by \$26,555,001 during the fiscal year. Though there were additional bonds issued during 2017, this decrease is related to the refunding of Johnson County Wastewater projects debt.

Johnson County is one of approximately 40 counties in the United States to earn the "Triple A" designation from Standard & Poor's, Moody's, and Fitch Ratings. The County maintains an AAA rating from Standard & Poor's, an Aaa rating from Moody's, and an AAA from Fitch Ratings for general obligation debt. The Public Building Commission, a blended component unit of the County, maintains an AAA rating from Standard and Poor's, and an Aaa rating from Moody's for revenue bonds.

Statutes limit the amount of general obligation debt a governmental entity may issue to 3% of its total assessed valuation. The current debt limitation for the County is \$814,948,047, which is significantly in excess of the County's outstanding general obligation debt. Detailed information on the County's debt limit can be found in the Statistical Section of this report.

Additional information on the County's long-term debt can be found in Note 8 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Johnson County continues to be an attractive location for both families and businesses. According to the U.S. Census, the County's population increased from 532,175 in 2008 to 589,609 in 2017 (an increase of 57,434 or 11%). On average, the County's population grows by approximately 5,743 persons per year, or 479 per month. Unemployment rates are currently at 2.6% as compared to a national level of 4.4% and a state level of 3.5%.

The AAA rating referenced above continues to reflect the County's:

- Diverse and expanding local economy, participating in the larger Kansas City Metropolitan Statistical Area;
- Above-average wealth levels;
- Strong financial operations supported by conservative management and established fiscal policies; and
- Moderate debt levels that should remain manageable through on-going planning.

All of these factors were considered in preparing the County's budget for 2018. At the end of 2017, the unrestricted fund balance in the general fund is \$76,166,316.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Treasury and Financial Management, 111 South Cherry Street, Suite 2400, Olathe, Kansas 66061. The County's Comprehensive Annual Financial Report and financial publications can be found on the internet at <http://www.iocogov.org/sites/default/files/documents/TRE/CAFR-2017.pdf>. Separately issued financial statements for the discretely presented component unit, the Parks and Recreation District, may be obtained at 7900 Renner Road, Lenexa, Kansas 66218.

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# **BASIC FINANCIAL STATEMENTS**

**Johnson County, Kansas**  
**Statement of Net Position**  
December 31, 2017

	PRIMARY GOVERNMENT			Component
	Governmental	Business Type	Total	Unit
	Activities	Activities		Park and Recreation
<b>ASSETS</b>				
Deposits including investments	\$ 261,773,557	\$ 121,031,604	\$ 382,805,161	\$ 31,446,961
Receivables (net of allowance for uncollectibles):	244,356,642	20,429,196	264,785,838	31,366,292
Internal balances	868,496	(868,496)	-	-
Inventories	1,848,947	151,515	2,000,462	83,330
Prepays	1,118,373	160,164	1,278,537	386,421
Restricted cash and investments	118	181,888,182	181,888,300	16,552,331
Capital assets (net of accumulated depreciation):				
Land	26,737,119	9,738,854	36,475,973	58,250,517
Buildings	34,309,379	383,161,487	417,470,866	22,121,403
Improvements other than buildings	3,145,515	252,022,306	255,167,821	17,948,999
Machinery and equipment	29,797,014	16,179,438	45,976,452	2,789,869
Infrastructure	39,868,080	1,834,408	41,702,488	306,711
Construction in progress	30,903,319	138,578,076	169,481,395	23,575,172
<b>TOTAL ASSETS</b>	<b>674,726,559</b>	<b>1,124,306,734</b>	<b>1,799,033,293</b>	<b>204,828,006</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferred outflow	36,108,329	1,071,582	37,179,911	2,507,470
OPEB deferred outflow	652,411	49,106	701,517	425,603
Unamortized portion of refunding	3,023	-	3,023	309,639
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>36,763,763</b>	<b>1,120,688</b>	<b>37,884,451</b>	<b>3,242,712</b>
<b>LIABILITIES</b>				
Accounts payable	25,131,556	12,884,722	38,016,278	4,256,904
Salaries and wages payable	9,249,840	667,515	9,917,355	-
Accrued liabilities	11,783,485	75,093	11,858,578	457,413
Interest payable	66,747	7,569,531	7,636,278	613,593
Unearned revenue	3,448,791	727,741	4,176,532	1,173,169
Customer deposits payable	-	-	-	39,040
Noncurrent liabilities				
Due within one year	2,654,485	37,248,369	39,902,854	6,124,860
Due in more than one year	230,964,885	649,403,271	880,368,156	47,646,013
<b>TOTAL LIABILITIES</b>	<b>283,299,789</b>	<b>708,576,242</b>	<b>991,876,031</b>	<b>60,310,992</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax receivable	217,612,533	-	217,612,533	30,034,736
Deferred revenue - grants revenue	6,880,588	-	6,880,588	-
Capital Finance Charges Receivable	-	472,175	472,175	-
Pension deferred inflow	9,959,037	230,390	10,189,427	371,808
OPEB deferred inflow	1,661,627	125,068	1,786,695	-
Unamortized portion of refunding	-	1,317,172	1,317,172	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>236,113,785</b>	<b>2,144,805</b>	<b>238,258,590</b>	<b>30,406,544</b>
<b>NET POSITION</b>				
Net investment in capital assets	159,173,282	287,469,063	446,642,345	86,731,831
Restricted for:				
Technology Management	4,743,686	-	4,743,686	-
Public works	6,263,273	-	6,263,273	-
Law Enforcement	15,353,675	-	15,353,675	-
Community Support Services	3,675,986	-	3,675,986	-
Planning and Economic Development	4,906	-	4,906	-
Libraries, Recreation, and Education	811,499	-	811,499	7,984,084
Capital projects	-	15,363,482	15,363,482	11,245,607
Debt service	1,799,722	-	1,799,722	117,288
Unrestricted	250,719	111,873,830	112,124,549	11,274,372
<b>TOTAL NET POSITION</b>	<b>\$ 192,076,748</b>	<b>\$ 414,706,375</b>	<b>\$ 606,783,123</b>	<b>\$ 117,353,182</b>

The accompanying notes are an integral part of these financial statements.

**Johnson County, Kansas**  
**Statement of Activities**  
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
			Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
						Governmental Activities	Business-Type Activities		Total
<b>Primary Government:</b>									
<b>Governmental Activities:</b>									
General government	\$ 124,362,793	\$ (13,430,696)	\$ 26,252,663	\$ -	\$ -	\$ (84,679,434)	\$ -	\$ (84,679,434)	\$ -
Public works	47,130,215	1,127,407	1,194,948	11,681,462	1,687,346	(33,693,866)	-	(33,693,866)	-
Public safety	158,535,702	85,000	15,823,452	5,131,408	315,678	(137,350,164)	-	(137,350,164)	-
Health and human services	81,991,518	8,656,451	30,372,871	27,166,653	-	(33,108,445)	-	(33,108,445)	-
Planning and economic development	3,229,970	126,386	1,844,863	-	-	(1,511,493)	-	(1,511,493)	-
Culture and recreation	30,141,206	-	863,458	127,659	-	(29,150,089)	-	(29,150,089)	-
Interest on long term debt	205,744	-	-	-	-	(205,744)	-	(205,744)	-
<b>Total governmental activities</b>	<b>445,597,148</b>	<b>(3,435,452)</b>	<b>76,352,255</b>	<b>44,107,182</b>	<b>2,003,024</b>	<b>(319,699,235)</b>	<b>-</b>	<b>(319,699,235)</b>	<b>-</b>
<b>Business Type activities:</b>									
Airport	10,859,591	242,404	6,648,005	-	4,021,210	-	(432,780)	(432,780)	-
Johnson County Wastewater	96,352,098	2,855,528	114,553,507	2,213,563	-	-	17,559,444	17,559,444	-
Transportation	8,653,737	337,520	-	-	1,262,749	-	(7,728,508)	(7,728,508)	-
Public Building Commission	18,947,578	-	39,449,962	345,734	-	-	20,848,118	20,848,118	-
<b>Total business type activities</b>	<b>134,813,004</b>	<b>3,435,452</b>	<b>160,651,474</b>	<b>2,559,297</b>	<b>5,283,959</b>	<b>-</b>	<b>30,246,274</b>	<b>30,246,274</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 580,410,152</b>	<b>\$ -</b>	<b>\$ 237,003,729</b>	<b>\$ 46,666,479</b>	<b>\$ 7,286,983</b>	<b>(319,699,235)</b>	<b>30,246,274</b>	<b>(289,452,961)</b>	<b>-</b>
<b>Component unit:</b>									
Park and Recreation	\$ 37,146,191	\$ -	\$ 19,102,958	\$ 140,572	\$ 2,026,961				(15,875,700)
General revenues:									
Property taxes						232,081,211	-	232,081,211	31,412,154
Sales taxes						93,904,750	-	93,904,750	-
Other taxes						5,208,009	-	5,208,009	18,321
Unrestricted investment earnings						4,273,258	3,190,932	7,464,190	344,400
Miscellaneous						7,882,037	-	7,882,037	42,406
Transfers						(5,480,121)	5,480,121	-	-
Total general revenue and transfers						337,869,144	8,671,053	346,540,197	31,817,281
Change in net position						18,169,909	38,917,327	57,087,236	15,941,581
Net position - beginning						173,906,839	375,789,048	549,695,887	101,411,601
Net position - ending						\$ 192,076,748	\$ 414,706,375	\$ 606,783,123	\$ 117,353,182

The accompanying notes are an integral part of these financial statements.

**Johnson County, Kansas**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Deposits including investments	\$ 93,496,413	\$ 103,861,607	\$ 40,667,101	\$ 238,025,121
Receivables (net of allowance for uncollectibles):	155,389,606	-	88,837,678	244,227,284
Due from other funds	1,000,000	-	-	1,000,000
Inventories	707,663	-	997,113	1,704,776
Prepays	642,252	-	419,534	1,061,786
Restricted cash and investments	-	-	118	118
<b>Total assets</b>	<b>\$ 251,235,934</b>	<b>\$ 103,861,607</b>	<b>\$ 130,921,544</b>	<b>\$ 486,019,085</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 7,379,660	\$ 11,199,510	\$ 1,384,121	\$ 19,963,291
Salaries and wages payable	6,560,812	-	2,674,895	9,235,707
Due to others	5,021,896	-	3,803	5,025,699
Unearned revenue	1,390,136	-	981,899	2,372,035
<b>Total liabilities</b>	<b>20,352,504</b>	<b>11,199,510</b>	<b>5,044,718</b>	<b>36,596,732</b>
<b>Deferred Inflows of Resources:</b>				
Property tax receivable	134,426,363	-	83,186,170	217,612,533
Unavailable revenue - grants revenue	1,364,227	4,961,247	555,114	6,880,588
<b>Total deferred inflows of resources</b>	<b>135,790,590</b>	<b>4,961,247</b>	<b>83,741,284</b>	<b>224,493,121</b>
<b>Fund Balances:</b>				
Nonspendable	1,349,915	-	1,416,647	2,766,562
Restricted	8,392,120	-	24,260,627	32,652,747
Committed	4,859,001	87,700,850	245,125	92,804,976
Assigned	4,325,488	-	16,213,143	20,538,631
Unassigned	76,166,316	-	-	76,166,316
<b>Total fund balances</b>	<b>95,092,840</b>	<b>87,700,850</b>	<b>42,135,542</b>	<b>224,929,232</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 251,235,934</b>	<b>\$ 103,861,607</b>	<b>\$ 130,921,544</b>	<b>\$ 486,019,085</b>

*The accompanying notes are an integral part of these financial statements.*

*Johnson County, Kansas*  
**Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position**  
December 31, 2017

Total fund balance - all governmental funds		\$ 224,929,232
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, including infrastructure, used in governmental activities are not financial resources and therefore are not reported in the funds.		164,760,426
Less Internal Services Fund Capital Assets		(4,038,878)
Other deferred outflows of resources in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Deferred outflows - pensions		36,108,329
Deferred outflows - OPEB		652,411
Deferred outflows - unamortized portion of refundings		3,023
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:		
Interest Payable	\$ (66,747)	
Bonds:		
General obligation, net of unamortized premium of \$544,631	(3,579,631)	
Special obligation	(1,952,700)	
Compensated absences	(18,935,597)	
Total OPEB liability	(17,853,790)	
Capital lease obligations	(57,836)	
Net pension liability	(191,239,816)	
Total	(233,686,117)	
Less Internal Services Fund Long Term Debt		118,751
Other deferred inflows of resources does not increase net position until a future period and therefore are not reported in the funds:		
Deferred inflows - pensions		(9,959,037)
Deferred inflows - OPEB		(1,661,627)
Internal service funds are used by management to charge costs of risk management and self-insured health care to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		14,850,235
Net position of governmental activities		\$ 192,076,748

*The accompanying notes are an integral part of these financial statements.*



**Johnson County, Kansas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2017

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 224,250,549	\$ -	\$ 106,943,421	\$ 331,193,970
Intergovernmental	20,683,485	1,687,346	23,739,335	46,110,166
Charges for services	50,882,138	10,000	21,665,075	72,557,213
Investment earnings	3,278,173	57,374	769,529	4,105,076
Licenses and permits	1,911,930	-	1,349,133	3,261,063
Other	5,384,998	71,660	1,473,383	6,930,041
<b>Total revenues</b>	<u>306,391,273</u>	<u>1,826,380</u>	<u>155,939,876</u>	<u>464,157,529</u>
<b>EXPENDITURES</b>				
Current:				
General government	85,681,282	-	633,340	86,314,622
Public works	-	-	10,463,120	10,463,120
Public safety	145,852,486	-	4,871,251	150,723,737
Health and human services	20,259,217	-	69,097,476	89,356,693
Planning and economic development	3,219,027	-	-	3,219,027
Culture and recreation	932,925	-	28,019,722	28,952,647
Debt service:				
Principal retirement	17,465	-	1,094,200	1,111,665
Interest and fiscal charges	5,191	-	194,834	200,025
Capital outlay	18,643,125	45,722,093	4,233,696	68,598,914
<b>Total expenditures</b>	<u>274,610,718</u>	<u>45,722,093</u>	<u>118,607,639</u>	<u>438,940,450</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>31,780,555</u>	<u>(43,895,713)</u>	<u>37,332,237</u>	<u>25,217,079</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,487,549	45,557,677	2,969,975	50,015,201
Transfers out	(20,337,237)	(1,478,020)	(35,518,557)	(57,333,814)
General Obligation bonds proceeds	-	975,000	-	975,000
Premium on bonds issued	-	161,342	7,459	168,801
<b>Total other financing sources and uses</b>	<u>(18,849,688)</u>	<u>45,215,999</u>	<u>(32,541,123)</u>	<u>(6,174,812)</u>
<b>Net change in fund balances</b>	<u>12,930,867</u>	<u>1,320,286</u>	<u>4,791,114</u>	<u>19,042,267</u>
<b>Fund balances - beginning</b>	<u>82,161,973</u>	<u>86,380,564</u>	<u>37,344,428</u>	<u>205,886,965</u>
<b>Fund balances - ending</b>	<u>\$ 95,092,840</u>	<u>\$ 87,700,850</u>	<u>\$ 42,135,542</u>	<u>\$ 224,929,232</u>

*The accompanying notes are an integral part of these financial statements.*

*Johnson County, Kansas*  
**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended December 31, 2017**

Net change in fund balances - all governmental funds \$ 19,042,267

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets exceeded depreciation in the current period.

	Capital Outlay \$ 34,384,828	
	Depreciation Expense <u>(13,169,150)</u>	
	Net change	21,215,678

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	Principal Retirement 1,111,665	
	Proceeds From General Obligation bonds (975,000)	
	Premium from bonds issued <u>(168,801)</u>	
	Net change	(32,136)

Net gain (loss) on disposal of capital assets and infrastructure. (23,319,307)

The net change in accrued interest on general obligation bonds is not a current source or use of financial resources and therefore not reported in the governmental funds. 14,782

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 11,219

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (417,646)

OPEB expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (843,773)

Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for the pensions are only recorded in the statement of activities. (982,605)

Internal service funds are used by management to charge costs of risk management and self-insured health care to the individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 3,481,430

Changes in net position of governmental activities \$ 18,169,909

*The accompanying notes are an integral part of these financial statements.*

**Johnson County, Kansas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 205,073,454	\$ 205,073,454	\$ 224,250,549	\$ 19,177,095
Intergovernmental	27,088,363	27,088,363	20,683,485	(6,404,878)
Charges for services	54,490,864	54,490,864	50,882,138	(3,608,726)
Investment earnings	2,080,250	2,080,250	3,530,327	1,450,077
Licenses and permits	1,519,444	1,519,444	1,911,930	392,486
Other	5,274,878	5,274,878	5,235,178	(39,700)
<b>Total revenues</b>	<u>295,527,253</u>	<u>295,527,253</u>	<u>306,493,607</u>	<u>10,966,354</u>
<b>EXPENDITURES</b>				
Current:				
General government	98,236,198	98,236,198	85,565,313	12,670,885
Public safety	137,095,126	137,095,126	145,605,443	(8,510,317)
Health and human services	25,301,077	25,301,077	20,123,044	5,178,033
Planning and economic development	3,609,777	3,609,777	3,257,093	352,684
Culture and recreation	1,220,441	1,220,441	932,680	287,761
Capital outlay	17,849,245	17,849,245	18,710,775	(861,530)
Reserves	71,188,071	71,188,071	-	71,188,071
<b>Total expenditures</b>	<u>354,499,935</u>	<u>354,499,935</u>	<u>274,194,348</u>	<u>80,305,587</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(58,972,682)</u>	<u>(58,972,682)</u>	<u>32,299,259</u>	<u>91,271,941</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,548,705	1,548,705	1,487,549	(61,156)
Transfers out	(14,064,094)	(14,064,094)	(20,337,237)	(6,273,143)
<b>Total other financing sources and uses</b>	<u>(12,515,389)</u>	<u>(12,515,389)</u>	<u>(18,849,688)</u>	<u>(6,334,299)</u>
<b>Net change in fund balances</b>	<u>(71,488,071)</u>	<u>(71,488,071)</u>	<u>13,449,571</u>	<u>\$ 84,937,642</u>
<b>Fund balances - beginning</b>	<u>71,488,071</u>	<u>71,488,071</u>	<u>80,138,392</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,587,963</u>	

*The accompanying notes are an integral part of these financial statements.*

**Johnson County, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2017**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Wastewater	Public Building Commission	Non-Major Total		
	Total		Total		
<b>ASSETS</b>					
<b>Current assets:</b>					
Deposits including investments	\$ 105,540,930	\$ 4,311,499	\$ 11,179,175	\$ 121,031,604	\$ 23,748,436
Receivables					
<i>(net of allowance for uncollectibles):</i>	18,476,398	180,065	1,772,733	20,429,196	129,358
Due from other funds	-	-	131,504	131,504	-
Inventories	151,515	-	-	151,515	144,171
Prepaid items	160,164	-	-	160,164	56,587
<b>Total current assets</b>	<b>124,329,007</b>	<b>4,491,564</b>	<b>13,083,412</b>	<b>141,903,983</b>	<b>24,078,552</b>
<b>Noncurrent assets:</b>					
Restricted cash and investments	65,776,036	114,859,511	1,252,635	181,888,182	-
<b>Capital assets:</b>					
Land	655,258	2,148,094	6,935,502	9,738,854	-
Buildings	139,575,386	377,362,557	16,080,734	533,018,677	-
Improvements other than buildings	423,466,167	7,097,821	44,553,551	475,117,539	102,861
Machinery and equipment	254,365,108	-	25,925,741	280,290,849	8,511,764
Construction in progress	122,630,179	15,816,393	131,504	138,578,076	-
Infrastructure	-	-	2,274,401	2,274,401	-
Less accumulated depreciation	(488,150,673)	(93,091,381)	(56,261,773)	(637,503,827)	(4,575,747)
<b>Total capital assets</b>	<b>452,541,425</b>	<b>309,333,484</b>	<b>39,639,660</b>	<b>801,514,569</b>	<b>4,038,878</b>
<b>Total noncurrent assets</b>	<b>518,317,461</b>	<b>424,192,995</b>	<b>40,892,295</b>	<b>983,402,751</b>	<b>4,038,878</b>
<b>TOTAL ASSETS</b>	<b>642,646,468</b>	<b>428,684,559</b>	<b>53,975,707</b>	<b>1,125,306,734</b>	<b>28,117,430</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferred outflow	1,006,592	-	64,990	1,071,582	-
OPEB deferred outflow	42,091	-	7,015	49,106	-
	<b>1,048,683</b>	<b>-</b>	<b>72,005</b>	<b>1,120,688</b>	<b>-</b>

*The accompanying notes are an integral part of these financial statements.*

**Johnson County, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2017**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Wastewater	Public Building Commission	Non-Major Total		
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	10,150,618	1,818,649	915,455	12,884,722	5,168,265
Salaries and wages payable	620,062	-	47,453	667,515	14,133
Interest payable	4,183,695	3,342,879	42,957	7,569,531	-
Loans payable	2,366,941	-	-	2,366,941	-
Due to other funds	-	1,000,000	-	1,000,000	131,504
Due to others	963	-	74,130	75,093	-
Unearned revenue	727,741	-	-	727,741	1,076,756
Compensated absences	116,190	-	7,217	123,407	9,887
Insurance claims payable	-	-	-	-	6,757,786
Bonds, capital leases, and other payables	19,692,866	14,895,000	170,155	34,758,021	-
<b>Total current liabilities</b>	<b>37,859,076</b>	<b>21,056,528</b>	<b>1,257,367</b>	<b>60,172,971</b>	<b>13,158,331</b>
<b>Noncurrent liabilities:</b>					
Compensated absences	1,279,302	-	79,459	1,358,761	108,864
Loans payable	17,526,240	-	-	17,526,240	-
Pension obligation	5,831,867	-	410,701	6,242,568	-
OPEB obligation	1,151,857	-	191,977	1,343,834	-
Bonds, capital leases, and other payables	346,835,856	271,742,599	4,353,413	622,931,868	-
<b>Total noncurrent liabilities</b>	<b>372,625,122</b>	<b>271,742,599</b>	<b>5,035,550</b>	<b>649,403,271</b>	<b>108,864</b>
<b>TOTAL LIABILITIES</b>	<b>410,484,198</b>	<b>292,799,127</b>	<b>6,292,917</b>	<b>709,576,242</b>	<b>13,267,195</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Capital Finance Charges Receivable	472,175	-	-	472,175	-
Pension deferred inflow	212,607	-	17,783	230,390	-
OPEB deferred inflow	107,201	-	17,867	125,068	-
Unamortized portion of refunding	602,816	708,086	6,270	1,317,172	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,394,799</b>	<b>708,086</b>	<b>41,920</b>	<b>2,144,805</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	127,939,639	124,419,602	35,109,822	287,469,063	4,038,878
Restricted for capital projects	3,353,103	10,757,744	1,252,635	15,363,482	-
Unrestricted	100,523,412	-	11,350,418	111,873,830	10,811,357
<b>TOTAL NET POSITION</b>	<b>\$ 231,816,154</b>	<b>\$ 135,177,346</b>	<b>\$ 47,712,875</b>	<b>\$ 414,706,375</b>	<b>\$ 14,850,235</b>

**Johnson County, Kansas**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major		Non-Major Total	Total	
	Wastewater	Public Building Commission			
<b>Operating revenues:</b>					
Charges for services	\$ 114,349,417	\$ 39,449,665	\$ 3,636,486	\$ 157,435,568	\$ 53,023,920
Other	204,090	297	3,011,519	3,215,906	150,267
<b>Total operating revenues</b>	<b>114,553,507</b>	<b>39,449,962</b>	<b>6,648,005</b>	<b>160,651,474</b>	<b>53,174,187</b>
<b>Operating expenses:</b>					
Public works	59,650,256	-	-	59,650,256	-
Transportation	-	-	15,659,794	15,659,794	-
Fleet	-	-	-	-	2,455,257
Risk management	-	-	-	-	4,664,726
Self-insured health care	-	-	-	-	44,817,263
Depreciation	26,064,019	9,445,672	4,217,361	39,727,052	714,181
<b>Total operating expenses</b>	<b>85,714,275</b>	<b>9,445,672</b>	<b>19,877,155</b>	<b>115,037,102</b>	<b>52,651,427</b>
<b>Operating income (loss)</b>	<b>28,839,232</b>	<b>30,004,290</b>	<b>(13,229,150)</b>	<b>45,614,372</b>	<b>522,760</b>
<b>Nonoperating revenues (expenses):</b>					
Investment earnings	2,192,962	908,126	89,844	3,190,932	168,182
Intergovernmental	2,213,563	345,734	-	2,559,297	-
Interest expense	(13,413,752)	(8,981,161)	(155,541)	(22,550,454)	-
Other	(79,599)	(520,745)	(60,556)	(660,900)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(9,086,826)</b>	<b>(8,248,046)</b>	<b>(126,253)</b>	<b>(17,461,125)</b>	<b>168,182</b>
<b>Income (loss) before contributions and transfers</b>	<b>19,752,406</b>	<b>21,756,244</b>	<b>(13,355,403)</b>	<b>28,153,247</b>	<b>690,942</b>
<b>Capital Contributions</b>	-	-	5,283,959	5,283,959	951,996
<b>Transfers in</b>	-	-	6,194,148	6,194,148	1,848,492
<b>Transfers out</b>	(714,027)	-	-	(714,027)	(10,000)
<b>Change in net position</b>	<b>19,038,379</b>	<b>21,756,244</b>	<b>(1,877,296)</b>	<b>38,917,327</b>	<b>3,481,430</b>
<b>Total net position - beginning</b>	<b>212,777,775</b>	<b>113,421,102</b>	<b>49,590,171</b>	<b>375,789,048</b>	<b>11,368,805</b>
<b>Total net position - ending</b>	<b>\$ 231,816,154</b>	<b>\$ 135,177,346</b>	<b>\$ 47,712,875</b>	<b>\$ 414,706,375</b>	<b>\$ 14,850,235</b>

*The accompanying notes are an integral part of these financial statements.*

**Johnson County, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended December 31, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities- Internal Service Funds</b>
	<b>Major</b>			<b>Total</b>	
	<b>Wastewater</b>	<b>Public Building Commission</b>	<b>Non-Major Total</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 111,117,291	\$ 40,868,989	\$ 2,594,900	\$ 154,581,180	\$ -
Cash received from interfund services provided	-	-	-	-	49,768,148
Cash payments for goods and services	(42,499,138)	-	(14,051,638)	(56,550,776)	(50,134,071)
Cash payments to employees for services	(16,930,436)	-	(1,284,481)	(18,214,917)	(1,345,375)
Other operating cash receipts	204,090	297	3,011,519	3,215,906	4,614,299
<b>Net cash provided by (used for) operating activities</b>	<b>51,891,807</b>	<b>40,869,286</b>	<b>(9,729,700)</b>	<b>83,031,393</b>	<b>2,903,001</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Intergovernmental	2,213,563	345,734	-	2,559,297	-
Transfers from other funds	-	-	6,194,148	6,194,148	1,848,492
Transfers to other funds	(714,027)	-	-	(714,027)	(10,000)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>1,499,536</b>	<b>345,734</b>	<b>6,194,148</b>	<b>8,039,418</b>	<b>1,838,492</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital Contributions	-	-	5,283,959	5,283,959	951,996
Acquisition and construction of capital assets	(41,325,217)	(15,163,924)	(1,837,044)	(58,326,185)	(2,403,585)
Proceeds from bonds and loans	17,608,927	38,185,000	-	55,793,927	-
Principal paid on bonds, notes and loans	(61,316,834)	(19,940,000)	(455,155)	(81,711,989)	-
Interest paid on bonds, notes, leases and loans	(13,509,099)	(8,776,688)	(162,178)	(22,447,965)	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(98,542,223)</b>	<b>(5,695,612)</b>	<b>2,829,582</b>	<b>(101,408,253)</b>	<b>(1,451,589)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and dividends on investments	2,192,962	908,126	89,844	3,190,932	168,182
Net cash provided by investing activities	2,192,962	908,126	89,844	3,190,932	168,182
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(42,957,918)</b>	<b>36,427,534</b>	<b>(616,126)</b>	<b>(7,146,510)</b>	<b>3,458,086</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>214,274,884</b>	<b>82,743,476</b>	<b>13,047,936</b>	<b>310,066,296</b>	<b>20,290,350</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 171,316,966</b>	<b>\$ 119,171,010</b>	<b>\$ 12,431,810</b>	<b>\$ 302,919,786</b>	<b>\$ 23,748,436</b>

(Continued)

**Johnson County, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds (Continued)**  
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Wastewater	Public Building Commission	Non-Major Total		
	Total		Total		
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>					
<b>Operating income (loss)</b>	\$ 28,839,232	\$ 30,004,290	\$ (13,229,150)	\$ 45,614,372	\$ 522,760
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>					
Depreciation	26,064,019	9,445,672	4,217,361	39,727,052	714,181
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(3,233,524)	20,042	(910,082)	(4,123,564)	8,351
(Increase) decrease in inventory	(28,018)	-	-	(28,018)	(34,349)
(Increase) decrease in prepaid expenses	(124,768)	-	-	(124,768)	852
(Increase) decrease in due from other funds	-	-	(131,504)	(131,504)	-
Increase (decrease) in accounts payable	224,910	399,282	307,757	931,949	181,055
Increase (decrease) in salaries and wages payable	83,933	-	10,080	94,013	1,854
Increase (decrease) in due to other funds	-	1,000,000	-	1,000,000	131,504
Increase (decrease) in deferred revenue	1,398	-	-	1,398	1,076,756
Increase (decrease) in compensated absences payable	29,917	-	(1,699)	28,218	6,425
Increase (decrease) in insurance claims payable	-	-	-	-	293,612
Increase (decrease) in pension obligation	(211,778)	-	(16,502)	(228,280)	-
Increase (decrease) in pension deferred outflows	148,255	-	11,552	159,807	-
Increase (decrease) in pension deferred inflows	43,795	-	3,413	47,208	-
Increase (decrease) in total OPEB liability	53,398	-	8,900	62,298	-
Increase (decrease) in OPEB deferred inflows	9,285	-	1,548	10,833	-
Increase (decrease) in OPEB deferred outflows	(8,247)	-	(1,374)	(9,621)	-
<b>Total adjustments</b>	<u>23,052,575</u>	<u>10,864,996</u>	<u>3,499,450</u>	<u>37,417,021</u>	<u>2,380,241</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 51,891,807</u>	<u>\$ 40,869,286</u>	<u>\$ (9,729,700)</u>	<u>\$ 83,031,393</u>	<u>\$ 2,903,001</u>
<b>Deposits including investments</b>	\$ 105,540,930	\$ 4,311,499	\$ 11,179,175	\$ 121,031,604	\$ 23,748,436
<b>Restricted cash and investments</b>	65,776,036	114,859,511	1,252,635	181,888,182	-
<b>Cash and cash equivalents at the end of year</b>	<u>\$ 171,316,966</u>	<u>\$ 119,171,010</u>	<u>\$ 12,431,810</u>	<u>\$ 302,919,786</u>	<u>\$ 23,748,436</u>

The accompanying notes are an integral part of these financial statements



**Johnson County, Kansas**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2017**

	Employee Retirement Plan Funds	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,773,484	\$ 719,102,621
Receivables (net of allowance for uncollectibles):		
Taxes Receivable	-	525,320,821
Investments restricted for:		
Employee retirement		
Equity securities:		
Domestic	28,877,965	-
International	8,831,287	-
Debt securities:		
US Government	810,927	-
Domestic	7,968,212	-
Annuities	44,521	-
<b>Total assets</b>	48,306,396	\$ 1,244,423,442
<b>LIABILITIES</b>		
Accounts payable	-	48,267
Agency obligations	-	1,244,375,175
Due to Others	44,521	-
<b>Total liabilities</b>	44,521	\$ 1,244,423,442
<b>NET POSITION</b>		
Net position restricted for pension benefits	\$ 48,261,875	

*The accompanying notes are an integral part of these financial statements.*

**Johnson County, Kansas**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2017**

	<b>Employee Retirement Plan Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 3,547,228
<b>Total contributions</b>	<b>3,547,228</b>
Investment earnings:	
Transfers	-
Interest	-
Net increase (decrease) in the fair value of investments	5,004,797
Total investment earnings	5,004,797
<b>Total additions</b>	<b>8,552,025</b>
<b>DEDUCTIONS</b>	
Benefits	-
<b>Total deductions</b>	<b>-</b>
<b>Change in net position</b>	8,552,025
<b>Net position - beginning</b>	39,709,850
<b>Net position - ending</b>	<b>\$ 48,261,875</b>

*The accompanying notes are an integral part of these financial statements.*

# **Notes to the Financial Statements**

## **1. Summary of Significant Accounting Policies**

The accompanying financial statements of Johnson County, Kansas (the County) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard setting body for government accounting and financial reporting principles. The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The following information summarizes the significant accounting policies of the County.

### **A. The Reporting Entity**

The County is governed by the Board of County Commissioners (BOCC), which consists of a Chairman and six district commissioners. The Chairman of the Commission is elected on a countywide basis and serves as a full-time County official. The six District Commissioners serve as part-time County officials and are elected by residents in specific geographical areas, or districts, of the County. The Board meets in regular business session once each week. The Commissioners serve staggered, four-year terms with no term limitations.

As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. The primary government and each blended and discretely presented component unit all have a December 31<sup>st</sup> year end.

#### Blended Component Unit

**Johnson County Public Building Commission (PBC):** The Board of County Commissioners serves as the governing body of the PBC. Although a separate legal entity, the PBC is accounted for as an enterprise fund within the County's financial statements because its purpose is to acquire or construct facilities, and lease those facilities to the County and other governmental agencies. The County performs administrative and accounting services for the PBC.

#### Discretely Presented Component Unit

**Johnson County Park and Recreation District (the District):** The District is governed by a seven-member board appointed by the Board of County Commissioners. However, the County is financially accountable for the District because the County's commission approves the District's budget and levies taxes. The County provides some administrative and accounting services to the District. The District is legally separate from the County. Special legislation was created to provide a mechanism for the provision of park and recreational services to Johnson County through the formation of a Park and Recreation District. Such legislation required that a valid petition be submitted to a vote by the Board of County Commissioners. Once the petition was approved by the Commissioners the District was then mandated to provide park and recreational services as outlined in the Kansas Statute 19-2863. Separately issued financial statements are prepared for the District. The District has governmental and enterprise funds.

The District's financial statements include the Parks and Recreation Foundation of Johnson County (the Foundation) as a blended component unit. Although a separate legal entity, the Foundation is accounted for as an enterprise fund within the District's financial statements because its purpose is to acquire or construct facilities, and lease those facilities to the District or other park agencies.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Public Building Commission	Park and Recreation District
Treasury and Financial Management	7900 Renner Road
111 South Cherry Street, Suite 2400	Lenexa, Kansas 66218
Olathe, Kansas 66061	

### ***B. Government-wide and Fund Financial Statements***

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct and indirect expenses that are clearly identifiable of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions, including special assessments, that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### ***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds, which are fiduciary funds, do not have a measurement focus. 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 have been met.

Governmental funds 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

sixty days of the end of the current fiscal year. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures generally are recorded when the related fund 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.

Licenses, interest, special assessments and charges for services and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year and consequently are not subject to accrual. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

A double step-down allocation procedure has been used to distribute costs among central services and to other County departments that receive benefits. The double step-down procedure initially requires a sequential ordering of agencies. Department indirect cost allocations are then made in order selected to all benefiting programs, including cross allocations to other central services. To ensure that the cross-benefit of services among central services is fully recognized, a second step down allocation for each central service is made.

The accounts of the County are organized and operated on the basis of individual funds, each of which is defined as a separate accounting entity. The operations of each fund are recorded in a set of self-balancing accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. In accordance with state statutes and County resolutions, several different types of funds are used to record the County's financial transactions. For financial reporting, they are grouped and presented as follows:

The County reports the following major governmental funds:

The **General** fund is the principal operating fund of the County and accounts for all financial transactions of the County, except those required to be accounted for in a separate fund.

The **Capital Projects** fund accounts for financial resources to be used for the acquisition or construction of major capital improvements, other than those financed by proprietary funds.

The County reports the following major proprietary funds:

The **Johnson County Wastewater** fund provides sanitary sewer service for residential and business properties inside its service area.

The **Public Building Commission** fund accounts for all activities of the Public Building Commission.

Additionally, the County reports the following fund types:

**Governmental Fund Types:**

The **Debt Service** fund accumulates resources to pay maturing principal and interest on general long-term debt, including certain special assessments, which are general obligations of the County, excluding the debt which is accounted for in proprietary funds.

**Special Revenue** funds provide full budgetary accountability for the proceeds of specific revenue sources that are restricted by law or administrative action to be expended for specified purposes.

#### **Proprietary Fund Types:**

**Enterprise** funds account for operations of which it is the stated intent that the cost of providing a service to the public on a continuing basis be financed or recovered primarily through user charges. An example of an enterprise fund within the County is the Wastewater Operations & Maintenance fund, which provides wastewater collection, transportation, and treatment services to the public.

**Internal Service** funds provide the financing of goods or services provided to other departments of the County or to other governments on a cost reimbursement basis. An example of an internal service fund within the County is the self-insured health care fund, which is funded through employer and employee contributions and provides health care benefits to County employees.

#### **Fiduciary Fund Types:**

**Agency Funds** are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held by the County as an agent for individuals, private organizations or other governmental units. An example of an agency fund within the County is the medical reimbursement fund which holds monies of those County employees who have chosen to designate certain deductions from their salary as pre-tax for the explicit purpose of medical claims or dependent care through flexible spending accounts as authorized by the IRS.

**Employee Retirement Plan Funds** are the supplemental pension plan contributions from the County and the earnings and profits from those funds. Disbursements are made for retirements and withdrawals.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the enterprise funds and various government funds for services provided. Elimination of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's enterprise and internal service funds are charges for customer services including: rent, wastewater charges, and public transportation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

#### ***D. Deposits and Investments***

Cash from all funds except for the Public Building Commission, the Park and Recreation District Component Unit, and proceeds from the sale of bonds and general obligation notes, is pooled for the purpose of increasing income through investment activities. Investments, which have a remaining maturity at time of purchase of one year or less, are stated at fair value, which approximates amortized cost. All other investments are stated at fair value as determined by quoted market prices. Investments principally consist of United States Treasury and Agency securities, certificates of deposit, and cash held in money market funds.

The District is authorized by Statute to invest public funds in collateralized public deposits, obligations of the United States government, its agencies and instrumentalities and State of Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Investment income is allocated to the designated funds on the basis of the ending monthly cash balance which is contrary to Kansas State Statutes. Investment income which is not allocated is credited to the General Fund. Interest revenue is susceptible to accrual and has been reported within these financial statements. Cash proceeds from the Public Building Commission and from the sale of bonds and general obligation notes are maintained separately and invested primarily in Government Money Market funds and United States Treasury and Agency securities.

All banks and savings associations are required to pledge to the County, the PBC and the District an aggregate market value investment in U.S. Treasury obligations, other U.S. Agency obligations and Kansas municipal bonds to provide a minimum of 100% collateralization for all deposits.

Cash and cash equivalents, for purposes of the statement of cash flows, refer to cash on hand, cash in demand accounts at financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash and so close to maturity that they present insignificant risk of change in value due to changes in interest rates. Because proprietary funds participate in the County's investment pool, their access is equivalent to cash and cash equivalents.

#### ***E. Property Tax Receivable***

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year. Taxes are assessed on a calendar year basis, and are levied and become a lien on the property on November 1st in the year of assessment. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. On December 31, 2017, such taxes are a lien on the property and are recorded as taxes receivable, net of 2.10% uncollected taxes for the current year tax roll, with a corresponding amount recorded as deferred inflows of resources.

## ***F. Other Taxes and Revenues***

Recognized state-shared taxes, such as gas tax or liquor tax, represent payments received during the current fiscal period.

Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received. Charges for services are generally susceptible to accrual and are recorded as revenue when earned.

Fees, fines, forfeitures and other revenues are generally not susceptible to accrual and are recorded when received in cash.

## ***G. Inventories***

Inventories for the County and the District are valued at cost using the first-in, first-out method. Inventories in governmental funds are recorded as expenditures when consumed. Unconsumed inventories in governmental funds are equally offset by non-spendable fund balance to indicate that portion of fund balance is not in spendable form. Inventories recorded in the proprietary funds primarily consist of maintenance and supplies. Inventories are expensed as the supplies are consumed.

## ***H. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## ***I. Restricted Assets***

Certain proceeds of the County and District's bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable contract covenants.

## ***J. Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County and the District as assets costing \$10,000 or more and having a useful life of five years or more. Infrastructure assets are defined by the County as assets costing \$100,000 or more and having a useful life of five years or more. Intangible assets are defined by the County as assets costing \$1,000,000 or more and having a useful life of five years or more. Interest is also included in the capitalization threshold. Capital assets are recorded at cost or estimates of the original cost. Donated assets are recorded at acquisition value at the date of the gift.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets may be financed from current cash or the cash proceeds received from the sale of general obligation notes, bonds or certificates of participation.



Depreciation of capital assets, including capital leases, is calculated utilizing the straight-line method over the following estimated useful lives:

Buildings and structures	15 to 50 years
Machinery and equipment	5 to 15 years
Infrastructure:	
Roads	15 to 50 years
Bridges	25 to 50 years
Other	5 to 50 years

### ***K. Special Assessments***

As required by state statutes, projects financed in whole or in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the County. Further, state statutes permit levying additional general ad valorem property taxes in the County Debt Service Fund to finance delinquent special assessments receivable. All non-wastewater special assessments receivable are accounted for within the Debt Service Fund. Special assessments related to Wastewater District projects are accounted for in the Wastewater Enterprise Fund.

All special assessment taxes are levied over a ten to twenty year period and the annual installments are due and payable with annual ad valorem property taxes. The County may foreclose liens against property benefited by special assessments when delinquent. For Johnson County Wastewater, receivables and corresponding revenue are recorded for special assessments.

### ***L. Compensated Absences***

The County and the Park and Recreation District (the District) permit full-time and certain part-time employees to accumulate vacation based upon tenure, with most employees limited to a maximum of 24 calendar days. Upon termination or resignation from County or the District service, employees are entitled to payment for their maximum allowable accrued vacation earned prior to termination or resignation.

All full-time and certain part-time employees of the County and the District accrue sick leave at the rate of one calendar day per month for full-time, and one-half day for part-time employees, with no maximum accumulation. Upon separation from service, employees are compensated for 20% of unused sick pay.

Vacation and sick pay are recorded as a liability at 100% of accrued vacation and 20% of accrued sick time for both the County and the District. Accrued vacation and sick pay for the County and the District is calculated using the current salary rate of employees and reflects the vested portion. In the governmental fund types, the amount of vacation and sick leave benefits included in expenditures for the current year represents the amount liquidated during the year with expendable available resources for both the County and the District. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

In proprietary funds within the County and the District, vacation and sick pay benefits are accrued when incurred, and reported as a fund liability/expense.

### **M. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. 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.

### **N. Fund Balance Policy**

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2017, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for specific purposes determined by a formal action of the County’s highest level of decision-making authority, the County’s Board. Commitments are established by, and may only be changed or lifted by, a resolution adopted by the County’s Board.
- *Assigned Fund Balance* – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. For this type of fund balance, it is the County’s policy that spending authority is delegated to management by the County’s Board.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

### **O. Net Position**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is measured as the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt

that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. Net investment in capital assets excludes unspent bond proceeds.

- *Restricted net position* reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor.
- *Unrestricted net position* represents net position of the County that is not restricted for any project or purpose.

#### **P. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

#### **Q. Financial Reporting of Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category in the government-wide statement of net position, Deferred Charge on Refunding, Deferred Outflows for Pensions, and Deferred Outflows for Other Post Employment Benefits (OPEB). A Deferred Charge on Refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See note 1.R and 14 respectively for more information on the deferred outflows for pensions and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has six types of items that qualify for reporting in this category: Property Tax Receivable, Capital Finance Charges Receivable, Deferred Portion on Refunding, Unavailable Revenue, Deferred Inflows for Pensions, and Deferred Inflows for Other Post Employment Benefits (OPEB). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. Property taxes are not recognized as revenue until the period for which they are levied. The County has received resources before time requirements are met, but after all other eligibility requirements have been met, and reports them as deferred inflows of resources. Deferred Inflows for Pensions are reported on the government-wide statement of net position. See Note 1.R and 14 respectively for more information on deferred inflows for pensions and OPEB.

## **R. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **2. Stewardship, Compliance and Accountability**

### **A. Budgetary Information**

The County is required by state statutes to adopt annual budgets for most funds. All Governmental funds, with the exception of the Library Gift and Capital Projects funds, are budgeted funds. All Enterprise funds (except PBC) and Internal Service funds (except Self-Insured Health Care) are also budgeted funds.

The District is required by state statute to adopt annual budgets for the General Fund, Employee Benefit Fund and the General Obligation Bond Retirement Fund. A statutory budget is also required for the District's Enterprise fund.

The statutes provide for the following sequence and timetable in the adoption of the legal annual Capital and Operating Budget (the budget) for both the County and the District:

1. Preparation of the preliminary budget for the succeeding calendar year on or before July 1st.
2. Publication of the proposed budget in local newspaper and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

State statutes provide that the County and the District may not legally exceed the aggregate total of budgeted expenditures in any individual fund. The legal level of budgetary control is the aggregate total at the fund level. The County Manager, without approval of the governing body, may approve transfers between individual expenditure classifications (e.g. General Government, Public Safety). No increase in total expenditure authority for a fund may be made, except through the public hearing process described below.

State statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The County and the District must first hold a public hearing to amend the budget. The governing body may amend the budget at the time of the public hearing.

All legal operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, revenues are recognized when the revenues are both measurable and available to finance expenditures of the current fiscal period. Changes in fair value of investments are recorded for GAAP basis, but not for budgetary basis. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Encumbrances outstanding at year end are reported as part of fund balances for governmental funds and do not constitute expenditures or

liabilities because the commitments will be honored in the subsequent year. Unencumbered appropriations lapse at the end of the year. Inventory is recorded as an asset for governmental fund types for GAAP basis but not for budgetary basis.

A reconciliation of revenues and expenditures/expenses under GAAP to budgeted revenues and expenditures/expenses for the Primary Government is as follows:

<b>Reconciliation of Fund Balance</b>	
<b>Budgetary Basis to GAAP Basis</b>	
<b>for the General Fund</b>	
Fund balance, budgetary basis	\$ 93,587,963
Investments change in fair value	(554,767)
Current Year Encumbrances	1,849,014
GAAP Contractual	(497,033)
Inventory	707,663
Fund balance, GAAP basis	<u>\$ 95,092,840</u>

### **3. Deposits and Investments**

The County has adopted a formal investment policy. The primary objectives for investments are (in order of priority) preservation of capital and protection of principal, security of County funds and investments, maintenance of sufficient liquidity to meet operating needs, diversification of investments to avoid unreasonable or avoidable risks, and maximization of return on the investments. All available funds shall be invested in conformance with legal and administrative guidelines at the highest rates obtainable at the time of investment. Investments shall be managed in a manner responsive to the public trust and consistent with state and local law.

State statutes authorize the County to invest in United States Treasury and Agency securities, collateralized public deposits, and the State of Kansas Municipal Investment Pool, certain money market securities and funds, and investment agreements with financial institutions. The County's cash manager will apply the "prudent investor" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

State statutes authorize the District to invest in collateralized public deposits, obligations of the United States government, its agencies and instrumentalities and State of Kansas Municipal Investment Pool. Restricted assets for the District consist of investments held by the trustee for future qualified capital expenditures and bond reserve funds.

The following is a breakdown of the County's cash by fund type:

<b>Reconciliation of Cash</b>			
	<b>Deposits Including Investments</b>	<b>Restricted Cash and Investments</b>	<b>Total</b>
Government-type activities	\$ 261,773,557	\$ 118	\$ 261,773,675
Business-type activities	121,031,604	181,888,182	302,919,786
Agency funds	719,102,621	-	719,102,621
<b>Total</b>	<b>\$ 1,101,907,782</b>	<b>\$ 181,888,300</b>	<b>\$ 1,283,796,082</b>

A breakdown of the Park and Recreation District's cash by fund type is below:

<b>Reconciliation of Component Unit Cash</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Deposits including investments	\$ 24,066,377	\$ 7,380,584	\$ 31,446,961
Restricted cash and investments	15,166,164	1,386,167	16,552,331
<b>Total</b>	<b>\$ 39,232,541</b>	<b>\$ 8,766,751</b>	<b>\$ 47,999,292</b>

At year-end, a reconciliation of deposits and investments is as follows:

<b>Reconciliation of Deposits and Investments</b>		
	<b>Primary Government</b>	<b>Component Unit</b>
Cash on hand	\$ 53,805	\$ -
Carrying amount of deposits	36,831,164	5,172,009
Carrying amount of investments	1,246,911,113	42,827,283
<b>Total deposits and investments</b>	<b>\$ 1,283,796,082</b>	<b>\$ 47,999,292</b>
Deposits including investments	\$ 1,101,907,782	\$ 31,446,961
Restricted cash and investments	181,888,300	16,552,331
<b>Total deposits and investments</b>	<b>\$ 1,283,796,082</b>	<b>\$ 47,999,292</b>

As of December 31, 2017, the County had the following investments:

<b>Johnson County's Schedule of Investments at December 31, 2017</b>				
	Interest Rates	Maturities	Par Value	Fair Value
County Investments:				
Money Market Mutual Funds	1.07%	On demand	\$ 35,437,199	\$ 35,437,199
Certificate of Deposit	1.13-1.22%	01/19/2018-02/28/2018	133,000,000	133,000,000
Kansas Municipal Investment Pool	0.863%		7,026	7,026
Treasury Securities - Coupon	1.409-1.674%	5/31/2018-8/31/2018	47,000,000	46,855,784
Federal Agency Discount Notes:				
Federal Home Loan Bank	0.857-1.620%	1/16/2011-9/19/2018	529,536,000	528,387,229
Federal Home Loan Mtge Corp	1.411%	6/5/2018	30,000,000	29,818,794
Federal National Mtge Association	1.203%	1/19/2018	6,000,000	5,996,394
Federal Agency Issues:				
Federal Farm Credit Bank	1.228-2.045%	3/14/2018-2/24/2020	46,000,000	45,782,872
Federal Home Loan Bank	0.804-2.150%	1/19/2018-7/26/2021	80,725,000	80,156,070
Federal Home Loan Mtge Corp	1.365-2.119%	2/28/2019-11/24/2020	84,000,000	83,552,561
Federal National Mtge Association	1.444-2.179%	10/26/2018-9/15/2020	129,000,000	127,476,449
Total County Investments			\$ 1,120,705,225	\$ 1,116,470,378
Funds held with Trustee (Restricted for Refunded Debt):				
Debt securities				130,440,735
Total Investments				<u>\$ 1,246,911,113</u>

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets.

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The County has the following recurring fair value measurements as of year-end:

U.S. Treasury Securities are classified in Level 1 and are valued using prices quoted in active markets for those identical securities.

U.S. Government Agency Securities and Repurchase Agreement are classified in Level 2 and are valued using matrix pricing, valuing securities based on the securities' relationship to benchmark quoted prices.

The Parks Foundation has the following recurring fair value measurements as of year-end:

Money Market Funds are classified within Level 1 and are valued using \$1/unit for the Net Asset Value (NAV).

Mutual Funds are classified within Level 1 and are valued using the NAV provided by the administrator of the fund.

Preferred Stocks are classified within Level 1 and are valued based on a quoted price in an active market.

The fair value hierarchy levels of the County's investments as of December 31, 2017, were classified as shown below:

<b>Johnson County's</b>				
<b>Cash Equivalents and Investments by fair value level at December 31, 2017</b>				
Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments subject to fair value hierarchy:				
U.S. Government Agency Securities	\$ 901,170,369	\$ -	\$ 901,170,369	\$ -
U.S. Treasury Securities	46,855,784	46,855,784	-	-
Total Investments subject to fair value hierarchy	<u>\$ 948,026,153</u>	<u>\$ 46,855,784</u>	<u>\$ 901,170,369</u>	<u>\$ -</u>
Investments not subject to fair value hierarchy:				
Fidelity Govt Money Market Mutual Funds	35,437,199			
Fixed Certificates of Deposit (non-negotiable)	133,000,000			
Kansas Municipal Investment Pool	7,026			
Total Investments not subject to fair value hierarchy	<u>\$ 168,444,225</u>			
Total Investments	<u>\$ 1,116,470,378</u>			

The maturities of the County's investments as of December 31, 2017, were classified as shown below:

<b>Johnson County's</b>			
<b>Schedule of Investments at December 31, 2017</b>			
	Investment Maturities in Years		
	Fair Value	Less than 1	1-5
Money Market Mutual Funds	\$ 35,437,199	\$ 35,437,199	\$ -
Certificates of Deposit	133,000,000	133,000,000	-
Kansas Municipal Investment Pool	7,026	7,026	-
Treasury Securities - Coupon	46,855,784	46,855,784	-
Federal Agency Discount Notes:			
Federal Home Loan Bank	528,387,229	528,387,229	-
Federal Home Loan Mtge Corp	29,818,794	29,818,794	-
Federal National Mtge Association	5,996,394	5,996,394	-
Federal Agency Issues:			
Federal Farm Credit Bank	45,782,872	35,917,662	9,865,210
Federal Home Loan Bank	80,156,070	27,986,996	52,169,074
Federal Home Loan Mtge Corp	83,552,561	-	83,552,561
Federal National Mtge Association	127,476,449	14,915,505	112,560,944
Total County Investments	<u>\$ 1,116,470,378</u>	<u>\$ 858,322,589</u>	<u>\$ 258,147,789</u>

The District has investments held in the State Municipal Investment Pool, in a Security Bank of Kansas City Money Market Investment, and Community Foundation investments. The State Treasurer operates the municipal investment pool. This pool is not a Security Exchange Commission (SEC) registered pool. The pool's fair value, listed below, is the same as the value of the pool shares. The Pooled Money Investment Board provides regulatory oversight for this pool.



Restricted Investments for the District are held by the Trustee in various money market investments for bond reserves and future capital expenditures. These investments are authorized by the bond covenants. The District had the following investments as of December 31, 2017:

Investment Type	Fair Value	Maturities	Moody's Rating	Standard & Poor's Rating	Fair Value Hierarchy
Kansas Municipal Investment Pool	\$ 27,513,452	Current	N/A	AAAF/S1+	NA
SBKC Money Market Investment	15,166,165	Current	N/A	AAAm	NA
Community Foundation Pool	3,310	Current	N/A	N/A	NA
Community Foundation - Money Market	7,799	Current	N/A	N/A	Level 1
Community Foundation - Fixed Income Funds	19,168	Current	N/A	N/A	Level 1
Community Foundation - Equity Funds	80,927	Current	N/A	N/A	Level 1
Community Foundation - Preferred Stocks	4,054	Current	N/A	N/A	Level 1
Community Foundation - Foreign Equity Funds	25,740	Current	N/A	N/A	Level 1
Community Foundation - Real Estate Investment Trusts & Funds	4,059	Current	N/A	N/A	Level 1
Community Foundation - MLP Funds	2,609	Current	N/A	N/A	Level 1
	<u>\$ 42,827,283</u>				

**Interest Rate Risk.** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. As a means to limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits its investment operating portfolio to maturities with a weighted average of less than eighteen months and its long-term portfolio to maturities with a weighted average of less than three years. As of December 31, 2017, the County's combined weighted average of all investments is 225 days. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the government. Investments are exposed to custodial credit risk if the securities are uninsured or not collateralized, are not registered in the name of the government, or are held by the counterparty or the counterparty's trust department but not in the government's name. All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the County or its agents in the County's name. The County's investment policies and procedures state that all investments shall be held in the name of Johnson County, Kansas. As of December 31, 2017 the County has \$99,000,000 exposed to custodial credit risk.

All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the District or its agents in the District's name. As of December 31, 2017, none of the District's bank balances with financial institutions were exposed to custodial credit risk. The District requires all banks to pledge to the District an aggregate market value investment in U.S. Treasury obligations and other U.S. agency obligations to provide a minimum of 100 percent collateralization for all deposits. As of December 31, 2017, cash and money market funds in the amount \$902,531 were held at the Foundation's brokerage firm, were exposed to custodial credit risk. The District does not have a policy regarding investment custodial credit risk.

**Credit Risk.** As of December 31, 2017, County funds not held in depository accounts had been invested in certificates of deposits, Government money market funds, the state municipal investment pool, U.S. Treasury notes and the following Government Sponsored Enterprise (GSE) Notes: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Notes. The GSE Notes are rated Aaa by Moody's Investor Service. Government money market mutual funds are primarily invested in the above mentioned GSE's. The Municipal Investment Pool Portfolio is rated AAf/S1+ by Standard & Poor's.

The District limits investments to those permitted by State Statute or bond covenants and has no formal investment policy that would further limit its investment choices.

Concentration of Credit Risk. At December 31, 2017, of total cash and investments, the County invested 7% in coupons, 7% in step-ups, 15% in callable notes, and 49% in discount notes. The County's investment policy permits up to 80% to be invested in coupons, 50% in callables, 50% in discount notes, and 25% for step-ups, money markets and the Kansas Municipal Investment Pool at any given point in time. These limits are adjusted during tax collection periods which run from ten days prior to the due date for taxes to be remitted through the distribution dates set by Kansas Statute. The Discount Obligation percent increases to 65% and the limit on the MIP may be increased to 50%. Additionally, the policy permits 100% in demand deposits, certificates of deposits and treasury notes.

More than 5% of the County's investments are in UMB Bank (11.20%), Federal Farm Credit Bank (5.37%), Federal Home Loan Bank (54.51%), Federal Home Loan Mortgage Corporation (10.15%) and the Federal National Mortgage Association (11.95%).

The District places no limit on the amount the District may invest in one issuer. More than 5 percent of the District's investments are in the Kansas Municipal Investment Pool (64 percent), and SBKC Money Market Investment (35 percent).

The following is a breakdown of the County's investments by issuer:

Issuer	Par value	Fair Value	% of Portfolio
Fidelity	\$ 35,437,199	\$ 35,437,199	3.17%
OMIP 16	7,026	7,026	0.00%
Capitol Federal Financial	8,000,000	8,000,000	0.72%
UMB Bank Kansas	125,000,000	125,000,000	11.20%
Treasury Securities - Coupon	47,000,000	46,855,784	4.20%
Federal Farm Credit Bank	46,000,000	45,782,872	4.10%
Federal Home Loan Bank	610,261,000	608,543,299	54.51%
Federal Home Loan Mortgage Corporation	114,000,000	113,371,355	10.15%
Federal National Mortgage Association	135,000,000	133,472,843	11.95%
<b>Total</b>	<b>\$ 1,120,705,225</b>	<b>\$ 1,116,470,378</b>	<b>100.00%</b>

#### 4. Receivables

Receivables are comprised of the following as of December 31, 2017:

Accounts Receivable Fiscal Year 2017						
	Taxes	Accounts	Grant	Interest	Special	
	Receivable	Receivable	Receivable	Receivable	Assessment	Total
<b>Governmental Activities</b>	\$ 235,499,305	\$ 4,632,146	\$ 2,772,670	\$ 1,441,302	\$ 11,219	\$ 244,356,642
<b>Business Type Activities</b>	-	16,538,312	1,220,781	397,930	2,272,173	20,429,196
	\$ 235,499,305	\$ 21,170,458	\$ 3,993,451	\$ 1,839,232	\$ 2,283,392	\$ 264,785,838

## 5. Capital Assets

The accompanying government-wide financial statements include those infrastructure assets that were either completed during the fiscal year or considered construction in progress at year-end.

The following is the detail of capital assets as of December 31, 2017:

### Primary Government

	December 31,		December 31,	
	2016	Increases	Decreases	2017
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 24,404,861	\$ 2,332,258	\$ -	\$ 26,737,119
Construction in progress	25,620,738	6,826,692	(1,544,111)	30,903,319
Total capital assets, not being depreciated	50,025,599	9,158,950	(1,544,111)	57,640,438
Capital assets, being depreciated				
Buildings	92,929,989	20,449,576	(21,649,592)	91,729,973
Improvements other than buildings	4,788,455	888,584	-	5,677,039
Machinery and Equipment	56,577,800	7,118,846	(3,101,861)	60,594,785
Infrastructure	94,878,553	2,387	-	94,880,940
Total capital assets being depreciated	249,174,797	28,459,393	(24,751,453)	252,882,737
Less accumulated depreciation for:				
Buildings	(55,740,311)	(2,016,513)	336,230	(57,420,594)
Improvements other than buildings	(2,335,820)	(195,704)	-	(2,531,524)
Machinery and Equipment	(23,813,084)	(8,080,603)	1,095,916	(30,797,771)
Infrastructure	(52,136,530)	(2,876,330)	-	(55,012,860)
Total accumulated depreciation	(134,025,745)	(13,169,150)	1,432,146	(145,762,749)
Total capital assets, being depreciated, net	115,149,052	15,290,243	(23,319,307)	107,119,988
Governmental activities capital assets, net	\$ 165,174,651	\$ 24,449,193	\$ (24,863,418)	\$ 164,760,426

	December 31,		December 31,	
	2016	Increases	Decreases	2017
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 9,738,854	\$ -	\$ -	\$ 9,738,854
Construction in progress	105,463,130	56,574,033	(23,459,087)	138,578,076
Total capital assets, not being depreciated	115,201,984	56,574,033	(23,459,087)	148,316,930
Capital assets, being depreciated				
Buildings	513,014,786	20,764,401	(760,510)	533,018,677
Improvements other than buildings	470,389,443	4,728,096	-	475,117,539
Machinery and Equipment	279,225,905	1,077,886	(12,942)	280,290,849
Infrastructure	2,274,401	-	-	2,274,401
Total capital assets being depreciated	1,264,904,535	26,570,383	(773,452)	1,290,701,466
Less accumulated depreciation for:				
Buildings	(137,379,520)	(13,177,625)	699,955	(149,857,190)
Improvements other than buildings	(200,755,537)	(22,339,696)	-	(223,095,233)
Machinery and Equipment	(259,976,251)	(4,148,102)	12,942	(264,111,411)
Infrastructure	(378,364)	(61,629)	-	(439,993)
Total accumulated depreciation	(598,489,672)	(39,727,052)	712,897	(637,503,827)
Total capital assets being depreciated, net	666,414,863	(13,156,669)	(60,555)	653,197,639
Business-type activities capital assets, net	\$ 781,616,847	\$ 43,417,364	\$ (23,519,642)	\$ 801,514,569

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities</b>	
General Government	\$ 1,696,501
Public Works	3,385,480
Public Safety	6,724,075
Health and Human Services	353,854
Planning and Economic Development	9,023
Culture and Recreation	1,000,217
Total depreciation expense for governmental activities	<u>\$ 13,169,150</u>

<b>Business-type activities</b>	
Airport Fund	\$ 1,501,963
Public Building Commission Fund	9,445,672
Transportation Fund	2,715,398
Johnson County Wastewater	26,064,019
Total depreciation expense for business-type activities	<u>\$ 39,727,052</u>

### Discretely presented component unit

A summary of changes in governmental activities and business-type activities capital assets follows:

	December 31,			December 31,
	2016	Increases	Decreases	2017
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 53,210,059	\$ 799,482	\$ -	\$ 54,009,541
Construction in progress	13,548,570	11,204,053	(1,177,451)	23,575,172
Total capital assets, not being depreciated	<u>66,758,629</u>	<u>12,003,535</u>	<u>(1,177,451)</u>	<u>77,584,713</u>
Capital assets, being depreciated				
Buildings	26,200,308	243,833	-	26,444,141
Improvements other than buildings	36,506,678	3,773,977	-	40,280,655
Machinery and Equipment	5,352,726	1,405,933	(390,885)	6,367,774
Infrastructure	492,149	-	-	492,149
Total capital assets being depreciated	<u>68,551,861</u>	<u>5,423,743</u>	<u>(390,885)</u>	<u>73,584,719</u>
Less: accumulated depreciation for:				
Buildings	(6,572,795)	(674,921)	-	(7,247,716)
Improvements other than buildings	(20,862,915)	(1,521,295)	-	(22,384,210)
Machinery and Equipment	(3,705,038)	(486,146)	390,885	(3,800,299)
Infrastructure	(168,780)	(16,658)	-	(185,438)
Total accumulated depreciation	<u>(31,309,528)</u>	<u>(2,699,020)</u>	<u>390,885</u>	<u>(33,617,663)</u>
Total capital assets, being depreciated, net	<u>37,242,333</u>	<u>2,724,723</u>	<u>-</u>	<u>39,967,056</u>
Governmental activities capital assets, net	<u>\$ 104,000,962</u>	<u>\$ 14,728,258</u>	<u>\$ (1,177,451)</u>	<u>\$ 117,551,769</u>

	December 31,		December 31,	
	2016	Increases	Decreases	2017
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 4,240,976	\$ -	\$ -	\$ 4,240,976
Total capital assets, not being depreciated	4,240,976	-	-	4,240,976
Capital assets, being depreciated				
Buildings	5,886,596	-	-	5,886,596
Improvements other than buildings	9,352,303	-	-	9,352,303
Machinery and Equipment	3,261,559	18,500	(1,924,837)	1,355,222
Total capital assets being depreciated	18,500,458	18,500	(1,924,837)	16,594,121
Less accumulated depreciation for:				
Buildings	(2,825,432)	(136,186)	-	(2,961,618)
Improvements other than buildings	(9,184,545)	(115,204)	-	(9,299,749)
Machinery and Equipment	(2,978,878)	(58,948)	1,904,998	(1,132,828)
Total accumulated depreciation	(14,988,855)	(310,338)	1,904,998	(13,394,195)
Total capital assets being depreciated, net	3,511,603	(291,838)	(19,839)	3,199,926
Business-type activities capital assets, net	\$ 7,752,579	\$ (291,838)	\$ (19,839)	\$ 7,440,902

## 6. Interfund Balances and Transfers

Interfund balances occur when one fund incurs expenses for another fund. For 2017, the Public Building Commission owes the General Funds for money advanced for the Criminal Justice Complex capital improvement project. In Risk Management fund, it represents the insurance proceeds that has not been distributed to the Airport. Amounts due to and from other funds as of December 31, 2017 are as follows:

Interfund Balances at December 31, 2017		
Fund	Due to Other Funds	Due from Other Funds
General Fund	\$ -	\$ 1,000,000
Public Building Commission	1,000,000	-
Airport	-	131,504
Risk Management	131,504	-
Total	\$ 1,131,504	\$ 1,131,504

An interfund transfer is a movement of monies from one fund to another for current purposes. Frequently it involves the transfer of money from the fund authorized to raise the money to the fund authorized to spend it.

Interfund transfers for the year ended December 31, 2017, are as follows:

<b>Interfund Transfers:</b>						
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Non-Major Enterprise Funds	Non-Major Internal Svc Funds	Total Transfers Out
<b>Transfer From</b>						
General Fund	\$ -	\$ 13,191,546	\$ 705,983	\$ 6,194,148	\$ 245,560	\$ 20,337,237
Capital Projects Fund	1,612	-	1,050,000	-	426,408	1,478,020
Wastewater	714,027	-	-	-	-	714,027
Non-Major Governmental Funds	771,910	32,366,131	1,213,992	-	1,166,524	35,518,557
Non-Major Internal Svc Funds	-	-	-	-	10,000	10,000
<b>Total Transfers In</b>	<b>\$ 1,487,549</b>	<b>\$ 45,557,677</b>	<b>\$ 2,969,975</b>	<b>\$ 6,194,148</b>	<b>\$ 1,848,492</b>	<b>\$ 58,057,841</b>

Transfers from the General Fund and non-major governmental funds were primarily to the Capital Projects Fund. The General Fund also transferred subsidies to the Transportation (a non-major enterprise) fund. Transfers from the Capital Projects fund to the General Fund were for unexpended funds at the end of a capital project. Funds were also transferred from the General fund to the Capital Projects fund for equipment reserves.

Transfers from a major enterprise fund, Johnson County Wastewater, were for annual operating subsidies. Transfers from non-major governmental funds were primarily to the Capital Projects fund for budgeted capital projects and to the non-major governmental funds to provide budgeted revenue for debt service, and to the General Fund for budgeted cost allocation.

Transfers for the government-wide Statement of Activities for the year ended December 31, 2017 have been summarized below:

	<b>Transfers</b>
<b>Transfer From</b>	
Governmental activities to Business-type activities	
General to Non-Major Enterprise	\$ 6,194,148
Business-type activities to Governmental activities	
Wastewater to General	(714,027)
<b>Total Transfers - Statement of Activities</b>	<b>\$ 5,480,121</b>

## 7. Assets under Capital Leases

The County has entered into an equipment lease, which has a bargain purchase option and has been classified in the financial statements as a capital lease. The following table details property under capital lease by major classification at December 31, 2017:

<b>Assets Under Capital Lease</b>	
	Governmental Activities
Machinery and equipment	\$ 107,866
Less accumulated depreciation	(70,113)
<b>Total</b>	<b>\$ 37,753</b>

## 8. Debt

### A. Governmental Activities Long-Term Debt

#### 1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the County for the year ended December 31, 2017:

Summary of Governmental Activities Debt for the year ended December 31, 2017					
	Outstanding			Outstanding December 31	Due Within One Year
	January 1	Additions	Reductions		
<b>Primary Government</b>					
Bonds:					
General obligation	\$ 2,275,000	\$ 975,000	\$ 215,000	\$ 3,035,000	\$ 290,000
Plus: bond premium	403,135	168,801	27,305	544,631	-
Special obligation	2,725,000	-	870,000	1,855,000	760,000
Special assessment	106,900	-	9,200	97,700	8,900
Compensated absences	18,517,951	1,808,563	1,390,917	18,935,597	1,576,593
Other post employment benefits	17,026,122	1,583,890	756,222	17,853,790	-
Net pension liability	200,685,022	-	9,445,206	191,239,816	-
Capital lease obligations	75,301	-	17,465	57,836	18,992
<b>Total</b>	<b>\$ 241,814,431</b>	<b>\$ 4,536,254</b>	<b>\$ 12,731,315</b>	<b>\$ 233,619,370</b>	<b>\$ 2,654,485</b>

For the governmental activities, claims and judgments, and compensated absences are generally liquidated by the general fund. Other post-employment benefits are liquidated from the health care fund. The net pension liability will be liquidated primarily through KPERS employer contributions made primarily from the governmental funds.

#### 2. Governmental Activities General and Special Obligation Bonds

At December 31, 2017, governmental activities general and special obligation bonds consist of the following:

Outstanding Governmental Activities General and Special Obligation Bonds as of December 31, 2017				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
<b>Primary Government</b>				
1999A	\$ 7,572,376	\$ 20,000	4.500-5.500%	20
2004B	4,445,000	955,000	3.125-4.000%	15
2010B	4,470,000	665,000	2.000-3.250%	10
2010E	740,000	235,000	0.700-2.600%	10
2012B	730,000	595,000	2.000-3.000%	13
2016A	1,580,000	1,445,000	2.000-5.000%	20
2017A	975,000	975,000	5.000%	10
<b>Total</b>	<b>\$ 20,512,376</b>	<b>\$ 4,890,000</b>		

In 2017, Series 2017A General Obligation bonds were issued in the amount of \$975,000 for a station alerting system for the County's Emergency Communications Department.

Remaining debt service requirements for general and special obligation bonds will be paid from the Debt Service Fund of the Primary Government with future property tax revenues.

Annual debt service requirements to maturity for governmental activities general and special obligation bonds are as follows:

<b>Debt Service Requirements Governmental Activities for General and Special Obligation Bonds</b>			
<b>Primary Government</b>	Principal	Interest	Total
2018	\$ 1,050,000	\$ 195,356	\$ 1,245,356
2019	1,080,000	163,541	1,243,541
2020	615,000	122,393	737,393
2021	315,000	99,075	414,075
2022	330,000	84,825	414,825
2023-2027	1,500,000	191,075	1,691,075
Total	\$ 4,890,000	\$ 856,265	\$ 5,746,265

### **3. Governmental Activities Special Assessment Bonds**

As explained in Note 1.K., Summary of Significant Accounting Policies, the County has made a commitment to pay special assessment bonds in the event less than sufficient revenues are collected for the required debt service. Bonds were issued in 2016 in the amount of \$106,900 as part of Series 2016A. These funds will be used for the construction of improvements in special benefit districts within the County.

<b>Outstanding Governmental Activities Outstanding Special Assessment Bonds as of December 31, 2017</b>				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2016A	\$ 106,900	\$ 97,700	2.000-5.000%	10

Annual debt service requirements to maturity for governmental activities special assessment bonds are as follows:

<b>Debt Service Requirements Governmental Activities for Special Assessment Bonds</b>			
	Principal	Interest	Total
2018	\$ 8,900	\$ 4,885	\$ 13,785
2019	9,300	4,440	13,740
2020	9,700	3,975	13,675
2021	10,300	3,490	13,790
2022	10,800	2,975	13,775
2023-2027	48,700	6,240	54,940
Total	\$ 97,700	\$ 26,005	\$ 123,705



#### 4. Capital Leases

As explained in Note 7, the County has entered into various capital leases for assets. The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017 were as follows:

<b>Future Minimum Lease Payments</b>	
Year Ending December 31:	Governmental Activities
2018	22,656
2019	22,656
2020	18,880
Total minimum lease payments	64,192
Less amounts representing interest	(6,356)
Present value of minimum lease payments	\$ 57,836

#### 5. Debt Margin

The County has an available debt margin of \$814,948,047 as of December 31, 2017.

### B. Business-Type Activities Debt

#### 1. Changes in Business-Type Activities Debt

The following table summarizes the changes in business-type activities debt of the County for the year ended December 31, 2017:

<b>Summary of Business-Type Activities Debt for the year ended December 31, 2017</b>					
	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
<b>Primary Government</b>					
General obligation bonds:					
Wastewater	\$ 384,733,100	\$ 14,805,000	\$ 59,025,800	\$ 340,512,300	\$ 19,281,100
Plus: bond premium	26,786,453	1,127,697	2,229,445	25,684,705	-
Less:					
Issuance discounts	(91,977)	-	(7,089)	(84,888)	-
Airport	4,665,468	-	455,155	4,210,313	170,155
Plus: bond premium	350,121	-	36,864	313,257	-
Special assessment bonds:					
Wastewater	14,530	-	4,846	9,684	4,846
Revenue bonds:					
PBC	256,700,000	38,185,000	19,940,000	274,945,000	14,895,000
Plus: bond premium	8,948,125	3,821,975	785,768	11,984,332	-
Less:					
Issuance discounts	(321,338)	-	(29,606)	(291,732)	-
Compensated absences	1,453,950	3,024,648	88,530	1,482,168	123,407
Net Pension Liability	6,470,848	-	228,280	6,242,568	-
Other post employment benefits	1,281,535	119,218	56,920	1,343,833	-
Retainages payable	365,520	105,350	63,950	406,920	406,920
Long-term loans:					
Wastewater	19,365,769	2,803,927	2,276,516	19,893,180	2,366,941
<b>Total</b>	<b>\$ 710,722,104</b>	<b>\$ 63,992,815</b>	<b>\$ 85,155,379</b>	<b>\$ 686,651,640</b>	<b>\$ 37,248,369</b>

## 2. Business-Type Activities General Obligation Bonds

At December 31, 2017, Business-Type Activities General Obligation Bonds consist of the following:

<b>Outstanding Business-Type Activities General Obligation Bonds as of December 31, 2017</b>					
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years	
2008A Wastewater	\$ 26,585,000	\$ 20,155,000	4.000-5.000%	20	
2008D Wastewater	10,425,000	7,965,000	4.000-5.000%	20	
2009A Wastewater	16,345,000	12,510,000	2.000-4.125%	20	
2009B Wastewater	20,925,000	15,780,000	2.250-5.400%	20	
2009C Wastewater	8,460,000	2,830,000	3.000-5.000%	11	
2009C Wastewater	3,423,175	1,490,000	3.000-5.000%	12	
2009C Wastewater	2,580,000	1,190,000	3.000-5.000%	13	
2010C Wastewater	8,605,000	6,540,000	1.150-4.800%	20	
2010D Wastewater	2,460,000	1,390,000	2.000-4.000%	13	
2010D Wastewater	9,265,000	6,065,000	3.000-4.000%	14	
2011A Wastewater	16,790,000	13,055,000	2.000-4.250%	20	
2012A Wastewater	37,350,000	30,220,000	2.000-4.000%	20	
2012B Wastewater	26,275,000	21,550,000	2.000-3.000%	13	
2013A Wastewater	40,865,000	34,875,000	2.000-5.000%	20	
2014A Wastewater	20,205,000	18,050,000	3.500-5.000%	20	
2014B Wastewater	21,465,000	21,465,000	3.000-5.000%	13	
2014B Wastewater	17,015,000	17,015,000	3.000-5.000%	13	
2015A Wastewater	28,605,000	26,435,000	3.000-5.000%	20	
2015B Wastewater	17,490,000	17,490,000	3.000-5.000%	13	
2015B Wastewater	6,925,000	6,925,000	3.000-5.000%	13	
2016A Wastewater	32,758,100	32,142,300	2.000-5.000%	20	
2016B Wastewater	10,570,000	10,570,000	2.000-4.000%	10	
2017A Wastewater	14,805,000	14,805,000	2.500-5.000%	20	
1999A Airport	410,000	20,313	4.500-5.500%	20	
2008A Airport	1,960,000	1,300,000	4.000-5.000%	20	
2015A Airport	1,910,000	1,765,000	3.000-5.000%	20	
2015B Airport	1,125,000	1,125,000	3.000-5.000%	13	
Total	\$ 405,596,275	\$ 344,722,613			

On August 15, 2012, the County also issued \$26,275,000 of Internal Improvement Refunding Bonds, Series 2012B, to crossover refund the Series 2005A bonds. These bonds mature in 2025 and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2012B issue was recorded in the amount of \$2,463,987 and is being amortized to interest expense through 2025. As of December 31, 2017, the balance of the bond premium is \$1,472,520.

For proprietary funds, the Series 2012B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$3,053,913 and a reduction of \$2,593,379 in the net future value debt service payments for the County over the next 13 years.

The issuance of the Series 2012B General Obligation Internal Improvement Refunding Bonds was conducted as a “crossover” advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of 2012B Bonds allocable to the Series 2005A until September 1, 2015, (the call dates of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The County continued to pay the originally scheduled debt service payments on the Series 2005A until September 1, 2015. After the call date, the County crossed over and began making debt service payments on the 2012B Bonds, taking advantage of the lower interest rates.

On November 25, 2014, the County also issued \$38,480,000 of Internal Improvement Refunding Bonds, Series 2014B, to crossover refund the series 2007A and 2007B bonds. These bonds mature in 2027 and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2014B issue was recorded in the amount of \$6,207,700 and is being amortized to interest expense through 2027. As of December 31, 2017, the balance of the bond premium is \$4,738,925.

For proprietary funds, the Series 2014B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$3,249,231 and a reduction of \$2,764,861 in the net future value debt service payments for the County over the next 13 years.

The issuance of the Series 2014B General Obligation Internal Improvement Refunding Bonds was conducted as a “crossover” advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of 2014B Bonds allocable to the Series 2007A and 2007 until September 1, 2017, (the call dates of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The County will continue to pay the originally scheduled debt service payments on the Series 2007A and 2007B until September 1, 2017. After the call date, the County will cross over and begin making debt service payments on the 2014B Bonds, taking advantage of the lower interest rates.

On December 17, 2015, the County also issued \$30,515,000 of Internal Improvement Bonds, Series 2015A, to finance certain wastewater improvements to Johnson County Wastewater and to purchase land for the Airport. These bonds mature in 2035 and have interest rates ranging from 3.0% to 5.0%. The bond premium for the Series 2015A issue was recorded in the amount of \$2,485,699 and is being amortized to interest expense through 2035. As of December 31, 2017, the balance of the bond premium is \$2,232,839.

On December 17, 2015, the County also issued \$25,540,000 of Internal Improvement Refunding Bonds, Series 2015B, to crossover refund the series 2008A and 2008D bonds. These bonds mature in 2028 and have interest rates ranging from 3.0% to 5.0%. The bond premium for the Series 2015B issue was recorded in the amount of \$4,126,740 and is being amortized to interest expense through 2028. As of December 31, 2017, the balance of the bond premium is \$3,481,554.

For proprietary funds, the Series 2015B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$3,130,112 and a reduction of \$2,658,360 in the net future value debt service payments for the County over the next 13 years.

The issuance of the Series 2015B General Obligation Internal Improvement Refunding Bonds was conducted as a “crossover” advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of the 2015B Bonds allocable to the Series 2008A and 2008D until September 1, 2018 (the call dates of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The County will continue to pay the originally scheduled debt service payments on the Series 2008A and 2008D until September 1, 2018. After the call date, the County will cross over and begin making debt service payments on the 2015B Bonds, taking advantage of the lower interest rates.

On October 27, 2016, the County issued \$32,758,100 of General Obligation Internal Improvement Bonds, Series 2016A, to finance certain wastewater improvements to Johnson County Wastewater. These bonds mature in 2036 and have interest rates ranging from 2.0% to 5.0%. The bond premium for the 2016A issue was recorded in the amount of \$3,525,290 and is being amortized to interest expense through 2036. As of December 31, 2017, the balance of the bond premium is \$3,319,205.

On October 27, 2016, the County also issued \$10,570,000 of General Obligation Refunding Bonds, Series 2016B, to crossover refund the Series 2009A bonds. These bonds mature in 2029 and have interest rates ranging from 2.0% to 4.0%. The bond premium for the Series 2016B issue was recorded in the amount of \$1,082,433 and is being amortized to interest expense through 2029. As of December 31, 2017, the balance of the bond premium is \$985,482.

For proprietary funds, the Series 2016B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$1,040,781 and a reduction of \$914,457 in the net future value debt service payments for the County over the next 10 years.

The issuance of the Series 2016B General Obligation Internal Improvement Refunding Bonds was conducted as a “crossover” advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of 2016B Bonds allocable to the Series 2009A until September 1, 2020, (the call dates of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The County will continue to pay the originally scheduled debt service payments on the Series 2009A until September 1, 2020. After the call date, the County will cross over and begin making debt service payments on the 2016B Bonds, taking advantage of the lower interest rates.

On November 2, 2017, the County issued \$14,805,000 of General Obligation Internal Improvement Bonds, Series 2017A, to finance certain wastewater improvements to Johnson County Wastewater. These bonds mature in 2037 and have interest rates ranging from 2.5% to 5.0%. The bond premium for the 2017A issue was recorded in the amount of \$1,127,697 and is being amortized to interest expense through 2037. As of December 31, 2017, the balance of the bond premium is \$1,118,583.

Remaining debt service requirements for general obligation wastewater bonds will be paid from Johnson County Wastewater Enterprise Fund with revenues from wastewater Capital Finance Charges and connection fees. Capital Finance Charges are billed and collected in the same manner as the wastewater operations and maintenance charge. Remaining debt service

requirements for general obligation airport bonds will be paid from the Airport Enterprise Fund with revenues from operations or from taxes.

Annual debt service requirements to maturity for business-type activities general obligation bonds are as follows:

<b>Debt Service Requirements for Business-Type Activities General Obligation Bonds</b>			
	Principal	Interest	Total
2018	\$ 46,781,255	\$ 13,637,485	\$ 60,418,740
2019	30,805,860	11,648,297	42,454,157
2020	20,760,298	10,403,276	31,163,574
2021	20,689,700	9,475,243	30,164,943
2022	21,949,200	8,557,538	30,506,738
2023-2027	109,116,300	28,525,806	137,642,106
2028-2032	68,790,000	10,938,608	79,728,608
2033-2037	25,830,000	1,889,625	27,719,625
Total	\$ 344,722,613	\$ 95,075,878	\$ 439,798,491

### 3. Business-Type Activities Special Assessment Bonds

As explained in Note 1. K., Summary of Significant Accounting Policies, the County has made a commitment to pay special assessment bonds in the event less than sufficient revenues are collected for the required debt service. At December 31, 2017, Wastewater special assessment bonds consist of the following:

<b>Outstanding Wastewater Special Assessment Bonds as of December 31, 2017</b>				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
1999A	\$ 96,891	\$ 9,684	4.50-5.50%	20

Remaining debt service requirements for Wastewater special assessment bonds with governmental commitment will be paid from the Wastewater Enterprise Fund with future special assessments.

Annual debt service requirements to maturity for Wastewater special assessment bonds outstanding at December 31, 2017, are as follows:

<b>Debt Service Requirements for Wastewater Special Assessment Bonds</b>			
	Principal	Interest	Total
2018	\$ 4,846	\$ 532	\$ 5,378
2019	4,838	266	5,104
Total	\$ 9,684	\$ 798	\$ 10,482

#### 4. Business-Type Activities Revenue Bonds

The Public Building Commission (PBC) has issued revenue bonds, which will be paid from future rent revenues. At December 31, 2017, business-type activities revenue bonds for PBC consist of the following:

<b>Business-Type Activities</b>				
<b>Outstanding Revenue Bonds as of December 31, 2017</b>				
	Original	Current	Interest	Original
	Amount	Bonds	Rates	Term in
	Amount	Outstanding	Rates	Years
<b>Primary Government</b>				
PBC, 2007B	\$ 4,850,000	\$ 280,000	4.000-4.750%	20
PBC, 2008A	48,825,000	32,500,000	3.892-4.125%	20
PBC, 2008B	5,640,000	3,745,000	4.000-4.750%	20
PBC, 2008C	10,750,000	7,025,000	4.000-5.000%	20
PBC, 2009A	14,995,000	10,420,000	2.500-4.250%	20
PBC, 2010A	13,245,000	9,390,000	1.000-5.650%	20
PBC, 2010B	6,120,000	420,000	2.500-4.000%	12
PBC, 2010C	31,510,000	18,595,000	2.500-4.000%	14
PBC, 2010D	14,250,000	9,895,000	0.850-5.000%	20
PBC, 2011A	35,395,000	27,515,000	2.000-4.375%	20
PBC, 2011B	16,800,000	12,450,000	2.000-4.500%	20
PBC, 2012A	16,635,000	13,645,000	3.000-4.000%	13
PBC, 2014A	1,995,000	1,510,000	2.000-3.000%	10
PBC, 2014B	4,000,000	2,880,000	2.000-4.000%	10
PBC, 2015A	21,460,000	19,945,000	2.000-4.000%	20
PBC, 2015B	41,725,000	41,725,000	2.000-5.000%	13
PBC, 2016A	16,365,000	15,645,000	2.000-5.000%	20
PBC, 2016B	9,175,000	9,175,000	2.000-3.000%	10
PBC, 2017A	15,060,000	15,060,000	2.000-3.125%	20
PBC, 2017B	23,125,000	23,125,000	4.000-5.000%	14
Total	\$ 351,920,000	\$ 274,945,000		

On August 15, 2012, the County issued \$16,635,000 of Lease Purchase Revenue Refunding Bonds, Series 2012A, to crossover refund the Series 2005A bonds. These bonds mature in 2025 and have interest rates ranging from 3.0% to 4.0%. The bond premium for the Series 2012A issue was recorded in the amount of \$1,850,406 and is being amortized to interest expense through 2025. As of December 31, 2017, the balance of the bond premium is \$1,105,834.

The Series 2012A PBC Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$1,646,844 and a reduction of \$1,412,683 in the net future value debt service payments for the PBC over the next 13 years.

The issuance of the Series 2012A Lease Purchase Revenue Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of 2012A PBC Bonds allocable to the Series 2005A PBC Bonds until September 1, 2015, (the call dates of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The PBC continued to pay

the originally scheduled debt service payments on the Series 2005A PBC Bonds until September 1, 2015. After the call date, the PBC crossed over and began making debt service payments on the 2012A PBC Bonds, taking advantage of the lower interest rates.

On December 17, 2015, the County issued \$41,725,000 of Lease Purchase Revenue Refunding Bonds, Series 2015B, to crossover refund the Series 2007A, 2008A, and 2008C bonds. These bonds mature in 2028 and have interest rates ranging from 2.0% to 5.0%. The bond premium for the Series 2015B issue was recorded in the amount of \$3,201,280 and is being amortized to interest expense through 2028. As of December 31, 2017, the balance of the bond premium is \$2,700,783.

The Series 2015B PBC Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$4,225,062 and a reduction of \$3,511,446 in the net future value debt service payments for the PBC over the next 13 years.

The issuance of the Series 2015B Lease Purchase Revenue Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of the 2015B PBC Bonds allocable to the Series 2007A, 2008A, and 2008C Bonds until September 1, 2018, (the call date of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The PBC will continue to pay the originally scheduled debt service payments on the Series 2007A, 2008A, and 2008C Bonds until September 1, 2018. After the call date, the PBC will cross over and being making debt service payments on the 2015B PBC Bonds, taking advantage of the lower interest rates.

On October 27, 2016, the County issued \$12,720,000 of Lease Purchase Improvement Revenue Bonds, Series 2016A to finance capital improvement projects on behalf of the County to construct the Monticello library building. Another component of 2016A is the refunding of Series 2008B. This part of the issuance is \$3,645,000. Series 2016A bonds mature in 2036, and have interest rates ranging from 2.0% to 5.0%. The bond premium for the Series 2016A issue was recorded in the amount of \$1,891,146 and is being amortized to interest expense through 2036. As of December 31, 2017, the remaining balance of the bond premium is \$1,780,592.

On October 27, 2016, the County issued \$9,175,000 of Lease Purchase Revenue Refunding Bonds, Series 2016B, to crossover refund the Series 2009A bonds. These bonds mature in 2029 and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2016B issue was recorded in the amount of \$364,229 and is being amortized to interest expense through 2029. As of December 31, 2017, the balance of the bond premium is \$331,605.

The refunding portion of Series 2016A resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$510,915 and a reduction of \$449,415 in the net future value debt service payments for the PBC over the next 12 years. The 2016B PBC Refunding Bonds resulted in an economic gain of \$861,356 and a reduction of \$749,778 in the net future value debt service payments for the PBC over the next 13 years.

The issuance of the Series 2016B Lease Purchase Revenue Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion

of the 2016B PBC Bonds allocable to the Series 2009A Bonds until September 1, 2020, (the call date of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The PBC will continue to pay the originally scheduled debt service payments on the Series 2009A Bonds until September 1, 2020. After the call date, the PBC will cross over and being making debt service payments on the 2016B PBC Bonds, taking advantage of the lower interest rates.

On November 2, 2017, the County issued \$15,060,000 of Lease Purchase Revenue Bonds, Series 2017A to finance capital improvement projects on behalf of the County to construct the Lenexa City Center library building. These bonds mature in 2037, and have interest rates ranging from 2.0% to 3.125%. The bond premium for the Series 2017A bonds issue was recorded in the amount of \$187,498 and is being amortized to interest expense through 2037. As of December 31, 2017, the remaining balance of the bond premium is \$185,983.

On November 2, 2017, the County issued \$1,850,000 of Lease Purchase Improvement Revenue Bonds, Series 2017B to renovate, construct, equip and furnish improvements to the Criminal Justice Complex (New Century Adult Detention Center) and the Central Booking Facility (Olathe Adult Detention Center). Another component of 2017B is the refunding of Series 2011A. This part of the issuance is \$21,275,000. Series 2017B bonds mature in 2031, and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2016A issue was recorded in the amount of \$3,634,477 and is being amortized to interest expense through 2031. As of December 31, 2017, the remaining balance of the bond premium is \$3,592,514.

The refunding portion of Series 2017A resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$1,666,094 and a reduction of \$1,384,316 in the net future value debt service payments for the PBC over the next 14 years.

The issuance of the Series 2017B Refunding Bonds was conducted as a “crossover” advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of the 2017B PBC Bonds allocable to the Series 2011A Bonds until September 1, 2021, (the call date of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The PBC will continue to pay the originally scheduled debt service payments on the Series 2011A Bonds until September 1, 2021. After the call date, the PBC will cross over and being making debt service payments on the 2017B PBC Bonds, taking advantage of the lower interest rates.

Remaining debt service requirements for PBC revenue bonds will be paid from the PBC Enterprise fund. This fund has future lease revenue pledged to repay revenue bonds which provided proceeds for financing of buildings and facilities. The bonds are payable solely from lease payments made directly to a trustee for the purpose of repaying the debt. Principal and interest paid for the current year were \$14,025,000 and \$9,591,668 respectively.



Annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

<b>Debt Service Requirements for Business-Type Activities Revenue Bonds</b>			
	Principal	Interest	Total
<b>Primary Government</b>			
2018	\$ 55,360,000	\$ 10,028,641	\$ 65,388,641
2019	24,545,000	8,033,213	32,578,213
2020	38,635,000	7,191,816	45,826,816
2021	16,065,000	5,793,221	21,858,221
2022	16,540,000	5,260,851	21,800,851
2023-2027	73,090,000	16,880,958	89,970,958
2028-2032	38,685,000	5,283,333	43,968,333
2033-2037	12,025,000	984,019	13,009,019
Total	\$ 274,945,000	\$ 59,456,052	\$ 334,401,052

### 5. Business-Type Activities Long-Term Loans

The County has committed to pay loan obligations in the event that insufficient revenues are collected from connection fees and Capital Finance charges within the Wastewater District.

During 2017, the State advanced an additional \$2,803,927, net of principal forgiveness of 40% under the loan agreement, for Wastewater improvements. As of December 31, 2017, the County was eligible to borrow an additional \$1,125,361, net of the 40% principal forgiveness, under the agreement for various Wastewater improvements.

At December 31, 2017, loan agreements were in existence between the County and the State of Kansas as follows:

<b>Business-Type Activities</b>					
<b>Outstanding Loans as of December 31, 2017</b>					
	Original Issue Amount	Current Loans Outstanding	Interest Rates	Original Term in Years	
Blue River	\$ 14,290,397	\$ 919,223	3.14%	20	
Mill Creek Regional Plant	13,583,500	5,984,763	2.86%	20	
Middle Basin Green Project	10,655,100	7,226,473	2.72%	20	
Loan Elm	871,753	579,225	2.17%	20	
Gardner Lake	6,040,100	5,183,496	2.17%	20	
Total	\$ 45,440,850	\$ 19,893,180			

Annual debt service requirements to maturity for borrowed amounts outstanding at December 31, 2017, against these loans are as follows:

<b>Debt Service Requirements for Business-Type Activities Loans</b>			
	Principal	Interest	Total
2018	\$ 2,366,941	\$ 497,237	\$ 2,864,178
2019	1,451,623	440,501	1,892,124
2020	1,491,265	404,513	1,895,778
2021	1,531,993	367,539	1,899,532
2022	1,573,839	329,549	1,903,388
2023-2027	7,323,767	1,056,095	8,379,862
2028-2032	4,072,693	346,053	4,418,746
2032-2036	81,059	26,304	107,363
<b>Total</b>	<b>\$ 19,893,180</b>	<b>\$ 3,467,791</b>	<b>\$ 23,360,971</b>

## 6. Claims and Judgments

The County and its related entities are involved in numerous lawsuits arising in the ordinary course of activities, including claims for false arrest, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice from counsel believes that their ultimate outcome will not be material to the financial statements.

## C. Component Unit Debt

### 1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the District for the year ended December 31, 2017:

<b>Summary of Governmental Activities Debt for the year ended December 31, 2017</b>					
<b>Component Unit</b>	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
<b>Bonds:</b>					
General obligation	\$ 1,215,000	\$ -	\$ 390,000	\$ 825,000	\$ 405,000
Plus: issuance premiums	48,870	-	18,305	30,565	-
Certificates of participation	25,620,000	12,760,000	3,255,000	35,125,000	4,805,000
Plus: issuance premiums	1,794,976	823,580	354,068	2,264,488	-
Compensated absences	955,167	450,306	301,548	1,103,925	370,692
Early retirement obligation	42,205	-	42,205	-	-
Net pension liability	10,515,091	62,743	50,805	10,527,029	-
Other post employment benefits	1,095,357	115,934	44,082	1,167,209	-
<b>Total</b>	<b>\$ 41,286,666</b>	<b>\$ 14,212,563</b>	<b>\$ 4,456,013</b>	<b>\$ 51,043,216</b>	<b>\$ 5,580,692</b>

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund. Other post-employment benefits (OPEB) are liquidated from the employee benefits fund. The net pension liability will be liquidated primarily through KPERS employer contributions made primarily from the governmental funds.

## 2. Governmental Activities and Business Type Activities Summary of Long Term Debt

At December 31, 2017, governmental activities and business-type activities debt for the District consists of the following:

<b>Summary of Bond Issues</b>					
<b>Component Unit</b>	<u>Original Issue Amount</u>	<u>Governmental Activities Balance</u>	<u>Business- Type Balance</u>	<u>Interest Rates</u>	<u>Original Term in Years</u>
<b>General Obligation:</b>					
2010A Refunding Bonds	\$ 3,625,000	\$ 825,000	\$ -	2.000-4.000%	9
<b>Revenue:</b>					
2010B Refunding Lease	3,310,000	-	315,000	2.000-4.000%	8
<b>Certificates of Participation:</b>					
2010 Series C	3,280,000	710,000	-	3.000-4.000%	8
2010 Series D	4,145,000	2,955,000	-	2.000-4.125%	20
2011 Series A	12,475,000	6,255,000	-	3.000-5.000%	11
2013 Series A	15,670,000	10,130,000	-	4.000-5.125%	10
2015 Series A	2,490,000	2,315,000	-	2.250-4.00%	20
2017 Series A	7,300,000	7,300,000	-	2.000-4.000%	9
2017 Series B	5,460,000	5,460,000	-	2.000-4.000%	9
Total	<u>\$57,755,000</u>	<u>\$ 35,950,000</u>	<u>\$ 315,000</u>		

## 3. Governmental Activities Long-term Debt

Annual debt service requirements to maturity for governmental activities long-term debt are as follows:

<b>Debt Service Requirements Governmental Activities</b>			
<b>Component Unit</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,210,000	\$ 1,649,446	\$ 6,859,446
2019	6,520,000	1,250,163	7,770,163
2020	4,290,000	974,463	5,264,463
2021	4,295,000	807,928	5,102,928
2022	4,095,000	638,738	4,733,738
2023-2027	9,510,000	1,314,425	10,824,425
2028-2032	1,530,000	254,400	1,784,400
2033-2035	500,000	40,600	540,600
Total	<u>\$ 35,950,000</u>	<u>\$ 6,930,163</u>	<u>\$ 42,880,163</u>

#### 4. Changes in Business-Type Activities Long-Term Debt

The following table summarizes the changes in business-type activities debt of the District for the year ended December 31, 2017:

Summary of Business-Type Activities Debt for the year ended December 31, 2017					
Component Unit	Outstanding	Additions	Reductions	Outstanding	Due Within
	January 1			December 31	One Year
Revenue bonds	\$ 700,000	\$ -	\$ 385,000	\$ 315,000	\$ 315,000
Plus: issuance premiums	21,771	-	11,345	10,426	-
Compensated absences	619,929	258,848	227,359	651,418	218,742
Capital lease obligations	27,776	-	27,776	-	-
Total OPEB Liability	1,643,036	173,899	66,122	1,750,813	-
Total	\$ 3,012,512	\$ 432,747	\$ 717,602	\$ 2,727,657	\$ 533,742

#### 5. Business-Type Activities Revenue Bonds

Annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

Debt Service Requirements for Business-Type Activities Revenue Bonds			
Component Unit	Principal	Interest	Total
	2018	315,000	12,600
Total	\$ 315,000	\$ 12,600	\$ 327,600

All of the revenue bonds require the establishment of bond reserves of an amount equal to the lesser of a) 10% of the stated principal amount of the bonds; b) the maximum annual debt service requirements; or c) 125% of the average annual debt service requirements. The District has \$335,970 in the District Enterprise Fund restricted for the bond reserves.

The Certificates of Participation require the establishment of bond reserves of an amount equal to the lesser of a) 10% of the stated principal amount of the certificates; b) the maximum annual debt service requirements; or c) 125% of the average annual debt service requirements. The exception to this requirement is the Series 2011A bond reserve, which is discussed below. The governmental activities have \$4,068,223 restricted for the required bond reserves.

The 2011A Bond reserve was set at an amount of \$525,000. All interest earned on the reserve fund will be retained therein. At no time will accumulated funds in the Reserve Fund exceed the Reserve Maximum. The Reserve Maximum is an amount equal to the lesser of (a) 10% of the original principal amount of such certificates, (b) 125% of the average annual base rental with respect to the certificates, or (c) 100% of the maximum annual base rental with respect to the certificates. At any time the Bond Reserve reaches the Reserve Maximum, the Trustee must transfer the excess funds to the Certificate Payment Fund.

#### 9. Fund Balances

Fund balances for all the major and nonmajor governmental funds as of December 31, 2017, were distributed as follows:

**Johnson County, Kansas**  
**Fund Balance Classifications**  
**Governmental Funds**  
**December 31, 2017**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Inventories	\$ 707,663	\$ -	\$ 997,113	\$ 1,704,776
Prepays	642,252	-	419,534	1,061,786
<b>Subtotal</b>	<u>1,349,915</u>	<u>-</u>	<u>1,416,647</u>	<u>2,766,562</u>
<b>Restricted:</b>				
General Government	219	-	4,743,467	4,743,686
Public Works	-	-	6,263,273	6,263,273
Public Safety	8,191,482	-	7,162,193	15,353,675
Health and human services	200,419	-	3,475,567	3,675,986
Planning and economic development	-	-	4,906	4,906
Culture and recreation	-	-	811,499	811,499
Capital projects	-	-	-	-
Debt service	-	-	1,799,722	1,799,722
<b>Subtotal</b>	<u>8,392,120</u>	<u>-</u>	<u>24,260,627</u>	<u>32,652,747</u>
<b>Committed:</b>				
General Government	1,412,340	-	-	1,412,340
Public Works	-	87,700,850	27,902	87,728,752
Public Safety	2,305,249	-	-	2,305,249
Health and human services	-	-	107,424	107,424
Planning and economic development	1,113,355	-	109,799	1,223,154
Culture and recreation	28,057	-	-	28,057
<b>Subtotal</b>	<u>4,859,001</u>	<u>87,700,850</u>	<u>245,125</u>	<u>92,804,976</u>
<b>Assigned:</b>				
General Government	526,071	-	298,107	824,178
Public Works	540,563	-	4,500,389	5,040,952
Public Safety	3,003,556	-	1,762,284	4,765,840
Health and human services	216,585	-	3,668,258	3,884,843
Planning and economic development	38,713	-	-	38,713
Culture and recreation	-	-	5,984,105	5,984,105
<b>Subtotal</b>	<u>4,325,488</u>	<u>-</u>	<u>16,213,143</u>	<u>20,538,631</u>
<b>Unassigned:</b>				
	76,166,316	-	-	76,166,316
<b>Total fund balances</b>	<u>\$ 95,092,840</u>	<u>\$ 87,700,850</u>	<u>\$ 42,135,542</u>	<u>\$ 224,929,232</u>

The Board of County Commissioners adopted the County policy on fund balance in December 2002. The policy aims to help reduce the negative impact on the County in times of economic uncertainty and potential losses of funding from other governmental agencies. Financial provisions are considered appropriate in order to:

Maintain Working Capital

1. Meet cash flow requirements.
2. Provide contingencies for unpredictable revenue sources.
3. Provide contingencies for emergencies (such as natural disasters).

Fund Capital Asset Replacement and Debt Retirement

4. Provide funding for capital asset replacement.
5. Meet debt service covenants/requirements.
6. Prepay outstanding debt.

It is the policy of the Board to maintain prudent provisions for established funds based on the six factors listed above, and all provision policies shall be analyzed on a periodic basis.

It is the policy of the Board to maintain a provision amount in the County's General Fund that ranges between 10% and 15% of estimated annual General Fund net revenues. General Fund net revenues are defined as the total annual budgeted revenues for the General Fund, excluding intrafund transfers and cost allocation expenditures budgeted in the General Fund. Any General Fund provision amounts in excess of the policy calculation are considered one-time (non-recurring and unpredictable) revenues and shall not be used to fund on-going expenditures. However, provisions may be used on a short-term basis to offset the impact of economic downturns.

It is the policy of the Board to maintain a provision of the County's Debt Service Fund and the Library's Debt Service Fund between 5% and 10% of the annual principal and interest amounts due on outstanding bonds, plus 100% of any annual principal and interest amounts due on outstanding temporary notes. Any Debt Service Fund provision amounts in excess of 10% can only be used to reduce the amount of outstanding debt or to reduce the debt service property tax levy.

It is the policy of the Board to establish and maintain a provision, including funding for plan run-out, within the County's Health Care Fund. The amount of the provision shall be determined annually by the Board based upon funding recommendations prepared by the County Manager. The provision amount for any given year shall not be less than that amount which is determined to provide a provision level of high minimal funding and the provision goal for each year shall be that amount which is determined to provide a provision level of "secure funding". The County Manager and/or his designee shall develop and adopt criteria and procedures, recognized in the health care insurance industry, for determining the high minimal funding level and the secure funding level, but they should consider the following:

1. The County's average monthly claims.
2. Trending factors for claims and costs.
3. Trending factors for utilization of the fund.
4. Exposure to catastrophic or other cost factors.
5. The ability of the fund to be and remain viable through various experiences.

It is the policy of the Board to maintain a minimum provision between 5% and 10% of budgeted annual expenditures for the following funds:

- Public Works Fund
- Transportation Fund
- Airport Fund
- Library Operating Fund
- Library Special Use Fund
- 911 Telephone Fund
- County Building Fund
- Alcohol Tax Fund
- Public Health Fund

It is the policy of the Board to maintain a minimum provision between 8% and 12% of budgeted annual expenditures per fund for the following funds:

- Developmental Supports Fund
- Mental Health Fund

If the provision amount for any County fund falls below the minimum established provision level, the County Manager shall submit a recommended plan to the Board as soon as practical, but not to exceed 90 days following receipt of notice from the Director of Budget and Financial Planning and the Director of Treasury and Financial Management, to rebuild the provision to the minimum level.

## **Purposes of Fund Balance Classifications**

### **A. General Fund**

The total restricted fund balance for the General Fund for 2017 is \$8,392,120. The majority of this is related to Public Safety. The largest portion, \$4 million, are receipts from the Public Safety Sales Tax that will be used for the construction of a new courthouse and coroner facility. Another \$2.7 million are Public Safety Sales Tax receipts to be used for facilities including jail beds, a crime lab, and juvenile detention campus. Additionally, \$397 thousand are receipts restricted to Corrections activities, and another \$676 thousand are receipts restricted for Sheriff related to the jail and laboratory. An additional \$430 thousand are receipts from fees to administer District Court domestic violence programs, bond supervision, and juvenile supervision.

The total committed fund balance for the General Fund for 2017 is \$4,859,001. General Government accounts for \$1.4 million - \$375 thousand of which is a contingency for sick/disability pay, and \$1 million, which were set aside in the adopted budget for expenditures that could not be reasonably anticipated or for which revenue shortfalls have occurred or which supplement otherwise authorized expenditures. Public Safety accounts for \$2.3 million, which is comprised of \$1.5 million as a contingency for adult and juvenile prisoner boarding, prisoner medical costs, and for general county litigation expenses, and \$800 thousand for programs including the Corrections house arrest program. Planning and economic development accounts for \$1.1 million, which are related to contractor licensing.

The total assigned fund balance for the General Fund for 2017 is \$4,325,488. Public Safety accounts for \$3 million. The components of this include \$666 thousand for District Court programs, \$317 thousand for District Attorney programs, \$1 million for the Sheriff commissary program, and \$341 thousand for Corrections training and other programs. The remaining assigned fund balance for Public Safety represents encumbrances related to Emergency Communications and other

Public Safety related departments. The rest of the assigned fund balance in the General Fund relates to encumbrances across departments not related to Public Safety.

### **B. Capital Projects Fund**

All fund balance is committed under Public Works, except for a small number of prepaid items.

### **C. Other Governmental Funds**

The other governmental funds are comprised of the special revenue, debt service, and non-major capital projects funds (Register of Deeds Technology, Stormwater, Public Works, and County Building funds.) The restricted revenue sources for these funds are a combination of tax and intergovernmental revenue, and charges for services that relate to the purpose of each fund. Any transfers in from the General Fund are considered committed. Investment earnings, revenues from licenses and permits and revenues from miscellaneous sources are considered assigned revenue sources. Fund balance for each fund is depleted via expenditures in the order of restricted, committed, assigned, and unassigned. Please see the individual special revenue, debt service, and non-major capital projects fund statements for the fund balance detail.

## **10. Self-Insurance**

### **A. Risk Management**

The Park and Recreation District does not participate in the County's self-insurance programs for risk management and health care. The District purchases commercial insurance coverage for these risks.

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Since November 1990, the County has qualified as a self-insurer for workers' compensation benefits. Workers' Compensation costs are paid into the Risk Management internal service fund by all other funds through an allocation system and are available to pay claims and administrative costs of the program. The County is self-insured for workers' compensation claims for the first \$500,000 per occurrence. Specific excess insurance is purchased commercially to provide protection in excess of the self-insured amount. Settled claims have not exceeded the retention amount in any of the past three fiscal years. No aggregate excess coverage is purchased. A third party claims administrator is contracted to provide claims administration and payment services.

As of December 31, 2017, incurred but not reported (IBNR) workers' compensation claims of \$904,420 have been accrued as a liability in the Risk Management internal service fund based upon an actuary's estimate. Additional workers' compensation claims incurred and outstanding of \$1,691,505 have also been recorded in this fund.

The County retains liability for \$350,000 of each occurrence for losses related to automobile and general liability. Coverage in excess of the retained limits is provided by excess insurance. Settled claims have not exceeded the retention or the commercial coverage in any of the past three fiscal years. The County purchases Public Officials Errors & Omissions and Employment Practices Liability insurance which provides coverage in excess of a \$350,000 retention per each wrongful act. Settled claims have not exceeded the retention or commercial coverage in any of the past three fiscal years. Law Enforcement Liability coverage is purchased to cover the Sheriff's Operations. Since January 2007, this insurance has a \$100,000 deductible applicable to each claim. One settled claim exceeded the deductible but did not exceed the commercial coverage in the past two fiscal years. There were no significant reductions in the insurance coverage from the



prior year. As of December 31, 2017, incurred but not reported (IBNR) automobile, general, and law enforcement liability claims of \$475,171 have been accrued as a liability in the Risk Management internal service fund based upon an actuary's estimate. A liability for automobile, general, and law enforcement claims is established when payment is determined to be probable and reasonable estimates of expected costs are available. These amounts are in the categories as listed below:

Automobile liability	\$ 75,958
General liability	147,712
Law enforcement liability	<u>251,501</u>
Total	\$ 475,171

Changes in the Risk Management internal service fund's insurance claims payable during 2017 and 2016 were as follows:

<b>Risk Management</b>				
	Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Liability End of Year
2017	\$ 3,002,269	4,260,667	(4,191,840)	\$ 3,071,096
2016	2,246,513	4,599,560	(3,843,804)	3,002,269

The above totals represent both the Workers' Compensation fund as well as tort and non-tort liability Reserve fund costs. The Risk Management claims payable are based upon claims adjusters' and management's evaluation, and an actuarial review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but not reported. The liability represents the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other non-incremental costs are not included in the basis of estimating the liability.

Included in the Risk Management fund's net position is an amount for future catastrophic tort and non-tort losses not otherwise insured in the amount of \$1,202,099, and \$2,694,927 at December 31, 2017 and December 31, 2016, respectively.

**B. Self-Insured Health Care**

The County began self-insuring health care benefits in 1990, and has been in a cost-plus arrangement since 1993. The County retains liability up to \$250,000 per covered person, with specific stop loss coverage purchased to provide protection in excess of that amount. In addition, the County has aggregate stop-loss coverage for potential health care costs above the funded limit for the County health plans, as a whole. This aggregate stop-loss is limited to 115% of projected claims for the plan year, and was approximately \$47,311,313 and \$43,418,645 in 2017 and 2016, respectively. Settled claims have not exceeded this aggregate liability coverage in any of the past three fiscal years. A third party administrator is contracted to provide claims administration and payment services. As of December 31, 2017, a liability of \$3,686,690 has been recorded in the Self-Insured Health Care internal service fund for outstanding health care claims, including an estimate for claims incurred but not reported (IBNR).

The Self-Insured Health Care claims payable are based upon claims adjusters' and management's evaluation of submitted medical claims in accordance with the County group health plan contract. The IBNR amount is calculated by a health actuary employed by the County's external employee benefits consulting firm. The liability represents the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other non-incremental costs are not included in the basis of estimating the liability.

Changes in the Self-Insured Health Care internal service fund's insurance claims payable during 2017 and 2016 were as follows:

<b>Self-Insured Health Care</b>				
	Insurance Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Insurance Claims Liability End of Year
2017	\$3,461,905	44,817,263	(44,592,478)	\$3,686,690
2016	\$2,994,473	45,673,949	(45,206,517)	\$3,461,905

## **11. Commitments and Contingencies**

### **A. Federal Assistance**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

### **B. Litigation**

The County and its related entities are involved in various lawsuits arising in the ordinary course of activities, including claims related to law enforcement activities, personal injuries and personnel issues, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice from counsel, believes that their ultimate outcome will not be material to the financial statements.

### **C. Encumbrances**

The County uses "encumbrances" to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted, committed, or assigned fund balance. As of December 31, 2017, the County's General Fund had a total of \$1.8 million in encumbrances, which were reported as part of the government fund balance sheet as follows:

<b>General Fund:</b>		<b>Encumbrances</b>
<b>Restricted</b>	\$	232,902
<b>Committed</b>		2,148
<b>Assigned</b>		1,613,964
	\$	<u>1,849,014</u>

#### **D. Commitments**

Capital projects often extend from one to four years and are accounted for in the County's Capital Projects Fund. Kansas statutes do not require capital project expenditures to be budgeted. The following is a schedule of project authorizations and expenditures incurred since inception, by category, for capital projects in progress at December 31, 2017.

<b>Primary Government</b>		
<b>Project Authorizations and Expenditures Since Inception</b>		
<b>Project Category</b>	<b>Authorization</b>	<b>Expenditures Since Inception</b>
<b>Primary Government</b>		
Appraiser	\$ 2,486,460	\$ 1,821,267
Budget & Financial Planning	1,860,000	1,227,776
Budget & Financial Planning - Econ. Dev.	1,477,732	1,477,732
County Managers Office	250,000	118,410
Election	3,081,844	3,063,563
Emergency Management & Communications	4,832,977	2,905,680
Emergency Medical Services	3,421,466	2,913,219
Facilities	25,153,530	12,083,050
Information Technology Services	23,039,596	19,523,309
Justice Information Management	3,619,000	2,488,472
Library	3,583,749	2,886,926
Mental Health	518,497	445,491
Public Works	148,961,367	117,327,133
Public Works - Stormwater	352,547,787	315,996,121
Records and Tax Administration	5,739,435	3,708,250
Solid Waste	507,520	178,130
<b>Total</b>	<b>\$ 581,080,960</b>	<b>\$ 488,164,529</b>

## **12. Pension Plans**

### **A. KPERS/KP&F**

*Plan Description.* Johnson County and the District participate in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.*

*Benefits provided.* KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available joint financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A 74-49,210 established the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.15% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for the fiscal year ended December 31, 2017 was 8.46%. The Johnson County employer contributions to KPERS for the year ending December 31, 2017 was \$11,778,040 and equal the required contributions.

On July 1, 2006, legislation went into effect requiring governmental agencies to pay a KPERS employer contribution rate on certain KPERS retirees who work after retirement (House Substitute for SB 270). Recent legislation has changed working-after-retirement rules for both employers and members if a retiree returns to KPERS employer. Beginning July 1, 2016, all KPERS retirees will have a \$25,000 earnings limit for each calendar year. Employers will make contributions on all retiree compensation. The contribution rate varies depending on certain circumstances.

The KP&F employer rates established for fiscal year 2017 was 19.03% for participating emergency medical staff and sheriff. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The Johnson County contributions to KP&F for the year ending December 31, 2017 was \$8,998,059 and were equal to the required contributions.

The Park and Recreation District employer contributions to KPERS for the year ending December 31, 2017 was \$903,214, equal to the statutory required contributions. The Park and Recreation District contributions to KP&F for the years ending December 31, 2017 was \$240,690, equal to the statutory required contributions.

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The County participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2017, the County reported a liability of \$111,156,575 for KPERS and \$86,325,809 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2017, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The County's proportion of the collective net pension liability was based on the ratio of the County's actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2017. The contributions used exclude contributions made for

prior service, excess benefits and irregular payments. At June 30, 2017, the County's proportion and change from its proportion measured as of June 30, 2016 were as follows:

<b>Net Pension liability as of December 31, 2017</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Proportion as of June 30, 2017</b>	<b>Change in proportion from June 30, 2016</b>
KPERS (local)	\$ 104,914,007	\$ 6,242,568	\$ 111,156,575	7.674%	0.044%
KP&F	86,325,809	-	86,325,809	9.205%	-0.391%
	<u>\$ 191,239,816</u>	<u>\$ 6,242,568</u>	<u>\$ 197,482,384</u>		

For the year ended December 31, 2017, the County recognized pension expense of \$11,188,597 for KPERS and \$10,596,948 for KP&F. At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 4,574,923	\$ 4,387,823	\$ 135,769	\$ 101,507
Net difference between projected and actual earnings on pension plan investments	6,492,106	-	192,666	-
Changes in proportionate share	3,179,707	4,399,705	94,364	101,782
Changes in assumptions	11,667,953	1,171,509	346,268	27,101
County contributions subsequent to measurement date	<u>10,193,640</u>	<u>-</u>	<u>302,515</u>	<u>-</u>
Total	<u>\$ 36,108,329</u>	<u>\$ 9,959,037</u>	<u>\$ 1,071,582</u>	<u>\$ 230,390</u>

The \$10,496,155 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	Governmental Activities		Business-Type Activities	
		Deferred Outflows (Inflows) of Resources		Deferred Outflows (Inflows) of Resources
2018	\$	1,358,798	\$	40,325
2019		8,850,113		262,643
2020		5,954,059		176,698
2021		(915,545)		(27,170)
2022		708,227		86,181
	\$	<u>15,955,652</u>	\$	<u>538,677</u>

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Inflation	2.75%
Salary Increases	3.50% to 12.00%, including price inflation
Investment Rate of Return	7.75% compound annually, net of investment expense, including price inflation

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00% to 2.75%
- Investment return assumption was lowered from 8.00% to 7.75%
- General wage growth assumption was lowered from 4.00% to 3.5%
- Payroll growth assumption was lowered from 4.00% to 3.00%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00 %	6.80 %
Fixed income	13.00	1.25
Yield driven	8.00	6.55
Real return	11.00	1.71
Real estate	11.00	5.05
Alternatives	8.00	9.85
Short-term investments	2.00	(0.25)
Total	<u>100.00 %</u>	

*Discount rate.* The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarially determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2017 was 1.2%. Employers contribute the full actuarial determined rate for KP&F. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine to total pension liability.

Sensitivity of the County's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the County's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease 6.75%</u>	<u>Current Discount Rate 7.75%</u>	<u>1% Increase 8.75%</u>
County's KPERS proportionate share of the net pension liability	\$ 160,089,778	\$ 111,156,575	\$ 69,907,802
County's KP&F proportionate share of the net pension liability	122,465,600	86,325,809	56,071,647
	<u>\$ 282,555,378</u>	<u>\$ 197,482,384</u>	<u>\$ 125,979,449</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

### **B. Deferred Compensation Plan**

The County offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion

of their salary until future years. The deferred compensation is not available to employees or other beneficiaries until termination, retirement, death or unforeseeable emergency.

The plan assets have been placed in a trust for the exclusive benefit of the employees and are not the property of the County or subject to the claims of the County's general creditors. The County has no administrative involvement and does not perform the investing function related to this plan. The County has no fiduciary accountability for the plan, and accordingly, the plan assets and related liabilities to plan participants are not included in the basic financial statements.

### **C. Supplemental Retirement Plans**

In 2001, the Board of County Commissioners established three separate single-employer defined contribution plans effective beginning with fiscal year 2002: 1) the Johnson County Supplemental Retirement Plan, 2) the Johnson County Executive Retirement Plan and 3) the Johnson County Elected Retirement Plan. Plan benefit provisions and contribution requirements for each plan were established by Johnson County Resolution No. 094-01 and may be amended by the Board of County Commissioners of Johnson County, Kansas (the Employer). The administrator for these plans will be Johnson County, Kansas. The plans are in accordance with Internal Revenue Code 401(a). A separate audited GAAP-basis pension plan report is not available for the defined contribution pension plans.

The Johnson County Supplemental Retirement Plan was established to provide benefits at retirement to all eligible employees of Johnson County other than elected officials. Substantially all regular employees over the age of eighteen who are scheduled for eighty hours or greater per pay period and any part-time employees who are in positions of ½ full-time equivalent or greater are eligible to participate in this plan. This plan covers all eligible members for the County as of January 1, 2002 provided the eligible employee has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is \$10 per pay period in order to qualify for the Employer's matching contribution. The Employer's matching contribution shall be in the amount equal to 100% of the employee's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the employees are permitted to this plan. Employees vest in the plan as follows: 20% with one year of service, 40% with two years of service, 60% with three years of service, 80% with four years of service, and 100% with five years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

The Johnson County Executive Retirement Plan was established to provide benefits at retirement for the County Manager. This plan covers one member, who is 100% vested at the time of enrollment. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and is determined by the Employer. No employee contributions are permitted.

The Johnson County Elected Retirement Plan was established to provide benefits at retirement for the Elected Officials of the County. This plan covers all elected officials for the County as of January 1, 2002 provided the elected official has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is \$10 per pay period in order to qualify for the Employer's matching contribution to the retirement plan. The Employer's matching contribution to the retirement plan shall be in an amount equal to 100% of the Elected Official's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the elected



officials are permitted to this plan. Elected officials will vest as follows: 25% with one year of service, 50% with two years of service, 75% with three years of service, and 100% vested with four years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

<b>Information Regarding the Supplemental Retirement Plans</b>			
<u>Fiscal Year Ending</u>	<b>Number of Active Participants</b>		
	<u>Employee</u>	<u>Executive</u>	<u>Elected</u>
12/31/2017	2,134	1	6
12/31/2016	2,012	1	6
12/31/2015	1,956	1	6
<u>Fiscal Year Ending</u>	<b>County Contributions</b>		
	<u>Employee</u>	<u>Executive</u>	<u>Elected</u>
12/31/2017	\$ 3,523,411	\$ 8,000	\$ 15,817
12/31/2016	3,305,351	8,000	15,744
12/31/2015	3,141,491	8,000	14,995

### **13. Conduit Debt Obligations**

The County has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2017, there was one issue of industrial revenue bonds outstanding with an original amount of \$3.5 million and an aggregate principal balance outstanding of \$2,596,177.

### **14. Postemployment Benefits Other Than Pensions**

#### **Plan Description**

The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents, including medical, dental, and vision coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the County and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERs) or the Kansas Police and Firemen’s Retirement System (KP&F) are eligible for benefits.

The County requires retirees to pay the same premiums charged to COBRA participants for medical, dental, and vision coverage. The COBRA rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these two amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches

Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies. The contribution requirements of plan members and the County are established and may be amended by the County. The contribution is based on pay-as-you-go financing requirements.

**Employees Covered by Benefit Terms**

As of December 31, 2017, the following employees were covered by the benefit terms:

Active employees eligible for coverage	2,764
Inactive employees or beneficiaries currently receiving benefit payments	<u>45</u>
	<u><u>2,809</u></u>

**Total OPEB Liability**

The County’s total OPEB liability of \$19,197,623 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Methods**

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3%
Payroll growth	3%
Discount rate	3.56%
Healthcare cost trend rates	8.5% for 2017, decreasing 0.5% per year to an ultimate rate of 5% for 2024 and later years
Retirees' share of benefit-related costs	Retirees contribute the funding rate plus 2% additional COBRA load.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (3.57%), S&P Municipal Bond 20-Year High Grade Rate Index (3.20%), and Fidelity 20-Year Go Municipal Bond Index (3.52%). Based on these, the actuary used a discount rate of 3.56%.

Mortality rates were based on the RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 (RPH-2015 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2015 using MP-2015 improvement.)

**Changes in the Total OPEB Liability**

<b>Total OPEB Liability</b>	
<b>Balance at 12/31/2016</b>	\$ 18,307,657
Service cost	1,159,107
Interest cost	626,962
Changes of benefit terms	-
Changes in assumptions	(100,278)
Differences between expected and actual experience	-
Benefit payments	(795,825)
Net change	<u>889,966</u>
<b>Balance at 12/31/2017</b>	<u><u>\$ 19,197,623</u></u>

**Sensitivity Results**

The following presents the total OPEB liability as of December 31, 2017, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.5%.
- The 1% decrease in discount rate would be 2.5%.
- The 1% increase in discount rate would be 4.5%.

<b>As of December 31, 2017</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 20,933,859
Current Discount Rate	19,197,623
1% Increase	17,600,694

The following presents the total OPEB liability as of December 31, 2017, calculated using the health care trend rates assumed and what it would be using a 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 5.0%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.0%.
- The 1% increase in health care trend rates would assume an initial rate of 9.5% decreasing by 0.5% annually to an ultimate rate of 6.0%.

<b>As of December 31, 2017</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 16,739,309
Current Health Care Trend Rates	19,197,623
1% Increase	22,143,526

For the year ended December 31, 2017, the County recognized OPEB expense of \$1,703,108. At December 31, 2017, the County reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,661,627	\$ -	\$ 125,068	\$ -
Changes in assumptions	-	652,411	-	49,106
Total	<u>\$ 1,661,627</u>	<u>\$ 652,411</u>	<u>\$ 125,068</u>	<u>\$ 49,106</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources	
	Governmental Activities	Business-Type Activities
2017	\$ (77,154)	\$ (5,807)
2018	(77,154)	(5,807)
2019	(77,154)	(5,807)
2020	(77,154)	(5,807)
2021	(77,154)	(5,807)
Thereafter	(623,446)	(46,927)
	<u>\$ (1,009,216)</u>	<u>\$ (75,962)</u>

Plan Report: The Plan does not issue a stand-alone audited GAAP – basis report.

### ***Parks and Recreation Component Unit OPEB Information:***

Plan description and funding policy: The District sponsors a single-employer health care plan that provides medical benefits to employees and retirees. Members who qualify for pension benefits under the Kansas Public Employee Retirement System (KPERs) are eligible for benefits. Under KPERs, a participant must be at least age 55 with at least 10 years of service, meet Rule of 85 at any age, or have at least 10 years of service to qualify for a disability benefit under the KPERs disability benefits program. Retirees are required to pay 105 percent of the blended premium rates to receive benefits. Retirees may elect to stay on the District’s plan until reaching Medicare eligibility age which is currently 65. The current funding policy of the District is to pay premiums as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting. The District establishes and amends contribution requirements. The required contribution is based on projected pay-as-you-go financing. For fiscal year 2017, the District contributed approximately \$98,192. Retirees receiving benefits contributed \$40,106 through their required contributions.

Employees covered by benefit terms: At December 31, 2017, the following employees were covered by the benefit terms:

Active employees eligible for coverage	206
Inactive employees or beneficiaries currently receiving benefit payments	<u>5</u>
	<u>211</u>

The District’s total OPEB liability of \$2,918,022, was measured as of December 1, 2017, and results were actuarially rolled forward to December 31, 2017 on a “no loss / no gain” basis.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3%
Payroll growth	3%
Discount rate	3.56%
Healthcare cost trend rates	9% for 2016, decreasing 0.5% per year to an ultimate rate of 5% for 2024 and later years
Retirees' share of benefit-related costs	105% of projected health insurance premiums for retirees

Under GASB 75, allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:

- Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant’s benefit at retirement; and
- Annual service cost is a constant percentage of the participant’s salary that is assumed to increase according to the payroll growth.

The discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year-tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current valuation uses a discount rate of 3.56%. This change has caused a slight decrease in the liabilities for the District.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (3.57%), S&P Municipal Bond 20-Year High Grade Rate Index (3.20%), and Fidelity 20-Year Go Municipal Bond Index (3.52%). Based on these, the actuary used a discount rate of 3.56%.

Mortality rates were based on the RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 (RPH-2015 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2015 using MP-2015 improvement.)

Health care trend rates use an initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 5.0% in years 2024 and beyond.

Termination rates for the District have been updated to be consistent with those used in the KPERS and KPF pension actuarial valuation for the fiscal year ending December 31, 2017.

Changes in the total OPEB liability are as follows:

<b>Total OPEB Liability</b>	
<b>Balance at 12/31/2016</b>	\$ 2,738,393
Service cost	200,566
Interest cost	94,141
Changes of benefit terms	-
Changes in assumptions	(16,886)
Differences between expected and actual experience	-
Benefit payments	(98,192)
Net change	179,629
<b>Balance at 12/31/2017</b>	<u>\$ 2,918,022</u>

### **Sensitivity Results**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56%) or 1 percentage point higher (4.56%) than the current discount rate:

<b>As of December 31, 2017</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 3,210,615
Current Discount Rate	2,918,022
1% Increase	2,649,480

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the District, as well as what the District's total liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (8.0%) or 1 percentage point higher (10.0%) than the current healthcare cost trend rate:

<b>As of December 31, 2017</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 2,502,201
Current Health Care Trend Rates	2,918,022
1% Increase	3,424,882

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended December 31, 2017, the District recognized OPEB expense of \$327,532. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 138,326	\$ -	\$ 207,490
Changes in assumptions	-	31,915	-	47,872
Total	<u>\$ -</u>	<u>\$ 170,241</u>	<u>\$ -</u>	<u>\$ 255,362</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources			
	Governmental Activities		Business-Type Activities	
	2018	\$	13,130	\$
2019		13,130		19,695
2020		13,130		19,695
2021		13,130		19,695
2022		13,130		19,695
Thereafter		104,591		156,887
	\$	170,241	\$	255,362

Plan Report: The Plan does not issue a stand-alone audited GAAP – basis report.

## 15. Tax Abatement Disclosures

**Description.** In August 2015, the GASB issued GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement is intended to improve financial reporting relating to disclosures of tax abatement transactions. The required disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government’s tax revenues. The Statement is effective for the County’s fiscal year ending December 31, 2017.

Johnson County economic development incentives are available under the County’s Economic Development Incentives Policy for New Century Air Center, a general aviation reliever airport with a business park for industrial development. The policy was authorized under Resolution 062-12, which was adopted December 20, 2012. The policy promotes the development of NCAC as a strategic business location that complements the economic vitality of other Johnson County communities, and replaces the Economic Development Incentives Program adopted on August 11, 1994.

Property tax abatements are authorized under Kansas statutes KSA 12-1740 et. seq. and KSA 79-201a and subject to County policy. Abatements may not exceed a term of ten years by statute. The developer must demonstrate a positive cost/benefit to the various taxing jurisdictions by Kansas law. Other criteria for eligibility include: 1) significant addition to the local economy in terms of private capital investment (a minimum investment of \$2,000,000) and increased direct and indirect employment opportunities, (2) the nature of the business either exports a substantial portion of its products/services from Johnson County or are for local consumption but would add new jobs and replace purchases now being made by Johnson County residents in areas outside of Johnson County, (3) preferences shall be extended to existing industries to facilitate expansion or retention, (4) no abatements granted for a relocation within Johnson County except under special circumstances detailed in the policy, (5) property owned by Johnson County and used exclusively for aviation purposes is eligible for 100% exemption from all ad valorem taxation, (6) except for projects mentioned in #5, no property tax abatement shall be in excess of 50% of the amount that would have been paid, and (7) projects must be in compliance with NCAC Comprehensive Compatibility Plan and Johnson County’s Airport Vicinity Overlay Districts and Zones Regulations.

Any tax abatement granted shall be accompanied by a performance agreement between the applicant and the Board of County Commissioners subject to annual review by the BOCC to determine that the conditions qualifying the business for the incentives continue to exist and that assurances made by the applicant to induce the BOCC to grant the incentives are fulfilled.

Following are the current tax abatement programs entered into by the County as of December 31, 2017:

Johnson County's Tax Abatements entered into as of December 31, 2017					
Company Names	Tax being abated	Dollar amount of taxes abated		Name of abatement	Mechanism for abatement
Duke Realty	Ad Valorem Property Tax	\$	27,516	IRB	Reduction of assessed value; 50%
Unilever	Ad Valorem Property Tax		61,270	EDX	Reduction of assessed value; 50%
Total		\$	88,786		

Johnson County cities have used tax abatements for many years to spur industrial and office development. Kansas statutes provide a process for cities to abate property tax on qualifying property. GASB 77 also requires disclosure information about tax abatements entered into by other governments affecting revenues of Johnson County.

Following are the current tax abatement programs affecting County revenues that have been entered into by cities in Johnson County as of December 31, 2017:

Other government tax abatement programs affecting Johnson County revenues entered into as of December 31, 2017						
Name of government	Tax being abated	Dollar amount of taxes abated	Name of abatement	Dollar amount(s) received from or due from other governments in association with (and offsetting) abated taxes	Quantitative threshold for disclosure of individual recipient (if applicable)	Information not reported due to legal prohibition
Bonner Springs	Ad Valorem Property Tax	\$ 7,455	IRBX	None	N/A	
Bonner Springs	Ad Valorem Property Tax	\$ 6,820	IRB	None	N/A	
DeSoto	Ad Valorem Property Tax	39,621	EDX	None	N/A	
DeSoto	Ad Valorem Property Tax	6,096	IRBX	None	N/A	
DeSoto	Ad Valorem Property Tax	1,802	IRB	None	N/A	
Edgerton	Ad Valorem Property Tax	177,053	IRBX	None	N/A	
Edgerton	Ad Valorem Property Tax	60,796	IRB	None	N/A	
Gardner	Ad Valorem Property Tax	21,580	IRBX	None	N/A	
Gardner	Ad Valorem Property Tax	130,870	IRB	None	N/A	
Lenexa	Ad Valorem Property Tax	188,447	IRBX	None	N/A	
Lenexa	Ad Valorem Property Tax	40,680	IRB	None	N/A	
Olathe	Ad Valorem Property Tax	61,270	EDX	None	N/A	
Olathe	Ad Valorem Property Tax	1,067,495	IRBX	None	N/A	
Olathe	Ad Valorem Property Tax	180,520	IRB	None	N/A	
Overland Park	Ad Valorem Property Tax	502,241	IRBX	None	N/A	
Overland Park	Ad Valorem Property Tax	723	IRB	None	N/A	
Shawnee	Ad Valorem Property Tax	71,783	IRBX	None	N/A	
Shawnee	Ad Valorem Property Tax	1,895	IRB	None	N/A	
Westwood	Ad Valorem Property Tax	27,057	IRB	None	N/A	
Total		\$ 2,594,204				

## 16. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the County. The County's management has not yet determined the effect these Statements will have on the County's financial statements. However, the County plans to implement all standards by the required dates. The Statements which might impact the County are as follows:

### **GASB Statement No. 83, Certain Asset Retirement Obligations**

This statement will be effective for the County beginning with its fiscal year 2019. Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations



(AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources for AROs when the liability is incurred and reasonably estimable. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for estimating the liability and the estimated remaining useful life of the associated tangible capital asset.

**GASB Statement No. 84,  
*Fiduciary Activities***

This statement will be effective for the County beginning with its fiscal year 2019. Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when demands for resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**GASB Statement No. 85,  
*Omnibus 2017***

This statement will be effective for the County beginning with its fiscal year 2018. Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

**GASB Statement No. 86,  
*Certain Debt  
Extinguishment Issues***

This statement will be effective for the County beginning with its fiscal year 2018. Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance.

**GASB Statement No. 87,  
*Leases***

This statement will be effective for the County beginning with its fiscal year 2020. Statement No. 87 improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable

and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**GASB Statement No. 88,  
Certain Disclosures  
Related to Debt,  
Including Direct  
Borrowings and Direct  
Placements**

This statement will be effective for the County beginning with its fiscal year 2019. Statement No. 88 improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

# Required Supplementary Information

## Defined Benefit Pension Plans

Share of the Collective Net Pension Liability Kansas Public Employees Retirement System Last Five Fiscal Years*					
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's proportion of the collective net pension liability:					
KPERs (local group)	7.674%	7.630%	7.540%	7.501%	7.425%
KP&F (police & firemen)	9.205%	9.596%	9.326%	9.428%	10.079%
County's proportionate share of the collective net pension liability	\$ 197,482,384	\$ 207,155,870	\$ 166,717,737	\$ 154,149,390	\$ 194,955,744
County's covered payroll ^	\$ 180,720,055	\$ 176,033,486	\$ 170,475,855	\$ 167,621,405	\$ 165,160,382
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	109%	118%	98%	92%	118%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%	66.60%	59.94%
* GASB 68 requires presentation of ten years. As of December 31, 2017, only five years of information is available.					
^ Covered payroll is measured as of the measurement date ending June 30.					

## Defined Benefit Pension Plans (continued)

Schedule of County's Contributions Kansas Public Employees Retirement System Last Five Fiscal Years*					
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 20,776,099	\$ 21,610,866	\$ 22,320,655	\$ 19,062,423	\$ 17,327,048
Contributions in relation to the contractually required contribution	<u>(20,776,099)</u>	<u>(21,610,866)</u>	<u>(22,320,655)</u>	<u>(19,062,423)</u>	<u>(17,327,048)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll ^	\$ 186,956,144	\$ 177,112,568	\$ 174,516,244	\$ 168,610,329	\$ 166,408,377
Contributions as a percentage of covered payroll	11.11%	12.20%	12.79%	11.31%	10.41%

\* GASB 68 requires presentation of ten years. As of December 31, 2017, only five years of information is available.

^ Covered payroll is measured as of the fiscal year end December 31.

*Changes in benefit terms for KPERS.* In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retiring after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the county fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

For the county fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

*Changes in assumptions for KPERS.* As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

**KPERS:**

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups
- The termination of employment assumption was increased for all three groups
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

**KP&F:**

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

## Schedule of Changes in Total OPEB Liability and Related Ratios

<b>Total OPEB Liability</b>		
Last Fiscal Year*		
	2017	2016
Service cost	\$ 1,159,107	\$ 1,080,888
Interest cost	626,962	636,831
Changes in assumptions	(100,278)	917,434
Differences between expected and actual experience	-	(2,061,572)
Benefit payments	(795,825)	(914,260)
Net change in Total OPEB liability	889,966	(340,679)
Total OPEB liability - beginning of year	18,307,657	18,648,336
Total OPEB liability - end of year	<u>\$ 19,197,623</u>	<u>\$ 18,307,657</u>
Covered employee payroll	\$ 168,736,620	\$ 162,916,281
Total OPEB liability as a percentage of covered employee payroll	11.4%	11.2%

\* GASB 75 requires presentation of ten years. As of December 31, 2017, only two years of information is available.

The following changes of assumptions for OPEB are in accordance with GASB 75:

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
  - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
  
- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 3.56%. This change has caused a slight decrease in liabilities for the County.
  
- Mortality rates were based on the RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2015 using MP-2015 improvement.

The health care trend rates use an initial rate of 8.5%, decreasing by 0.5% annually to an ultimate rate of 5.0% as shown below.

<b>Year</b>	<b>Current</b>	<b>Year</b>	<b>Current</b>
2017	8.5%	2021	6.5%
2018	8.0%	2022	6.0%
2019	7.5%	2023	5.5%
2020	7.0%	2024+	5.0%

## Parks and Recreation Component Unit

### Schedule of Changes in Total OPEB Liability and Related Ratios

<b>Total OPEB Liability</b>			
Last Fiscal Year*			
	2017		2016
Service cost	\$ 200,566	\$	146,937
Interest cost	94,141		71,706
Changes in assumptions	(16,886)		110,247
Differences between expected and actual experience	-		399,018
Benefit payments	(98,192)		(75,876)
Net change in Total OPEB liability	179,629		652,032
Total OPEB liability - beginning of year	2,738,393		2,086,361
Total OPEB liability - end of year	<u>\$ 2,918,022</u>	<u>\$</u>	<u>2,738,393</u>
Covered employee payroll	\$ 11,182,254	\$	10,005,361
Total OPEB liability as a percentage of covered employee payroll	26.1%		27.4%

\* GASB 75 requires presentation of ten years. As of December 31, 2017, only two years of information is available.

The following changes of assumptions for OPEB are in accordance with GASB 75:

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
  - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.

- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 3.56%. This change has caused a slight decrease in liabilities for the County.
- Mortality rates were based on the RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2015 using MP-2015 improvement.

The health care trend rates use an initial rate of 8.5%, decreasing by 0.5% annually to an ultimate rate of 5.0% as shown below.

<b>Year</b>	<b>Current</b>	<b>Year</b>	<b>Current</b>
2017	8.5%	2021	6.5%
2018	8.0%	2022	6.0%
2019	7.5%	2023	5.5%
2020	7.0%	2024+	5.0%



## Nonmajor Governmental Funds

### Special Revenue Funds

**Developmental Supports Fund** –accounts for all revenues and expenditures of the Developmental Supports agency. Developmental Supports is a community-based service agency providing a variety of vocational, employment, training, living, and case management services to persons with developmental disabilities and their families. The primary sources of revenue are dedicated ad valorem and motor vehicle taxes, Federal/State aid, and various charges for services that are restricted for use by the Developmental Supports agency.

**Library Fund** –accounts for all revenues and expenditures of operating the library system. The primary sources of revenue are dedicated ad valorem and motor vehicle taxes.

**Library Gift Fund** –accounts for contributions and donations by patrons and supporters of the Library and is restricted per statute K.S.A. 12-1225 to expenditures for the Library system.

**Stream Maintenance Fund** – accounts for royalty payments from sand removed from the Kansas River as it flows through Johnson County. Per statute K.S.A. 82a-309, these funds are to be used for the cleaning, maintenance, and preservation of the property along, in or over the river.

**Mental Health Fund** – accounts for all revenues and expenditures of the Mental Health agency. The Mental Health Center provides a broad range of services including 24-hour emergency services and outpatient services for individuals and families in Johnson County. Mental Health provides services to both adults and children with severe and persistent mental illness. The Center also operates a community-based treatment program for seriously disabled adults, an adult detoxification center, and a 20-bed residential treatment facility for adolescents suffering from substance abuse problems. The primary sources of revenue are dedicated ad valorem and motor vehicle taxes, Federal/State aid, and various charges for services that are restricted for use by the Mental Health Center.

**Developer Fees Fund** – accounts for fees in-lieu-of parkland dedications from land developers in Johnson County. Revenues are to be used for public parkland and recreation purposes, in accordance with Article 27(6)(E) of the Johnson County Zoning and Subdivision Regulations.

**Public Health Fund** – accounts for all revenues and expenditures of the Public Health agency. Public Health provides a broad range of services including control and prevention of communicable disease and bioterrorism, and the promotion of health and wellness. Additionally, the department protects the environment of the community through services that monitor, control, or eliminate contaminants and through public education about environmental issues. The primary sources of revenue are dedicated ad valorem taxes and motor vehicle taxes, Federal/State aid, and various charges for services that are restricted for use by the Public Health agency.

**911 Telephone Fund** – accounts for the 2% tax collected by service suppliers providing exchange telephone services. The proceeds from this tax are restricted to fund the 911 system throughout Johnson County per statute K.S.A 12-5304. The 2011 Kansas Legislature passed Senate Bill 50, which replaced existing 911 statutes with a new 911 fee structure, governance process, fee distribution mechanism, and auditing requirements. This fund is gradually being replaced by the new 911 Fund.

**911 Fund** – accounts for \$.53 per month per subscriber account of any exchange telecommunications service, wireless telecommunications service, VoIP service, or other service capable of contacting a public safety answering point (PSAP), per statute K.S.A. 12-5369. This new statute took effect on January 1, 2012, and will gradually replace the County's current 911 Telephone and 911 Wireless Telephone Funds.

**County Clerk Technology Fund** – accounts for proceeds from additional fees and charges assessed by the Register of Deeds pursuant to K.S.A 28-115. The funds are restricted for the purposes of acquiring equipment and technological services for the storing, recording, archiving, retrieving, maintaining and

handling of data recorded, stored or generated in the office of the County Clerk as authorized by the provisions of Section 16 of House Bill 2643.

**County Treasurer Technology Fund** – accounts for proceeds from additional fees and charges assessed by the Register of Deeds pursuant to K.S.A 28-115. The funds are restricted for the purposes of acquiring equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded, stored or generated in the office of the County Treasurer as authorized by the provisions of Section 17 of House Bill 2643.

**District Attorney Forfeited Property Fund** – accounts for proceeds from property seized by the District Attorney pursuant to state and federal regulations. The proceeds are restricted for training purposes and contributions to non-profit agencies which deal in public safety and crime prevention issues per statute K.S.A. 60-4117.

**Sheriff Forfeited Property Fund** – accounts for proceeds from property seized in drug-related cases pursuant to state and federal regulations. The funds are restricted for special law enforcement and prosecutorial purposes and cannot be used for normal operating expenditures per statute K.S.A. 60-4117.

**Controlled Substance Fund** – accounts for tax assessments and penalties from persons who manufacture, produce, ship, transport, import, or possess certain quantities of controlled substances pursuant to state statute. The funds are restricted solely for law enforcement and criminal prosecution activities per statute K.S.A. 79-5202.

**Alcohol Tax Fund** – accounts for the revenues received from the local alcohol liquor tax authorized by the Kansas Legislature. Funds must be expended for alcoholism and drug abuse prevention programs per statute K.S.A. 65-4060.

**Prosecutor Training Fund** – accounts for a portion of the court costs assessed in every court case. The funds are restricted for training of prosecuting attorney personnel per statute K.S.A. 28-170.

**911 Wireless Telephone Fund** – accounts for the 25 cents per month fee assessed on each wireless phone in Johnson County. The proceeds from the fee are restricted to provide wireless 911 phone service and for equipment directly related to the reception and processing of the wireless 911 calls by public safety dispatch centers per statute K.S.A.12-5330. The 2011 Kansas Legislature passed Senate Bill 50, which replaced existing 911 statutes with a new 911 fee structure, governance process, fee distribution mechanism, and auditing requirements. This fund is gradually being replaced by the new 911 Fund.

**Weapons Licensure Fund** –accounts for the revenues and expenditures incurred by the Sheriff's office in administering the applications for licenses for the concealed carry of firearms. Statute K.S.A. 75-7c05 requires applicants to pay a fee to the Sheriff that is to be used for the purposes of administering the license application process.

### **Debt Service Funds**

**Debt Service Fund** – accounts for property tax levied and special assessment tax levied which are used to make principal and interest payments on all general obligation and special assessment bonds with governmental commitment, certain notes and capital leases, excluding Park and Recreation District bonds and debt accounted for in the proprietary funds.

**Library Special Use Fund** – accounts for the revenues and expenditures of financing capital improvement projects for the Johnson County Library System. Per statute K.S.A. 12-1257, this fund is to be used for the acquisition of sites, and for the constructing, equipping, repairing, remodeling and furnishing of buildings for county library purposes and to pay a portion of the principal and interest on bonds issued for those purposes. The primary sources of revenue are dedicated ad valorem and motor vehicle taxes.

## Capital Projects Funds

**Register of Deeds Technology Fund** – accounts for fees collected for recording documents at a fixed price per page. Per statute K.S.A. 28-115a, the funds may only be used to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of land or property records filed or maintained by the County.

**Stormwater Fund** – accounts for all revenues and expenditures of the Stormwater Management Program. The primary revenue source is a Countywide 1/10 of one percent retail sales tax that is dedicated to the purposes of planning, constructing, maintaining and managing Stormwater improvements in Johnson County.

**Public Works Fund** – accounts for all revenues and expenditures of the Public Works agencies. The Public Works agency maintains and improves County roads and bridges as well as providing equipment maintenance and traffic control services. It also provides funding for the County Assisted Road System (CARS) program, which provides matching funds to cities within the County for various road and bridge projects. The primary sources of revenue are dedicated ad valorem and motor vehicle taxes, Federal/State aid, and various charges for services that are restricted for use by the Public Works agency.

**County Building Fund** – accounts for the revenues and expenditures associated with the acquisition, construction, and renovation of County buildings. Per statute K.S.A. 19-15.116, this fund is to be used for the acquisition, construction, and renovation of County buildings or to pay a portion of the principal and interest on bonds issued for the buildings. The statute allows for an annual tax levy not to exceed one mill for a period not to exceed ten years. The primary sources of revenue are dedicated ad valorem and motor vehicle taxes.

**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Deposits including investments	\$ 26,103,448	\$ 1,870,098	\$ 12,693,555	\$ 40,667,101
Receivables (net of allowance for uncollectibles):	66,678,831	4,058,159	18,100,688	88,837,678
Inventories	495,295	-	501,818	997,113
Prepays	314,147	14,818	90,569	419,534
Restricted cash and investments	-	118	-	118
<b>Total assets</b>	<b>\$ 93,591,721</b>	<b>\$ 5,943,193</b>	<b>\$ 31,386,630</b>	<b>\$ 130,921,544</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,207,639	\$ 70,494	\$ 105,988	\$ 1,384,121
Salaries and wages payable	2,498,572	-	176,323	2,674,895
Due to others	3,803	-	-	3,803
Unearned revenue	971,899	-	10,000	981,899
<b>Total liabilities</b>	<b>4,681,913</b>	<b>70,494</b>	<b>292,311</b>	<b>5,044,718</b>
<b>Deferred Inflows of Resources:</b>				
Property tax receivable	63,597,105	4,058,159	15,530,906	83,186,170
Unavailable revenue - accounts receivable	555,114	-	-	555,114
<b>Total deferred inflows of resources</b>	<b>64,152,219</b>	<b>4,058,159</b>	<b>15,530,906</b>	<b>83,741,284</b>
<b>Fund Balances:</b>				
Nonspendable	809,442	14,818	592,387	1,416,647
Restricted	12,300,770	1,799,722	10,160,135	24,260,627
Committed	217,223	-	27,902	245,125
Assigned	11,430,154	-	4,782,989	16,213,143
<b>Total fund balances</b>	<b>24,757,589</b>	<b>1,814,540</b>	<b>15,563,413</b>	<b>42,135,542</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 93,591,721</b>	<b>\$ 5,943,193</b>	<b>\$ 31,386,630</b>	<b>\$ 130,921,544</b>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2017**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 70,020,078	\$ 5,442,371	\$ 31,480,972	\$ 106,943,421
Intergovernmental	12,057,873	-	11,681,462	23,739,335
Charges for services	20,608,057	-	1,057,018	21,665,075
Investment earnings	415,887	-	353,642	769,529
Licenses and permits	1,335,333	-	13,800	1,349,133
Other	1,388,149	-	85,234	1,473,383
<b>Total revenues</b>	<u>105,825,377</u>	<u>5,442,371</u>	<u>44,672,128</u>	<u>155,939,876</u>
<b>EXPENDITURES</b>				
Current:				
General government	210,264	-	423,076	633,340
Public works	-	-	10,463,120	10,463,120
Public safety	4,871,251	-	-	4,871,251
Health and human services	69,097,476	-	-	69,097,476
Culture and recreation	26,023,303	1,996,419	-	28,019,722
Debt service:				
Principal retirement	-	1,094,200	-	1,094,200
Interest and fiscal charges	-	194,834	-	194,834
Capital Outlay	295,562	1,732,164	2,205,970	4,233,696
<b>Total expenditures</b>	<u>100,497,856</u>	<u>5,017,617</u>	<u>13,092,166</u>	<u>118,607,639</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>5,327,521</u>	<u>424,754</u>	<u>31,579,962</u>	<u>37,332,237</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	669,104	1,054,723	1,246,148	2,969,975
Transfers out	(3,109,955)	(965,847)	(31,442,755)	(35,518,557)
Premium on bonds issued	-	7,459	-	7,459
<b>Total other financing sources and uses</b>	<u>(2,440,851)</u>	<u>96,335</u>	<u>(30,196,607)</u>	<u>(32,541,123)</u>
<b>Net change in fund balances</b>	<u>2,886,670</u>	<u>521,089</u>	<u>1,383,355</u>	<u>4,791,114</u>
<b>Fund balances - beginning</b>	<u>21,870,919</u>	<u>1,293,451</u>	<u>14,180,058</u>	<u>37,344,428</u>
<b>Fund balances - ending</b>	<u>\$ 24,757,589</u>	<u>\$ 1,814,540</u>	<u>\$ 15,563,413</u>	<u>\$ 42,135,542</u>

**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue**  
**December 31, 2017**

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Telephone	911 Fund	County Clerk Technology
<b>ASSETS</b>										
Deposits including investments	\$ 3,527,663	\$ 7,678,277	\$ 109,762	\$ 6,181	\$ 2,628,150	\$ 114,705	\$ 1,898,630	\$ -	\$ 7,072,782	\$ 635,621
Receivables (net of allowance for uncollectibles):	12,393,270	27,759,851	-	-	16,778,917	-	9,746,793	-	-	-
Inventories	-	-	-	-	-	-	495,295	-	-	-
Prepays	-	-	-	-	167,388	-	-	-	146,759	-
<b>Total assets</b>	<b>\$ 15,920,933</b>	<b>\$ 35,438,128</b>	<b>\$ 109,762</b>	<b>\$ 6,181</b>	<b>\$ 19,574,455</b>	<b>\$ 114,705</b>	<b>\$ 12,140,718</b>	<b>\$ -</b>	<b>\$ 7,219,541</b>	<b>\$ 635,621</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable	\$ 87,360	\$ 538,700	\$ 39,342	\$ -	\$ 111,103	\$ -	\$ 77,643	\$ -	\$ 315,100	\$ -
Salaries and wages payable	710,543	563,761	-	-	846,700	-	377,568	-	-	-
Due to others	503	-	-	-	-	-	3,300	-	-	-
Unearned revenue	43,928	253,557	-	-	205,040	-	469,374	-	-	-
<b>Total liabilities</b>	<b>842,334</b>	<b>1,356,018</b>	<b>39,342</b>	<b>-</b>	<b>1,162,843</b>	<b>-</b>	<b>927,885</b>	<b>-</b>	<b>315,100</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>										
Property tax receivable	11,951,124	27,363,107	-	-	15,892,080	-	8,390,794	-	-	-
Unavailable revenue - accounts receivable	199,713	-	-	-	21,458	-	333,943	-	-	-
<b>Total deferred inflows of resources</b>	<b>12,150,837</b>	<b>27,363,107</b>	<b>-</b>	<b>-</b>	<b>15,913,538</b>	<b>-</b>	<b>8,724,737</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>										
Nonspendable	-	-	-	-	167,388	-	495,295	-	146,759	-
Restricted	2,043,330	811,499	-	-	1,432,237	4,906	-	-	6,532,471	625,136
Committed	97,500	-	-	-	9,924	109,799	-	-	-	-
Assigned	786,932	5,907,504	70,420	6,181	888,525	-	1,992,801	-	225,211	10,485
<b>Total fund balances</b>	<b>2,927,762</b>	<b>6,719,003</b>	<b>70,420</b>	<b>6,181</b>	<b>2,498,074</b>	<b>114,705</b>	<b>2,488,096</b>	<b>-</b>	<b>6,904,441</b>	<b>635,621</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 15,920,933</b>	<b>\$ 35,438,128</b>	<b>\$ 109,762</b>	<b>\$ 6,181</b>	<b>\$ 19,574,455</b>	<b>\$ 114,705</b>	<b>\$ 12,140,718</b>	<b>\$ -</b>	<b>\$ 7,219,541</b>	<b>\$ 635,621</b>

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**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue**  
**December 31, 2017**

	County Treasurer Technology	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licensure	Total
<b>ASSETS</b>									
Deposits including investments	\$ 234,891	\$ 151,175	\$ 1,315,468	\$ 156,274	\$ 215,519	\$ 20,645	\$ 329,127	\$ 8,578	\$ 26,103,448
Receivables (net of allowance for uncollectibles):	-	-	-	-	-	-	-	-	66,678,831
Inventories	-	-	-	-	-	-	-	-	495,295
Prepays	-	-	-	-	-	-	-	-	314,147
<b>Total assets</b>	<b>\$ 234,891</b>	<b>\$ 151,175</b>	<b>\$ 1,315,468</b>	<b>\$ 156,274</b>	<b>\$ 215,519</b>	<b>\$ 20,645</b>	<b>\$ 329,127</b>	<b>\$ 8,578</b>	<b>\$ 93,591,721</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 8,400.00	\$ 26,818.00	\$ -	\$ -	\$ -	\$ 3,173	\$ -	\$ -	\$ 1,207,639
Salaries and wages payable	-	-	-	-	-	-	-	-	2,498,572
Due to others	-	-	-	-	-	-	-	-	3,803
Unearned revenue	-	-	-	-	-	-	-	-	971,899
<b>Total liabilities</b>	<b>8,400</b>	<b>26,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,173</b>	<b>-</b>	<b>-</b>	<b>4,681,913</b>
<b>Deferred Inflows of Resources:</b>									
Property tax receivable	-	-	-	-	-	-	-	-	63,597,105
Unavailable revenue - accounts receivable	-	-	-	-	-	-	-	-	555,114
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,152,219</b>
<b>Fund Balances:</b>									
Nonspendable	-	-	-	-	-	-	-	-	809,442
Restricted	221,469	-	-	150,616	207,631	-	271,475	-	12,300,770
Committed	-	-	-	-	-	-	-	-	217,223
Assigned	5,022	124,357	1,315,468	5,658	7,888	17,472	57,652	8,578	11,430,154
<b>Total fund balances</b>	<b>226,491</b>	<b>124,357</b>	<b>1,315,468</b>	<b>156,274</b>	<b>215,519</b>	<b>17,472</b>	<b>329,127</b>	<b>8,578</b>	<b>24,757,589</b>
<b>Total liabilities and fund balances</b>	<b>\$ 234,891</b>	<b>\$ 151,175</b>	<b>\$ 1,315,468</b>	<b>\$ 156,274</b>	<b>\$ 215,519</b>	<b>\$ 20,645</b>	<b>\$ 329,127</b>	<b>\$ 8,578</b>	<b>\$ 93,591,721</b>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Special Revenue**  
**For the Year Ended December 31, 2017**

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Telephone	911 Fund	County Clerk Technology
<b>REVENUES</b>										
Taxes	\$ 12,117,612	\$ 27,796,886	\$ -	\$ -	\$ 17,377,721	\$ -	\$ 7,826,937	\$ -	\$ 4,741,089	\$ -
Intergovernmental	1,880,757	135,051	-	-	5,217,238	-	4,824,827	-	-	-
Charges for services	9,377,157	167,234	-	-	9,120,971	2,483	1,450,832	-	-	244,690
Investment earnings	72,468	149,775	1,080	-	82,347	-	-	-	80,802	5,333
Licenses and permits	-	559,273	-	-	-	-	553,899	-	-	-
Other	55,552	456,872	84,053	226	53,473	-	714,880	-	-	1,555
<b>Total revenues</b>	<b>23,503,546</b>	<b>29,265,091</b>	<b>85,133</b>	<b>226</b>	<b>31,851,750</b>	<b>2,483</b>	<b>15,371,375</b>	<b>-</b>	<b>4,821,891</b>	<b>251,578</b>
<b>EXPENDITURES</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	23,479
Public safety	-	-	-	-	-	-	-	-	4,676,508	-
Health and human services	23,638,571	-	-	-	30,568,767	-	14,890,138	-	-	-
Culture and recreation	-	25,885,552	137,751	-	-	-	-	-	-	-
Capital outlay	22,803	17,191	-	-	191,548	-	-	-	-	-
<b>Total expenditures</b>	<b>23,661,374</b>	<b>25,902,743</b>	<b>137,751</b>	<b>-</b>	<b>30,760,315</b>	<b>-</b>	<b>14,890,138</b>	<b>-</b>	<b>4,676,508</b>	<b>23,479</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(157,828)</b>	<b>3,362,348</b>	<b>(52,618)</b>	<b>226</b>	<b>1,091,435</b>	<b>2,483</b>	<b>481,237</b>	<b>-</b>	<b>145,383</b>	<b>228,099</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	-	-	-	619,104	-	50,000	-	-	-
Transfers out	(242,808)	(1,434,747)	-	-	(138,875)	-	(70,000)	-	(1,179,533)	-
<b>Total other financing sources and uses</b>	<b>(242,808)</b>	<b>(1,434,747)</b>	<b>-</b>	<b>-</b>	<b>480,229</b>	<b>-</b>	<b>(20,000)</b>	<b>-</b>	<b>(1,179,533)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(400,636)</b>	<b>1,927,601</b>	<b>(52,618)</b>	<b>226</b>	<b>1,571,664</b>	<b>2,483</b>	<b>461,237</b>	<b>-</b>	<b>(1,034,150)</b>	<b>228,099</b>
<b>Fund balances - beginning</b>	<b>3,328,398</b>	<b>4,791,402</b>	<b>123,038</b>	<b>5,955</b>	<b>926,410</b>	<b>112,222</b>	<b>2,026,859</b>	<b>-</b>	<b>7,938,591</b>	<b>407,522</b>
<b>Fund balances - ending</b>	<b>\$ 2,927,762</b>	<b>\$ 6,719,003</b>	<b>\$ 70,420</b>	<b>\$ 6,181</b>	<b>\$ 2,498,074</b>	<b>\$ 114,705</b>	<b>\$ 2,488,096</b>	<b>\$ -</b>	<b>\$ 6,904,441</b>	<b>\$ 635,621</b>

(Continued)



**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Special Revenue**  
**For the Year Ended December 31, 2017**

	County Treasurer Technology	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licensure	Total
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ 15,235	\$ 144,598	\$ -	\$ -	\$ -	\$ 70,020,078
Intergovernmental	-	-	-	-	-	-	-	-	12,057,873
Charges for services	244,690	-	-	-	-	-	-	-	20,608,057
Investment earnings	2,828	1,489	12,804	1,520	2,042	-	3,399	-	415,887
Licenses and permits	-	18,391	177,247	-	-	-	-	26,523	1,335,333
Other	-	-	-	-	-	21,538	-	-	1,388,149
<b>Total revenues</b>	<b>247,518</b>	<b>19,880</b>	<b>190,051</b>	<b>16,755</b>	<b>146,640</b>	<b>21,538</b>	<b>3,399</b>	<b>26,523</b>	<b>105,825,377</b>
<b>EXPENDITURES</b>									
Current:									
General government	186,785	-	-	-	-	-	-	-	210,264
Public safety	-	36,913	43,966	1,479	77,121	35,264	-	-	4,871,251
Health and human services	-	-	-	-	-	-	-	-	69,097,476
Culture and recreation	-	-	-	-	-	-	-	-	26,023,303
Capital outlay	-	-	5,102	-	-	-	-	58,918	295,562
<b>Total expenditures</b>	<b>186,785</b>	<b>36,913</b>	<b>49,068</b>	<b>1,479</b>	<b>77,121</b>	<b>35,264</b>	<b>-</b>	<b>58,918</b>	<b>100,497,856</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>60,733</b>	<b>(17,033)</b>	<b>140,983</b>	<b>15,276</b>	<b>69,519</b>	<b>(13,726)</b>	<b>3,399</b>	<b>(32,395)</b>	<b>5,327,521</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	-	-	-	-	669,104
Transfers out	-	-	-	-	(43,992)	-	-	-	(3,109,955)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,992)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,440,851)</b>
<b>Net change in fund balances</b>	<b>60,733</b>	<b>(17,033)</b>	<b>140,983</b>	<b>15,276</b>	<b>25,527</b>	<b>(13,726)</b>	<b>3,399</b>	<b>(32,395)</b>	<b>2,886,670</b>
<b>Fund balances - beginning</b>	<b>165,758</b>	<b>141,390</b>	<b>1,174,485</b>	<b>140,998</b>	<b>189,992</b>	<b>31,198</b>	<b>325,728</b>	<b>40,973</b>	<b>21,870,919</b>
<b>Fund balances - ending</b>	<b>\$ 226,491</b>	<b>\$ 124,357</b>	<b>\$ 1,315,468</b>	<b>\$ 156,274</b>	<b>\$ 215,519</b>	<b>\$ 17,472</b>	<b>\$ 329,127</b>	<b>\$ 8,578</b>	<b>\$ 24,757,589</b>

**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Debt Service**  
**December 31, 2017**

	<u>Debt Service</u>	<u>Library Special Use</u>	<u>Total</u>
<b>ASSETS</b>			
Deposits including investments	\$ 914,905	\$ 955,193	\$ 1,870,098
Receivables (net of allowance for uncollectibles):	276,716	3,781,443	4,058,159
Prepays	-	14,818	14,818
Restricted cash and investments	118	-	118
<b>Total assets</b>	<u>\$ 1,191,739</u>	<u>\$ 4,751,454</u>	<u>\$ 5,943,193</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 70,494	\$ 70,494
<b>Total liabilities</b>	<u>-</u>	<u>70,494</u>	<u>70,494</u>
<b>Deferred Inflows of Resources:</b>			
Property tax receivable	276,716	3,781,443	4,058,159
<b>Total deferred inflows of resources</b>	<u>276,716</u>	<u>3,781,443</u>	<u>4,058,159</u>
<b>Fund Balances:</b>			
Nonspendable	-	14,818	14,818
Restricted	915,023	884,699	1,799,722
<b>Total fund balances</b>	<u>915,023</u>	<u>899,517</u>	<u>1,814,540</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,191,739</u>	<u>\$ 4,751,454</u>	<u>\$ 5,943,193</u>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Debt Service**  
**For the Year Ended December 31, 2017**

	<u>Debt Service</u>	<u>Library Special Use</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 693,268	\$ 4,749,103	\$ 5,442,371
<b>Total revenues</b>	<u>693,268</u>	<u>4,749,103</u>	<u>5,442,371</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	-	1,996,419	1,996,419
Debt service:			
Principal retirement	1,094,200	-	1,094,200
Interest and fiscal charges	194,834	-	194,834
Capital outlay	-	1,732,164	1,732,164
<b>Total expenditures</b>	<u>1,289,034</u>	<u>3,728,583</u>	<u>5,017,617</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(595,766)</u>	<u>1,020,520</u>	<u>424,754</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,054,723	-	1,054,723
Transfers out	-	(965,847)	(965,847)
Premium on bonds issued	7,459	-	7,459
<b>Total other financing sources and uses</b>	<u>1,062,182</u>	<u>(965,847)</u>	<u>96,335</u>
<b>Net change in fund balances</b>	466,416	54,673	521,089
<b>Fund balances - beginning</b>	448,607	844,844	1,293,451
<b>Fund balances - ending</b>	<u>\$ 915,023</u>	<u>\$ 899,517</u>	<u>\$ 1,814,540</u>

**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Capital Projects**  
**December 31, 2017**

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
<b>ASSETS</b>					
Deposits including investments	\$ 4,179,614	\$ 2,357,574	\$ 5,993,559	\$ 162,808	\$ 12,693,555
Receivables (net of allowance for uncollectibles):	-	2,569,782	13,915,468	1,615,438	18,100,688
Inventories	-	-	501,818	-	501,818
Prepays	82,434	-	8,135	-	90,569
<b>Total assets</b>	<b>\$ 4,262,048</b>	<b>\$ 4,927,356</b>	<b>\$ 20,418,980</b>	<b>\$ 1,778,246</b>	<b>\$ 31,386,630</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 6	\$ 608	\$ 105,374	\$ -	\$ 105,988
Salaries and wages payable	146	11,986	164,191	-	176,323
Unearned revenue	-	-	10,000	-	10,000
<b>Total liabilities</b>	<b>152</b>	<b>12,594</b>	<b>279,565</b>	<b>-</b>	<b>292,311</b>
<b>Deferred Inflows of Resources:</b>					
Property tax receivable	-	-	13,915,468	1,615,438	15,530,906
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>13,915,468</b>	<b>1,615,438</b>	<b>15,530,906</b>
<b>Fund Balances:</b>					
Nonspendable	82,434	-	509,953	-	592,387
Restricted	3,896,862	2,932,908	3,230,994	99,371	10,160,135
Committed	-	-	-	27,902	27,902
Assigned	282,600	1,981,854	2,483,000	35,535	4,782,989
<b>Total fund balances</b>	<b>4,261,896</b>	<b>4,914,762</b>	<b>6,223,947</b>	<b>162,808</b>	<b>15,563,413</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,262,048</b>	<b>\$ 4,927,356</b>	<b>\$ 20,418,980</b>	<b>\$ 1,778,246</b>	<b>\$ 31,386,630</b>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Capital Projects**  
**For the Year Ended December 31, 2017**

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
<b>REVENUES</b>					
Taxes	\$ -	\$ 14,200,093	\$ 15,042,750	\$ 2,238,129	\$ 31,480,972
Intergovernmental	-	-	11,681,462	-	11,681,462
Charges for services	978,319	-	78,699	-	1,057,018
Investment earnings	45,121	298,794	-	9,727	353,642
Licenses and permits	-	-	13,800	-	13,800
Other	-	940	84,294	-	85,234
<b>Total revenues</b>	<b>1,023,440</b>	<b>14,499,827</b>	<b>26,901,005</b>	<b>2,247,856</b>	<b>44,672,128</b>
<b>EXPENDITURES</b>					
Current:					
General government	423,076	-	-	-	423,076
Public works	-	455,142	10,007,978	-	10,463,120
Capital outlay	-	-	45,175	2,160,795	2,205,970
<b>Total expenditures</b>	<b>423,076</b>	<b>455,142</b>	<b>10,053,153</b>	<b>2,160,795</b>	<b>13,092,166</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>600,364</b>	<b>14,044,685</b>	<b>16,847,852</b>	<b>87,061</b>	<b>31,579,962</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	32,130	1,214,018	-	1,246,148
Transfers out	(568,349)	(13,920,036)	(16,954,370)	-	(31,442,755)
<b>Total other financing sources and uses</b>	<b>(568,349)</b>	<b>(13,887,906)</b>	<b>(15,740,352)</b>	<b>-</b>	<b>(30,196,607)</b>
<b>Net change in fund balances</b>	<b>32,015</b>	<b>156,779</b>	<b>1,107,500</b>	<b>87,061</b>	<b>1,383,355</b>
<b>Fund balances - beginning</b>	<b>4,229,881</b>	<b>4,757,983</b>	<b>5,116,447</b>	<b>75,747</b>	<b>14,180,058</b>
<b>Fund balances - ending</b>	<b>\$ 4,261,896</b>	<b>\$ 4,914,762</b>	<b>\$ 6,223,947</b>	<b>\$ 162,808</b>	<b>\$ 15,563,413</b>

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Developmental Supports Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 12,117,565	\$ 12,117,565	\$ 12,117,612	\$ 47
Intergovernmental	1,660,284	1,660,284	1,880,757	220,473
Charges for services	9,572,404	9,572,404	9,377,157	(195,247)
Investment earnings	44,073	44,073	72,468	28,395
Other	92,971	92,971	55,552	(37,419)
<b>Total revenues</b>	<u>23,487,297</u>	<u>23,487,297</u>	<u>23,503,546</u>	<u>16,249</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	23,329,700	23,329,700	23,638,571	(308,871)
Capital outlay	199,867	199,867	22,803	177,064
Reserves	3,321,123	3,321,123	-	3,321,123
<b>Total expenditures</b>	<u>26,850,690</u>	<u>26,850,690</u>	<u>23,661,374</u>	<u>3,189,316</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,363,393)</u>	<u>(3,363,393)</u>	<u>(157,828)</u>	<u>3,205,565</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(242,808)	(242,808)
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>(242,808)</u>	<u>(242,808)</u>
<b>Net change in fund balances</b>	<u>(3,363,393)</u>	<u>(3,363,393)</u>	<u>(400,636)</u>	<u>\$ 2,962,757</u>
<b>Fund balances - beginning</b>	<u>3,363,393</u>	<u>3,363,393</u>	<u>3,328,393</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,927,757</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Library Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 27,876,102	\$ 27,876,102	\$ 27,796,886	\$ (79,216)
Intergovernmental	247,260	247,260	135,051	(112,209)
Charges for services	158,711	158,711	167,234	8,523
Investment earnings	76,791	76,791	173,341	96,550
Other	1,115,428	1,115,428	1,016,145	(99,283)
<b>Total revenues</b>	<u>29,474,292</u>	<u>29,474,292</u>	<u>29,288,657</u>	<u>(185,635)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	25,258,128	25,258,128	25,835,804	(577,676)
Capital outlay	8,412	8,412	17,191	(8,779)
Reserves	2,969,329	2,969,329	-	2,969,329
<b>Total expenditures</b>	<u>28,235,869</u>	<u>28,235,869</u>	<u>25,852,995</u>	<u>2,382,874</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,238,423</u>	<u>1,238,423</u>	<u>3,435,662</u>	<u>2,197,239</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,207,752)	(4,207,752)	(1,434,747)	2,773,005
<b>Total other financing sources and uses</b>	<u>(4,207,752)</u>	<u>(4,207,752)</u>	<u>(1,434,747)</u>	<u>2,773,005</u>
<b>Net change in fund balances</b>	<u>(2,969,329)</u>	<u>(2,969,329)</u>	<u>2,000,915</u>	<u>\$ 4,970,244</u>
<b>Fund balances - beginning</b>	<u>2,969,329</u>	<u>2,969,329</u>	<u>4,709,758</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,710,673</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Stream Maintenance Fund**  
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Other	\$ 5,000	\$ 5,000	\$ 226	\$ (4,774)
<b>Total revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>226</u>	<u>(4,774)</u>
<b>EXPENDITURES</b>				
Current:				
Reserves	5,383	5,383	-	5,383
<b>Total expenditures</b>	<u>5,383</u>	<u>5,383</u>	<u>-</u>	<u>5,383</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(383)</u>	<u>(383)</u>	<u>226</u>	<u>609</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(5,000)	(5,000)	-	5,000
<b>Total other financing sources and uses</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
<b>Net change in fund balances</b>	<u>(5,383)</u>	<u>(5,383)</u>	<u>226</u>	<u>\$ 5,609</u>
<b>Fund balances - beginning</b>	<u>5,383</u>	<u>5,383</u>	<u>5,955</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,181</u>	



**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Mental Health Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 17,336,050	\$ 17,336,050	\$ 17,377,721	\$ 41,671
Intergovernmental	4,558,798	4,558,798	5,217,238	658,440
Charges for services	7,505,870	7,505,870	9,120,971	1,615,101
Investment earnings	36,084	36,084	82,347	46,263
Other	51,043	51,043	53,473	2,430
<b>Total revenues</b>	<u>29,487,845</u>	<u>29,487,845</u>	<u>31,851,750</u>	<u>2,363,905</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	29,859,090	29,859,090	30,575,636	(716,546)
Capital outlay	100,000	100,000	191,548	(91,548)
Reserves	1,211,300	1,211,300	-	1,211,300
<b>Total expenditures</b>	<u>31,170,390</u>	<u>31,170,390</u>	<u>30,767,184</u>	<u>403,206</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,682,545)</u>	<u>(1,682,545)</u>	<u>1,084,566</u>	<u>2,767,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	560,120	560,120	619,104	58,984
Transfers out	(88,875)	(88,875)	(138,875)	(50,000)
<b>Total other financing sources and uses</b>	<u>471,245</u>	<u>471,245</u>	<u>480,229</u>	<u>8,984</u>
<b>Net change in fund balances</b>	<u>(1,211,300)</u>	<u>(1,211,300)</u>	<u>1,564,795</u>	<u>\$ 2,776,095</u>
<b>Fund balances - beginning</b>	<u>1,211,300</u>	<u>1,211,300</u>	<u>925,628</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,490,423</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Developer Fees Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 9,800	\$ 9,800	\$ 2,483	\$ (7,317)
<b>Total revenues</b>	<u>9,800</u>	<u>9,800</u>	<u>2,483</u>	<u>(7,317)</u>
<b>EXPENDITURES</b>				
Current:				
Reserves	112,222	112,222	-	112,222
<b>Total expenditures</b>	<u>112,222</u>	<u>112,222</u>	<u>-</u>	<u>112,222</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(102,422)</u>	<u>(102,422)</u>	<u>2,483</u>	<u>104,905</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(9,800)	(9,800)	-	9,800
<b>Total other financing sources and uses</b>	<u>(9,800)</u>	<u>(9,800)</u>	<u>-</u>	<u>9,800</u>
<b>Net change in fund balances</b>	<u>(112,222)</u>	<u>(112,222)</u>	<u>2,483</u>	<u>\$ 114,705</u>
<b>Fund balances - beginning</b>	<u>112,222</u>	<u>112,222</u>	<u>112,222</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,705</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Public Health Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 7,833,816	\$ 7,833,816	\$ 7,826,937	\$ (6,879)
Intergovernmental	5,242,449	5,242,449	4,824,827	(417,622)
Charges for services	1,557,970	1,557,970	1,450,832	(107,138)
Licenses and permits	567,781	567,781	553,899	(13,882)
Other	89,081	89,081	142,841	53,760
<b>Total revenues</b>	<u>15,291,097</u>	<u>15,291,097</u>	<u>14,799,336</u>	<u>(491,761)</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	15,263,934	15,263,934	14,693,640	570,294
Reserves	1,392,351	1,392,351	-	1,392,351
<b>Total expenditures</b>	<u>16,656,285</u>	<u>16,656,285</u>	<u>14,693,640</u>	<u>1,962,645</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,365,188)</u>	<u>(1,365,188)</u>	<u>105,696</u>	<u>1,470,884</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	50,000	50,000
Transfers out	(70,000)	(70,000)	(70,000)	-
<b>Total other financing sources and uses</b>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(20,000)</u>	<u>50,000</u>
<b>Net change in fund balances</b>	<u>(1,435,188)</u>	<u>(1,435,188)</u>	<u>85,696</u>	<u>\$ 1,520,884</u>
<b>Fund balances - beginning</b>	<u>1,435,188</u>	<u>1,435,188</u>	<u>1,892,055</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,977,751</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**911 Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Tax	\$ 4,590,000	\$ 4,590,000	\$ 4,741,089	\$ 151,089
Investment earnings	47,413	47,413	80,802	33,389
<b>Total revenues</b>	<u>4,637,413</u>	<u>4,637,413</u>	<u>4,821,891</u>	<u>184,478</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	4,000,000	4,000,000	4,557,571	(557,571)
Capital outlay	1,066,000	1,066,000	-	1,066,000
Reserves	5,659,142	5,659,142	-	5,659,142
<b>Total expenditures</b>	<u>10,725,142</u>	<u>10,725,142</u>	<u>4,557,571</u>	<u>6,167,571</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(6,087,729)</u>	<u>(6,087,729)</u>	<u>264,320</u>	<u>6,352,049</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(234,000)	(234,000)	(1,179,533)	(945,533)
<b>Total other financing sources and uses</b>	<u>(234,000)</u>	<u>(234,000)</u>	<u>(1,179,533)</u>	<u>(945,533)</u>
<b>Net change in fund balances</b>	<u>(6,321,729)</u>	<u>(6,321,729)</u>	<u>(915,213)</u>	<u>\$ 5,406,516</u>
<b>Fund balances - beginning</b>	<u>6,321,729</u>	<u>6,321,729</u>	<u>7,905,661</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,990,448</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**911 Telephone Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 406	\$ 406	\$ -	\$ (406)
<b>Total revenues</b>	<u>406</u>	<u>406</u>	<u>-</u>	<u>(406)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	70,218	70,218	-	70,218
<b>Total expenditures</b>	<u>70,218</u>	<u>70,218</u>	<u>-</u>	<u>70,218</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(69,812)</u>	<u>(69,812)</u>	<u>-</u>	<u>69,812</u>
<b>Net change in fund balances</b>	(69,812)	(69,812)	-	<u>\$ 69,812</u>
<b>Fund balances - beginning</b>	<u>69,812</u>	<u>69,812</u>	<u>-</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**District Attorney Forfeited Property Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 1,051	\$ 1,051	\$ 1,489	\$ 438
Licenses and permits	25,000	25,000	18,391	(6,609)
<b>Total revenues</b>	<u>26,051</u>	<u>26,051</u>	<u>19,880</u>	<u>(6,171)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	26,051	26,051	36,913	(10,862)
Reserves	134,960	134,960	-	134,960
<b>Total expenditures</b>	<u>161,011</u>	<u>161,011</u>	<u>36,913</u>	<u>124,098</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(134,960)</u>	<u>(134,960)</u>	<u>(17,033)</u>	<u>117,927</u>
<b>Net change in fund balances</b>	(134,960)	(134,960)	(17,033)	<u>\$ 117,927</u>
<b>Fund balances - beginning</b>	134,960	134,960	141,389	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,356</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Sheriff Forfeited Property Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 8,266	\$ 8,266	\$ 12,804	\$ 4,538
Licenses and permits	66,100	66,100	177,247	111,147
<b>Total revenues</b>	<u>74,366</u>	<u>74,366</u>	<u>190,051</u>	<u>115,685</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	494,408	494,408	43,966	450,442
Capital Outlay	-	-	5,102	(5,102)
Reserves	20,000	20,000	-	20,000
<b>Total expenditures</b>	<u>514,408</u>	<u>514,408</u>	<u>49,068</u>	<u>465,340</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(440,042)</u>	<u>(440,042)</u>	<u>140,983</u>	<u>581,025</u>
<b>Net change in fund balances</b>	(440,042)	(440,042)	140,983	<u>\$ 581,025</u>
<b>Fund balances - beginning</b>	440,042	440,042	1,174,485	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,315,468</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Controlled Substance Fund**  
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 5,000	\$ 5,000	\$ 15,235	\$ 10,235
Investment earnings	1,447	1,447	1,520	73
<b>Total revenues</b>	<u>6,447</u>	<u>6,447</u>	<u>16,755</u>	<u>10,308</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	65,491	65,491	(8,999)	74,490
Reserves	10,001	10,001	-	10,001
<b>Total expenditures</b>	<u>75,492</u>	<u>75,492</u>	<u>(8,999)</u>	<u>84,491</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(69,045)</u>	<u>(69,045)</u>	<u>25,754</u>	<u>94,799</u>
<b>Net change in fund balances</b>	(69,045)	(69,045)	25,754	<u>\$ 94,799</u>
<b>Fund balances - beginning</b>	<u>69,045</u>	<u>69,045</u>	<u>130,520</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,274</u>	



**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Alcohol Tax Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 120,000	\$ 120,000	\$ 144,598	\$ 24,598
Investment earnings	1,113	1,113	2,042	929
<b>Total revenues</b>	<u>121,113</u>	<u>121,113</u>	<u>146,640</u>	<u>25,527</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	86,993	86,993	77,121	9,872
Reserves	171,272	171,272	-	171,272
<b>Total expenditures</b>	<u>258,265</u>	<u>258,265</u>	<u>77,121</u>	<u>181,144</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(137,152)</u>	<u>(137,152)</u>	<u>69,519</u>	<u>206,671</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(34,120)	(34,120)	(43,992)	(9,872)
<b>Total other financing sources and uses</b>	<u>(34,120)</u>	<u>(34,120)</u>	<u>(43,992)</u>	<u>(9,872)</u>
<b>Net change in fund balances</b>	<u>(171,272)</u>	<u>(171,272)</u>	<u>25,527</u>	<u>\$ 196,799</u>
<b>Fund balances - beginning</b>	<u>171,272</u>	<u>171,272</u>	<u>189,992</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,519</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Prosecutor Training Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 29,000	\$ 29,000	\$ -	\$ (29,000)
Other	-	-	21,538	21,538
<b>Total revenues</b>	<u>29,000</u>	<u>29,000</u>	<u>21,538</u>	<u>(7,462)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	29,000	29,000	35,164	(6,164)
Reserves	43,320	43,320	-	43,320
<b>Total expenditures</b>	<u>72,320</u>	<u>72,320</u>	<u>35,164</u>	<u>37,156</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(43,320)</u>	<u>(43,320)</u>	<u>(13,626)</u>	<u>29,694</u>
<b>Net change in fund balances</b>	<u>(43,320)</u>	<u>(43,320)</u>	<u>(13,626)</u>	<u>\$ 29,694</u>
<b>Fund balances - beginning</b>	<u>43,320</u>	<u>43,320</u>	<u>31,098</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,472</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**911 Wireless Telephone Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 1,750	\$ 1,750	\$ 3,399	\$ 1,649
<b>Total revenues</b>	<u>1,750</u>	<u>1,750</u>	<u>3,399</u>	<u>1,649</u>
<b>EXPENDITURES</b>				
Public safety	285,146	285,146	-	285,146
<b>Total expenditures</b>	<u>285,146</u>	<u>285,146</u>	<u>-</u>	<u>285,146</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(283,396)</u>	<u>(283,396)</u>	<u>3,399</u>	<u>286,795</u>
<b>Net change in fund balances</b>	<u>(283,396)</u>	<u>(283,396)</u>	<u>3,399</u>	<u>\$ 286,795</u>
<b>Fund balances - beginning</b>	<u>283,396</u>	<u>283,396</u>	<u>325,728</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,127</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Weapons Licensure Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 26,523	\$ (18,477)
<b>Total revenues</b>	<u>45,000</u>	<u>45,000</u>	<u>26,523</u>	<u>(18,477)</u>
<b>EXPENDITURES</b>				
Public safety	101,075	101,075	-	101,075
Capital outlay	-	-	61,418	(61,418)
<b>Total expenditures</b>	<u>101,075</u>	<u>101,075</u>	<u>61,418</u>	<u>39,657</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(56,075)</u>	<u>(56,075)</u>	<u>(34,895)</u>	<u>21,180</u>
<b>Net change in fund balances</b>	(56,075)	(56,075)	(34,895)	<u>\$ 21,180</u>
<b>Fund balances - beginning</b>	<u>56,075</u>	<u>56,075</u>	<u>40,973</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,078</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 690,161	\$ 690,161	\$ 693,268	\$ 3,107
<b>Total revenues</b>	<u>690,161</u>	<u>690,161</u>	<u>693,268</u>	<u>3,107</u>
<b>EXPENDITURES</b>				
Current:				
Debt Service:				
Principal retirement	1,744,883	1,744,883	1,094,200	650,683
Interest and fiscal charges	20,000	20,000	194,834	(174,834)
Reserves	386,834	386,834	-	386,834
<b>Total expenditures</b>	<u>2,151,717</u>	<u>2,151,717</u>	<u>1,289,034</u>	<u>862,683</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,461,556)</u>	<u>(1,461,556)</u>	<u>(595,766)</u>	<u>865,790</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,064,722	1,064,722	1,054,723	(9,999)
Bond proceeds & Refunding Bond Issues	-	-	176,259	176,259
<b>Total other financing sources and uses</b>	<u>1,064,722</u>	<u>1,064,722</u>	<u>1,230,982</u>	<u>166,260</u>
<b>Net change in fund balances</b>	<u>(396,834)</u>	<u>(396,834)</u>	<u>635,216</u>	<u>\$ 1,032,050</u>
<b>Fund balances - beginning</b>	<u>396,834</u>	<u>396,834</u>	<u>834,146</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,469,362</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Library Special Use Fund**  
**For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 4,755,776	\$ 4,755,776	\$ 4,749,103	\$ (6,673)
Other	2,690	2,690	-	(2,690)
<b>Total revenues</b>	4,758,466	4,758,466	4,749,103	(9,363)
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	208,869	208,869	2,026,123	(1,817,254)
Capital outlay	-	-	1,732,164	(1,732,164)
Reserves	791,559	791,559	-	791,559
<b>Total expenditures</b>	1,000,428	1,000,428	3,758,287	(2,757,859)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	3,758,038	3,758,038	990,816	(2,767,222)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,559,597)	(4,559,597)	(965,847)	3,593,750
<b>Total other financing sources and uses</b>	(4,559,597)	(4,559,597)	(965,847)	3,593,750
<b>Net change in fund balances</b>	(801,559)	(801,559)	24,969	\$ 826,528
<b>Fund balances - beginning</b>	801,559	801,559	842,270	
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 867,239	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Stormwater Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 13,680,716	\$ 13,680,716	\$ 14,200,093	\$ 519,377
Investment earnings	292,097	292,097	396,790	104,693
Other	-	-	940	940
<b>Total revenues</b>	<u>13,972,813</u>	<u>13,972,813</u>	<u>14,597,823</u>	<u>625,010</u>
<b>EXPENDITURES</b>				
Current:				
Public works	452,777	452,777	455,142	(2,365)
Reserves	3,202,316	3,202,316	-	3,202,316
<b>Total expenditures</b>	<u>3,655,093</u>	<u>3,655,093</u>	<u>455,142</u>	<u>3,199,951</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>10,317,720</u>	<u>10,317,720</u>	<u>14,142,681</u>	<u>3,824,961</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	32,131	32,131	32,130	(1)
Transfers out	(13,920,036)	(13,920,036)	(13,920,036)	-
<b>Total other financing sources and uses</b>	<u>(13,887,905)</u>	<u>(13,887,905)</u>	<u>(13,887,906)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(3,570,185)</u>	<u>(3,570,185)</u>	<u>254,775</u>	<u>\$ 3,824,961</u>
<b>Fund balances - beginning</b>	<u>3,570,185</u>	<u>3,570,185</u>	<u>4,169,436</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,424,211</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Public Works Fund**  
**For the Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 15,044,772	\$ 15,044,772	\$ 15,042,750	\$ (2,022)
Intergovernmental	10,979,373	10,979,373	11,681,462	702,089
Charges for services	39,588	39,588	78,699	39,111
Licenses and permits	10,092	10,092	13,800	3,708
Other	59,987	59,987	84,294	24,307
<b>Total revenues</b>	<u>26,133,812</u>	<u>26,133,812</u>	<u>26,901,005</u>	<u>767,193</u>
<b>EXPENDITURES</b>				
Current:				
Public works	10,924,945	10,924,945	10,006,601	918,344
Capital outlay		-	45,175	(45,175)
Reserves	2,929,725	2,929,725	-	2,929,725
<b>Total expenditures</b>	<u>13,854,670</u>	<u>13,854,670</u>	<u>10,051,776</u>	<u>3,802,894</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>12,279,142</u>	<u>12,279,142</u>	<u>16,849,229</u>	<u>4,570,087</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,120,503	1,120,503	1,214,018	93,515
Transfers out	(16,954,370)	(16,954,370)	(16,954,370)	-
<b>Total other financing sources and uses</b>	<u>(15,833,867)</u>	<u>(15,833,867)</u>	<u>(15,740,352)</u>	<u>93,515</u>
<b>Net change in fund balances</b>	<u>(3,554,725)</u>	<u>(3,554,725)</u>	<u>1,108,877</u>	<u>\$ 4,663,602</u>
<b>Fund balances - beginning</b>	<u>3,554,725</u>	<u>3,554,725</u>	<u>4,609,254</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,718,131</u>	



*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**County Building Fund**  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 2,233,532	\$ 2,233,532	\$ 2,238,129	\$ 4,597
Investment earnings	2,250	2,250	9,727	7,477
<b>Total revenues</b>	<u>2,235,782</u>	<u>2,235,782</u>	<u>2,247,856</u>	<u>12,074</u>
<b>EXPENDITURES</b>				
General Government	10,000	10,000	-	10,000
Capital outlay	2,225,782	2,225,782	2,160,795	64,987
Reserves	115,373	115,373	-	115,373
<b>Total expenditures</b>	<u>2,351,155</u>	<u>2,351,155</u>	<u>2,160,795</u>	<u>190,360</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(115,373)</u>	<u>(115,373)</u>	<u>87,061</u>	<u>202,434</u>
<b>Net change in fund balances</b>	(115,373)	(115,373)	87,061	<u>\$ 202,434</u>
<b>Fund balances - beginning</b>	<u>115,373</u>	<u>115,373</u>	<u>75,747</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,808</u>	

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## Nonmajor Proprietary Funds

### Enterprise Funds

***Airport*** – The Airport Fund accounts for all revenues and expenses of the Airport agency, as directed by the Johnson County Airport Commission. The Airport Commission's primary purpose is two-fold: 1) to develop and operate a system of air transportation facilities that will serve the aviation needs of the region; and 2) to develop and operate an industrial real estate development program that contributes to the economic base of the community. Revenues are derived from hangar rentals, user charges and County tax support. Expenses are for the construction, renovation and operation of two airports and an industrial park with water utility and rail service.

***Transportation*** – The Transportation Fund accounts for all revenues and expenses of the transit and commuter rail programs. The primary purpose of this fund is to implement countywide public transportation services. Revenues are primarily from Federal and State grants and County support.

### Internal Service Funds

***Risk Management*** - The Risk Management Fund provides for the procurement, administration, and claims handling of property, liability and workers compensation coverage for the County. This Fund maintains reserves to reimburse the County or County agencies for insurable losses not otherwise insured.

***Self-Insured Health Care*** – The Self-Insured Health Care Fund is used to pool the resources accumulated from the various health (medical, dental and vision) coverage premiums paid by employees through payroll deduction and those paid by the County. These resources are used to pay the expenses related to health care coverage.

***Fleet Management*** – The Fleet Management Fund coordinates fleet service operations for County departments. Funding is derived from charges to other County departments for the cost of providing fleet management services.

**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**December 31, 2017**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Non-Major</b>		
	<b>Airport</b>	<b>Transportation</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Deposits including investments	\$ 5,506,800	\$ 5,672,375	\$ 11,179,175
Receivables (net of allowance for uncollectibles):	1,773,804	(1,071)	1,772,733
Due from other funds	131,504	-	131,504
<b>Total current assets</b>	<b>7,412,108</b>	<b>5,671,304</b>	<b>13,083,412</b>
<b>Noncurrent assets:</b>			
Restricted cash and investments	1,252,635	-	1,252,635
<b>Capital assets:</b>			
Land	6,935,502	-	6,935,502
Buildings	13,832,547	2,248,187	16,080,734
Improvements other than buildings	31,002,485	13,551,066	44,553,551
Machinery and equipment	3,025,228	22,900,513	25,925,741
Infrastructure	2,274,401	-	2,274,401
Construction in progress	131,504	-	131,504
Less accumulated depreciation	(35,677,878)	(20,583,895)	(56,261,773)
<b>Total capital assets</b>	<b>21,523,789</b>	<b>18,115,871</b>	<b>39,639,660</b>
<b>Total noncurrent assets</b>	<b>22,776,424</b>	<b>18,115,871</b>	<b>40,892,295</b>
<b>TOTAL ASSETS</b>	<b>30,188,532</b>	<b>23,787,175</b>	<b>53,975,707</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferred outflow	64,990	-	64,990
OPEB deferred outflow	7,015	-	7,015
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>72,005</b>	<b>-</b>	<b>72,005</b>

**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**December 31, 2017**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Non-Major</b>		
	<b>Airport</b>	<b>Transportation</b>	<b>Total</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	655,808	259,647	915,455
Salaries and wages payable	47,453	-	47,453
Interest payable	42,957	-	42,957
Due to others	57,974	16,156	74,130
Compensated absences	7,217	-	7,217
Bonds, capital leases, and other payables	170,155	-	170,155
<b>Total current liabilities</b>	<b>981,564</b>	<b>275,803</b>	<b>1,257,367</b>
<b>Noncurrent liabilities:</b>			
Compensated absences	79,459	-	79,459
Pension obligation	410,701	-	410,701
OPEB obligation	191,977	-	191,977
Bonds, capital leases, and other payables	4,353,413	-	4,353,413
<b>Total noncurrent liabilities</b>	<b>5,035,550</b>	<b>-</b>	<b>5,035,550</b>
<b>TOTAL LIABILITIES</b>	<b>6,017,114</b>	<b>275,803</b>	<b>6,292,917</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferred inflow	17,783	-	17,783
OPEB deferred inflow	17,867	-	17,867
Unamortized portion of refunding	6,270	-	6,270
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>41,920</b>	<b>-</b>	<b>41,920</b>
<b>NET POSITION</b>			
Net investment in capital assets	16,993,951	18,115,871	35,109,822
Restricted for capital projects	1,252,635	-	1,252,635
Unrestricted	5,954,917	5,395,501	11,350,418
<b>TOTAL NET POSITION</b>	<b>\$ 24,201,503</b>	<b>\$ 23,511,372</b>	<b>\$ 47,712,875</b>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended December 31, 2017**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Non-Major</b>		
	<b>Airport</b>	<b>Transportation</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services	\$ 3,636,486	\$ -	\$ 3,636,486
Other	3,011,519	-	3,011,519
<b>Total operating revenues</b>	<b>6,648,005</b>	<b>-</b>	<b>6,648,005</b>
<b>Operating expenses:</b>			
Transportation	9,383,935	6,275,859	15,659,794
Depreciation	1,501,963	2,715,398	4,217,361
<b>Total operating expenses</b>	<b>10,885,898</b>	<b>8,991,257</b>	<b>19,877,155</b>
<b>Operating income (loss)</b>	<b>(4,237,893)</b>	<b>(8,991,257)</b>	<b>(13,229,150)</b>
<b>Nonoperating revenues (expenses):</b>			
Investment earnings	89,844	-	89,844
Interest expense	(155,541)	-	(155,541)
Other	(60,556)	-	(60,556)
<b>Total nonoperating revenues (expenses)</b>	<b>(126,253)</b>	<b>-</b>	<b>(126,253)</b>
<b>Income (loss) before contributions and transfers</b>	<b>(4,364,146)</b>	<b>(8,991,257)</b>	<b>(13,355,403)</b>
<b>Capital contributions</b>	<b>4,021,210</b>	<b>1,262,749</b>	<b>5,283,959</b>
<b>Transfers in</b>	<b>-</b>	<b>6,194,148</b>	<b>6,194,148</b>
<b>Change in net position</b>	<b>(342,936)</b>	<b>(1,534,360)</b>	<b>(1,877,296)</b>
<b>Total net position - beginning</b>	<b>24,544,439</b>	<b>25,045,732</b>	<b>49,590,171</b>
<b>Total net position - ending</b>	<b>\$ 24,201,503</b>	<b>\$ 23,511,372</b>	<b>\$ 47,712,875</b>

**Johnson County, Kansas**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended December 31, 2017**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Non-Major</b>		
	<b>Airport</b>	<b>Transportation</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 2,456,750	\$ 138,150	\$ 2,594,900
Cash payments for goods and services	(7,906,039)	(6,145,599)	(14,051,638)
Cash payments to employees for services	(1,284,481)	-	(1,284,481)
Other operating cash receipts	3,011,519	-	3,011,519
<b>Net cash provided by (used for) operating activities</b>	<b>(3,722,251)</b>	<b>(6,007,449)</b>	<b>(9,729,700)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers from other funds	-	6,194,148	6,194,148
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>6,194,148</b>	<b>6,194,148</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital Contributions	4,021,210	1,262,749	5,283,959
Acquisition and construction of capital assets	(1,112,197)	(724,847)	(1,837,044)
Principal paid on bonds, notes and loans	(455,155)	-	(455,155)
Interest paid on bonds, notes and loans	(162,178)	-	(162,178)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>2,291,680</b>	<b>537,902</b>	<b>2,829,582</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments	89,844	-	89,844
Net cash provided by investing activities	89,844	-	89,844
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,340,727)</b>	<b>724,601</b>	<b>(616,126)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>8,100,162</b>	<b>4,947,774</b>	<b>13,047,936</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 6,759,435</b>	<b>\$ 5,672,375</b>	<b>\$ 12,431,810</b>

(Continued)

**Johnson County, Kansas**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds (Continued)**  
**For the Year Ended December 31, 2017**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Non-Major</b>		
	<b>Airport</b>	<b>Transportation</b>	<b>TOTAL</b>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>			
<b>Operating income (loss)</b>	\$ (4,237,893)	\$ (8,991,257)	\$ (13,229,150)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation	1,501,963	2,715,398	4,217,361
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,048,232)	138,150	(910,082)
(Increase) decrease in due from other funds	(131,504)	-	(131,504)
Increase (decrease) in accounts payable	177,497	130,260	307,757
Increase (decrease) in salaries and wages payable	10,080	-	10,080
Increase (decrease) in compensated absences payable	(1,699)	-	(1,699)
Increase (decrease) in pension obligation	(16,502)	-	(16,502)
Increase (decrease) in pension deferred outflows	11,552	-	11,552
Increase (decrease) in pension deferred inflows	3,413	-	3,413
Increase (decrease) in OPEB obligation	8,900	-	8,900
Increase (decrease) in OPEB deferred outflows	1,548	-	1,548
Increase (decrease) in OPEB deferred inflows	(1,374)	-	(1,374)
<b>Total adjustments</b>	<b>515,642</b>	<b>2,983,808</b>	<b>3,499,450</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (3,722,251)</b>	<b>\$ (6,007,449)</b>	<b>\$ (9,729,700)</b>



**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2017**

	Risk Management	Self-Insured Health Care	Fleet Management	Total
<b>ASSETS</b>				
<b>Current assets:</b>				
Deposits including investments	\$ 9,412,767	\$ 11,950,762	\$ 2,384,907	\$ 23,748,436
Receivables (net of allowance for uncollectibles):	129,358	-	-	129,358
Inventories	-	-	144,171	144,171
Prepaid items	56,587	-	-	56,587
<b>Total current assets</b>	<b>9,598,712</b>	<b>11,950,762</b>	<b>2,529,078</b>	<b>24,078,552</b>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Improvements other than buildings	-	-	102,861	102,861
Machinery and equipment	-	-	8,511,764	8,511,764
Less accumulated depreciation	-	-	(4,575,747)	(4,575,747)
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>4,038,878</b>	<b>4,038,878</b>
<b>TOTAL ASSETS</b>	<b>9,598,712</b>	<b>11,950,762</b>	<b>6,567,956</b>	<b>28,117,430</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	12,931	5,070,439	84,895	5,168,265
Salaries and wages payable	14,133	-	-	14,133
Deferred revenue	1,076,756	-	-	1,076,756
Due to other funds	131,504	-	-	131,504
Compensated absences	3,168	-	6,719	9,887
Insurance claims payable	3,071,096	3,686,690	-	6,757,786
<b>Total current liabilities</b>	<b>4,309,588</b>	<b>8,757,129</b>	<b>91,614</b>	<b>13,158,331</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	34,881	-	73,983	108,864
<b>Total noncurrent liabilities</b>	<b>34,881</b>	<b>-</b>	<b>73,983</b>	<b>108,864</b>
<b>TOTAL LIABILITIES</b>	<b>4,344,469</b>	<b>8,757,129</b>	<b>165,597</b>	<b>13,267,195</b>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	4,038,878	4,038,878
Unrestricted	5,254,243	3,193,633	2,363,481	10,811,357
<b>TOTAL NET POSITION</b>	<b>\$ 5,254,243</b>	<b>\$ 3,193,633</b>	<b>\$ 6,402,359</b>	<b>\$ 14,850,235</b>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2017**

	Risk Management	Self-Insured Health Care	Fleet Management	Total
<b>Operating revenues:</b>				
Charges for services	\$ 3,255,772	\$ 47,104,393	\$ 2,663,755	\$ 53,023,920
Other	41,192	64,775	44,300	150,267
<b>Total operating revenues</b>	<b>3,296,964</b>	<b>47,169,168</b>	<b>2,708,055</b>	<b>53,174,187</b>
<b>Operating expenses:</b>				
Personal services	393,241	-	960,413	1,353,654
Contractual services	4,260,667	44,817,263	354,441	49,432,371
Commodities	10,818	-	1,140,403	1,151,221
Depreciation	-	-	714,181	714,181
<b>Total operating expenses</b>	<b>4,664,726</b>	<b>44,817,263</b>	<b>3,169,438</b>	<b>52,651,427</b>
<b>Operating income (loss)</b>	<b>(1,367,762)</b>	<b>2,351,905</b>	<b>(461,383)</b>	<b>522,760</b>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	95,064	73,118	-	168,182
Other	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>95,064</b>	<b>73,118</b>	<b>-</b>	<b>168,182</b>
<b>Income (loss) before transfers</b>	<b>(1,272,698)</b>	<b>2,425,023</b>	<b>(461,383)</b>	<b>690,942</b>
<b>Capital Contributions</b>	<b>-</b>	<b>-</b>	<b>951,996</b>	<b>951,996</b>
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>1,848,492</b>	<b>1,848,492</b>
<b>Transfers Out</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>(10,000)</b>
<b>Change in net position</b>	<b>(1,282,698)</b>	<b>2,425,023</b>	<b>2,339,105</b>	<b>3,481,430</b>
<b>Total net position - beginning</b>	<b>6,536,941</b>	<b>768,610</b>	<b>4,063,254</b>	<b>11,368,805</b>
<b>Total net position - ending</b>	<b>\$ 5,254,243</b>	<b>\$ 3,193,633</b>	<b>\$ 6,402,359</b>	<b>\$ 14,850,235</b>

*Johnson County, Kansas*  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended December 31, 2017

	Risk Management	Self-Insured Health Care	Fleet Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from interfund services provided	\$ -	\$ 47,104,393	\$ 2,663,755	\$ 49,768,148
Cash payments for goods and services	(4,186,652)	(44,377,161)	(1,570,258)	(50,134,071)
Cash payments to employees for services	(385,948)	(16)	(959,411)	(1,345,375)
Other operating cash receipts	4,505,224	64,775	44,300	4,614,299
<b>Net cash provided by (used for) operating activities</b>	<b>(67,376)</b>	<b>2,791,991</b>	<b>178,386</b>	<b>2,903,001</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds	-	-	1,848,492	1,848,492
Transfers to other funds	(10,000)	-	-	(10,000)
<b>Net cash provided by noncapital financing activities</b>	<b>(10,000)</b>	<b>-</b>	<b>1,848,492</b>	<b>1,838,492</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	-	-	(2,403,585)	(2,403,585)
Capital Contributions	-	-	951,996	951,996
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(1,451,589)</b>	<b>(1,451,589)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and dividends on investments	95,064	73,118	-	168,182
<b>Net cash provided by investing activities</b>	<b>95,064</b>	<b>73,118</b>	<b>-</b>	<b>168,182</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17,688</b>	<b>2,865,109</b>	<b>575,289</b>	<b>3,458,086</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>9,395,079</b>	<b>9,085,653</b>	<b>1,809,618</b>	<b>20,290,350</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 9,412,767</b>	<b>\$ 11,950,762</b>	<b>\$ 2,384,907</b>	<b>\$ 23,748,436</b>

(Continued)

**Johnson County, Kansas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds (Continued)**  
**For the Year Ended December 31, 2017**

	<u>Risk Management</u>	<u>Self-Insured Health Care</u>	<u>Fleet Management</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>				
<b>Operating income (loss)</b>	\$ (1,367,762)	\$ 2,351,905	\$ (461,383)	\$ 522,760
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation	-	-	714,181	714,181
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	8,351	-	-	8,351
(Increase) in inventories	-	-	(34,349)	(34,349)
(Increase) decrease in prepaid expenses	852	-	-	852
Increase (decrease) in accounts payable	6,803	215,317	(41,065)	181,055
Increase (decrease) in salaries and wages payable	1,870	(16)	-	1,854
Increase (decrease) in deferred revenue	1,076,756	-	-	1,076,756
Increase (decrease) in due to other funds	131,504	-	-	131,504
Increase (decrease) in compensated absences payable	5,423	-	1,002	6,425
Increase (decrease) in other post employment benefits	-	-	-	-
Increase (decrease) in insurance claims payable	68,827	224,785	-	293,612
<b>Total adjustments</b>	<u>1,300,386</u>	<u>440,086</u>	<u>639,769</u>	<u>2,380,241</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ (67,376)</u>	<u>\$ 2,791,991</u>	<u>\$ 178,386</u>	<u>\$ 2,903,001</u>

## Fiduciary Funds

Fiduciary Funds include all Trust and Agency Funds which account for assets held by the County as a trustee or as an agent for individuals or other governmental units.

### Trust Funds

***Supplemental Pension Trust - Employees*** – Accounts for supplemental pension plan contributions from the County for employees and the earnings and profits from investment of monies. Disbursements are made for retirements and withdrawals.

***Supplemental Pension Trust - Executive*** – Accounts for supplemental pension plan contributions from the County for the County Manager and the earnings and profits from investment of monies. Disbursements are made for retirements and withdrawals.

***Supplemental Pension Trust - Elected Officials*** – Accounts for supplemental pension plan contributions from the County for the elected officials and the earnings and profits from investment of monies. Disbursements are made for retirements and withdrawals.

### Agency Funds

***Medical Reimbursement*** – This fund holds all monies of those County employees who have chosen to designate certain deductions from their salary for the explicit purpose of medical claims or dependent care.

***Inmate*** – This fund holds and administers the combined accounts of the prisoners of the jail. The accounts are owned by the prisoners, and the County acts only as a custodian of these accounts.

***Sheriff Foreclosure*** – This fund holds proceeds from property foreclosures within the County which the Sheriff's Office has sold by court order. The monies are deposited into the designated financial institution, which holds the funds until the payment clears the issuing financial institution. The Sheriff's Office acts as a custodian for the short time the monies are held. Once the funds clear the issuing financial institution, they are paid to the District Court Clerk to maintain until distribution is ordered by the Court.

***Tax Collection*** – This fund collects and distributes taxes for distribution to other County funds and other governmental units.

***Research Triangle*** – This fund collects and distributes sales taxes dedicated to provide funding, in equal shares, to education projects and programs offered by the University of Kansas, Kansas State University, and the KU Medical Center in Johnson County.

*Johnson County, Kansas*  
**Combining Statement of Fiduciary Net Position**  
**Employee Retirement Plan Funds**  
December 31, 2017

	Supplemental Pension Trust - Employees	Supplemental Pension Trust - Executive	Supplemental Pension Trust - Elected Officials	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,758,834	\$ 2,833	\$ 11,817	\$ 1,773,484
Investments restricted for:				
Employee retirement				
Equity securities:				
Domestic	28,320,537	442,121	115,307	28,877,965
International	8,808,018	10,904	12,365	8,831,287
Debt securities:				
US Government	808,964	-	1,963	810,927
Domestic	7,848,831	65,067	54,314	7,968,212
Annuities	44,521	-	-	44,521
<b>Total assets</b>	<b>47,589,705</b>	<b>520,925</b>	<b>195,766</b>	<b>48,306,396</b>
<b>LIABILITIES</b>				
Due to Others	44,521	-	-	44,521
<b>Total liabilities</b>	<b>44,521</b>	<b>-</b>	<b>-</b>	<b>44,521</b>
<b>NET POSITION</b>				
Held in trust for pension benefits	\$ 47,545,184	\$ 520,925	\$ 195,766	\$ 48,261,875

*Johnson County, Kansas*  
**Combining Statement of Changes in Fiduciary Net Position**  
**Employee Retirement Plan Funds**  
For the Year Ended December 31, 2017

	Supplemental Pension Trust - Employees	Supplemental Pension Trust - Executive	Supplemental Pension Trust - Elected Officials	Total
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 3,523,411	\$ 8,000	\$ 15,817	\$ 3,547,228
<b>Total contributions</b>	<u>3,523,411</u>	<u>8,000</u>	<u>15,817</u>	<u>3,547,228</u>
Investment earnings:				
Net increase (decrease) in the fair value of investments	4,954,553	73,733	(23,489)	5,004,797
Total investment earnings	<u>4,954,553</u>	<u>73,733</u>	<u>(23,489)</u>	<u>5,004,797</u>
<b>Total additions</b>	<u>8,477,964</u>	<u>81,733</u>	<u>(7,672)</u>	<u>8,552,025</u>
<b>DEDUCTIONS</b>				
Benefits	-	-	-	-
<b>Total deductions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	8,477,964	81,733	(7,672)	8,552,025
<b>Net position - beginning</b>	39,067,220	439,192	203,438	39,709,850
<b>Net position - ending</b>	<u>\$ 47,545,184</u>	<u>\$ 520,925</u>	<u>\$ 195,766</u>	<u>\$ 48,261,875</u>

**Johnson County, Kansas**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**December 31, 2017**

	<u>Medical Reimbursement</u>	<u>Inmate</u>	<u>Sheriff Foreclosure</u>	<u>Tax Collection</u>	<u>Research Triangle</u>	<u>Totals</u>
<b>ASSETS</b>						
Deposits including investments	\$ 259,714	\$ 281,181	\$ -	\$ 718,561,726	\$ -	\$ 719,102,621
Receivables (net of allowance for uncollectibles):						
Taxes receivable	-	-	-	525,320,821	-	525,320,821
Total assets	<u>259,714</u>	<u>281,181</u>	<u>-</u>	<u>1,243,882,547</u>	<u>-</u>	<u>1,244,423,442</u>
<b>LIABILITIES</b>						
Accounts payable	8,170	-	-	40,097	-	48,267
Agency obligations	251,544	281,181	-	1,243,842,450	-	1,244,375,175
Total liabilities	<u>\$ 259,714</u>	<u>\$ 281,181</u>	<u>\$ -</u>	<u>\$ 1,243,882,547</u>	<u>\$ -</u>	<u>\$ 1,244,423,442</u>



**Johnson County, Kansas**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended December 31, 2017**

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<b>Medical Reimbursement Fund</b>				
ASSETS				
Deposits including investments	\$ 231,254	\$ 1,478,120	\$ 1,449,660	\$ 259,714
Total assets	\$ 231,254	\$ 1,478,120	\$ 1,449,660	\$ 259,714
LIABILITIES				
Accounts payable	\$ 17,617	\$ 1,460,407	\$ 1,469,854	\$ 8,170
Agency obligations	213,637	1,484,589	1,446,682	251,544
Total liabilities	\$ 231,254	\$ 2,944,996	\$ 2,916,536	\$ 259,714
<b>Inmate Fund</b>				
ASSETS				
Deposits including investments	\$ 50,085	\$ 2,120,386	\$ 1,889,290	\$ 281,181
Total assets	\$ 50,085	\$ 2,120,386	\$ 1,889,290	\$ 281,181
LIABILITIES				
Agency obligations	\$ 50,085	\$ 2,120,386	\$ 1,889,290	\$ 281,181
Total liabilities	\$ 50,085	\$ 2,120,386	\$ 1,889,290	\$ 281,181
<b>Sheriff Foreclosure</b>				
ASSETS				
Deposits including investments	\$ -	\$ 10,295,260	\$ 10,295,260	\$ -
Total assets	\$ -	\$ 10,295,260	\$ 10,295,260	\$ -
LIABILITIES				
Agency obligations	-	10,295,260	10,295,260	-
Total liabilities	\$ -	\$ 10,295,260	\$ 10,295,260	\$ -
<b>Tax Collection Fund</b>				
ASSETS				
Deposits including investments	\$ 676,160,661	\$ 3,038,988,685	\$ 2,996,587,620	\$ 718,561,726
Taxes receivable	499,284,907	525,320,821	499,284,907	525,320,821
Total assets	\$ 1,175,445,568	\$ 3,564,309,506	\$ 3,495,872,527	\$ 1,243,882,547
LIABILITIES				
Accounts payable	\$ 103,013	\$ 1,074,744,237	\$ 1,074,807,153	\$ 40,097
Agency obligations	1,175,342,555	3,568,853,086	3,500,353,191	1,243,842,450
Total liabilities	\$ 1,175,445,568	\$ 4,643,597,323	\$ 4,575,160,344	\$ 1,243,882,547
<b>Research Triangle Fund</b>				
ASSETS				
Deposits including investments	\$ -	\$ 17,689,024	\$ 17,689,024	\$ -
Total assets	\$ -	\$ 17,689,024	\$ 17,689,024	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 17,689,024	\$ 17,689,024	\$ -
Agency obligations	-	17,689,024	17,689,024	-
Total liabilities	\$ -	\$ 35,378,048	\$ 35,378,048	\$ -
<b>Totals - All Agency Funds</b>				
ASSETS				
Deposits including investments	\$ 676,442,000	\$ 3,070,571,475	\$ 3,027,910,854	\$ 719,102,621
Taxes receivable	499,284,907	525,320,821	499,284,907	525,320,821
Total assets	\$ 1,175,726,907	\$ 3,595,892,296	\$ 3,527,195,761	\$ 1,244,423,442
LIABILITIES				
Accounts payable	\$ 120,630	\$ 1,093,893,668	\$ 1,093,966,031	\$ 48,267
Agency obligations	1,175,606,277	3,600,442,345	3,531,673,447	1,244,375,175
Total liabilities	\$ 1,175,726,907	\$ 4,694,336,013	\$ 4,625,639,478	\$ 1,244,423,442

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# **STATISTICAL SECTION**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## **Statistical Section**

The Statistical Section of the Johnson County Comprehensive Annual Financial Report presents detailed information to further understand the information in the financial statements, note disclosures, and required supplementary information. The purpose of this section is to give an indication of the County's overall financial health.

***Financial Trends*** – Provides information to assist readers in understanding how the County's financial performance has changed over time.

***Revenue Capacity*** – Provides information about the County's revenue sources.

***Debt Capacity*** – Presents information to help the reader understand the County's debt burden and ability to issue additional debt.

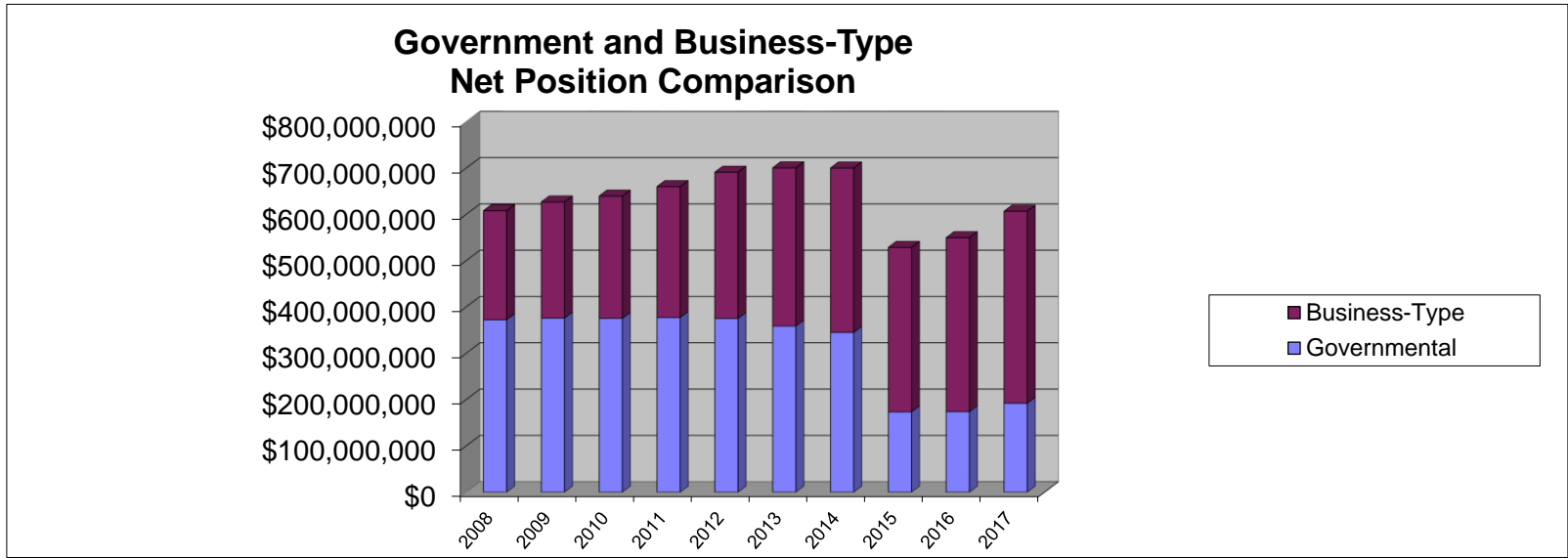
***Demographic and Economic Information*** – Provides information about the County's demographic and economic characteristics, including population statistics and employment data.

***Operating Information*** – Assists readers in understanding the overall operations of the County and helps to show the services provided by the County and its economic condition.

**Johnson County, Kansas**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 143,707,961	\$ 153,740,601	\$ 163,016,990	\$ 169,561,067	\$ 169,788,763	\$ 160,957,031	\$ 157,858,064	\$ 160,687,243	\$ 159,594,348	\$ 159,173,282
Restricted for:										
Technology Management	-	-	5,126,074	5,082,273	6,152,465	7,348,790	4,347,814	4,943,888	4,439,836	4,743,686
Public works	-	-	10,594,183	9,400,296	7,039,999	6,793,145	7,130,129	5,463,739	5,314,372	6,263,273
Law Enforcement	3,013,914	11,994,709	25,189,010	26,751,077	19,405,137	15,271,923	11,716,481	11,150,434	11,395,139	15,353,675
Community Support Services	-	-	9,612,521	6,882,080	4,054,777	2,416,040	3,584,321	2,969,933	3,043,942	3,675,986
Planning and Economic Development	4,874,350	-	101,136	5,567	21,130	2,423	2,423	2,423	2,423	4,906
Libraries, Recreation, and Education	-	-	4,724,342	2,662,855	1,760,619	1,296,553	-	-	9,050	811,499
Capital projects	-	-	-	-	1,526,711	235,797	19,244	-	-	-
Debt service	283,994	2,826,554	369,583	1,200,751	1,589,392	1,523,187	1,820,629	1,157,440	1,263,814	1,799,722
Special revenue funds	43,702,643	42,334,109	-	-	-	-	-	-	-	-
Unrestricted	176,757,635	164,965,407	156,610,400	155,618,911	163,784,020	162,929,981	158,487,839	(13,016,692)	(11,156,085)	250,719
<b>Subtotal Governmental</b>	<b>\$ 372,340,497</b>	<b>\$ 375,861,380</b>	<b>\$ 375,344,239</b>	<b>\$ 377,164,877</b>	<b>\$ 375,123,013</b>	<b>\$ 358,774,870</b>	<b>\$ 344,966,944</b>	<b>\$ 173,358,408</b>	<b>\$ 173,906,839</b>	<b>\$ 192,076,748</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 214,435,443	\$ 163,793,605	\$ 239,207,065	\$ 245,440,082	\$ 261,009,918	\$ 272,492,993	\$ 271,565,758	\$ 264,692,277	\$ 267,997,151	\$ 287,469,063
Restricted for:										
Capital projects	-	67,000,010	2,378,478	2,937,327	5,237,689	4,734,056	8,837,462	13,527,925	15,695,389	15,363,482
Unrestricted	21,161,685	20,110,011	22,534,673	34,405,291	49,621,226	64,539,485	74,806,223	77,155,203	92,096,508	111,873,830
<b>Subtotal Business-Type</b>	<b>\$ 235,597,128</b>	<b>\$ 250,903,626</b>	<b>\$ 264,120,216</b>	<b>\$ 282,782,700</b>	<b>\$ 315,868,833</b>	<b>\$ 341,766,534</b>	<b>\$ 355,209,443</b>	<b>\$ 355,375,405</b>	<b>\$ 375,789,048</b>	<b>\$ 414,706,375</b>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 358,143,404	\$ 317,534,206	\$ 402,224,055	\$ 415,001,149	\$ 430,798,681	\$ 433,450,024	\$ 429,423,822	\$ 425,379,520	\$ 427,591,499	\$ 446,642,345
Restricted for:										
General governmental	-	-	5,126,074	5,082,273	6,152,465	7,348,790	4,347,814	4,943,888	4,439,836	4,743,686
Public works	-	-	10,594,183	9,400,296	7,039,999	6,793,145	7,130,129	5,463,739	5,314,372	6,263,273
Public safety	3,013,914	11,994,709	25,189,010	26,751,077	19,405,137	15,271,923	11,716,481	11,150,434	11,395,139	15,353,675
Health and human services	-	-	9,612,521	6,882,080	4,054,777	2,416,040	3,584,321	2,969,933	3,043,942	3,675,986
Planning and economic development	4,874,350	-	101,136	5,567	21,130	2,423	2,423	2,423	2,423	4,906
Culture and recreation	-	-	4,724,342	2,662,855	1,760,619	1,296,553	-	-	9,050	811,499
Capital projects	-	67,000,010	2,378,478	2,937,327	6,764,400	4,969,853	8,856,706	13,527,925	15,695,389	15,363,482
Debt service	283,994	2,826,554	369,583	1,200,751	1,589,392	1,523,187	1,820,629	1,157,440	1,263,814	1,799,722
Special revenue funds	43,702,643	42,334,109	-	-	-	-	-	-	-	-
Unrestricted	197,919,320	185,075,418	179,145,073	190,024,202	213,405,246	227,469,466	233,294,062	64,138,511	80,940,423	112,124,549
<b>TOTAL NET POSITION</b>	<b>\$ 607,937,625</b>	<b>\$ 626,765,006</b>	<b>\$ 639,464,455</b>	<b>\$ 659,947,577</b>	<b>\$ 690,991,846</b>	<b>\$ 700,541,404</b>	<b>\$ 700,176,387</b>	<b>\$ 528,733,813</b>	<b>\$ 549,695,887</b>	<b>\$ 606,783,123</b>

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\* Beginning in 2010, special revenue funds are being broken out by strategic type

**Johnson County, Kansas  
Changes in Net Position  
Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
General government	\$ 73,360,726	\$ 93,560,733	\$ 99,984,101	\$ 122,559,659	\$ 121,428,691	\$ 114,258,178	\$ 116,879,634	\$ 113,432,544	\$ 125,591,407	\$ 124,362,793
Public works	46,845,970	48,710,693	52,528,774	39,221,489	56,201,387	58,349,105	69,375,704	58,303,256	69,343,653	47,130,215
Public safety	127,137,837	114,483,555	110,382,044	115,821,699	115,395,790	122,156,637	124,049,242	127,595,752	130,377,660	158,535,702
Health and human services	82,910,854	79,429,418	85,547,641	82,352,302	79,336,842	74,828,392	74,954,082	77,734,970	80,203,721	81,991,518
Planning and economic development	23,110,110	8,408,644	6,072,658	5,259,908	4,101,588	2,959,390	3,286,580	3,342,605	3,226,227	3,229,970
Culture and recreation	23,033,442	23,843,135	22,453,775	22,416,562	21,970,790	22,480,903	23,393,457	24,005,758	29,467,494	30,141,206
Interest on long term debt	1,092,150	778,619	723,558	436,366	372,224	270,723	302,620	215,013	175,284	205,744
<b>Total governmental activities</b>	<b>\$ 377,491,089</b>	<b>\$ 369,214,797</b>	<b>\$ 377,692,551</b>	<b>\$ 388,067,985</b>	<b>\$ 398,807,312</b>	<b>\$ 395,303,328</b>	<b>\$ 412,241,319</b>	<b>\$ 404,629,898</b>	<b>\$ 438,385,446</b>	<b>\$ 445,597,148</b>
<b>Business Type activities:</b>										
Airport	\$ 5,131,328	\$ 4,497,689	\$ 4,792,927	\$ 5,342,515	\$ 4,596,542	\$ 8,407,385	\$ 7,648,184	\$ 12,635,912	\$ 7,929,284	\$ 10,859,591
Johnson County Wastewater	63,434,950	59,706,568	64,690,942	63,669,520	69,116,271	74,759,112	79,671,343	89,927,860	93,973,712	96,352,098
Transportation	9,289,931	11,157,705	11,649,001	12,982,583	10,319,311	11,138,713	10,959,940	9,027,298	10,226,048	8,653,737
Public Building Commission	7,804,136	10,328,527	12,130,514	17,977,394	17,469,243	17,211,634	18,165,278	21,436,647	17,470,365	18,947,578
<b>Total business type activities</b>	<b>\$ 85,660,345</b>	<b>\$ 85,690,489</b>	<b>\$ 93,263,384</b>	<b>\$ 99,972,012</b>	<b>\$ 101,501,367</b>	<b>\$ 111,516,844</b>	<b>\$ 116,444,745</b>	<b>\$ 133,027,717</b>	<b>\$ 129,599,409</b>	<b>\$ 134,813,004</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
<b>Charges for Service:</b>										
General government (1)	\$ 43,749,639	\$ 29,511,504	\$ 28,103,834	\$ 28,211,950	\$ 32,162,077	\$ 32,389,816	\$ 29,514,012	\$ 33,371,731	\$ 30,179,023	\$ 26,252,663
Public works	35,493	1,368,741	1,527,831	1,237,385	1,223,692	1,093,011	1,045,481	951,310	1,046,436	1,194,948
Public safety	9,072,340	14,945,006	23,061,294	28,714,044	32,136,708	32,487,644	34,854,521	32,948,929	33,046,321	15,823,452
Health and human services	25,372,061	30,552,098	31,627,358	35,872,222	32,662,181	29,240,742	27,485,922	27,571,637	30,372,871	30,372,871
Planning and economic development	1,202,539	1,334,779	2,367,635	1,677,059	1,664,603	1,903,238	2,696,097	2,292,267	1,935,677	1,844,863
Culture and recreation	-	344,776	118,330	1,090,644	1,043,562	995,316	1,081,877	685,543	694,510	863,458
Operating Grants and Contributions	47,057,433	42,591,472	48,716,178	44,051,060	43,176,763	40,523,780	40,289,209	41,223,381	41,987,803	44,107,182
Capital Grants and Contributions	203,989	229,118	239,342	600,946	1,090,021	612,612	1,439,262	2,972,374	563,533	2,003,024
<b>Total governmental activities</b>	<b>\$ 126,693,494</b>	<b>\$ 120,877,494</b>	<b>\$ 135,761,802</b>	<b>\$ 141,455,310</b>	<b>\$ 145,159,607</b>	<b>\$ 139,246,159</b>	<b>\$ 140,224,267</b>	<b>\$ 141,931,457</b>	<b>\$ 137,024,940</b>	<b>\$ 122,462,461</b>
<b>Business Type activities:</b>										
<b>Charges for Service:</b>										
Airport	\$ 5,028,692	\$ 4,656,102	\$ 5,045,869	\$ 5,682,595	\$ 5,116,115	\$ 5,118,087	\$ 5,566,742	\$ 6,026,109	\$ 6,421,683	\$ 6,648,005
Johnson County Wastewater	62,064,357	67,906,366	71,056,892	74,885,380	83,260,718	89,353,456	93,120,913	97,445,862	110,739,446	114,553,507
Transportation	1,406,919	1,585,667	1,892,307	1,476,295	1,627,122	1,702,946	1,940,973	1,432,946	-	-
Public Building Commission	10,084,842	10,536,073	16,187,904	20,296,904	28,202,227	21,504,528	20,104,213	19,603,837	25,975,592	39,449,962
Operating Grants and Contributions	2,278,863	5,294,890	7,059,043	10,870,046	5,508,995	824,557	4,789,411	2,095,768	3,168,276	2,559,297
Capital Grants and Contributions	26,531	3,568,112	2,272	2,042,248	9,062,916	18,364,851	1,900,898	7,507,114	3,084,798	5,283,959
<b>Total business type activities</b>	<b>\$ 80,890,204</b>	<b>\$ 93,547,210</b>	<b>\$ 101,244,287</b>	<b>\$ 115,253,468</b>	<b>\$ 132,778,093</b>	<b>\$ 136,868,425</b>	<b>\$ 127,423,150</b>	<b>\$ 134,111,636</b>	<b>\$ 149,389,795</b>	<b>\$ 168,494,730</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (248,604,941)	\$ (246,195,749)	\$ (239,544,711)	\$ (243,911,229)	\$ (250,917,669)	\$ (252,964,930)	\$ (268,555,747)	\$ (259,225,396)	\$ (297,712,055)	\$ (319,699,235)
Business Type Activities	(6,962,795)	5,715,167	5,594,865	12,580,010	28,546,690	22,259,342	7,517,100	(2,389,126)	16,141,935	30,246,274
<b>Total primary government net expense</b>	<b>\$ (255,567,736)</b>	<b>\$ (240,480,582)</b>	<b>\$ (233,949,846)</b>	<b>\$ (231,331,219)</b>	<b>\$ (222,370,979)</b>	<b>\$ (230,705,588)</b>	<b>\$ (261,038,647)</b>	<b>\$ (261,614,522)</b>	<b>\$ (281,570,120)</b>	<b>\$ (289,452,961)</b>
<b>General Revenues:</b>										
<b>Governmental Activities:</b>										
Property Taxes	\$ 184,292,683	\$ 184,944,586	\$ 178,332,637	\$ 171,345,442	\$ 172,891,220	\$ 172,360,822	\$ 174,290,627	\$ 183,662,657	\$ 217,668,398	\$ 232,081,211
Sales Taxes	63,684,470	58,948,208	52,415,824	63,692,635	64,721,509	67,223,139	70,202,538	71,633,771	75,600,644	93,904,750
Other Taxes	1,639,876	1,472,563	1,329,971	1,192,532	3,748,232	4,545,476	4,543,089	4,648,964	5,095,421	5,208,009
Unrestricted Investment Earnings	19,525,362	6,646,003	4,186,559	5,943,838	2,428,183	768,252	3,123,281	2,102,754	3,320,270	4,273,258
Miscellaneous	6,235,870	6,618,995	7,467,421	7,886,283	9,453,724	7,631,502	7,105,196	7,038,072	6,284,302	7,882,037
Transfers	(5,268,404)	(8,913,723)	(4,704,842)	(4,328,863)	(4,367,063)	(4,965,701)	(4,516,910)	(7,868,012)	(4,497,929)	(5,480,121)
<b>Total governmental activities</b>	<b>\$ 270,109,857</b>	<b>\$ 249,716,632</b>	<b>\$ 239,027,570</b>	<b>\$ 245,731,867</b>	<b>\$ 248,875,805</b>	<b>\$ 247,563,490</b>	<b>\$ 254,747,821</b>	<b>\$ 261,218,206</b>	<b>\$ 303,471,106</b>	<b>\$ 337,869,144</b>
<b>Business Type activities:</b>										
Property Taxes	\$ 3,949	\$ 4,192	\$ 2,189	\$ -	\$ 1,562	\$ 2,435	\$ 28	\$ 668	\$ 583	\$ -
Other Taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	3,811,399	(546,508)	153,471	1,753,568	170,818	(568,562)	1,046,645	435,744	1,078,579	3,190,932
Miscellaneous	102,266	1,219,923	2,761,223	43	-	362,226	-	-	-	-
Transfers	5,268,404	8,913,723	4,704,842	4,328,863	4,367,063	4,965,701	4,516,910	7,868,012	4,497,929	5,480,121
<b>Total business type activities</b>	<b>\$ 9,186,018</b>	<b>\$ 9,591,330</b>	<b>\$ 7,621,725</b>	<b>\$ 6,082,474</b>	<b>\$ 4,539,443</b>	<b>\$ 4,399,574</b>	<b>\$ 5,925,809</b>	<b>\$ 8,304,424</b>	<b>\$ 5,577,091</b>	<b>\$ 8,671,053</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 21,504,916	\$ 3,520,883	\$ (517,141)	\$ 1,820,638	\$ (2,041,864)	\$ (13,807,926)	\$ (13,807,926)	\$ 1,992,810	\$ 5,759,051	\$ 18,169,909
Business Type Activities	2,223,223	15,306,497	13,216,590	18,662,484	33,086,133	13,442,909	13,442,909	5,915,298	21,719,026	38,917,327
<b>Total Primary Government</b>	<b>\$ 23,728,139</b>	<b>\$ 18,827,380</b>	<b>\$ 12,699,449</b>	<b>\$ 20,483,122</b>	<b>\$ 31,044,269</b>	<b>\$ (365,017)</b>	<b>\$ (365,017)</b>	<b>\$ 7,908,108</b>	<b>\$ 27,478,077</b>	<b>\$ 57,087,236</b>

(1) Indirect cost allocations are recorded in each government and business activity type, but all corresponding charge for service revenue is recorded in the general fund. The revenue is now being allocated across the activity types to present a clearer comparison of charges for services revenue to expenses by each activity.

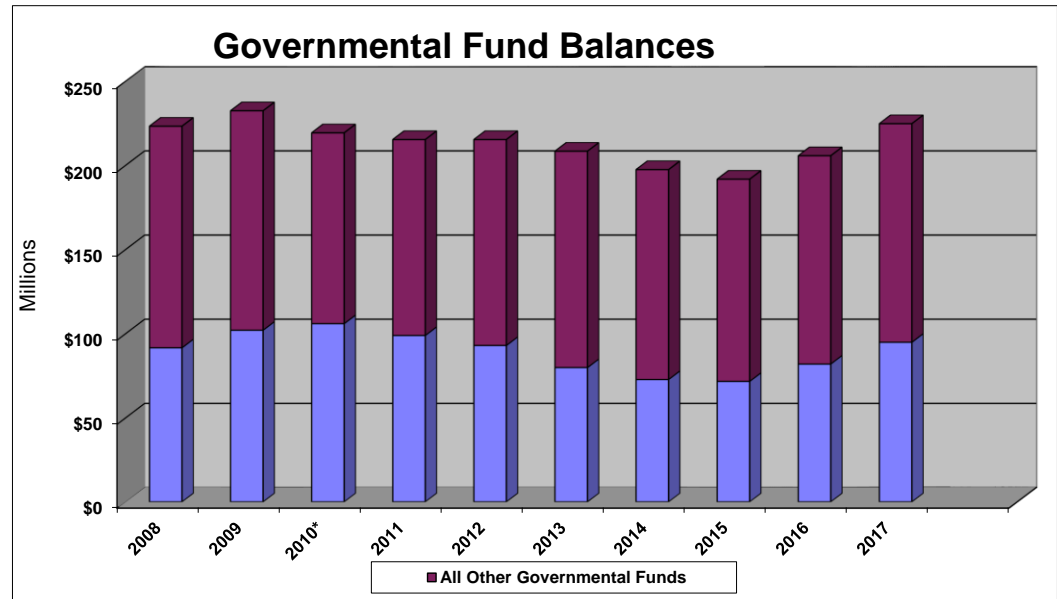
**Johnson County, Kansas**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2010*</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>GENERAL FUND</b>								
<b>Nonspendable</b>	\$ 2,463,177	\$ 1,224,989	\$ 817,083	\$ 1,004,755	\$ 1,114,515	\$ 1,020,908	\$ 1,328,124	\$ 1,349,915
<b>Restricted</b>	21,173,651	21,462,100	12,954,887	7,840,276	4,610,826	3,791,768	3,464,810	8,392,120
<b>Committed</b>	4,446,010	3,236,851	3,596,762	4,993,477	4,123,040	3,555,804	10,105,049	4,859,001
<b>Assigned</b>	1,963,891	1,705,179	3,311,732	3,501,120	2,728,789	3,356,758	3,816,143	4,325,488
<b>Unassigned</b>	76,093,418	71,491,545	72,506,285	62,712,425	60,385,885	60,132,601	63,447,847	76,166,316
<b>Total General Fund</b>	<u>\$ 106,140,147</u>	<u>\$ 99,120,664</u>	<u>\$ 93,186,749</u>	<u>\$ 80,052,053</u>	<u>\$ 72,963,055</u>	<u>\$ 71,857,839</u>	<u>\$ 82,161,973</u>	<u>\$ 95,092,840</u>

<b>ALL OTHER GOVERNMENTAL FUNDS</b>								
<b>Nonspendable</b>	\$ 1,032,602	\$ 970,533	\$ 794,546	\$ 695,317	\$ 735,655	\$ 841,529	\$ 1,156,696	\$ 1,416,647
<b>Restricted</b>	34,901,981	30,522,799	28,595,343	27,047,582	24,010,215	21,896,089	22,003,766	24,260,627
<b>Committed</b>	77,421,969	81,713,737	85,403,416	91,006,567	88,343,166	84,697,630	86,621,594	87,945,975
<b>Assigned</b>	-	3,168,703	7,520,934	9,774,934	11,574,966	12,653,881	13,942,936	16,213,143
<b>Total All Other Governmental Funds</b>	<u>\$ 113,356,552</u>	<u>\$ 116,375,772</u>	<u>\$ 122,314,239</u>	<u>\$ 128,524,400</u>	<u>\$ 124,664,002</u>	<u>\$ 120,089,129</u>	<u>\$ 123,724,992</u>	<u>\$ 129,836,392</u>

	<u>2008</u>	<u>2009</u>
<b>GENERAL FUND</b>		
<b>Reserved</b>	\$ 10,196,363	\$ 13,684,568
<b>Unreserved, reported in:</b>		
<b>Designated for working capital</b>	15,781,297	16,145,687
<b>Designated for restricted agencies</b>	3,075,830	3,232,815
<b>General fund</b>	62,745,436	69,190,584
<b>Total General Fund</b>	<u>\$ 91,798,926</u>	<u>\$ 102,253,654</u>

<b>ALL OTHER GOVERNMENTAL FUNDS</b>		
<b>Reserved</b>	\$ 30,909,707	\$ 29,981,344
<b>Unreserved, reported in:</b>		
<b>Designated for working capital</b>	-	-
<b>Debt service fund</b>	541,116	569,038
<b>Capital projects fund</b>	61,966,839	58,256,420
<b>Special revenue funds</b>	38,199,483	41,532,252
<b>Total All Other Governmental Funds</b>	<u>\$ 131,617,145</u>	<u>\$ 130,339,054</u>



\* In 2010, the County early implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to the past categories of reserved and unreserved.

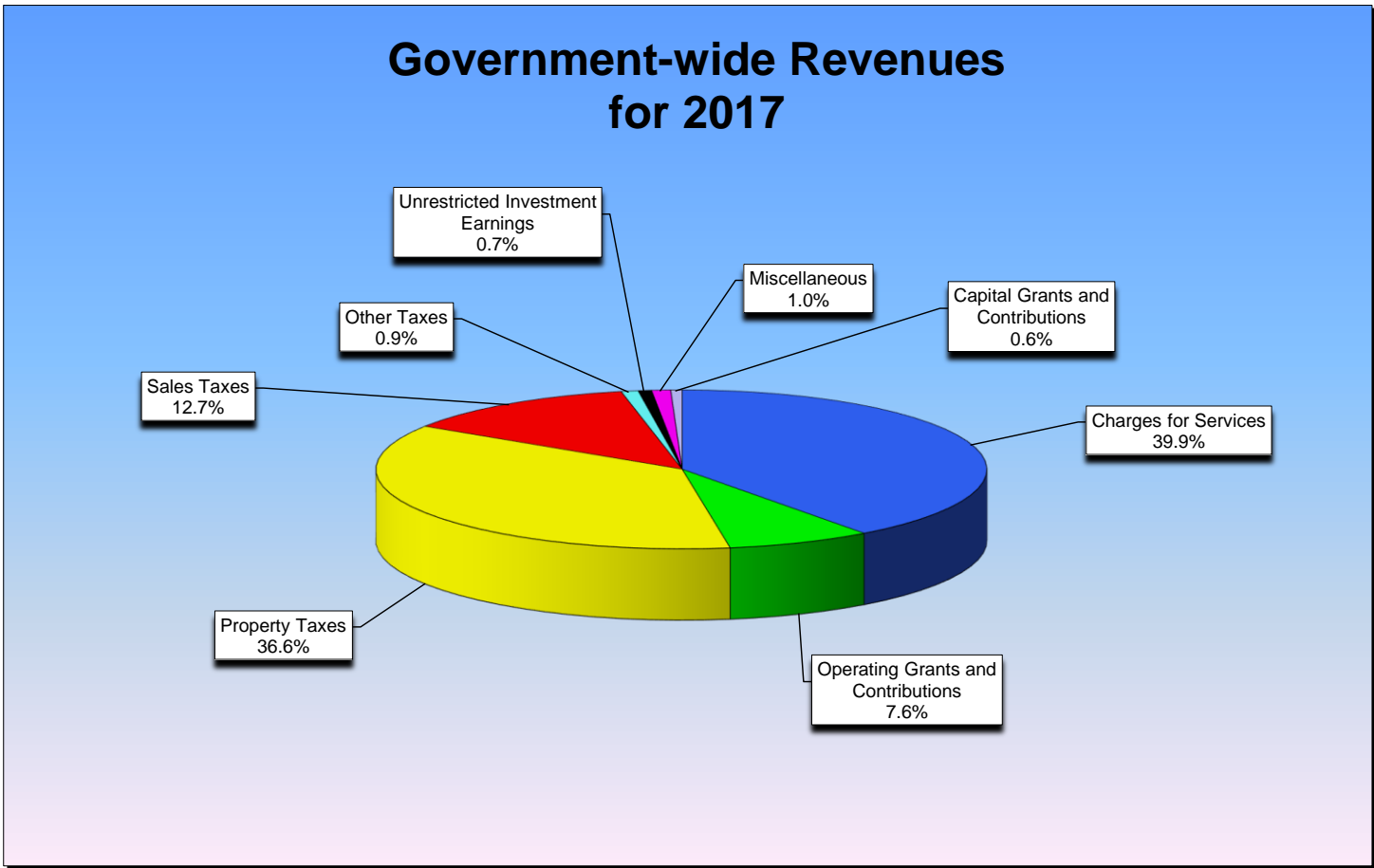
**Johnson County, Kansas**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>REVENUES</b>										
Taxes	\$ 249,614,892	\$ 245,361,507	\$ 232,076,115	\$ 236,230,452	\$ 241,358,517	\$ 244,124,149	\$ 249,036,097	\$ 259,943,281	\$ 298,361,502	\$ 331,193,970
Intergovernmental	47,261,422	42,820,590	48,955,520	44,652,006	44,266,784	41,136,392	41,728,471	44,195,755	42,551,336	46,110,166
Charges for services	83,487,583	83,497,182	87,280,513	93,621,834	98,504,989	95,588,456	93,225,985	99,200,822	97,885,371	72,557,213
Interest	17,804,744	5,566,291	3,659,272	5,695,019	2,241,411	618,540	2,976,469	1,986,397	3,171,259	4,105,076
Licenses and permits	2,682,432	3,377,189	3,328,991	3,531,425	3,738,162	3,641,075	4,382,202	3,482,943	3,188,959	3,261,063
Other	6,235,870	6,618,994	7,467,421	7,890,883	9,453,724	7,403,655	6,800,810	6,963,072	6,284,386	6,930,041
<b>Total Revenues</b>	<b>407,086,943</b>	<b>387,241,753</b>	<b>382,767,832</b>	<b>391,621,619</b>	<b>399,563,587</b>	<b>392,512,267</b>	<b>398,150,034</b>	<b>415,772,270</b>	<b>451,442,813</b>	<b>464,157,529</b>
<b>EXPENDITURES</b>										
General government	70,963,960	70,303,864	74,921,935	79,796,363	84,833,341	80,381,873	81,536,188	89,463,079	89,478,193	86,314,622
Public works and transportation	10,580,267	10,478,111	10,517,997	10,868,720	10,805,967	9,825,923	9,787,705	38,775,323	10,782,757	10,463,120
Public safety	123,645,258	123,687,441	120,275,025	127,796,327	132,428,058	138,140,037	141,389,861	145,286,759	148,690,172	150,723,737
Health and human services	81,311,709	84,889,660	89,524,748	90,701,089	87,549,917	82,607,589	81,982,659	85,508,099	87,035,968	89,356,693
Planning and economic development	23,070,417	8,754,799	6,468,876	5,841,549	4,494,903	3,399,206	3,781,086	3,840,415	3,763,101	3,219,027
Culture and recreation	22,041,905	22,977,249	21,669,234	21,842,621	21,029,626	21,506,221	22,586,055	23,232,048	28,676,365	28,952,647
Capital outlay	55,275,777	52,759,720	54,114,294	50,381,621	54,858,711	55,188,201	61,430,930	25,579,954	64,706,998	68,598,914
Debt service:										
Principal	9,392,084	3,850,366	10,996,448	3,571,825	3,360,000	1,715,000	1,251,119	4,535,000	935,927	1,111,665
Interest	1,236,641	834,222	779,216	492,904	383,045	297,520	300,793	247,317	163,406	200,025
<b>Total Expenditures</b>	<b>397,518,018</b>	<b>378,535,432</b>	<b>389,267,773</b>	<b>391,293,019</b>	<b>399,743,568</b>	<b>393,061,570</b>	<b>404,046,396</b>	<b>416,467,994</b>	<b>434,232,887</b>	<b>438,940,450</b>
<b>Excess of revenues over (under) expenditures</b>	<b>9,568,925</b>	<b>8,706,321</b>	<b>(6,499,941)</b>	<b>328,600</b>	<b>(179,981)</b>	<b>(549,303)</b>	<b>(5,896,362)</b>	<b>(695,724)</b>	<b>17,209,926</b>	<b>25,217,079</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	49,140,806	41,725,689	34,260,872	37,209,862	38,286,670	42,610,289	46,878,473	40,073,752	48,493,279	50,015,201
Transfers out	(54,409,210)	(50,639,412)	(38,965,714)	(41,538,725)	(42,550,605)	(48,985,521)	(52,039,373)	(45,058,117)	(53,794,999)	(57,333,814)
Proceeds from capital lease	-	-	-	-	3,650,000	-	107,866	-	-	-
General obligation	-	-	-	-	-	-	-	-	2,028,232	975,000
Refunding bonds issued	1,410,000	2,361,886	5,414,939	-	730,000	-	-	-	-	-
Special obligation bonds issued	-	-	740,000	-	-	-	-	-	-	-
Premium on bonds issued	12,586	169,505	84,574	-	68,468	-	-	-	3,559	168,801
<b>Total other financing sources and uses</b>	<b>(3,845,818)</b>	<b>(6,382,332)</b>	<b>1,534,671</b>	<b>(4,328,863)</b>	<b>184,533</b>	<b>(6,375,232)</b>	<b>(5,053,034)</b>	<b>(4,984,365)</b>	<b>(3,269,929)</b>	<b>(6,174,812)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 5,723,107</b>	<b>\$ 2,323,989</b>	<b>\$ (4,965,270)</b>	<b>\$ (4,000,263)</b>	<b>\$ 4,552</b>	<b>\$ (6,924,535)</b>	<b>\$ (10,949,396)</b>	<b>\$ (5,680,089)</b>	<b>\$ 13,939,997</b>	<b>\$ 19,042,267</b>
<b>Debt service as a percentage of noncapital expenditures</b>	2.84%	1.30%	3.14%	1.07%	0.97%	0.52%	0.39%	1.18%	0.26%	0.32%



**Johnson County, Kansas  
Government-wide Revenues  
Last Ten Fiscal Years**

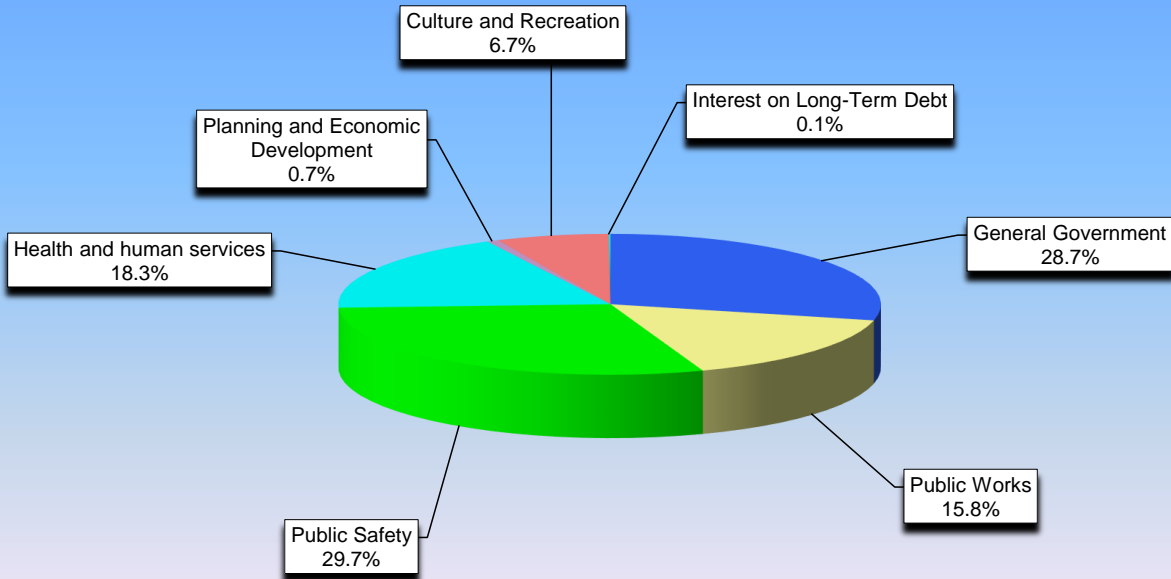
Fiscal Year	Program Revenues			General Revenues						Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Sales Taxes	Other Taxes	Unrestricted Investment Earnings	Miscellaneous		
2017	\$ 237,003,729	\$ 46,666,479	\$ 7,286,983	\$ 232,081,211	\$ 93,904,750	\$ 5,208,009	\$ 7,464,190	\$ 7,882,037	\$ 637,497,388	
2016	237,610,325	45,156,079	3,648,331	217,668,981	75,600,644	5,095,421	4,398,849	6,284,302	595,462,932	
2015	222,244,456	43,319,149	10,479,488	183,663,325	71,633,771	4,648,964	2,538,498	7,038,072	545,565,723	
2014	219,228,637	45,078,620	3,340,160	174,290,655	70,202,538	4,543,089	4,169,926	7,467,422	528,321,047	
2013	215,788,784	41,348,337	18,977,463	172,363,257	67,223,139	4,545,476	199,690	7,631,502	528,077,648	
2012	219,099,005	48,685,758	10,152,937	172,892,782	64,721,509	3,748,232	2,599,001	9,453,724	531,352,948	
2011	199,144,478	54,921,106	2,643,194	171,345,442	63,692,635	1,192,532	7,697,406	7,886,326	508,523,119	
2010	180,989,254	55,775,221	241,614	178,334,826	52,415,824	1,329,971	4,340,030	10,228,644	483,655,384	
2009	162,741,112	47,886,362	3,797,230	184,948,778	58,948,208	1,472,563	6,099,495	7,838,918	473,732,666	
2008	158,016,882	49,336,296	230,520	184,296,632	63,684,470	1,639,876	23,336,761	6,338,136	486,879,573	



**Johnson County, Kansas**  
**Government-wide Expenses by Function**  
**Last Ten Fiscal Years**

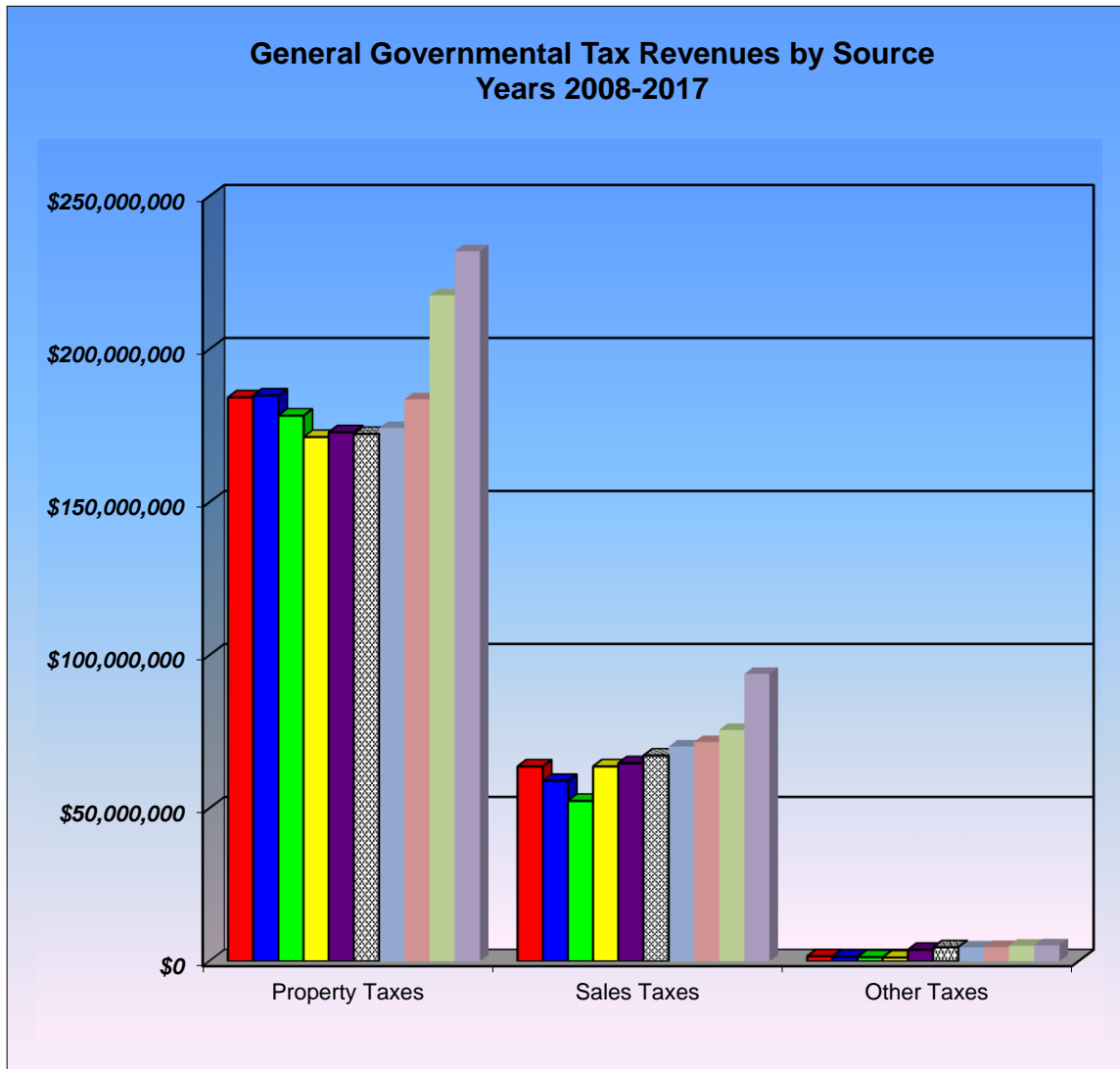
Fiscal Year	General Government	Public Works	Public Safety	Health and Human Services	Planning and Economic Development	Culture and Recreation	Interest on Long-Term Debt	Total
2016	\$ 124,362,793	\$ 47,130,215	\$ 158,535,702	\$ 81,991,518	\$ 3,229,970	\$ 30,141,206	\$ 205,744	\$ 445,597,148
2015	125,591,407	69,343,653	130,377,660	80,203,721	3,226,227	29,467,494	175,284	438,385,446
2014	113,432,544	58,303,256	127,595,752	77,734,970	3,342,605	24,005,758	215,013	404,629,898
2013	116,879,634	69,375,704	124,049,242	74,954,082	3,286,580	23,393,457	302,620	412,241,319
2012	114,258,178	58,349,105	122,156,637	74,828,392	2,959,390	22,480,903	270,723	395,303,328
2011	121,428,691	56,201,387	115,395,790	79,336,842	4,101,588	21,970,790	372,224	398,807,312
2010	122,559,659	39,221,489	115,821,699	82,352,302	5,259,908	22,416,562	436,366	388,067,985
2009	99,984,101	52,528,774	110,382,044	85,547,641	6,072,658	22,453,775	723,558	377,692,551
2008	93,560,733	48,710,693	114,483,555	79,429,418	8,408,644	23,843,135	778,619	369,214,797
2007	73,360,726	46,845,970	127,137,837	82,910,854	23,110,110	23,033,442	1,092,150	377,491,089

**Government-wide Expenses  
by Functions for 2017**



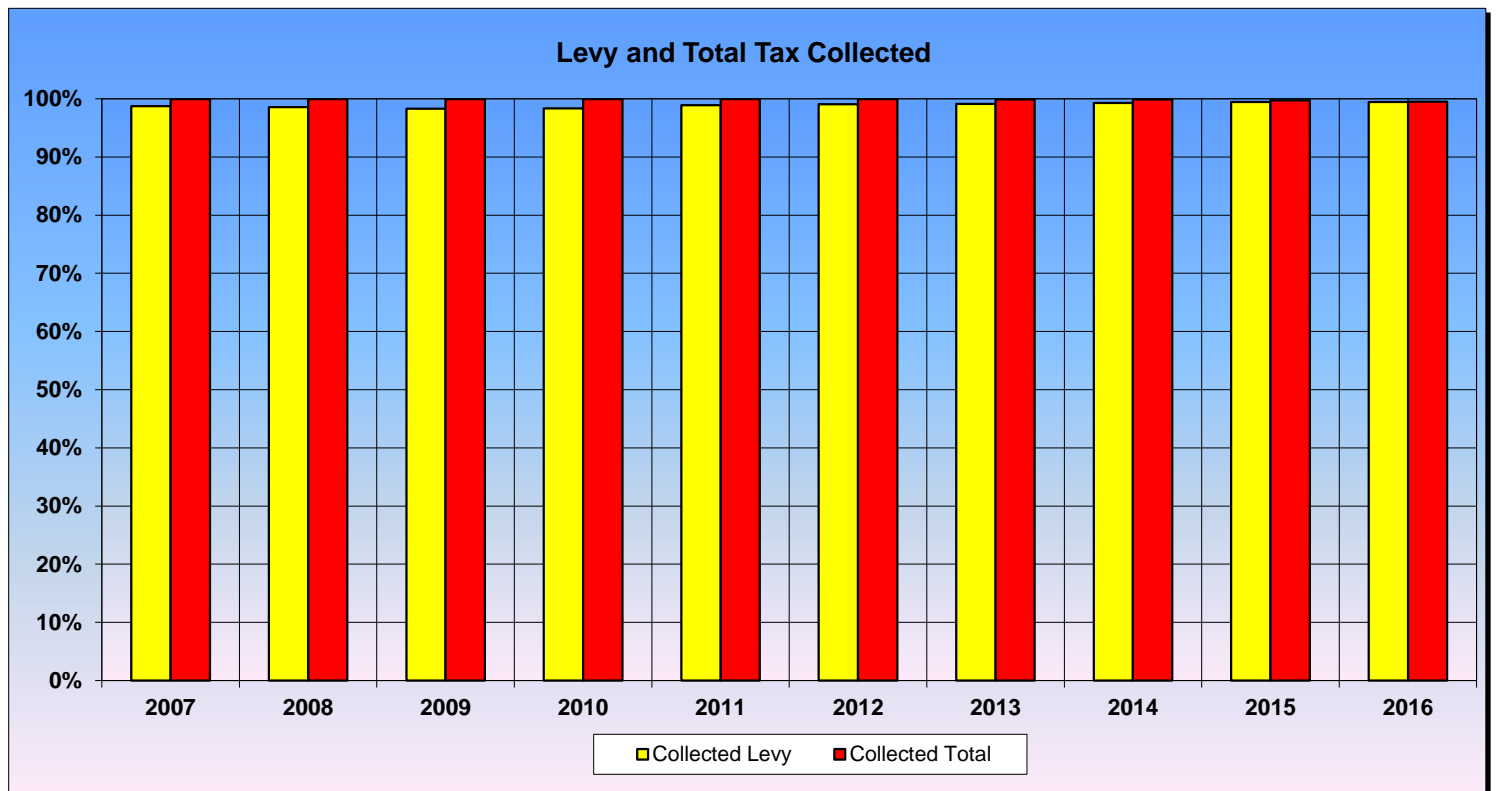
**Johnson County, Kansas**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2017	\$ 232,081,211	\$ 93,904,750	\$ 5,208,009	\$ 331,193,970
2016	217,668,981	75,600,644	5,095,421	298,365,046
2015	183,663,325	71,633,771	4,648,964	259,946,060
2014	174,290,655	70,202,538	4,543,089	249,036,282
2013	172,363,257	67,223,139	4,545,476	244,131,872
2012	172,891,220	64,721,509	3,748,232	241,360,961
2011	171,345,442	63,692,635	1,192,532	236,230,609
2010	178,334,826	52,415,824	1,329,971	232,080,621
2009	184,948,778	58,948,208	1,472,563	245,369,549
2008	184,296,632	63,684,470	1,639,876	249,620,978



**Johnson County, Kansas  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

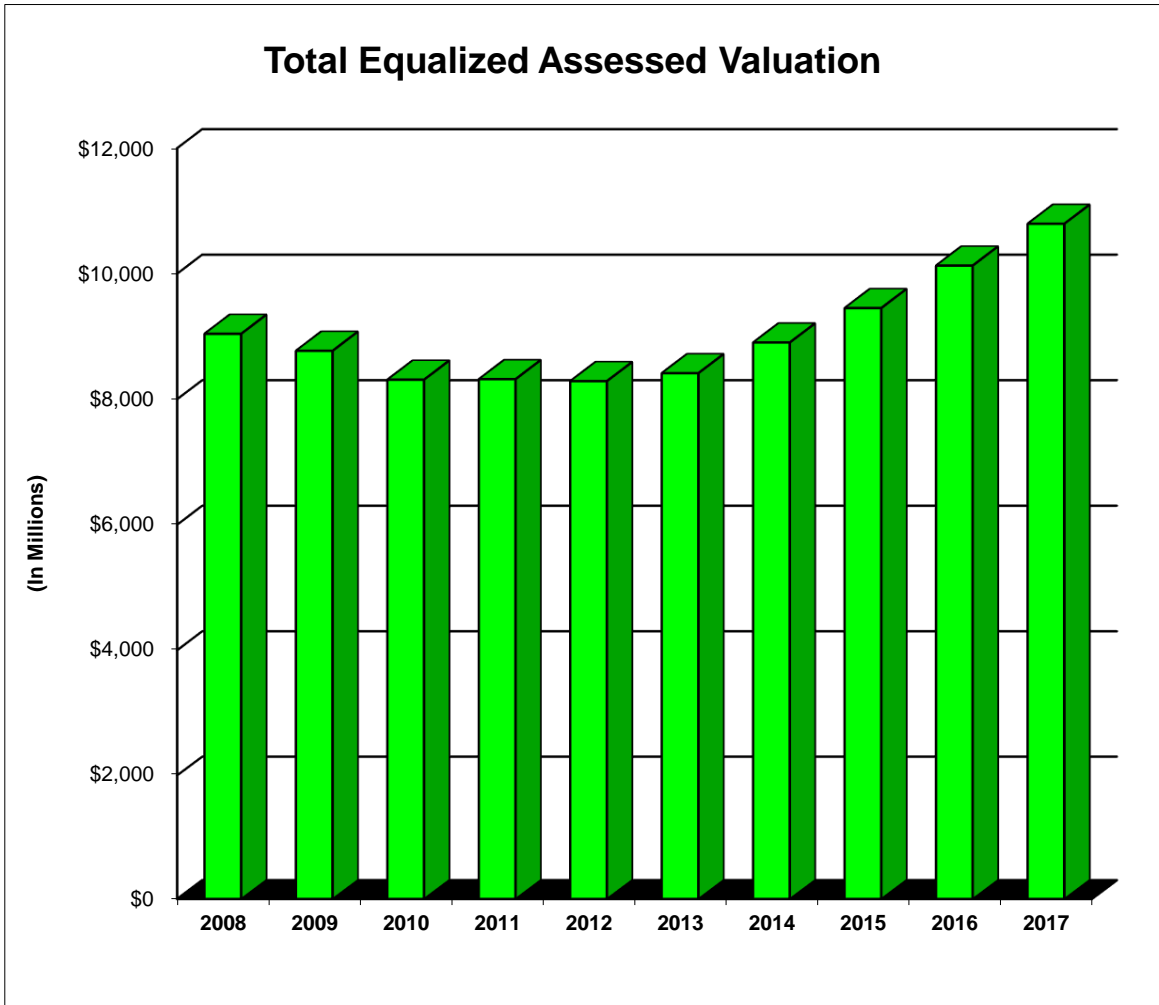
Levy Year (1)	Net Adjusted Tax Roll (2)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collected	Outstanding Delinquent Taxes (3)	Delinquent Taxes to Net Adj. Tax
2016	\$ 207,617,559	\$ 206,471,779	99.45%	\$ 81,053	\$ 206,552,831	99.49%	\$ 2,276,258.90	1.10%
2015	193,777,554	192,702,540	99.45%	595,434	193,297,974	99.75%	1,211,531	0.63%
2014	162,711,129	161,523,261	99.27%	994,629	162,517,889	99.88%	731,951	0.45%
2013	154,533,291	153,184,349	99.13%	1,218,883	154,403,232	99.92%	538,712	0.35%
2012	152,289,988	150,921,324	99.10%	1,264,987	152,186,311	99.93%	408,653	0.27%
2011	152,227,455	150,587,044	98.92%	1,570,457	152,157,501	99.95%	304,977	0.20%
2010	153,265,916	150,745,216	98.36%	2,463,692	153,208,907	99.96%	235,022	0.15%
2009	161,017,048	158,295,398	98.31%	2,653,516	160,948,914	99.96%	178,014	0.11%
2008	165,851,881	163,529,885	98.60%	2,258,469	165,788,354	99.96%	109,879	0.07%
2007	165,696,404	163,624,647	98.75%	2,025,405	165,650,052	99.97%	46,352	0.03%



- (1) Taxes levied in 2017 are due December 20, 2017 but may be paid 50% by December 20, 2017 and 50% by May 10, 2018.
- (2) Net Adjusted Tax Roll is the County Clerk's Abstract of Taxes plus new taxes less abated taxes.
- (3) K.S.A. 79-2401 et. seq. provides for the sale of property on which delinquent taxes are owed after three years of certified delinquency (approximately four years).

**Johnson County, Kansas**  
**Assessed and Estimated Actual Value of Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property Assessed Value(1)</b>	<b>Personal Property Assessed Value(1)</b>	<b>Utilities Assessed Value(1)</b>	<b>Total Assessed Value</b>
2017	\$ 9,517,381,583	\$ 104,554,778	\$ 236,537,036	\$ 9,858,473,397
2016	8,890,885,708	105,767,510	233,227,090	9,229,880,308
2015	8,252,498,338	114,802,168	229,292,984	8,596,593,490
2014	7,728,159,721	135,950,467	220,180,418	8,084,290,606
2013	7,250,086,767	164,131,506	216,759,897	7,630,978,170
2012	7,122,134,472	186,979,120	211,389,795	7,520,503,387
2011	7,126,890,386	213,473,539	211,621,640	7,551,985,565
2010	7,076,189,727	239,657,283	219,870,931	7,535,717,941
2009	7,434,948,723	311,426,499	223,153,015	7,969,528,237
2008	7,613,700,757	385,599,146	232,006,803	8,231,306,706

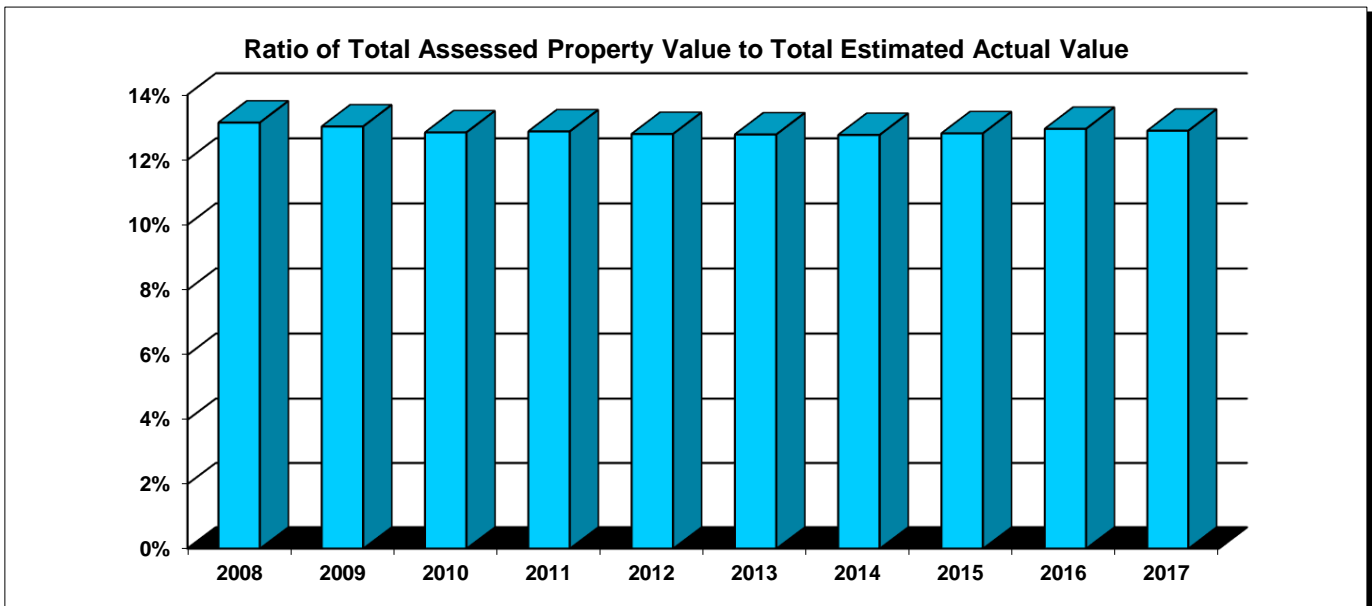


(1) Source: 2017 Annual Abstract of Taxes, County Clerk

**Johnson County, Kansas**  
**Assessed and Estimated Actual Value of Property**  
**Last Ten Fiscal Years**

Motor Vehicle Assessed Value(1)	Recreational Vehicle Assessed Value(1)	Total Equalized Assessed Valuation	Total Direct Tax Rate(2)	Year
\$ 933,587,337	\$ 3,400,024	\$ 10,795,460,758	23.239	2017
896,326,571	3,245,520	10,129,452,399	23.505	2016
852,835,812	3,058,590	9,452,487,892	23.494	2015
816,754,012	2,923,997	8,903,968,615	20.921	2014
781,331,046	2,521,731	8,414,830,947	20.900	2013
764,636,016	3,374,534	8,288,513,937	20.866	2012
763,748,689	3,504,557	8,319,238,811	20.845	2011
772,108,497	3,591,197	8,311,417,635	20.906	2010
798,765,258	3,590,529	8,771,884,024	20.867	2009
807,538,885	3,602,032	9,042,447,623	20.824	2008

Real Property Estimated Actual Value(3)	Personal Property Estimated Actual Value(3)	Utilities Estimated Actual Value(4)	Total Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Year
\$ 75,121,151,114	\$ 503,191,914	\$ 840,077,359	\$ 76,464,420,387	12.89%	2017
69,909,536,090	509,107,654	840,314,659	71,258,958,403	12.95%	2016
65,709,994,902	548,432,543	832,967,679	67,091,395,124	12.81%	2015
61,912,043,960	638,703,743	787,753,918	63,338,501,621	12.76%	2014
58,332,098,612	645,583,924	737,065,168	59,714,747,704	12.78%	2013
57,324,971,665	735,451,205	723,684,270	58,784,107,140	12.79%	2012
57,109,177,160	839,662,587	718,991,074	58,667,830,821	12.87%	2011
56,908,094,900	1,034,822,458	737,478,271	58,680,395,629	12.84%	2010
59,225,822,459	1,224,944,229	735,234,622	61,186,001,310	13.03%	2009
60,348,778,630	1,516,689,974	758,755,318	62,624,223,922	13.14%	2008



(1) Source: 2017 Annual Abstract of Taxes, County Clerk

(2) Total Direct Tax Rate is a combination of County and County Library levy rate.

(3) Source: County Appraiser

(4) Source: County Records and Tax Administration Office

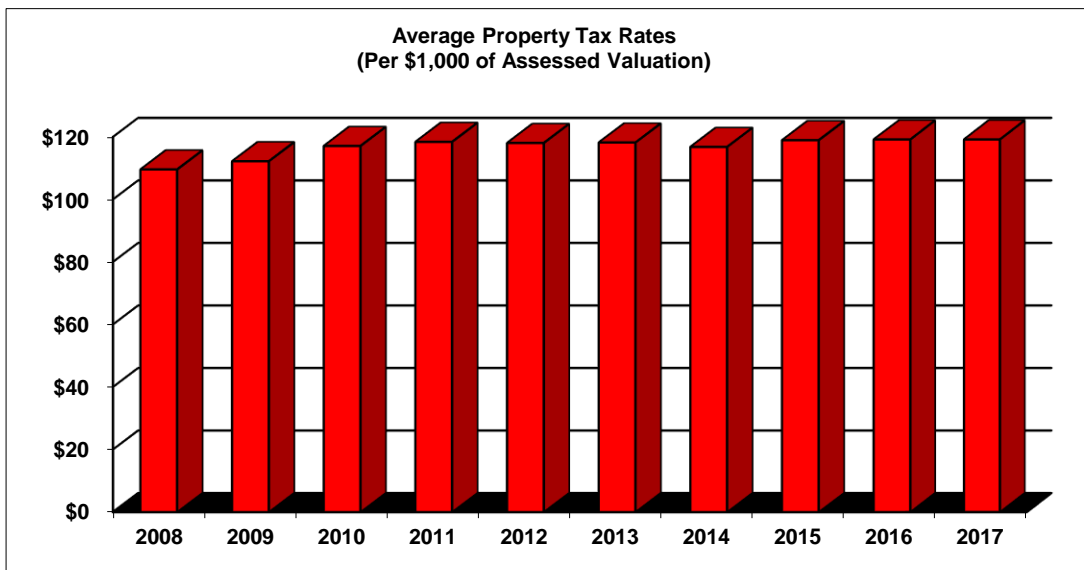
**Johnson County, Kansas**  
**Direct and Overlapping Property Tax Rates and Levies**  
**Last Ten Fiscal Years**

**TAX RATES\*** Per \$1,000 of Assessed Valuation

Year	County	County Library	Total Direct Rate	State
2017	19.318	3.921	23.239	1.500
2016	19.590	3.915	23.505	1.500
2015	19.582	3.912	23.494	1.500
2014	17.764	3.157	20.921	1.500
2013	17.745	3.155	20.900	1.500
2012	17.717	3.149	20.866	1.500
2011	17.700	3.145	20.845	1.500
2010	17.748	3.158	20.906	1.500
2009	17.716	3.151	20.867	1.500
2008	17.767	3.057	20.824	1.500

**TAX LEVIES\***

Year	County	County Library	State
2017	\$ 190,449,909	\$ 31,807,887	\$ 14,787,955
2016	180,811,779	29,890,525	13,846,563
2015	168,338,487	27,898,118	12,895,065
2014	143,586,679	21,227,920	12,124,706
2013	135,411,662	20,029,259	11,446,647
2012	133,240,925	19,745,810	11,280,755
2011	133,670,303	19,764,012	11,327,978
2010	133,744,112	19,811,187	11,303,577
2009	141,189,740	20,894,100	11,954,292
2008	146,245,832	20,959,107	12,346,960



\* Excludes special assessments.

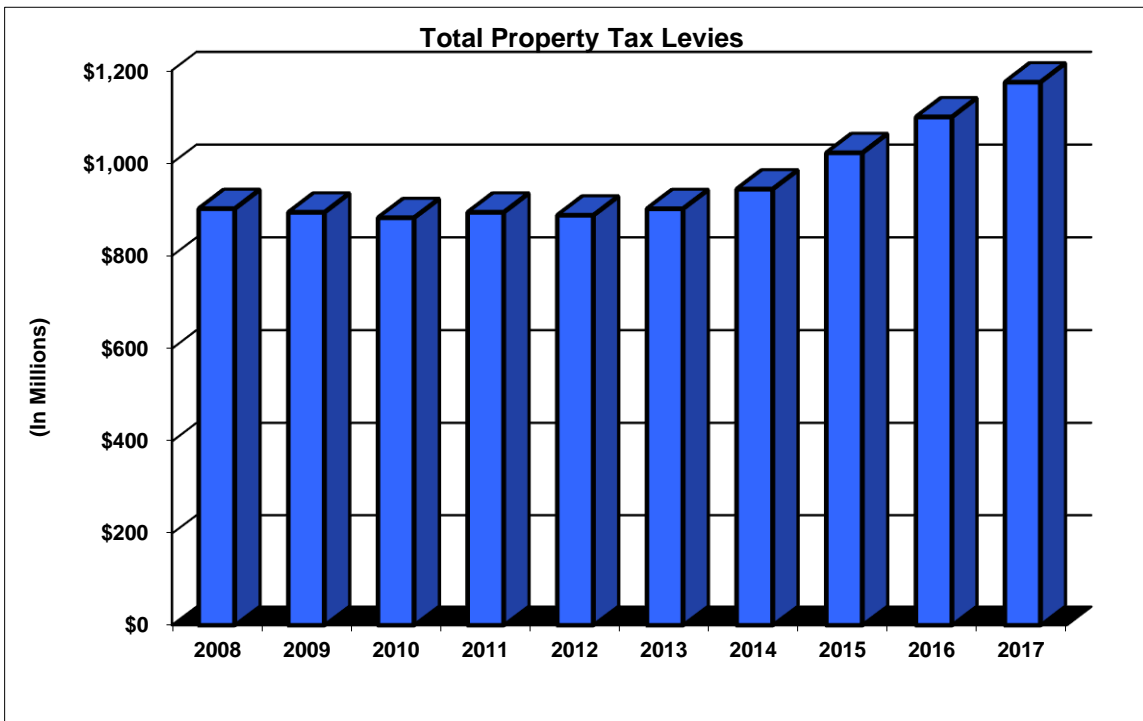
(1) Special Districts include Cemeteries, Drainage and Fire.

(2) Grand Total (Weighted Average) is calculated by dividing grand total levy dollars by total assessed value for real, personal and utility property and multiplying the result by 1000 to convert to whole dollars.

**Johnson County, Kansas**  
**Direct and Overlapping Property Tax Rates and Levies**  
**Last Ten Fiscal Years**

Cities Weighted Average	Townships Weighted Average	Schools Weighted Average	Special Districts Weighted Average (1)	Grand Total Weighted Average (2)	Year
21.307	0.117	71.553	3.673	119.164	2017
21.438	0.192	71.131	3.661	119.152	2016
21.025	0.203	71.566	3.453	118.936	2015
20.870	0.227	72.084	3.376	116.783	2014
20.746	0.232	73.645	3.405	118.179	2013
20.623	0.198	73.736	3.308	118.044	2012
20.660	0.147	74.132	3.314	118.400	2011
18.898	0.149	74.716	2.998	117.085	2010
18.645	0.152	70.363	2.765	112.190	2009
18.580	0.152	67.899	2.748	109.579	2008

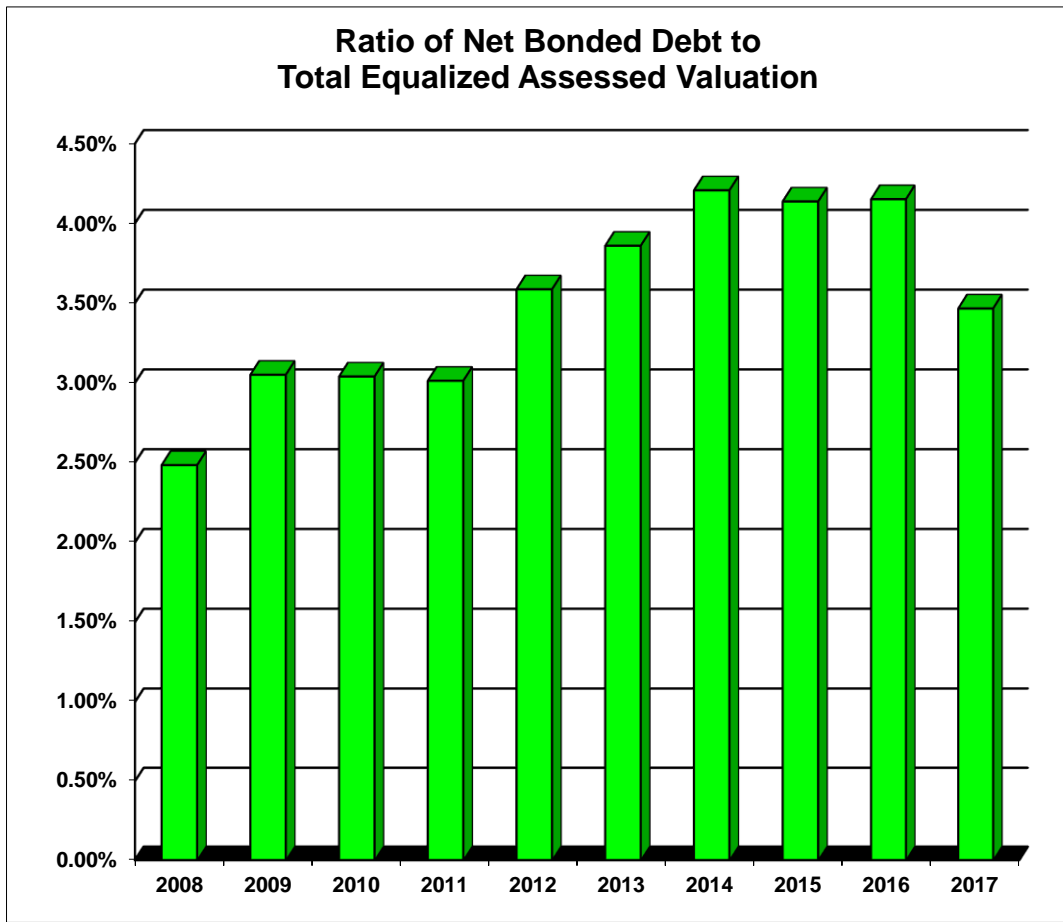
Cities Total	Townships Total	Schools Total	Special Districts Total (1)	Grand Total	Year
\$ 204,054,792	\$ 52,476	\$ 705,401,755	\$ 28,220,710	\$ 1,174,775,484	2017
192,353,571	78,809	656,526,732	26,250,711	1,099,758,689	2016
175,480,405	81,182	615,222,401	22,531,107	1,022,446,764	2015
163,697,414	86,793	582,747,589	20,638,217	944,109,318	2014
153,475,609	81,958	561,982,632	19,394,867	901,822,634	2013
150,460,843	68,005	554,525,615	18,424,598	887,746,551	2012
151,233,494	50,332	559,842,295	18,263,958	894,152,372	2011
137,949,627	51,732	563,036,197	16,422,068	882,318,500	2010
143,708,795	55,054	560,760,410	15,537,928	894,100,319	2009
147,788,587	57,648	558,896,054	15,688,068	901,982,256	2008





*Johnson County, Kansas*  
**Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years**

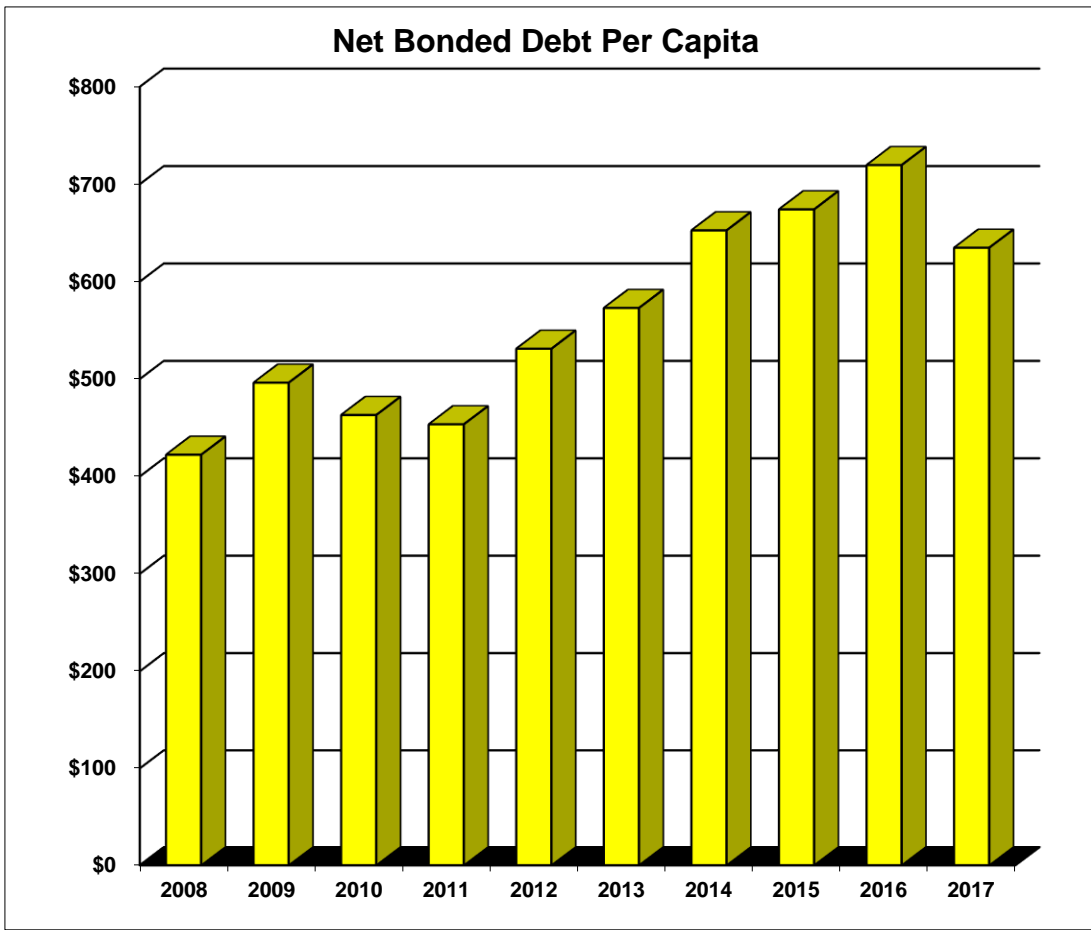
<b>Year</b>	<b>Population (1)</b>	<b>Equalized Assessed Valuation</b>	<b>Bonded Debt</b>	<b>Amount Set Aside for Repayment of G.O. Debt</b>
2017	589,609	\$ 10,795,460,758	\$ 376,070,318	\$ 1,799,722
2016	584,451	10,129,452,399	421,846,300	1,263,814
2015	580,159	9,452,487,892	392,931,781	1,820,629
2014	574,096	8,903,968,615	376,177,640	1,523,187
2013	566,933	8,414,830,947	326,413,456	1,589,392
2012	559,836	8,288,513,937	298,517,717	1,200,751
2011	552,874	8,319,238,811	252,184,547	1,452,174
2010	545,696	8,311,417,635	255,538,880	2,826,554
2009	539,396	8,771,884,024	267,957,829	283,994
2008	532,175	9,042,447,623	229,550,443	4,822,736



(1) See Demographic Statistics, later in this section.

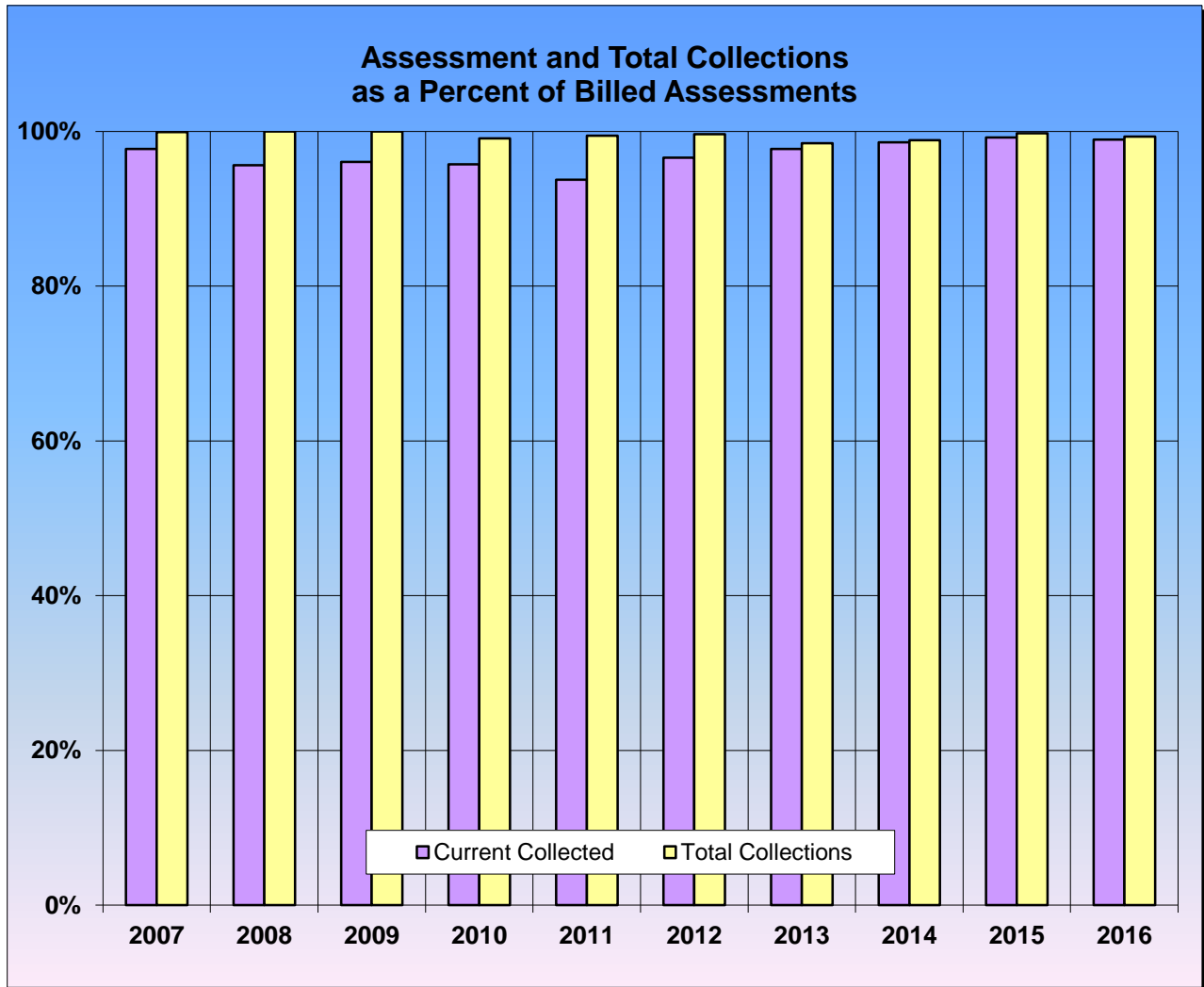
*Johnson County, Kansas*  
**Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years**

<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Equalized Valuation</b>	<b>Ratio of Net Bonded Debt Per Capita to Per Capita Income</b>	<b>Per Capita Income (1)</b>	<b>Net Bonded Debt Per Capita</b>	<b>Year</b>
\$ 374,270,596	3.47%	0.93%	\$ 68,158	\$ 634.78	2017
420,582,486	4.15%	1.09%	66,063	719.62	2016
391,111,152	4.14%	1.04%	65,097	674.14	2015
374,654,453	4.21%	1.05%	62,044	652.60	2014
324,824,064	3.86%	0.97%	59,062	572.95	2013
297,316,966	3.59%	0.92%	57,803	531.08	2012
250,732,373	3.01%	0.83%	54,525	453.51	2011
252,712,326	3.04%	0.86%	53,716	463.10	2010
267,673,835	3.05%	0.89%	55,856	496.25	2009
224,727,707	2.49%	0.71%	59,783	422.28	2008



**Johnson County, Kansas**  
**Special Assessment Billings and Collections**  
**Last Ten Fiscal Years**

Levy Year (1)	Special Assessment Billings (2)	Special Assessment Collections (2)	Percent of Billings Collected	Delinquent Assessments Collected	Total Assessments Collected	Percent of Total Collections to Billings
2016	\$ 394,823	\$ 390,677	98.95%	\$ 1,558	\$ 392,235	99.34%
2015	413,002	409,798	99.22%	2,231	412,029	99.76%
2014	389,120	383,647	98.59%	1,028	384,675	98.86%
2013	411,448	402,173	97.75%	3,067	405,240	98.49%
2012	415,144	401,079	96.61%	12,619	413,698	99.65%
2011	418,043	391,923	93.75%	23,883	415,806	99.46%
2010	431,879	413,554	95.76%	14,475	428,029	99.11%
2009	447,486	429,890	96.07%	17,596	447,486	100.00%
2008	501,519	479,675	95.64%	21,844	501,519	100.00%
2007	576,702	563,709	97.75%	12,459	576,168	99.91%

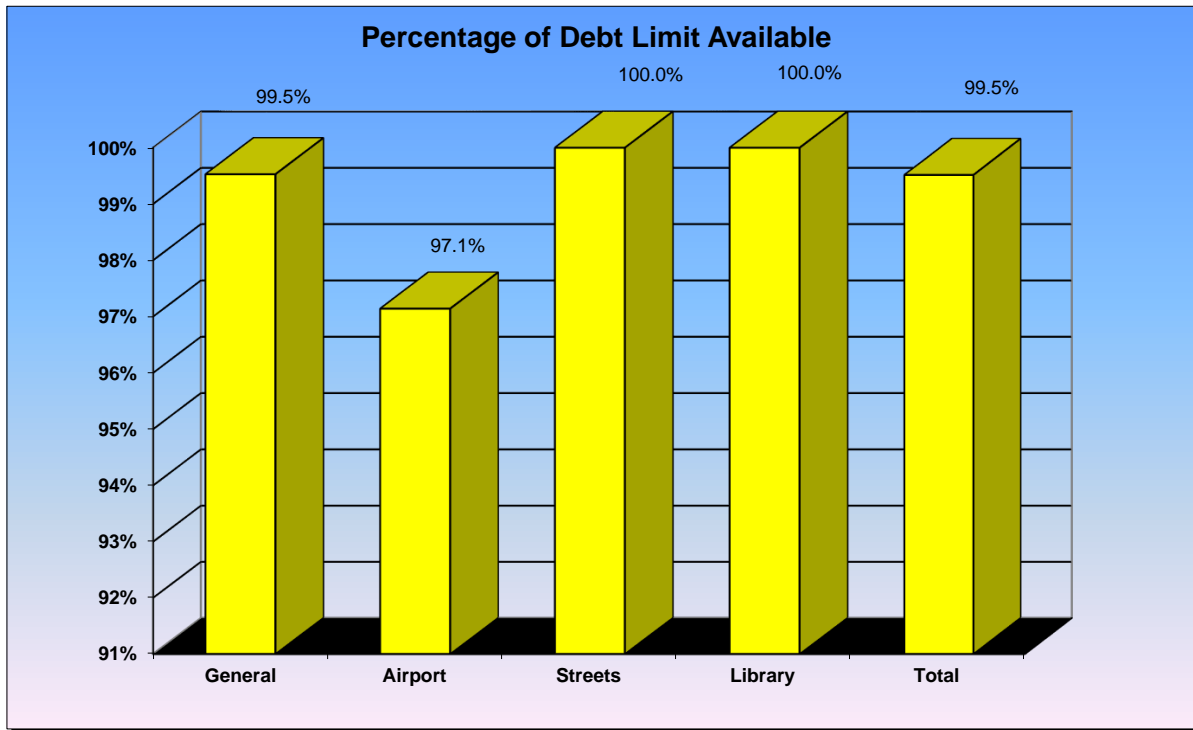


(1) Taxes levied in 2017 are due December 20, 2017 but may be paid 50% by December 20, 2017 and 50% by May 10, 2018.  
(2) Billings and collections include Johnson County and all municipalities within Johnson County.

Source County Treasurer.

**Johnson County, Kansas**  
**Legal General Obligation Debt Margin Computation**  
**12/31/17**

	General	Airport	Streets	Library (3)	Total
<b>Assessed Valuation for Debt Limitation Purposes</b>	\$ 10,795,460,758	\$10,795,460,758	\$10,795,460,758	\$ 8,559,049,712	\$ 40,945,431,986
<b>Percentage Limitation (1)</b>	3.0%	1.0%	2.0%	2.0%	
<b>Dollar Debt Limit</b>	323,863,823	107,954,608	215,909,215	171,180,994	818,908,640
<b>Outstanding Debt (2)</b>	2,440,000	3,085,315	-	235,000	5,760,315
<b>Amount Set Aside for Repayment of G.O. Debt</b>	915,023	-	-	884,699	1,799,722
<b>Net Outstanding Debt</b>	1,524,977	3,085,315	-	(649,699)	3,960,593
<b>Available Legal Debt Margin</b>	<u>\$ 322,338,846</u>	<u>\$ 104,869,293</u>	<u>\$ 215,909,215</u>	<u>\$ 171,830,693</u>	<u>\$ 814,948,047</u>



- (1) Source: 2017 Annual Abstract of Taxes, Johnson County Clerk, Kansas Statutes. General K.S.A. 10-306, Airport K.S.A. 3-307, Streets K.S.A. 68-584, Library K.S.A. 12-1257, Park and Recreation K.S.A. 19-2874.
- (2) Includes all general obligation bonds and notes except voting machine bonds, which are not subject to debt limitation. Also excludes Wastewater General Obligation debt (which is supported by user charges). Does not include debt obligation exempt from statutory limitations. General K.S.A. 25-134, 10-307, 10-427A, 10-311, Airport K.S.A. 3-304, Street K.S.A. 68-728.
- (3) Library total equalized tangible valuation excludes real and personal property located within the city limits of the City of Olathe, Kansas, and the City of Bonner Springs, Kansas.

**Johnson County, Kansas**  
**Direct and Overlapping Debt Computation**  
**12/31/17**

Entity	Total Debt (1)	Net Debt	Percent Applicable to Johnson County	Net Debt Applicable to Johnson County (2)	Total Assessed Valuation
Johnson County	\$ 5,590,167	\$ 3,775,627	100.00%	\$ 3,775,627	\$ 9,858,473,397
<b>Cities</b>					
Bonner Springs	13,500,000	13,311,825	5.76%	766,761	4,632,799
DeSoto	19,515,000	18,680,594	99.89%	18,660,046	72,392,353
Edgerton	17,692,211	17,520,762	100.00%	17,520,762	40,663,908
Fairway	10,550,000	10,493,106	100.00%	10,493,106	92,497,585
Gardner	36,030,000	30,965,965	100.00%	30,965,965	174,102,865
Lake Quivira	1,363,449	1,212,830	95.02%	1,152,431	27,391,409
Leawood	73,295,000	65,789,175	100.00%	65,789,175	922,224,168
Lenexa	141,190,000	135,394,863	100.00%	135,394,863	1,102,581,761
Merriam	3,540,000	3,504,000	100.00%	3,504,000	190,021,196
Mission	26,440,000	24,593,878	100.00%	24,593,878	139,660,568
Mission Hills	3,869,608	3,852,454	100.00%	3,852,454	190,094,868
Mission Woods	-	-	100.00%	-	8,855,415
Olathe	199,825,000	173,044,757	100.00%	173,044,757	1,741,496,053
Overland Park	99,380,000	99,130,000	100.00%	99,130,000	3,474,210,257
Prairie Village	17,125,000	17,052,940	100.00%	17,052,940	365,342,508
Roeland Park	4,466,000	4,197,653	100.00%	4,197,653	75,040,020
Shawnee	42,525,000	41,547,017	100.00%	41,547,017	869,783,607
Spring Hill	27,776,035	27,626,645	67.87%	18,750,204	52,394,231
Westwood	425,000	425,000	100.00%	425,000	26,134,616
Westwood Hills	-	-	100.00%	-	7,593,276
<b>Total</b>	<b>738,507,303</b>	<b>688,343,464</b>		<b>666,841,012</b>	<b>9,577,113,463</b>
<b>School Districts</b>					
Blue Valley U.S.D. 229	395,355,031	379,971,254	99.98%	379,895,260	3,004,482,243
Spring Hill U.S.D. 230	155,035,000	148,628,942	78.78%	117,089,880	163,398,307
Gardner U.S.D. 231	146,205,000	137,991,113	98.04%	135,286,487	293,572,617
DeSoto U.S.D. 232	128,115,000	114,846,641	100.00%	114,846,641	502,172,705
Olathe U.S.D. 233	555,157,192	513,526,188	100.00%	513,526,188	2,257,828,144
Wellsville U.S.D. 289	2,585,000	1,677,911	0.04%	671	26,430
Eudora U.S.D. 491	58,540,000	54,248,036	0.04%	21,699	1,291,655
Shawnee Mission U.S.D. 512	329,390,000	326,504,686	100.00%	326,504,686	3,635,701,296
<b>Total</b>	<b>1,770,382,223</b>	<b>1,677,394,771</b>		<b>1,587,171,512</b>	<b>9,858,473,397</b>
<b>Other Entities</b>					
Community College	58,850,000	58,850,000	100.00%	58,850,000	9,858,473,397
Park and Recreation	35,950,000	35,832,712	100.00%	35,832,712	9,858,473,397
Cons Fire District #2	-	-	100.00%	-	905,218,856
Fire District #1	4,549,211	4,549,211	100.00%	4,549,211	291,704,310
Fire District #2	3,320,000	3,320,000	100.00%	3,320,000	195,584,309
Northwest Cons Fire District	-	-	100.00%	-	111,396,559
<b>Total</b>	<b>102,669,211</b>	<b>102,551,923</b>		<b>102,551,923</b>	<b>21,220,850,828</b>
<b>Total of Overlapping Debt</b>				<b>2,356,564,447</b>	
<b>Grand Total</b>				<b>\$ 2,360,340,074</b>	

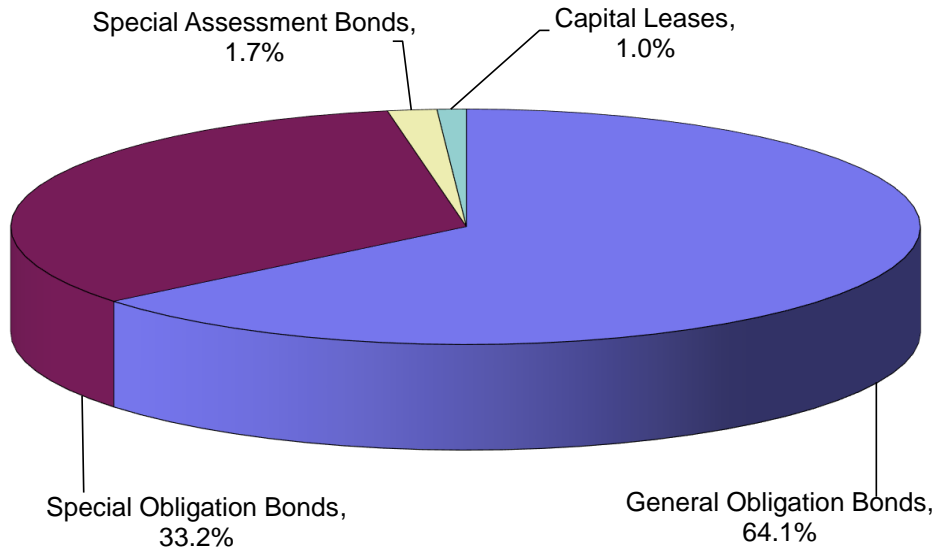
(1) Includes General and Special Obligation Bonds, Capital Leases, Special Assessment Bonds with governmental commitment and General Obligation Notes. Excludes Airport and Wastewater General Obligation and Special Assessment debt (which are supported by user charges).  
(2) Based upon assessed valuation within Johnson County as a percent of total assessed valuation.

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**Johnson County, Kansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Special Obligation Bonds	Special Assessment Bonds	Capital Leases	General Obligation Bonds	Special Assessment Bonds
2017	\$ 3,579,631	\$ 1,855,000	\$ 97,700	\$ 57,836	\$ 370,635,687	\$ 9,684
2016	2,678,135	2,725,000	106,900.00	75,301	416,443,165	14,530
2015	841,563	3,570,000	-	91,228	388,520,218	19,375
2014	1,656,811	4,400,000	-	3,006,747	370,120,829	24,220
2013	1,734,128	5,335,000	-	3,150,000	319,344,328	29,065
2012	1,908,678	6,650,000	-	3,400,000	289,959,039	33,910
2011	2,784,129	8,280,000	-	5,499	241,120,418	38,755
2010	4,684,385	9,950,000	-	13,360	240,904,495	48,600
2009	8,644,298	10,835,000	10,600	20,790	248,478,531	139,887
2008	8,546,260	12,405,000	18,473	27,813	208,599,184	602,867

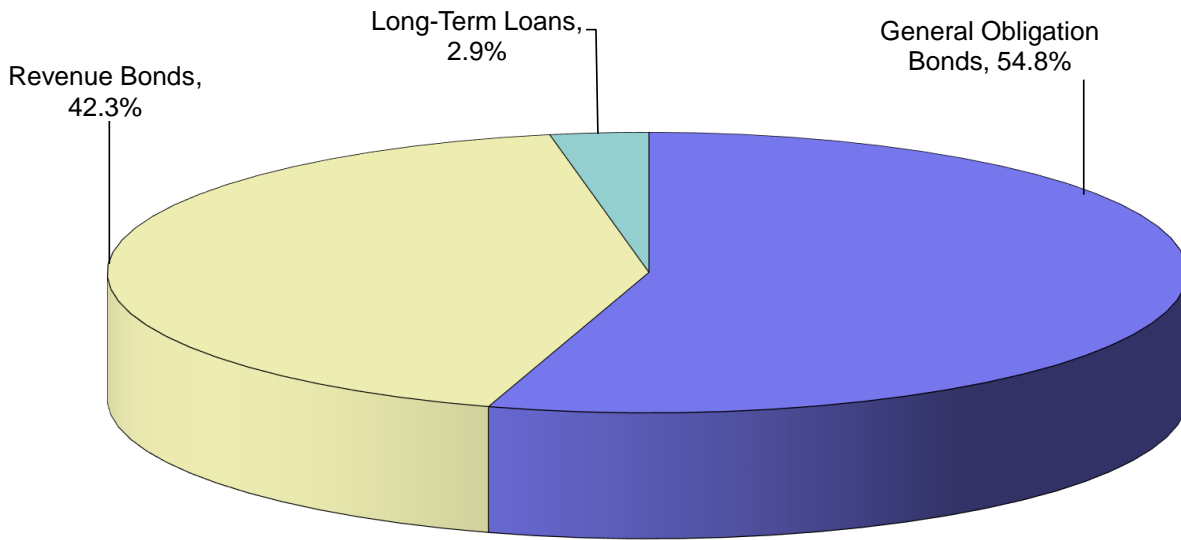
### 2017 Governmental Activities Outstanding Debt



**Johnson County, Kansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita	Year
Revenue Bonds	Loan Payable	Capital Leases	Long-Term Loans					
			Wastewater	Airport				
\$ 286,637,600	\$ -	\$ -	\$ 19,893,180	\$ -	\$ 682,766,318	3.95%	\$ 1,158.00	2017
265,326,787	-	-	19,365,769	-	706,735,587	4.03%	1,209.23	2016
251,102,869	-	-	19,080,228	-	663,225,481	4.11%	1,143.18	2015
213,007,237	-	-	21,092,418	-	613,308,262	4.05%	1,068.30	2014
218,911,153	-	-	25,237,873	-	573,741,547	3.99%	1,012.01	2013
231,109,024	-	-	29,548,321	16,686	562,625,658	4.10%	1,004.98	2012
237,260,385	-	-	35,257,830	39,211	524,786,227	3.62%	949.20	2011
210,203,140	-	-	39,362,247	61,080	505,227,307	3.52%	925.84	2010
160,220,393	-	-	34,402,712	106,885	462,859,096	3.59%	858.11	2009
152,403,748	-	-	39,127,268	152,411	421,883,024	3.53%	792.75	2008

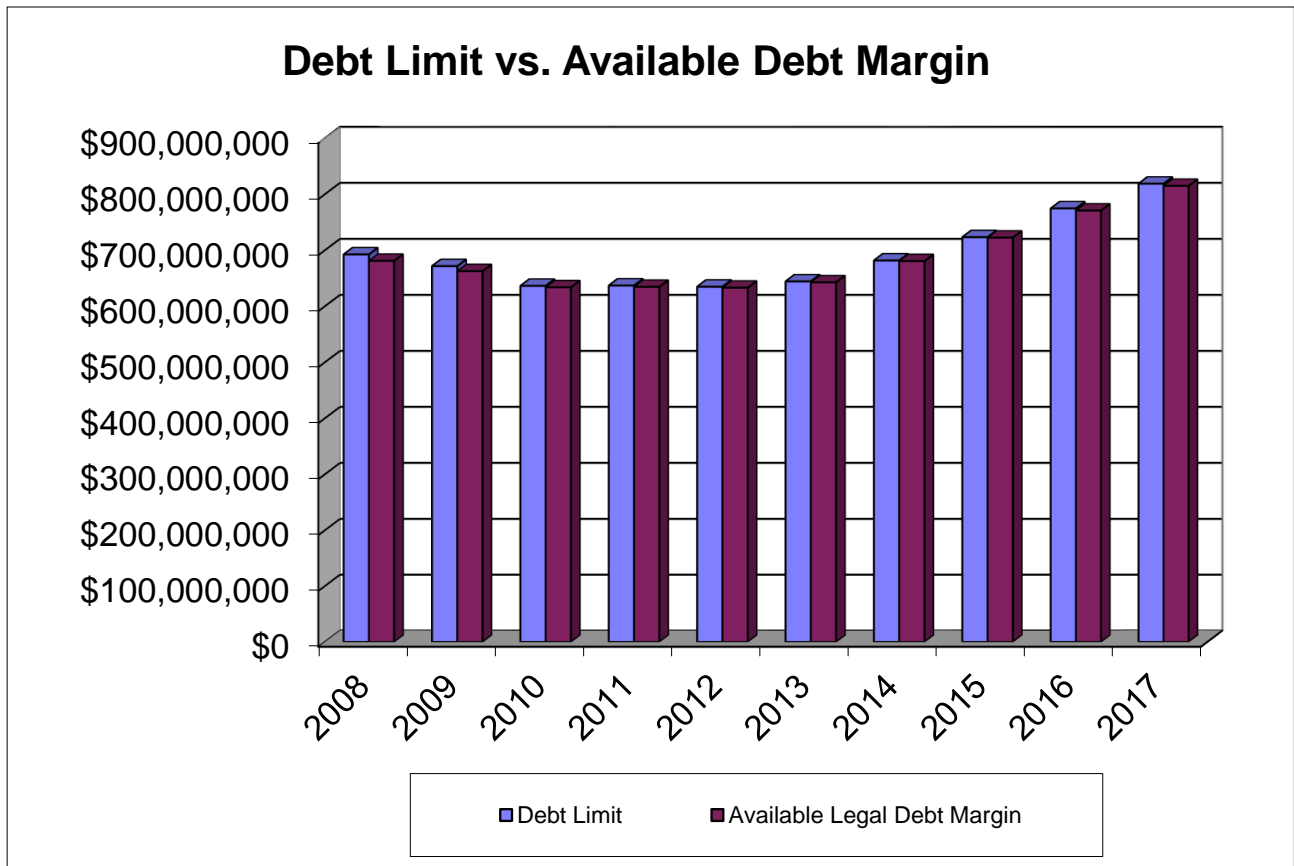
### 2017 Business-Type Activities Outstanding Debt





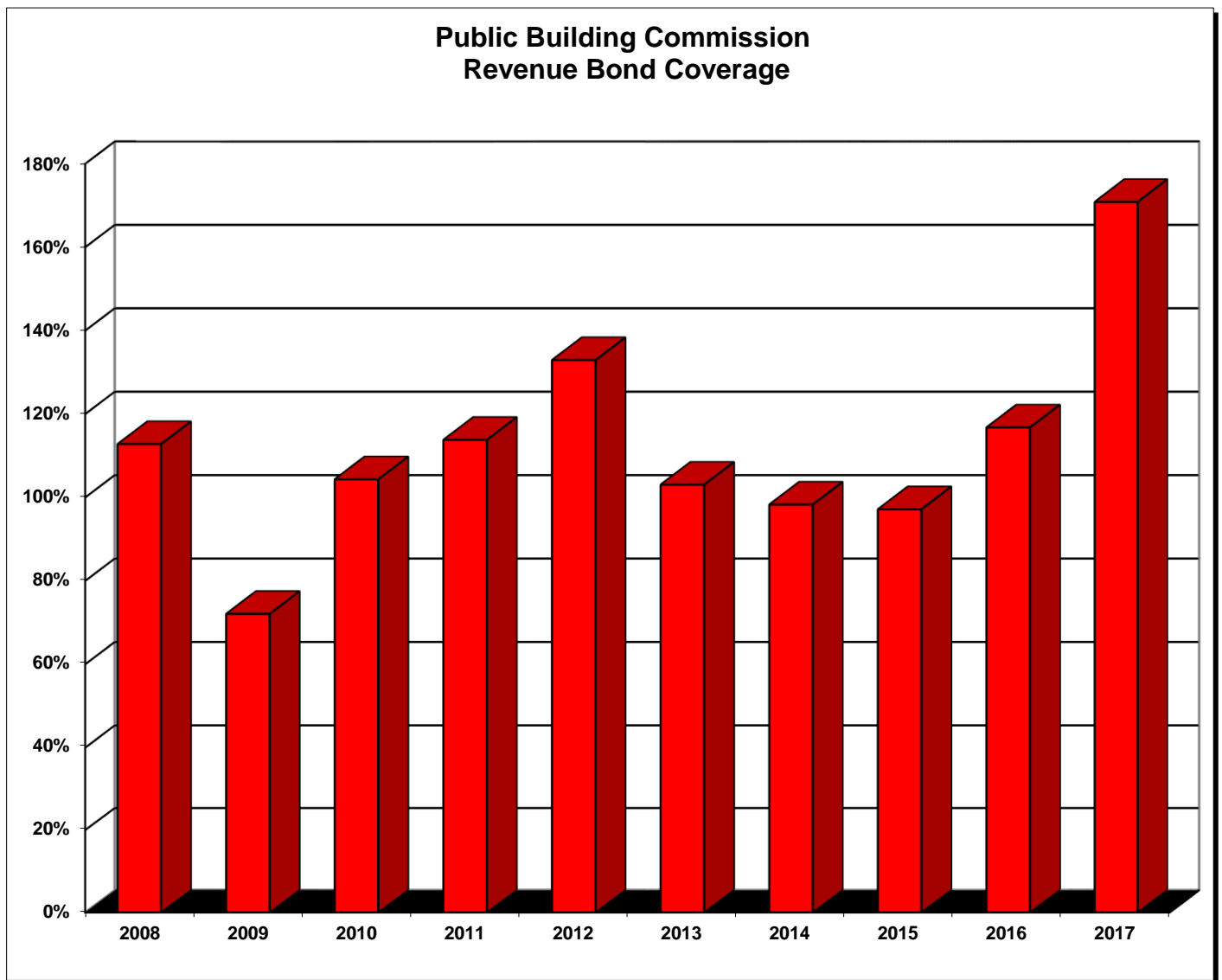
**Johnson County, Kansas  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Year	Debt Limit	Outstanding Debt	Amount Set Aside for Repayment of G.O. Debt	Net Outstanding Debt	Available Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2017	\$ 818,908,640	\$ 5,760,315	\$ 1,799,722	\$ 3,960,593	\$ 814,948,047	0.48%
2016	774,820,830	5,170,470	1,263,814	3,906,656	770,914,174	0.50%
2015	723,428,386	1,940,625	1,157,440	783,185	722,645,201	0.11%
2014	681,812,150	2,910,240	1,820,629	1,089,611	680,722,539	0.16%
2013	644,387,281	3,135,935	1,523,187	1,612,748	642,774,533	0.25%
2012	634,977,376	3,361,090	1,589,392	1,771,698	633,205,678	0.28%
2011	637,094,103	3,576,245	1,200,751	2,375,494	634,718,609	0.37%
2010	636,537,544	4,076,400	1,452,174	2,624,226	633,913,318	0.41%
2009	671,743,705	11,822,780	2,826,554	8,996,226	662,747,479	1.34%
2008	692,667,573	11,798,237	283,994	11,514,243	681,153,330	1.66%



**Johnson County, Kansas**  
**Public Building Commission Revenue Bond Coverage**  
**Last Ten Fiscal Years**

Year	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2017	\$ 40,358,088	\$ -	\$ 40,358,088	\$ 14,025,000	\$ 9,591,668	\$ 23,616,668	171%
2016	25,696,703	-	25,696,703	12,960,000	9,034,004	21,994,004	117%
2015	19,839,681	-	19,603,837	11,805,000	8,360,418	20,165,418	97%
2014	20,208,749	-	20,208,749	11,955,000	8,595,370	20,550,370	98%
2013	21,505,958	-	21,505,958	11,890,000	8,967,129	20,857,129	103%
2012	28,239,865	-	28,239,865	11,445,000	9,790,327	21,235,327	133%
2011	21,005,623	-	21,005,623	9,455,000	8,993,865	18,448,865	114%
2010	16,437,670	-	16,437,670	8,725,000	7,018,786	15,743,786	104%
2009	10,627,731	-	10,627,731	7,430,000	7,303,112	14,733,112	72%
2008	11,422,827	-	11,422,827	6,200,000	3,923,101	10,123,101	113%

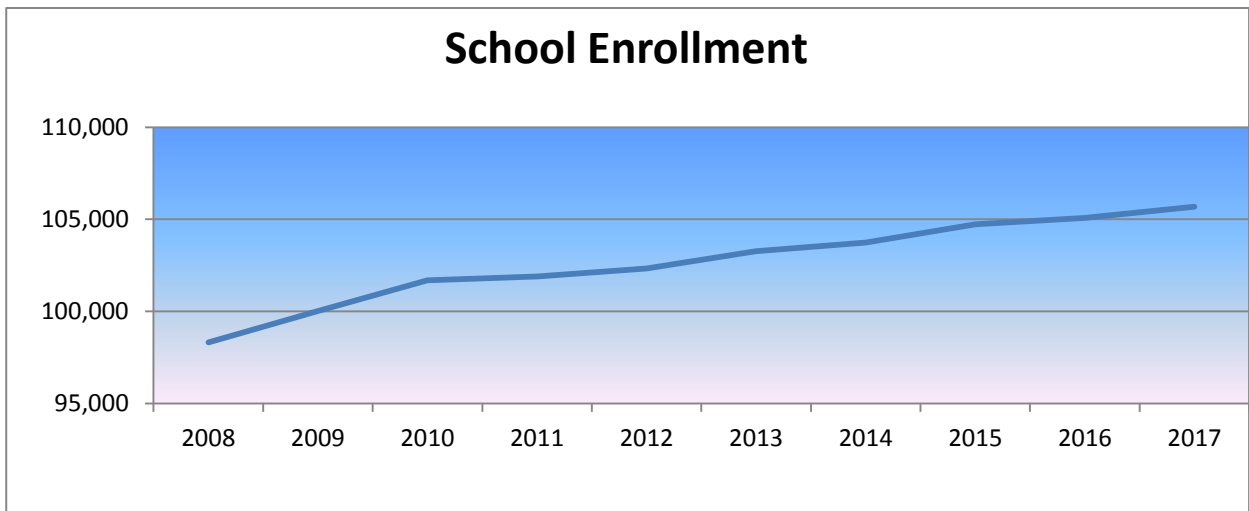
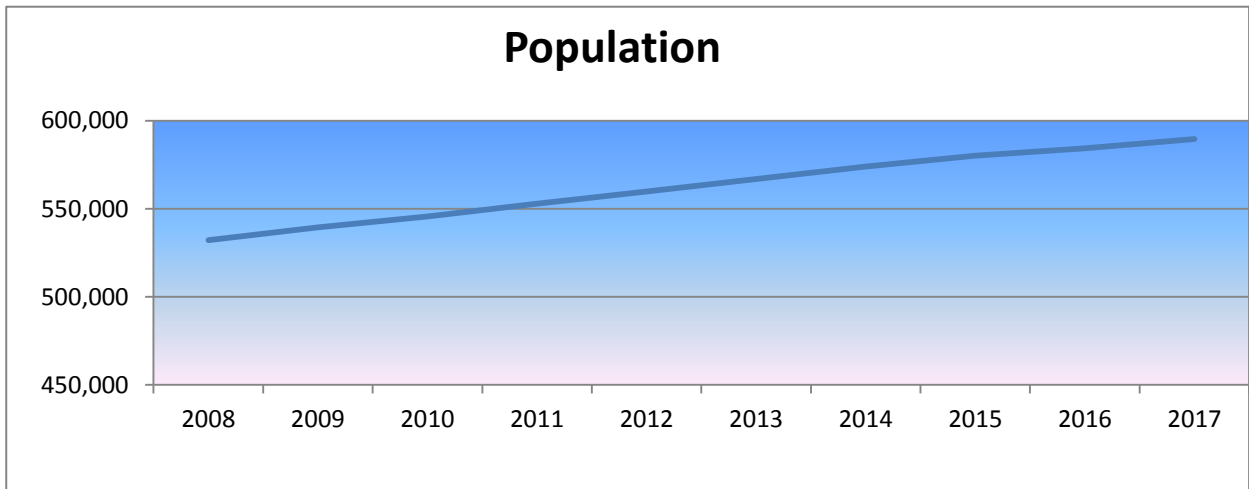


(1) Gross Revenue includes nonoperating investment earnings.

(2) Operating expenses do not include depreciation, amortization or interest expense.

**Johnson County, Kansas  
Demographic Statistics  
Last Ten Fiscal Years**

<b>Year</b>	<b>Population (1)</b>	<b>Per Capita Income (1)</b>	<b>Median Age (1)</b>	<b>Personal Income(1) **</b>	<b>K-12 School Enrollment (2)</b>
2017	589,609 *	\$ 68,158 *	37.80 *	38,548,325 *	105,684
2016	584,451	66,063	37.60	37,363,450	105,082
2015	580,159	65,097	37.40	36,817,106	104,721
2014	574,096	62,044	36.90	35,090,412	103,741
2013	566,933	59,062	36.70	34,193,285	103,260
2012	559,836	57,803	36.70	33,328,220	102,331
2011	552,874	54,525	36.50	31,383,424	101,899
2010	545,696	53,716	36.40	29,124,018	101,684
2009	539,396	55,856	35.70	28,693,786	100,020
2008	532,175	59,783	36.20	30,478,943	98,311



\* County estimate based upon information from the Bureau of Economic Analysis

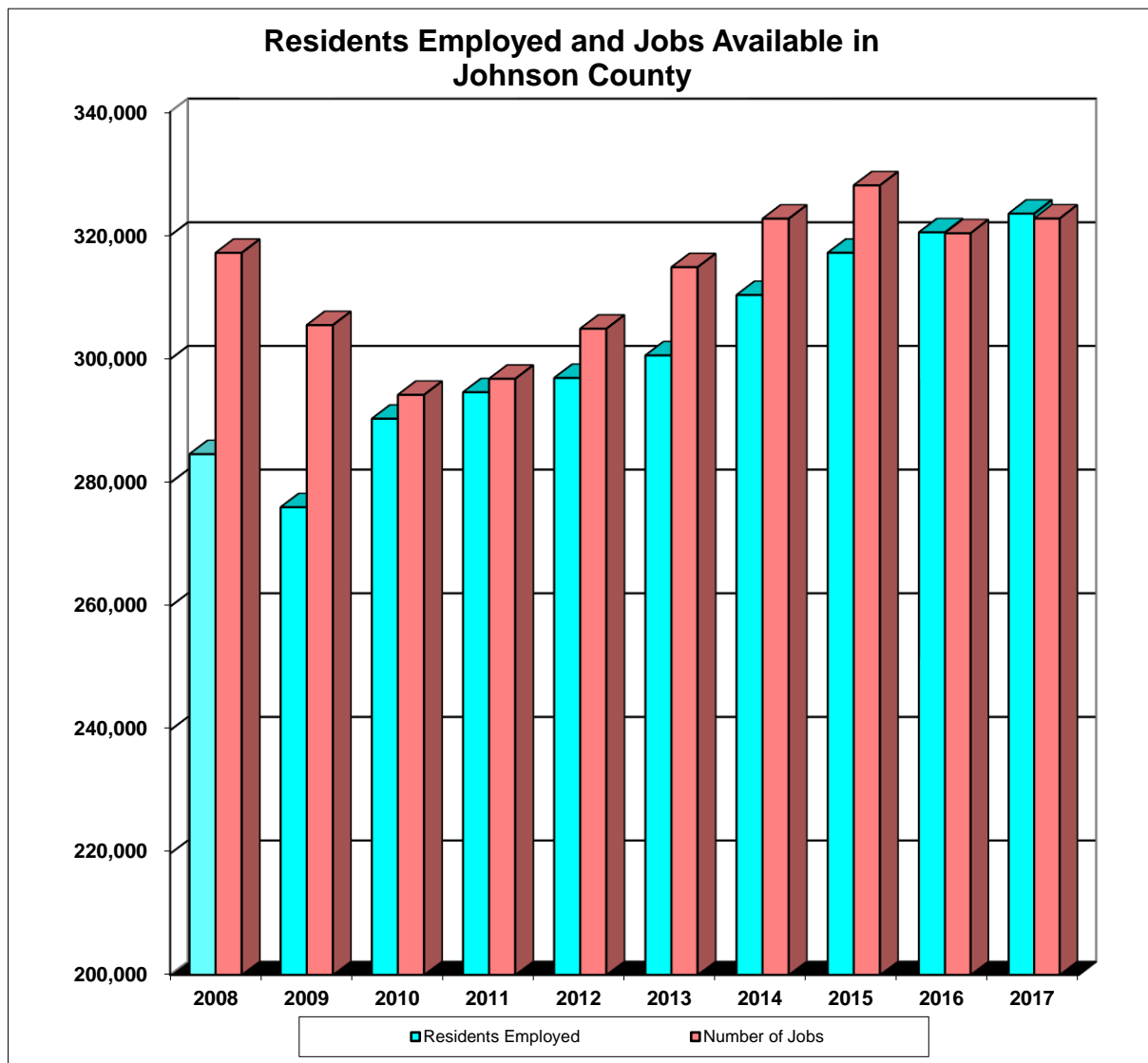
\*\* In Thousands

(1) Bureau of Economic Analysis

(2) Kansas Department of Education

**Johnson County, Kansas  
Demographic Statistics  
Last Ten Fiscal Years**

<u>Year</u>	<u>Residents Employed (1)</u>	<u>Unemployment Rate (1)</u>	<u>Number of Employers (2)</u>	<u>Number of Jobs (2)</u>	<u>Gross Payroll (2)</u>
2017	323,585 *	2.60%	17,907 *	322,790 *	\$ 17,800,386,361 *
2016	320,559	2.80%	17,852	320,408	17,274,287,000
2015	317,246	2.80%	17,625	328,159	17,532,089,000
2014	310,423	3.10%	17,423	322,765	16,783,732,000
2013	300,650	3.60%	17,242	314,916	16,136,459,000
2012	297,005	4.30%	17,152	304,973	15,135,814,000
2011	294,692	4.50%	16,871	296,871	14,395,561,000
2010	290,415	5.40%	16,873	294,278	13,717,305,000
2009	276,096	6.50%	17,015	305,554	13,980,606,000
2008	284,678	5.00%	17,352	317,238	14,540,363,000



\* Estimated based upon prior years data.

(1) U.S. Department of Labor Bureau of Labor Statistics.

(2) County Business Patterns, Bureau of the Census and Kansas Statistical Abstract

**Johnson County, Kansas**  
**Principal Taxpayers and Employers**  
December 31, 2017

**Principal Taxpayers**

Taxpayer	Type of Business	2017			2008		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Kansas City Power and Light	Utility	\$ 98,843,718	1	1.00%	\$ 84,332,994	1	1.02%
UCM/SREP-Corporate Woods	Real Estate	58,509,133	2	0.59%	63,623,871	2	0.77%
Oak Park Mall, LLC	Real Estate	52,614,009	3	0.53%			
Wal-Mart Real Estate Business Trust	Retail	36,352,722	4	0.37%	18,909,917	10	0.23%
Leawood Town Center Plaza	Real Estate	30,045,750	5	0.30%	26,033,159	6	0.32%
Westar Energy	Utility	29,209,713	6	0.30%			
Target Corporation	Retail	27,332,747	7	0.28%			
Tower Properties Company	Real Estate	25,757,300	8	0.26%			
CBPK5, LP	Real Estate	22,706,743	9	0.23%			
Kansas Gas Service	Utility	22,447,788	10	0.23%	19,603,432	9	0.24%
Oak Park investment, LP	Real Estate				50,228,158	5	0.61%
Southwestern Bell	Telecommunications				51,754,220	4	0.63%
Sprint Corporation	Telecommunications				59,513,285	3	0.72%
Lenexa Industrial Park, Inc.	Real Estate				24,000,611	7	0.29%
Perg Building	Shopping Center				22,241,162	8	0.27%
<b>Total</b>		<b>\$ 403,819,623</b>		<b>4.10%</b>	<b>\$ 420,240,809</b>		<b>5.10%</b>

Source: Johnson County Clerk and Appraiser's Office

**Principal Employers**

Employer	Type of Business	2017			2008		
		Employees in County	Rank	Percentage of Total Employment	Employees in County	Rank	Percentage of Total Employment
Sprint	Telecommunications	6,000	1	1.85%	10,000	1	3.51%
Olathe Unified School District	Public Education (K-12)	4,500	2	1.39%	4,656	2	1.64%
Garmin International Inc	Communication Equip Mfg	3,800	3	1.17%	2,533	10	0.89%
Johnson County Government	Local Government	3,500	4	1.08%	4,100	4	1.44%
Shawnee Mission School District	Public Education (K-12)	3,400	5	1.05%	4,132	3	1.45%
Black & Veatch	Engineering Services	3,300	7	1.02%	3,178	7	1.12%
Blue Valley School District #229	Public Education (K-12)	3,200	6	0.99%	3,187	6	1.12%
Olathe Health System	Healthcare Services	2,600	8	0.80%	1,822	13	0.64%
Wal-Mart	Discount Department Store	2,500	9	0.77%			
Hy-Vee Food Stores	Supermarkets & Other Grocery	2,400	10	0.74%			
Johnson Co Community College	Public Education (Junior College)	2,400	11	0.74%	2,648	9	0.93%
Shawnee Mission Medical Center	Healthcare Services	2,400	12	0.74%	2,752	8	0.97%
Farmers Insurance	Insurance	2,300	13	0.71%	1,300	18	0.46%
Reece & Nichols	Real Estate Agents & Brokers	2,100	14	0.65%			
OptumRX	Healthcare Services	2,000	15	0.62%			
Quest Diagnostics	Testing Laboratories	1,830	16	0.57%			
Waddell & Reed Financial Inc	Investment Advice	1,369	17	0.42%			
Price Chopper	Supermarkets & Other Grocery	1,326	18	0.41%			
Century Link	Wired Telecommunications Carriers	1,300	19	0.40%			
Overland Park Regional Med Center	Healthcare Services	1,300	20	0.40%	1,100	20	0.39%
<b>Total</b>		<b>53,525</b>		<b>16.52%</b>	<b>41,408</b>		<b>14.56%</b>

Source: [Directory of Major Johnson County Employers 2016](#); CERL, Overland Park, KS c. 2017

**Johnson County, Kansas**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GOVERNMENTAL ACTIVITIES:</b>										
<b>General Government</b>										
<i>Appraiser</i>										
Number of parcels appraised per year	239,705	243,540	246,091	244,287	240,983	264,782	241,576	240,907	241,051	241,908
<i>Elections/Registration</i>										
Number of voter registration applications processed	126,118	40,000	113,506	67,701	163,101	72,497	98,757	64,731	385,666	395,000
<b>Public Safety</b>										
<i>Public Safety Communication</i>										
Calls dispatched for Fire and EMS units	45,745	44,445	48,959	51,906	52,595	51,949	53,867	54,406	54,950	61,070
<i>Sheriff</i>										
Number of persons screened for entry into courthouse	631,588	601,155	631,731	589,377	562,645	538,101	413,116	397,286	523,715	531,436
Inmates booked	17,637	17,732	16,616	15,660	15,411	15,054	14,966	14,907	15,341	15,564
Number of calls for service (patrol)	41,814	56,642	46,098	43,635	41,915	41,542	42,968	44,498	43,021	51,711
Number of calls for service (dispatch) (1)	226,385	247,855	312,548	316,444	316,442	310,339	293,921	293,907	295,620	295,050
Number of 911 calls received (1)	41,352	50,793	90,677	92,823	95,563	90,633	81,080	83,873	79,488	75,538
<i>Emergency Management</i>										
Number of households receiving information annually	28,000	30,000	28,000	30,000	30,000	---	---	---	---	---
Number of persons trained	900	900	1,600	1,600	1,600	---	---	---	---	---
Number of radios on trunked radio systems	1,788	1,887	3,377	7,409	7,409	7,709	8,100	8,200	---	---
Number of community education & outreach events conducted	---	---	---	---	30	50	24	27	28	25
Number of Med-Act emergency events answered	---	---	---	34,843	35,411	35,411	37,195	38,490	41,143	43,606
<b>Health and Human Services</b>										
<i>Health and Environmental</i>										
Number of visitors to the department's website (3)	---	---	---	---	---	---	---	74,566	104,656	132,174
Number of new visitors to the department's website (3)	---	---	---	---	---	---	---	40,594	57,360	72,791
Number of times public accesses the department's internet home page	86,000	86,860	78,905	67,511	69,846	63,388	63,635	---	---	---
Number of County citizens accessing services	34,501	49,835	40,456	41,670	36,539	46,532	44,731	43,163	41,795	39,747
<i>Human Services</i>										
Number of home-delivered meals	209,388	219,587	218,345	204,813	180,124	176,471	197,273	274,000	290,431	305,676
Number of households provided rental assistance	1,456	1,533	1,756	1,696	1,815	1,782	1,810	1,785	1,706	1,604
<b>Culture and Recreation</b>										
<i>Library Operating</i>										
Number of volunteer hours in support of Library	36,312	41,677	46,373	48,776	53,535	51,559	52,973	46,588	48,423	50,457
<i>Museum</i>										
Number of Museum visitors (4)	97,792	92,774	85,707	99,656	117,388	123,282	132,873	139,110	126,998	48,398
<b>BUSINESS-TYPE ACTIVITIES:</b>										
<b>Transportation</b>										
Total annual ridership (transit/paratransit)	625,753	578,818	577,965	624,101	670,205	636,241	613,638	567,687	551,175	551,430
Number of total miles all vehicles travel per day (5)	8,300	8,300	8,300	8,300	8,300	8,300	8,700	8,700	11,900	11,116

Source: County Budget book and various department data  
Note: Indicators for Public Works, Planning and economic development, Airport, Wastewater, and Public Building Commission are not available.

- (1) In mid-2010, the County took over Olathe dispatch calls causing the spike in the call volume.
- (2) --- Data are not available
- (3) During 2014 individual department websites were consolidated under the Countywide JoCoGov.org domain. Due to this, revised website activity indicators were implemented in 2015.
- (4) During 2016 the Museum was closed from September 3rd through December 31st.
- (5) Beginning in 2016, mileage estimates provided by Kansas City Area Transit Authority (KCATA).

**Johnson County, Kansas  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

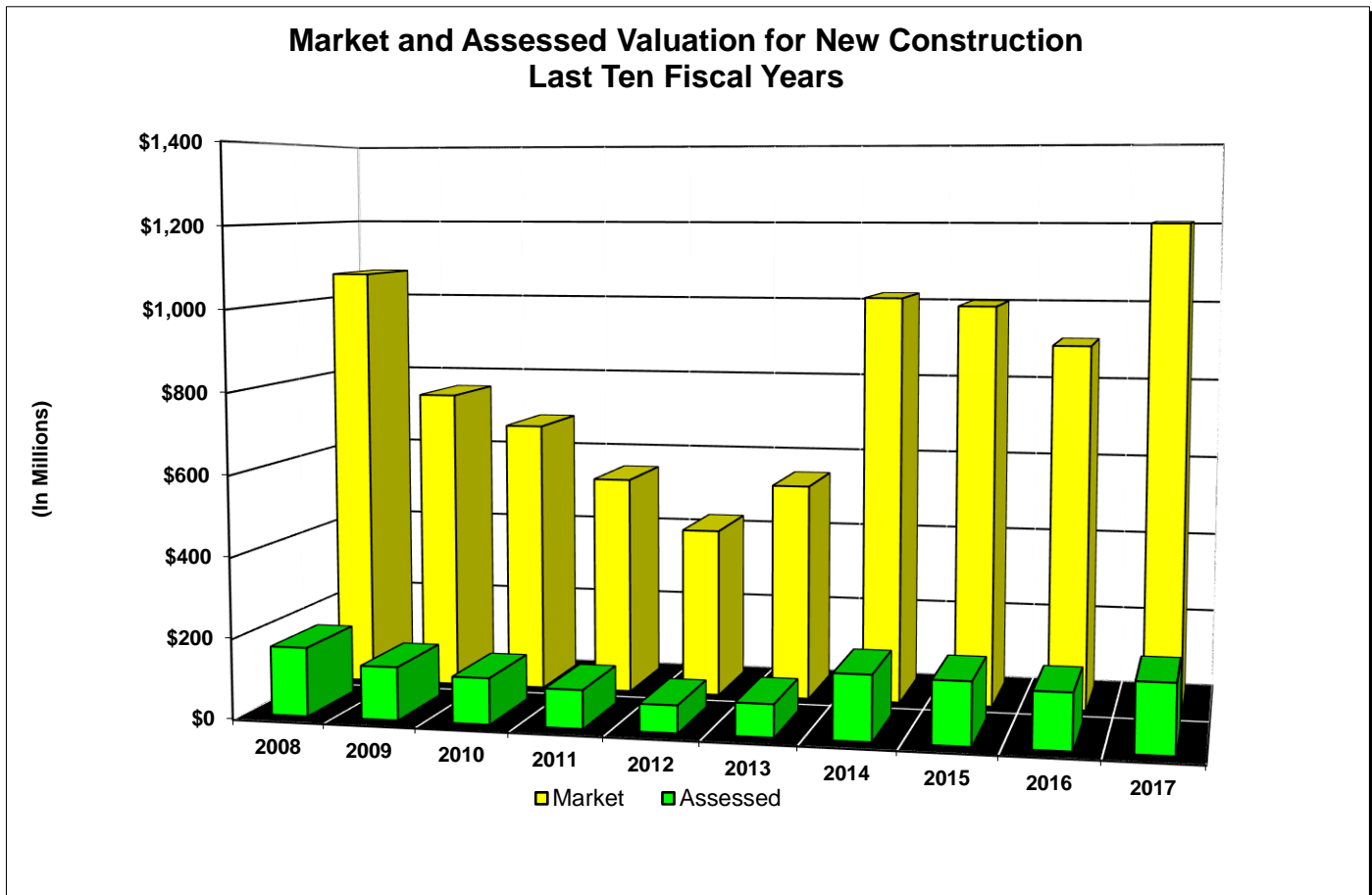
	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GOVERNMENTAL ACTIVITIES:</b>										
<b>General Government</b>										
Department of Motor Vehicle buildings	2	2	2	2	2	2	2	2	2	2
<b>Public Works</b>										
Miles of hard surface pavement	252	256	246	246	239	245	237	242	233	234
Miles of gravel surface	224	220	214	214	192	186	185	179	173	173
<b>Public Safety</b>										
Med-Act Stations	17	17	17	17	17	17	17	17	17	17
Jails	2	2	2	2	2	2	2	2	2	2
Courthouse	1	1	1	1	1	1	1	1	1	1
<b>Health and Human Services</b>										
Community Assistance Centers	6	6	6	6	6	6	6	6	4	4
<b>Culture and Recreation</b>										
Number of Libraries	13	13	13	13	13	13	13	13	13	13
Museums	3	3	3	3	3	3	3	3	2	2
Parks	20	20	20	20	19	18	18	18	18	18
<b>BUSINESS-TYPE ACTIVITIES:</b>										
<b>Airport</b>										
Number of Airports	2	2	2	2	2	2	2	2	2	2
<b>Johnson County Wastewater</b>										
Total existing footage of sewer line	11,221,232	11,169,668	11,553,225	12,516,386	11,619,262	11,662,083	11,729,245	11,884,995	11,944,712	12,105,880
Total existing sewer permits	114,768	114,832	115,597	116,375	116,713	118,320	119,633	119,672	121,358	122,801
Water Treatment Plants	7	7	7	7	6	6	6	6	6	6
<b>Transportation</b>										
Approximate Total of County Public Transportation Vehicles	100	100	100	100	100	100	90	90	90	90

Source: County Budget book and various department data

Note: Indicators for Planning and economic development and Public Building Commission are not available.

**Johnson County, Kansas  
Value of New Construction  
Last Ten Fiscal Years**

<b>Year</b>	<b>Estimated Market Value Residential</b>	<b>Estimated Market Value Commercial</b>	<b>Assessed Value of New Residential Construction</b>	<b>Assessed Value of New Commercial Construction</b>	<b>Number of Residential Units</b>	<b>Number of Commercial Units</b>
2017	\$ 901,409,300	\$ 303,273,590	\$ 103,698,432	\$ 68,108,336	2,824	185
2016	645,852,120	259,826,900	74,273,124	64,956,766	1,754	139
2015	697,394,660	302,738,910	80,200,429	75,684,760	1,835	148
2014	686,017,360	332,466,050	78,892,015	83,116,545	1,722	154
2013	404,816,800	138,868,770	46,553,915	34,717,223	1,356	115
2012	279,751,350	143,985,280	32,171,408	35,996,347	971	105
2011	309,558,000	239,354,260	35,599,202	59,849,369	990	122
2010	412,014,980	269,793,410	47,381,751	67,475,931	1,635	186
2009	441,090,900	316,355,810	53,713,313	78,812,125	1,957	274
2008	704,475,030	363,696,740	81,014,717	90,737,363	3,394	296

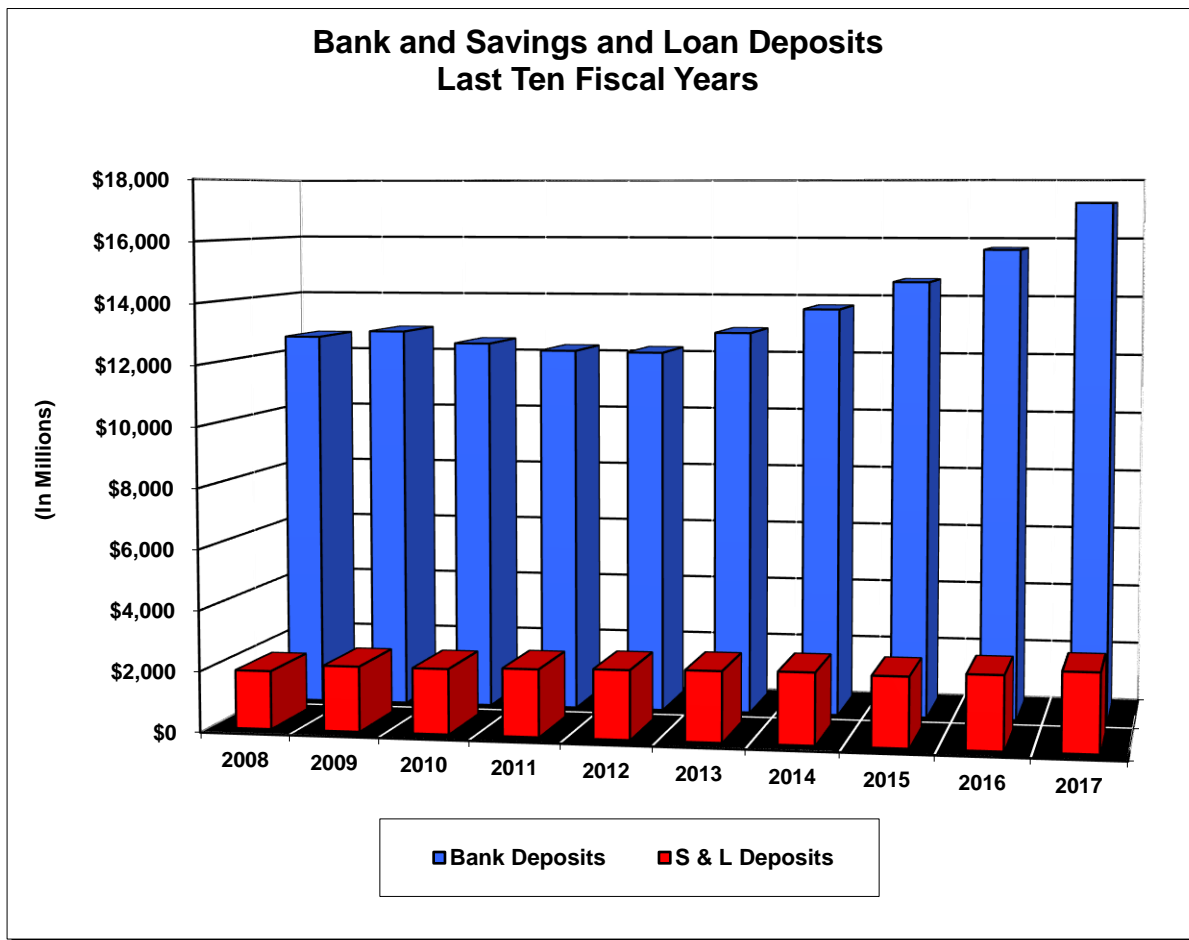


Source: Johnson County Appraiser



**Johnson County, Kansas**  
**Bank and Savings and Loan Deposits**  
**Last Ten Fiscal Years**

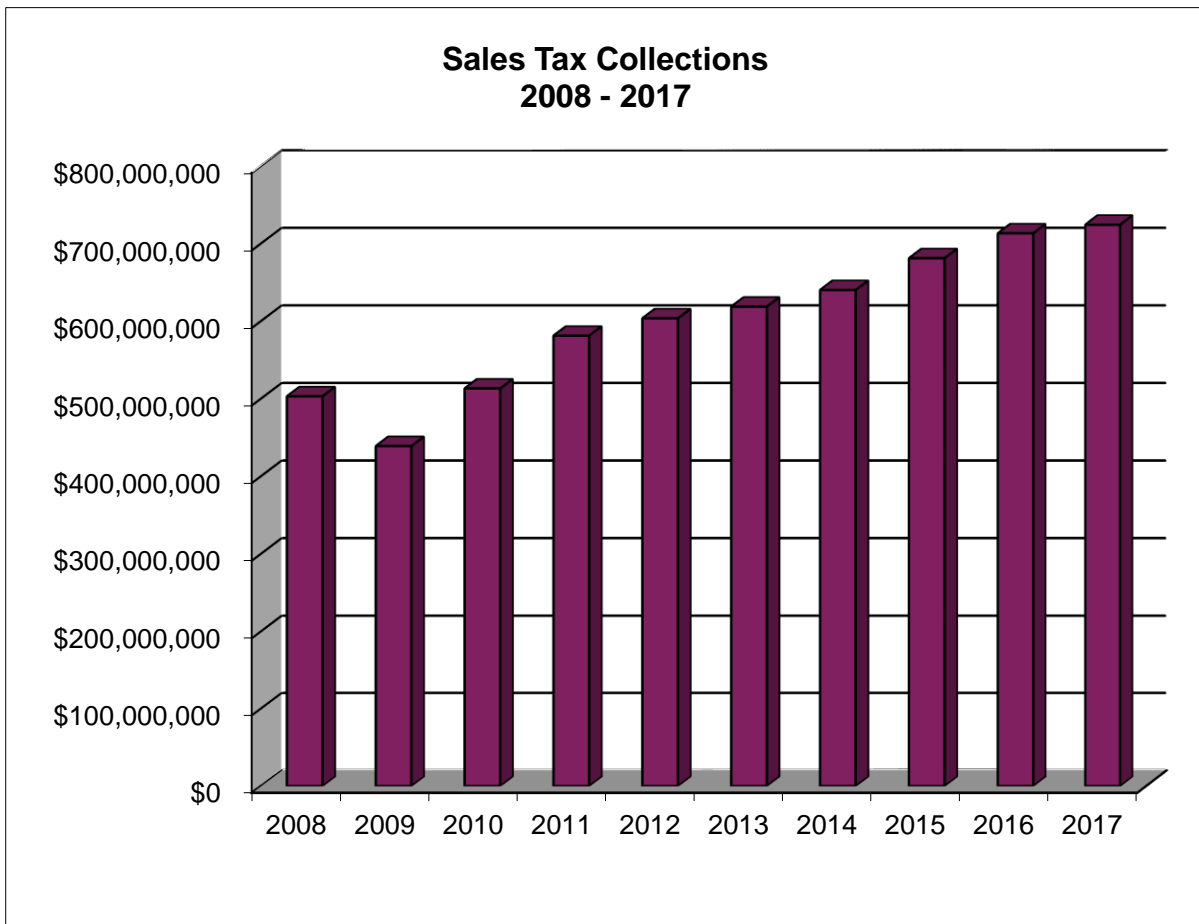
Year	Commercial Banks (1)		Savings & Loan Associations (1)	
	Number of Institutions	Deposits at June 30	Number of Offices	Deposits at June 30
2017	55	\$ 17,226,000,000	26	\$ 2,598,000,000
2016	58	15,682,000,000	25	2,432,000,000
2015	58	14,601,000,000	26	2,305,000,000
2014	55	13,678,000,000	26	2,355,000,000
2013	57	12,868,000,000	25	2,319,000,000
2012	60	12,182,000,000	25	2,271,000,000
2011	62	12,221,000,000	28	2,217,000,000
2010	59	12,443,000,000	31	2,148,000,000
2009	59	12,831,000,000	32	2,147,000,000
2008	57	12,627,000,000	29	1,920,000,000



(1) Federal Deposit Insurance Corporation.

**Johnson County, Kansas**  
**Gross Sales and Sales Tax Collections**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Gross Sales</b>	<b>Increase (Decrease) Over 2008 Base</b>	<b>Increase (Decrease) Over Previous Year</b>	<b>Sales Tax Collections</b>	<b>Increase (Decrease) Over 2008 Base</b>	<b>Increase (Decrease) Over Previous Year</b>
2017	\$20,164,576,414	6.99%	0.40%	\$724,610,436	43.93%	1.55%
2016	20,084,092,444	6.56%	-1.28%	713,544,502	41.73%	4.70%
2015	20,344,258,077	7.94%	4.04%	681,485,916	35.36%	6.40%
2014	19,554,559,954	3.75%	6.90%	640,502,450	27.22%	3.46%
2013	18,291,596,707	-2.95%	2.78%	619,060,573	22.96%	2.50%
2012	17,797,465,950	-5.57%	0.69%	603,983,852	19.97%	3.85%
2011	17,676,256,038	-6.21%	2.31%	581,574,152	15.52%	13.23%
2010	17,277,764,708	-8.33%	5.36%	513,604,956	2.02%	16.90%
2009	16,398,273,736	-12.99%	-12.99%	439,369,571	-12.73%	-12.73%
2008	18,847,164,942			503,453,890		



Source: Kansas Department of Revenue  
State Planning & Research

\* State sales tax rate increased from 6.15% to 6.5% July 1, 2015.

**Johnson County, Kansas**  
**Payroll By Industry**  
**and**  
**Tax Rates for Selected Kansas Counties**  
December 31, 2017

**Payroll By Industry**

Type of Industry	Number of Employees	Number of Firms	Gross Payroll
Manufacturing and Mining	22,743	484	\$ 1,371,933,000
Utilities	560	15	51,283,000
Contract Construction	16,910	1,496	985,553,000
Transportation and Warehousing	12,470	376	544,643,000
Wholesale Trade	21,505	1,251	1,475,021,000
Retail Trade	38,068	1,834	1,052,998,000
Finance, Insurance and Real Estate	33,156	2,834	2,632,128,000
Information	16,288	411	1,428,626,000
Professional, Scientific and Technical Services	29,053	2,757	2,276,020,000
Management and Administrative Support Services	38,585	1,405	2,304,646,000
Social Assistance and Educational Services	44,255	2,221	2,158,403,000
Accommodation and Food Services	28,146	1,165	498,831,000
Other Services	13,456	1,305	381,630,000
Arts, Entertainment and Recreation	5,170	259	111,606,000
Agriculture, Forestry, Fishing and Hunting	14	7	225,000
Industries not classified	29	32	741,000
Total	320,408	17,852	\$ 17,274,287,000

Source: U.S. Census Bureau

Excludes government employees and self-employed individuals.

**2017 Tax Rates for Selected Kansas Counties (1)**

Lowest Tax Rates			Highest Tax Rates		
Rank	County Name	Tax Rate *	Rank	County Name	Tax Rate *
1	Johnson	19.318	96	Lincoln	107.505
2	Pottawatomie	29.250	97	Lane	108.552
3	Sedgwick	29.393	98	Comanche	109.218
4	McPherson	29.797	99	Smith	109.553
5	Brown	32.929	100	Elk	110.567
6	Butler	34.749	101	Morton	111.004
7	Grant	35.982	102	Hodgeman	111.537
8	Ellis	36.982	103	Hamilton	117.745
9	Saline	37.321	104	Greeley	136.441
10	Leavenworth	37.363	105	Stanton	145.427

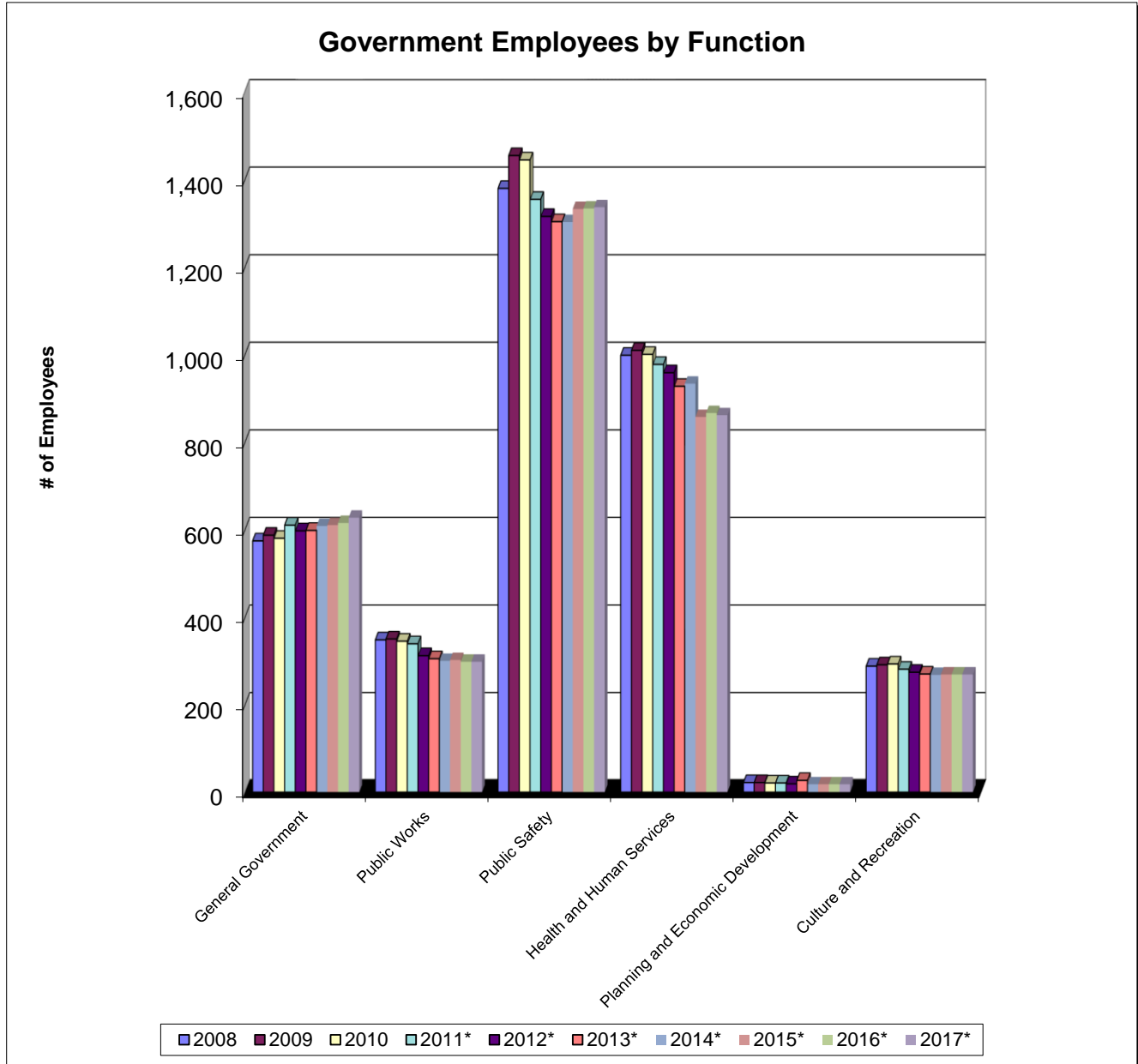
Source: League of Kansas Municipalities

\* Per \$1,000 assessed valuation

(1) Taxes levied in 2017 are due December 20, 2017 but may be paid 50% by December 20, 2017 and 50% by May 10, 2018.

*Johnson County, Kansas*  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012*</u>	<u>2013*</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>
<b>General Government</b>	576	589	582	612	599	600	610	612	617	629
<b>Public Works</b>	350	352	347	341	314	307	302	304	300	300
<b>Public Safety</b>	1,381	1,456	1,446	1,356	1,317	1,305	1,304	1,334	1,335	1,338
<b>Health and Human Services</b>	1,000	1,011	1,002	979	960	929	935	859	868	863
<b>Planning and Economic Development</b>	22	22	21	21	19	27	18	18	18	18
<b>Culture and Recreation</b>	290	293	295	283	276	272	270	271	271	271
<b>Total</b>	<b>3,619</b>	<b>3,723</b>	<b>3,693</b>	<b>3,592</b>	<b>3,485</b>	<b>3,440</b>	<b>3,439</b>	<b>3,398</b>	<b>3,409</b>	<b>3,419</b>

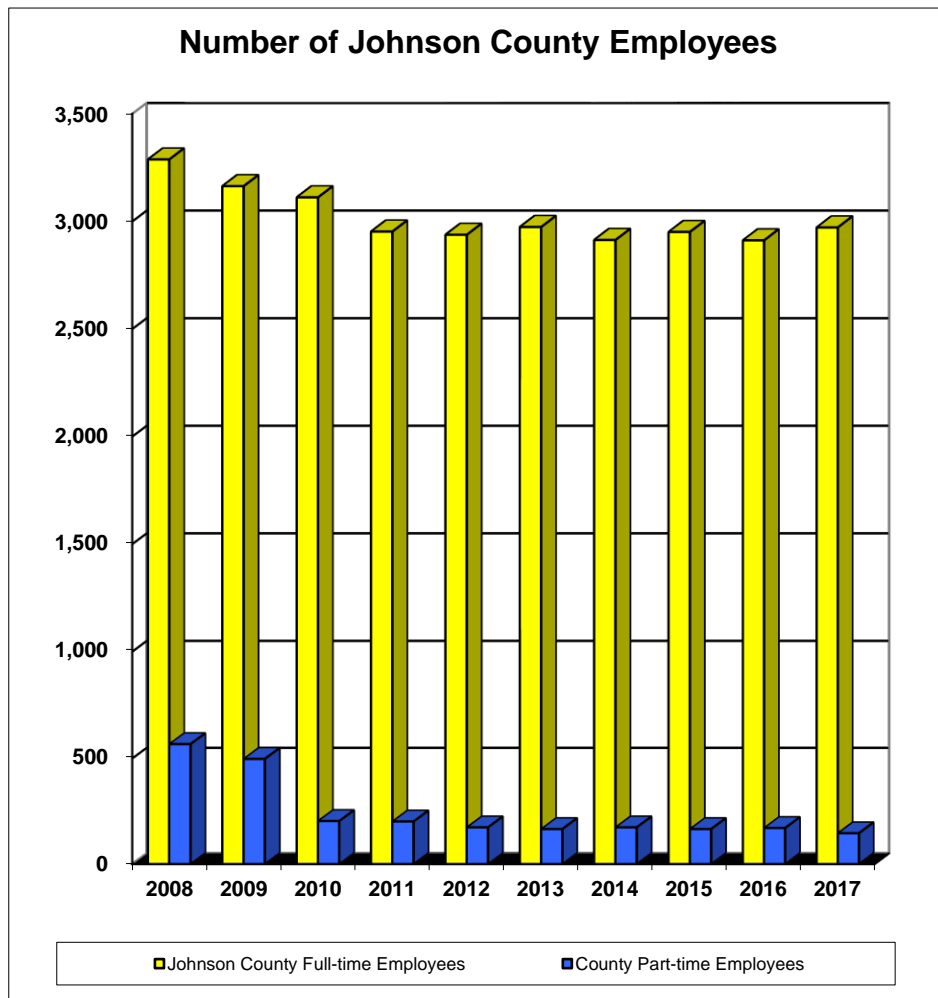


\*Twenty unfunded FTE positions have been added to the annual budget for countywide use since 2011. These additional FTE's are reset each budget cycle so there is no cumulative effect. For years 2011-2014 the additional FTE's were reported under "Planning and Economic Development". Beginning in 2015 the additional FTE's will be reported under "General Government" given their designation for countywide use. 2011-2014 historical amounts for both functions have been re-stated accordingly.

Source: County Budget Department

**Johnson County, Kansas  
Number of Employees  
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Johnson County Full-time Employees</u>	<u>Number of Johnson County Part-time Employees</u>
2017	2,973	146
2016	2,913	171
2015	2,952	166
2014	2,915	174
2013	2,975	166
2012	2,939	174
2011	2,954	202
2010	3,113	204
2009	3,165	499
2008	3,289	569



Source: Johnson County Payroll System.

**Johnson County, Kansas  
County Road System  
and  
Johnson County Wastewater Statistics  
December 31, 2017**

**County Road System**

<b>Pavement</b>	<b>Area</b>
Hard surface                    234 miles	480 square miles
Gravel surface                173 miles	
Total miles: <u>407</u> miles	

Source: Johnson County Public Works

**Johnson County Wastewater**

<b>Sewer District</b>	<b>Footage of Sewer Line</b>		<b>Sewer Permits</b>	
	<b>Added in</b>	<b>Total</b>	<b>Issued in</b>	<b>Total</b>
	<b>2017</b>		<b>2017</b>	
Blue River Main	58,131	1,687,578	597	15,827
Douglas L Smith/Middle Basin	937	965,541	8	11,208
Kansas City, Missouri	7,391	2,149,793	51	1,626
Mill Creek Regional	60,174	2,886,922	572	21,182
Mission Main	(459)	1,387,975	43	18,883
New Century Air Center	29,074	150,742	41	809
Tomahawk	6,444	1,580,268	103	36,284
Turkey Creek	(566)	1,297,061	28	16,982
<b>TOTAL</b>	<b>161,125</b>	<b>12,105,880</b>	<b>1,443</b>	<b>122,801</b>

Source: Johnson County Wastewater

**Johnson County, Kansas**  
**Summary of Insurance in Force**  
December 31, 2017

<b>Company</b>	<b>Term</b>	<b>Coverage</b>	<b>Liability</b>
Factory Mutual Ins. Co.	01/01/17 - 01/01/18	Real and personal property, boiler & machinery, and all other physical assets (blanket limit)	\$ 750,000,000
Nova Casualty Company	01/01/17 - 01/01/18	Law Enforcement Professional Liability – Sheriff’s Operations (1)	1,000,000
Nova Casualty Company	01/01/17 - 01/01/18	Law Enforcement Professional Liability – Sheriff’s Operations (2)	2,000,000
Nova Casualty Company	04/12/17 - 04/12/18	Premises & Professional Liability - Dept of Corrections Adult Services (1)	500,000
Nova Casualty Company	04/12/17 - 04/12/18	Premises & Professional Liability - Dept of Corrections Adult Services (2)	1,000,000
Nova Casualty Company	07/01/17 - 07/01/18	Premises & Professional Liability – Dept of Corrections Juvenile Detention (1)	1,000,000
Nova Casualty Company	07/01/17 - 07/01/18	Premises & Professional Liability – Dept of Corrections Juvenile Detention (2)	200,000
Self-Insured	01/01/17 - 01/01/18	Workers’ Compensation & Employers Liability (3)	500,000
Safety National Casualty Corp.	01/01/17 - 01/01/18	Workers’ Compensation Specific Excess - Self-Insured Retention	Statutory Limit
Safety National Casualty Corp.	01/01/17 - 01/01/18	Employers’ Liability (3)	1,000,000
Hartford Fire Ins. Group	08/26/17 - 08/26/18	Public Official Bond - County Treasurer	1,750,000
Liberty Mutual Ins. Co.	09/01/17 - 09/01/18	Public Official Bond - Health Officer	1,000
Liberty Mutual Ins. Co.	11/15/17 - 11/15/18	Public Official Bond - County Engineer	2,500
Liberty Mutual Ins. Co.	01/14/17 - 01/14/18	Public Official Bond - Sheriff	10,000
Hartford Fire Ins. Co.	01/01/17 - 01/01/18	Public Employees Blanket Bond & Faithful Performance Bond (1)	150,000
Hartford Fire Ins. Co.	01/01/17 - 01/01/18	Crime - Theft Disappearance and Destruction (1)	2,000,000
Travelers	01/01/17 - 01/01/18	Fiduciary Liability (1)	1,000,000
Philadelphia Ins. Co.	01/01/17 - 01/01/18	Premises & Professional Liability - JCDS (1)	1,000,000
Philadelphia Ins. Co.	01/01/17 - 01/01/18	Premises & Professional Liability – JCDS (2)	3,000,000
Philadelphia Ins. Co.	01/01/17 - 01/01/18	Premises & Professional Liability - Adolescent Center for Treatment (1)	1,000,000
Philadelphia Ins. Co.	01/01/17 - 01/01/18	Premises & Professional Liability - Adolescent Center for Treatment (2)	3,000,000
Old Republic Ins. Co.	01/01/17 - 01/01/18	Airport Liability (1),(2)	10,000,000
Genesis Ins. Co.	01/01/17 - 01/01/18	Excess Automobile Liability - Self-Insured Retention: \$350,000 (3),(4)	500,000
Genesis Ins. Co.	01/01/17 - 01/01/18	Excess General Liability - Self-Insured Retention: \$350,000 (1),(3)	500,000
Genesis Ins. Co.	01/01/17 - 01/01/18	Excess General Liability - Self-Insured Retention: \$350,000 (2)	1,000,000
Genesis Ins. Co.	01/01/17 - 01/01/18	Public Officials E&O incl – Employment Practices Liability Self-insured Retention:	1,000,000
Genesis Ins. Co.	01/01/17 - 01/01/18	Public Officials E&O incl – Employment Practices Liability Self-insured Retention:	2,000,000
Philadelphia Ins. Co.	01/01/17 - 01/01/18	Professional Liability - Mental Health (1)	1,000,000
Philadelphia Ins. Co.	01/01/17 - 01/01/18	Professional Liability - Mental Health (2)	3,000,000
Medical Protective Co.	01/01/17 - 01/01/18	Professional Liability - Dept of Health & Environment(1)	1,000,000
Medical Protective Co.	01/01/17 - 01/01/18	Professional Liability - Dept of Health & Environment (2)	3,000,000
Evanston Ins. Co.	01/01/17 - 01/01/18	Switch Engine Physical Damage	1,089,312
Steadfast Ins. Co.	01/01/17 - 01/01/18	Switch Engine Liability (1)	1,000,000
Steadfast Ins. Co.	01/01/17 - 01/01/18	Switch Engine Liability (2)	3,000,000
Axis Surplus Ins. Co.	01/01/17 - 01/01/18	Data Security/Cyber Liability (1),(2)	1,000,000
Ace American Ins. Co.	04/04/17 - 04/04/18	Storage Tank Liability (5),(2)	1,000,000

(1) per occurrence, (2) aggregate, (3) combined single limit and (4) each accident, (5) per claim (claims-made policy)

Source: Johnson County Risk Management