

Comprehensive Annual Financial Report



for the fiscal year ended Dec. 31, 2018



Architect renderings of the finished courthouse lobby area (top left), south side exterior (top right) and an interior courtroom design (bottom left).

ABOUT THE COVER

Johnson County began construction on two multi-year projects in 2018. Architectural renderings, pictured here and on the cover, anticipate structures that are beautiful, functional, and beneficial to the health and safety of our community.

Medical Examiner Facility

Anticipated opening: Summer 2020

Work began in December 2018 on the county's first-ever Medical Examiner facility, located on the Johnson County campus at 119th and Ridgeview. This 33,000-square-ft. facility will allow the county to conduct death investigations and provide efficient, cost-effective forensic results for law enforcement.

Johnson County Courthouse

Anticipated opening: Early 2021

This highly anticipated project, located directly north of the existing courthouse on Santa Fe Street, will address a variety of public safety and accessibility concerns, bringing the courthouse into ADA compliance and meeting the county's judicial needs for at least the next 75 years.



Architect renderings of Johnson County's first-ever medical examiner building.



JOHNSON COUNTY, KANSAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended
December 31, 2018

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Johnson County, Kansas For the year ended December 31, 2018

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INTRODUCTORY SECTION

July 23, 2019

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, 2018. 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, 2018, 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; the Park and Recreation District Board; and Fire Districts Boards. The governing boards for these 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 Park and Recreation District (the Park District) is also a component unit of Johnson County. The Park District is governed by a seven-member board appointed by the Board of County Commissioners. The County is financially accountable for the Park District, because the County's Board approves the Park District's operating budget and levies taxes to fund the Park District. For financial reporting purposes, the Park District is shown as a discretely presented component unit.

The combined four Fire Districts is also a component unit, with their own independent boards, ranging from three-to-five members. The County is financially accountable for the Fire Districts, because the County's Board approves each of the Fire Districts' operating budget and levies taxes to fund the Fire Districts. For financial reporting purposes, the combined Fire Districts 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 597,000 in 2018. 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 2009 and 2018, the number of full and part-time jobs increased from 305,554 to 325,190 - a 2% increase. At the end of 2018, Johnson County's civilian labor force totaled 327,255 members and the unemployment rate was 2.7%, as compared to the national unemployment rate of 3.9%.

The number of businesses with payroll employment in the County grew from 17,015 establishments in 2009 to 17,963 in 2018 - an increase of 948 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 \$732 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 2018, Johnson County had the highest assessed valuation in the State of Kansas. The assessed valuation for Johnson County increased 7.1% from the previous year. The upturn in assessed valuations marks the sixth 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 55% higher than the 19.024 mills levied in Johnson County, which dropped from 19.318 at the end of 2018.

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 7.1%, a significant increase for the third year in a row. Also, in 2014, the State of Kansas implemented a five-year phase out of the mortgage registration fee, which ultimately cost the County over \$18 million annually. A portion of the lost fees were negated by increased document charges for mortgage transactions.

The fiscal year 2019 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 2019 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 "complete or advance existing projects approved by voters and the BOCC with efficiency and effectiveness." The 2019 budget was adopted with a total mill levy of 26.013. The mill levy broken down by taxing district is 19.024 for Johnson County, 3.901 for the Library, and 3.088 for the Park and Recreation District. The Board is committed to ensuring construction projects such as the new Courthouse, the Coroner/Medical Examiner facility, and Tomahawk wastewater project are completed on schedule and within budget.

The second goal for the Board is to "develop and implement a comprehensive plan to protect, support, integrate, and use county government data systems." Delivering innovative and reliable technology solutions and services to advance the objectives of County staff, elected officials and the community is a priority of the Board. Part of the comprehensive plan involves consolidation, streamlining, and efficiency of technology resources, which is reflected in the 2019 budget.

The Board's third goal is to "develop a vision and finance plan for transportation to increase the economic health of Johnson County, State of Kansas, and the Kansas City Metropolitan Area." The Board's commitment to this goal is demonstrated by continued partnership with KCATA in managing and monitoring innovative solutions for cost effectiveness.

The fourth goal for the Board is to "advance the self-sufficiency of vulnerable populations including those with I/DD, those with mental health needs, those who are aging, and those who are housing insecure." In the 2019 budget, local funds were allocated to offset State funding reductions in nutrition programs, helping to stabilize quality nourishment for Johnson County seniors.

The County's tax base is forecasted to increase slightly in each of the next five years. The mill levy decreased to 19.024 in FY 2018. Multi-year projections show no future increases through FY 2023. The projections are based on maintaining the County's service levels as well as the General Fund reserves.

The 2019 budget was approached with a goal of a second consecutive mill levy rollback. Early indications were that assessed valuation growth would again be very strong. Other major revenue growth was less robust. When combined with an unusually high number of departmental requests for additional funding due to efforts to keep pace with growing demand for services, the rollback became more challenging, but was accomplished employing a new approach to clarify priorities and manage expectations. The end result was a .378 mills reduction.

Looming on the horizon are growing challenges to the current methodology for appraising commercial properties throughout several states, including Kansas. Early rulings from the state Board of Tax Appeals lowered the valuation for several retail chains in Johnson County by 30% using the Hypothetical Lease Theory. While circumstances can vary for each property, a preliminary estimate of a 30% valuation reduction across the County for similar classified properties has been estimated to reduce County, Park, and Library ad valorem by an estimated \$21 million at our current mill levy rates. A significant reduction to commercial property values would also reduce ratio of commercial to residential property tax overall in much the same way as the 2006 exemption phasing out personal property taxes paid by business on machinery and equipment.

Relevant Financial Policies

The County's policy is to fund on-going expenditures with on-going revenues. For 2019, 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, 2019 is anticipated to be approximately \$88.4 million, or 25.6% 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 23.9% in FY 2020 to 21.6% in FY 2023.

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, 2017. This was the 31st 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 2018 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, 2019. 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

Penny Postoak Ferguson
County Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Johnson County
Kansas**

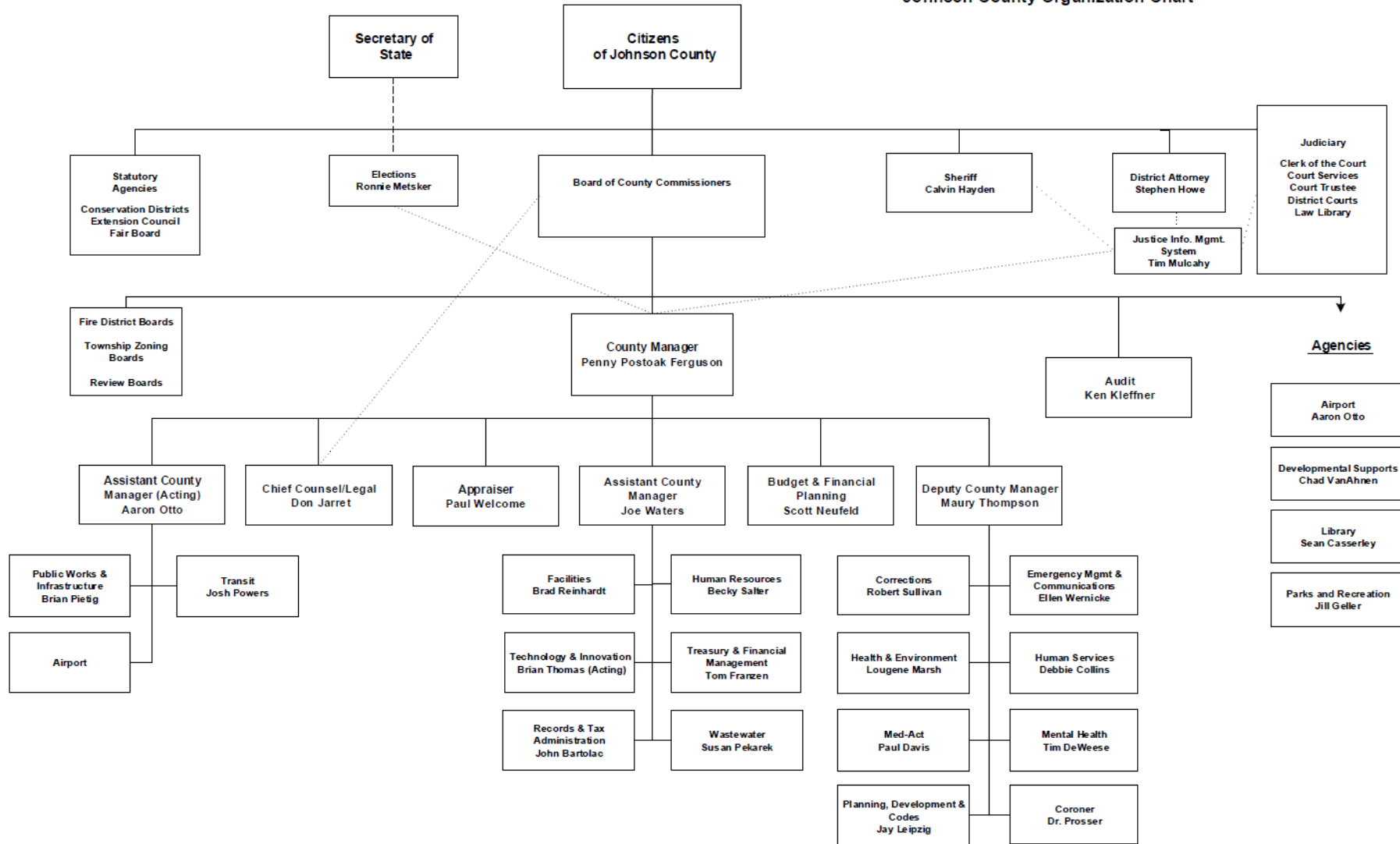
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO

Johnson County Organization Chart



Elected Officials

As of December 31, 2018

<u>Board of County Commissioners</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Position</u>
Ed Eilert	12 years	2019	Chairman
Ronald L. Shaffer	4 years	2019	1st District
James P. Allen	10 years	2021	2nd District
Steven C. Klika	6 years	2021	3rd District
Jason L. Osterhaus	8 years	2019	4th District
Michael L. Ashcraft	8 years	2019	5th District
Mike Brown	2 years	2021	6th District
<u>Elected Officials</u>			
Cal Hayden	2 years	2021	Sheriff
Stephen M. Howe	10 years	2021	District Attorney

Appointed Officials

as of December 31, 2018

Appointed Officials	Position	Length of Service to Johnson County	Other Government Service
Penny Postoak Ferguson	County Manager	9 years	14 years
Maury Thompson	Deputy County Manager	27 years	3 years
Joe Waters	Assistant County Manager	24 years	6 years
Aaron Otto	Assistant County Manager (Acting)	4 years	15.5 years
Don Jarrett	Director of Legal Services/Chief Counsel	33 years	N/A
Paul Davis	Chief of Emergency Medical Service	2 years	25.5 years
Paul Welcome	County Appraiser	27 years	12 years
Ken Kleffner	County Auditor	11 years	N/A
Sean Casserley	County Librarian	7 years	22 years
Scott Neufeld	Director of Budget and Financial Planning	24 years	8 years
Robert Sullivan	Director of Corrections	4 years	21 years
Ellen Wernicke	Director of Emergency Management & Communications	21 years	N/A
Brad Reinhardt	Director of Facilities	4 years	N/A
Lougene Marsh	Director of Health and Environmental	10 years	26 years
Becky Salter	Director of Human Resources	11 years	11 years
Deborah Collins	Director of Human Services	33 years	N/A
Jill Geller	Director of Park and Recreation	38 years	N/A
Jay Leipzig	Director of Planning	1.5 years	24 years
Brian Pietig	Director of Public Works & Infrastructure/County Engineer	19 years	2.5 years
John Bartolac	Director of Records and Tax Administration	25 years	12 years
Brian Thomas	Director of Technology & Innovation (Acting)	1.5 years	N/A
Tom Franzen	Director of Treasury and Financial Management/County Treasurer	20 years	N/A
Ronnie Metsker	Election Commissioner	3 years	N/A
Larry Peet	Executive Director of Airports (Acting)	4 years	15.5 years
Chad VonAhnen	Executive Director of Developmental Supports	6 years	17 years
Tim DeWeese	Executive Director of Mental Health	18 years	5 years
Susan Pekarek	Wastewater General Manager	17 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 units, each major fund, and the aggregate remaining fund information of Johnson County, Kansas (County) as of and for the year ended December 31, 2018, 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 did not audit the financial statements of the Johnson County Fire District No. 1., which is a discretely presented component unit comprising 4.19% of total assets and deferred outflows of resources, (1.22)% of net position and 6.04% of revenues of the County's aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included in Johnson County Fire District No. 1, are based solely on the reports of the other auditors. 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, based on our audit and the report of other auditors, 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 units, each major fund, and the aggregate remaining fund information of Johnson County, Kansas, as of December 31, 2018, 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.

Emphasis of Matter

As discussed in Note 1.A., adjustments were made to the beginning net position to record a prior period adjustment in the prior year financial statements related to the addition of the discretely presented Fire Districts to the reporting entity. Our opinions are not modified with respect to this matter.

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 and other auditors 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 July 23, 2019 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 solely 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 the effectiveness of the County's 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

July 23, 2019
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, 2018. 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 \$666,065,761 (net position). Of this amount, \$159,408,161 (unrestricted net position) may be used to meet the County's on-going obligations to citizens and creditors.
- As of December 31, 2018, the County's governmental funds reported combined ending fund balances of \$236,972,729. Approximately 86% of this total amount, \$204,098,779, 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 \$100,588,261 or 33% of total general fund expenditures of \$301,327,450. Approximately 30% of this total amount, \$91,234,871 is available to meet the County's current and future needs.
- The County's total bonded debt increased by \$278,179,997 (45%) during the current fiscal year. This was primarily due to the issuance of debt for the Tomahawk project related to Johnson County Wastewater, and debt issued for the construction of the new courthouse.

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 Park 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 Park 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 Park 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

Johnson County's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 540,165,044	\$ 509,966,133	\$ 621,059,965	\$ 322,792,165	\$ 1,161,225,009	\$ 832,758,298
Capital assets	163,123,675	164,760,426	888,442,426	801,514,569	1,051,566,101	966,274,995
Total assets	703,288,719	674,726,559	1,509,502,391	1,124,306,734	2,212,791,110	1,799,033,293
Deferred Outflows	41,488,521	36,763,763	1,280,133	1,120,688	42,768,654	37,884,451
Liabilities:						
Long-term liabilities outstanding	254,682,483	233,619,370	995,173,361	686,651,640	1,249,855,844	920,271,010
Other liabilities	43,265,814	49,680,419	43,221,593	21,924,602	86,487,407	71,605,021
Total liabilities	297,948,297	283,299,789	1,038,394,954	708,576,242	1,336,343,251	991,876,031
Deferred Inflows	251,045,026	236,113,785	2,105,726	2,144,805	253,150,752	238,258,590
Net position:						
Net investment in capital assets	148,126,524	159,173,282	383,802,726	287,469,063	531,929,250	446,642,345
Restricted	29,880,663	32,652,747	14,931	15,363,482	29,895,594	48,016,229
Unrestricted	17,776,730	250,719	86,464,187	111,873,830	104,240,917	112,124,549
Total net position	\$ 195,783,917	\$ 192,076,748	\$ 470,281,844	\$ 414,706,375	\$ 666,065,761	\$ 606,783,123

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 \$666,065,761 at the close of the current fiscal year.

The largest portion of the County's net position (80%) reflects its investment of \$531,929,250 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 is unrestricted net position, \$104,240,917 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, 2018, and illustrates the comparison between 2018 and the prior year:

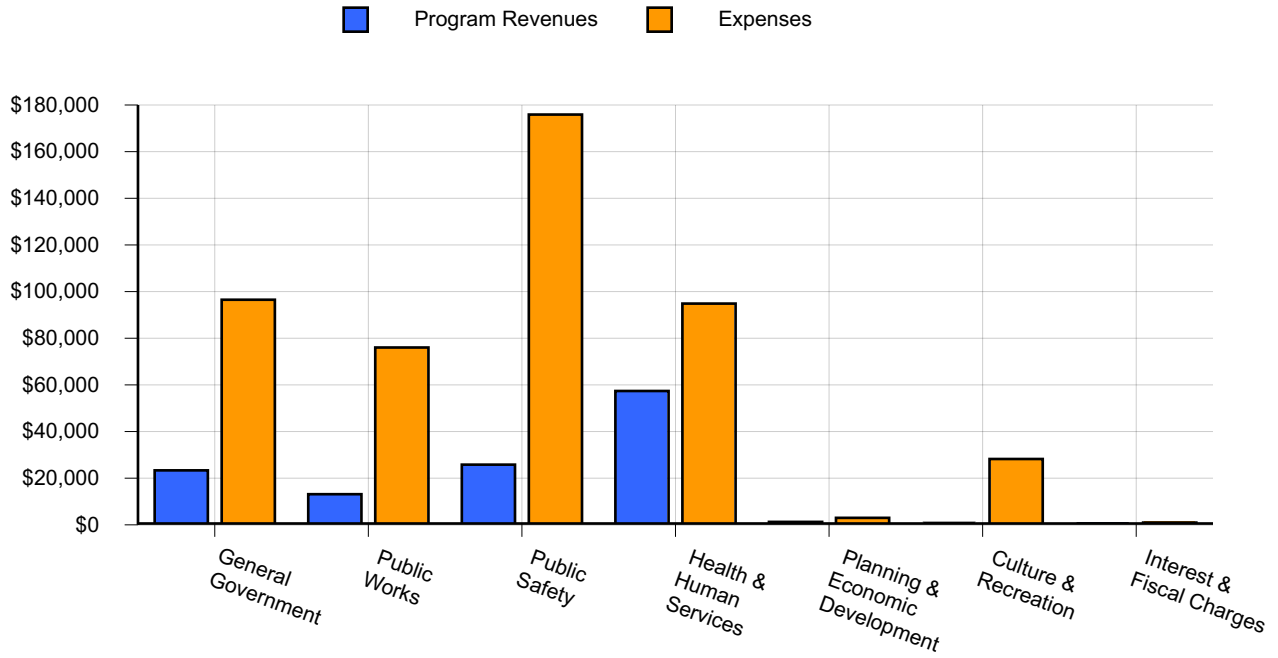
	Johnson County's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 77,880,783	\$ 76,352,255	\$ 182,946,817	\$ 160,651,474	\$ 260,827,600	\$ 237,003,729
Operating grants and contributions	46,857,340	44,107,182	701,870	2,559,297	47,559,210	46,666,479
Capital grants and contributions	421,666	2,003,024	7,809,992	5,283,959	8,231,658	7,286,983
General revenues:						
Property taxes	245,651,928	232,081,211	18,829	—	245,670,757	232,081,211
Sales taxes	101,676,666	93,904,750	—	—	101,676,666	93,904,750
Other taxes	5,309,275	5,208,009	—	—	5,309,275	5,208,009
Unrestricted investment earnings	9,471,385	4,273,258	7,482,034	3,190,932	16,953,419	7,464,190
Miscellaneous	7,387,805	7,882,037	—	—	7,387,805	7,882,037
Total revenues	494,656,848	465,811,726	198,959,542	171,685,662	693,616,390	637,497,388
Expenses, net of indirect cost allocation:						
General government	97,080,851	110,932,097	—	—	97,080,851	110,932,097
Public works	76,598,421	48,257,622	—	—	76,598,421	48,257,622
Public safety	176,471,216	158,620,702	—	—	176,471,216	158,620,702
Health and human services	95,429,443	90,647,969	—	—	95,429,443	90,647,969
Planning and economic development	3,567,984	3,356,356	—	—	3,567,984	3,356,356
Culture and recreation	28,799,807	30,141,206	—	—	28,799,807	30,141,206
Interest on long term debt	392,124	205,744	—	—	392,124	205,744
Airport	—	—	5,495,889	11,101,995	5,495,889	11,101,995
Johnson County Wastewater	—	—	103,717,626	99,207,626	103,717,626	99,207,626
Transportation	—	—	17,730,056	8,991,257	17,730,056	8,991,257
Public Building Commission	—	—	22,421,776	18,947,578	22,421,776	18,947,578
Total expenses	478,339,846	442,161,696	149,365,347	138,248,456	627,705,193	580,410,152
Increase (decrease) in net position before transfers	16,317,002	23,650,030	49,594,195	33,437,206	65,911,197	57,087,236
Transfers	(6,841,572)	(5,480,121)	6,841,572	5,480,121	—	—
Change in net position	9,475,430	18,169,909	56,435,767	38,917,327	65,911,197	57,087,236
Net position - 1/1/18	192,076,748	173,906,839	414,706,375	375,789,048	606,783,123	549,695,887
Prior period adjustments	(5,768,261)	—	(860,298)	—	(6,628,559)	—
Net position - beginning of year restated	186,308,487	173,906,839	413,846,077	375,789,048	600,154,564	549,695,887
Net position - 12/31/18	\$ 195,783,917	\$ 192,076,748	\$ 470,281,844	\$ 414,706,375	\$ 666,065,761	\$ 606,783,123

Analysis of Changes in Net Position.

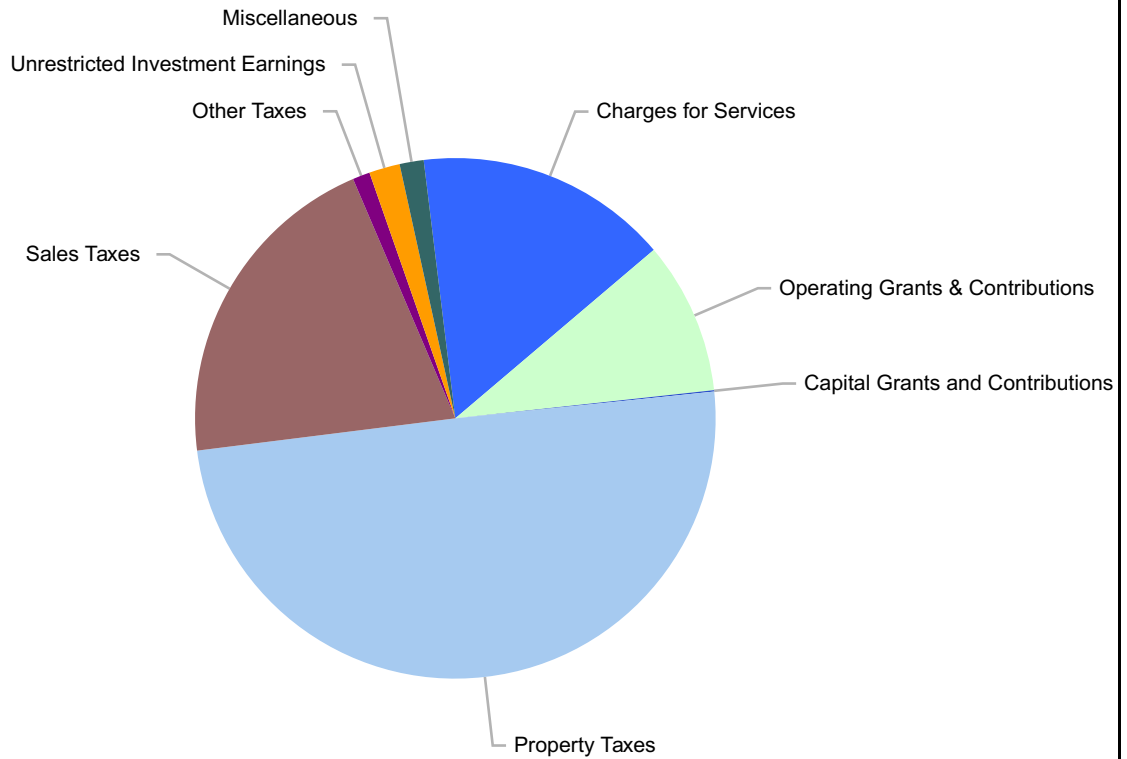
Governmental Activities

During the current fiscal year, the County's net position related to governmental activities increased \$3,707,169 when compared to 2017. This was due to a variety of increases/decreases in revenues and expenses as shown in the table above.

Expenses and Program Revenues - Governmental Activities
In thousands (\$,000's)



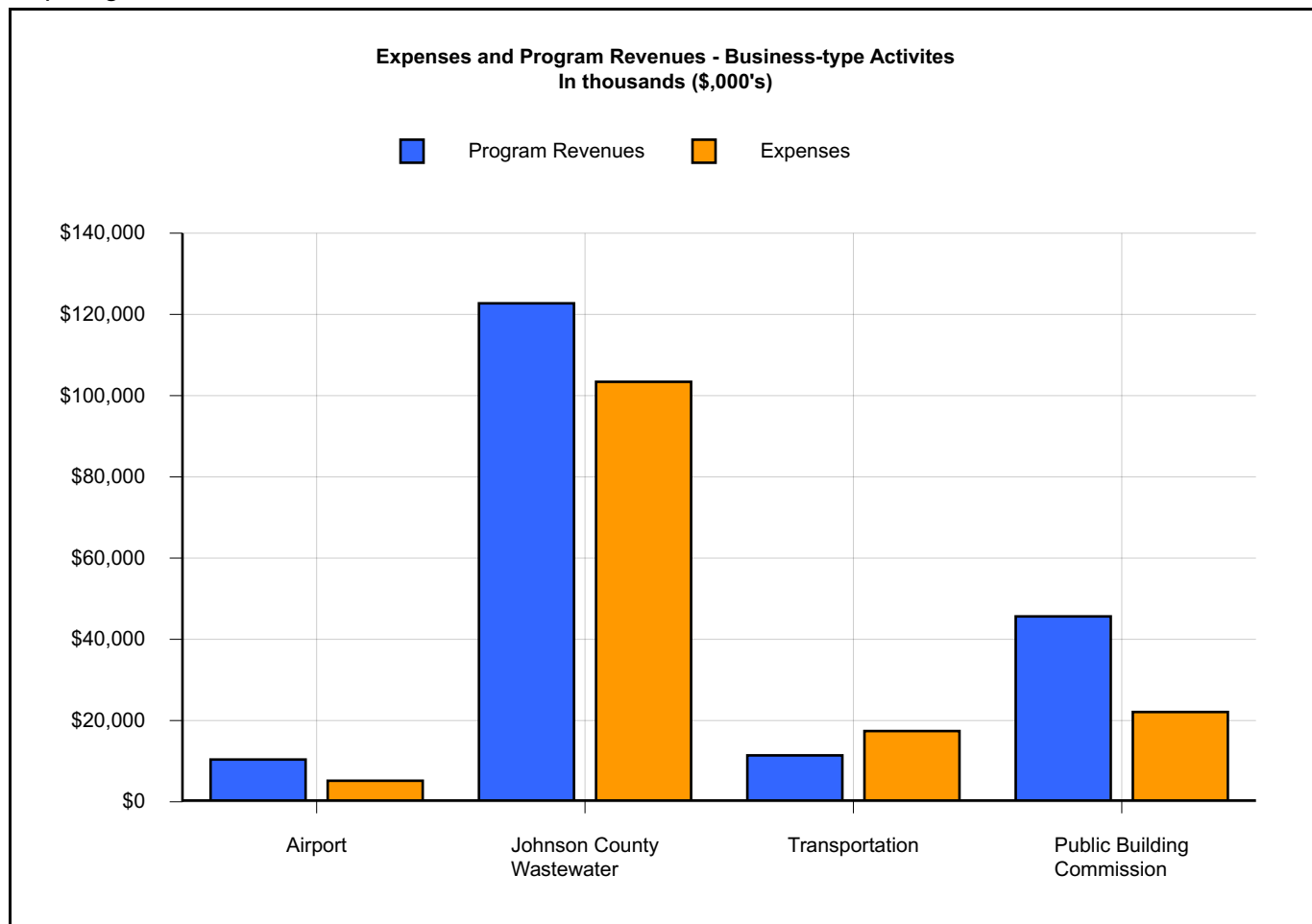
Revenues by Source - Governmental Activities

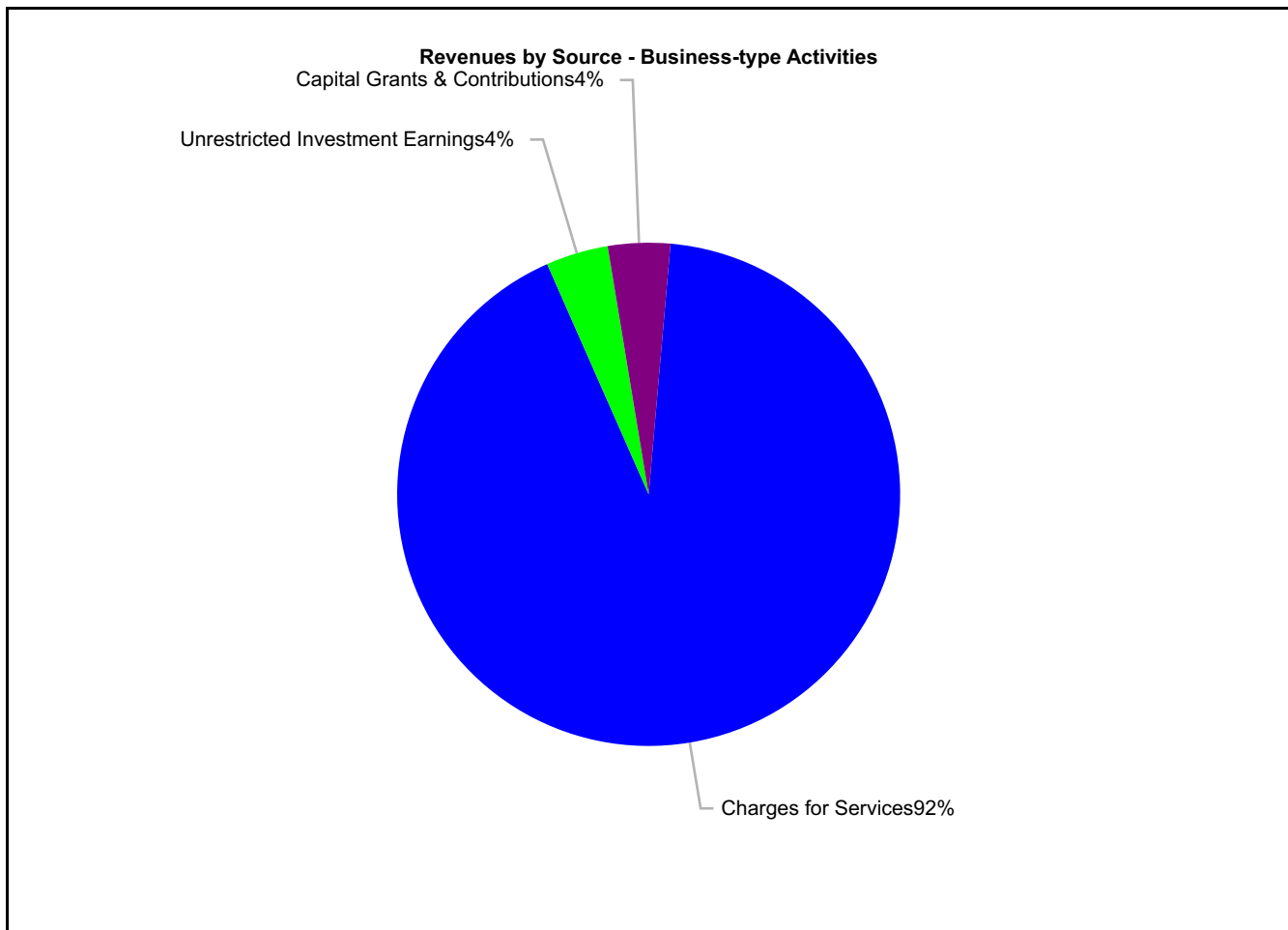


The charts above illustrate the County’s governmental expenses and revenues by function, and revenues by source. As shown, public safety is the largest function in expense (37%), followed by general government and health and human services (both 20%), and public works (16%). General revenues such as 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 sales taxes (21%), and charges for services (16%).

Business-type Activities

During the current fiscal year, the County’s net position related to business-type activities increased \$55,575,469. Charges for services increased \$23,823,871 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 \$236,972,729, an increase of \$12,043,497 from the prior year. Approximately 86% of this total amount, or \$204,098,779 constitutes fund balance that is available to meet the County's current and future needs. The remainder of the fund balance totaling \$32,873,950 is either non-spendable or restricted for specific spending; including \$2,993,287 "not in spendable form" for items that are not expected to be converted to cash such as inventories and prepaid items, and \$29,880,663 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 \$91,234,871, while total fund balance was \$100,588,261. 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 30% of total general fund expenditures of \$301,327,450, while total fund balance represents 33% of that same amount.

The fund balance in the County's general fund has increased by \$5,495,421 during the current fiscal year. Total revenue in the general fund was \$324,293,788, an increase of \$17,902,515 from the previous year. Increased tax revenue and investment earnings were the main components of this increase. Total expenditures increased 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 \$141,631,431. The total change in net position for Johnson County Wastewater was \$22,646,151 and \$26,075,395 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 an amendment to the original 2018 Wastewater budget. The original budget for Wastewater was \$289,151,691, but was increased to \$467,091,363 due to an additional amount of debt being issued for several Wastewater projects. There were no amendments to any other County funds.

The original actual revenues for the General Fund were below the final budget by \$6,822,097. Due to the County's effective budget controls expenditures were \$97,851,404 less than budgeted, which resulted in a positive variance of \$90,516,703 in the General Fund. A summary of the significant differences between budgetary estimates for revenues and expenditures is as follows:

- Intergovernmental revenues were \$5,990,064 less than expected as the County received fewer federal and state grant funds.
- General fund reserves of \$81,017,822 remain available at the end of 2018.

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, 2018 amounted to \$1,051,566,101 (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 27,087,119	\$ 26,737,119	\$ 9,738,854	\$ 9,738,854	\$ 36,825,973	\$ 36,475,973
Buildings	32,403,073	34,309,379	386,795,275	383,161,487	419,198,348	417,470,866
Improvements other than buildings	2,912,658	3,145,515	256,881,719	252,022,306	259,794,377	255,167,821
Machinery and equipment	30,648,697	29,797,014	27,181,100	16,179,438	57,829,797	45,976,452
Infrastructure	47,301,726	39,868,080	1,772,779	1,834,408	49,074,505	41,702,488
Construction in progress	22,770,402	30,903,319	206,072,699	138,578,076	228,843,101	169,481,395
Total	\$ 163,123,675	\$ 164,760,426	\$ 888,442,426	\$ 801,514,569	\$ 1,051,566,101	\$ 966,274,995

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 \$902,844,994. This amount was comprised of \$533,476,356 of general obligation and \$1,095,000 of special obligation debt backed by the full faith and credit of the County. Special Assessment debt in the amount of \$93,638 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 11,950,000	\$ 3,035,000	\$ 521,526,356	\$ 344,722,613	\$ 533,476,356	\$ 347,757,613
Special obligation bonds	1,095,000	1,855,000	—	—	1,095,000	1,855,000
Special assessment debt	88,800	97,700	4,838	9,684	93,638	107,384
Revenue bonds	—	—	368,180,000	274,945,000	368,180,000	274,945,000
Total	\$ 13,133,800	\$ 4,987,700	\$ 889,711,194	\$ 619,677,297	\$ 902,844,994	\$ 624,664,997

The County's total long-term debt increased by \$278,179,997 during the fiscal year due primarily to the issuance of \$223 million in Wastewater debt for the Tomahawk project (\$208 million) and other Wastewater projects. Revenue bonds issued by the Public Building Commission also contributed to this increase.

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 \$878,974,435, 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 Bureau of Economic Analysis, the County's population increased from 539,396 in 2009 to 596,767 in 2018 (an increase of 57,371 or 11%). On average, the County's population grows by approximately 5,737 persons per year, or 478 per month. Unemployment rates are currently at 2.7% compared to a national level of 3.9% and a state level of 3.3%.

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 2019. At the end of 2018, the unrestricted fund balance in the general fund is \$82,826,738.

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.jocogov.org/sites/default/files/documents/TRE/CAFR-2018.pdf>. Separately issued financial statements for the discretely presented component unit, the Park 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, 2018

	PRIMARY GOVERNMENT			Component Unit	
	Governmental	Business-Type	Total	Park and	Fire
	Activities	Activities		Recreation	Districts
ASSETS					
Deposits including investments	\$ 277,248,395	\$ 205,136,613	\$ 482,385,008	\$ 33,877,424	\$ 12,050,844
Receivables (net of allowance for uncollectibles):	259,933,950	22,269,595	282,203,545	33,072,113	21,885,986
Internal balances	(235,040)	235,040	—	—	—
Inventories	1,400,816	542,313	1,943,129	86,272	—
Prepays	1,816,804	52,873	1,869,677	333,619	5,226
Restricted cash and investments	119	392,823,531	392,823,650	9,375,207	1,955,712
Capital assets (net of accumulated depreciation):					
Land	27,087,119	9,738,854	36,825,973	59,852,173	947,541
Buildings	32,403,073	386,795,275	419,198,348	26,950,354	8,019,467
Improvements other than buildings	2,912,658	256,881,719	259,794,377	19,108,528	—
Machinery and equipment	30,648,697	27,181,100	57,829,797	4,202,809	6,483,045
Infrastructure	47,301,726	1,772,779	49,074,505	290,054	—
Construction in progress	22,770,402	206,072,699	228,843,101	28,231,429	4,132,541
TOTAL ASSETS	703,288,719	1,509,502,391	2,212,791,110	215,379,982	55,480,362
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferred outflow	39,241,839	1,111,105	40,352,944	3,018,712	7,170,220
OPEB deferred outflow	2,245,669	169,028	2,414,697	408,341	8
Unamortized portion of refunding	1,013	—	1,013	225,584	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	41,488,521	1,280,133	42,768,654	3,652,637	7,170,228
LIABILITIES					
Accounts payable	19,163,269	29,506,036	48,669,305	1,701,151	930,458
Salaries and wages payable	9,781,169	682,307	10,463,476	—	110,919
Accrued liabilities	11,275,575	73,953	11,349,528	1,143,336	299,836
Interest payable	213,246	12,222,007	12,435,253	422,321	43,452
Unearned revenue	2,832,555	737,290	3,569,845	1,195,357	—
Customer deposits payable	—	—	—	38,456	—
Noncurrent liabilities					
Due within one year	3,424,563	53,589,001	57,013,564	5,552,079	1,021,014
Due in more than one year	251,257,920	941,584,360	1,192,842,280	43,146,552	41,352,218
TOTAL LIABILITIES	297,948,297	1,038,394,954	1,336,343,251	53,199,252	43,757,897
DEFERRED INFLOWS OF RESOURCES					
Property tax receivable	229,703,757	—	229,703,757	31,928,653	21,885,986
Deferred revenue - grants revenue	11,252,487	—	11,252,487	—	—
Capital Finance Charges Receivable	—	488,003	488,003	—	—
Pension deferred inflow	7,052,760	201,259	7,254,019	309,717	1,317,467
OPEB deferred inflow	3,036,022	228,517	3,264,539	510,341	293,277
Unamortized portion of refunding	—	1,187,947	1,187,947	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	251,045,026	2,105,726	253,150,752	32,748,711	23,496,730
NET POSITION					
Net investment in capital assets	148,126,524	383,802,726	531,929,250	106,206,816	5,461,395
Restricted for:					
Technology Management	4,718,529	—	4,718,529	—	—
Public works	5,030,209	—	5,030,209	—	—
Law Enforcement	13,484,724	—	13,484,724	—	—
Community Support Services	2,849,933	—	2,849,933	—	—
Planning and Economic Development	18,224	—	18,224	—	—
Libraries, Recreation, and Education	1,324,221	—	1,324,221	9,258,320	—
Capital projects	—	14,931	14,931	4,244,958	216,965
Debt service	2,454,823	—	2,454,823	118,128	—
Unrestricted	17,776,730	86,464,187	104,240,917	13,256,434	(10,282,397)
TOTAL NET POSITION	\$ 195,783,917	\$ 470,281,844	\$ 666,065,761	\$ 133,084,656	\$ (4,604,037)

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

Johnson County, Kansas
Statement of Activities
For the Year Ended December 31, 2018

						Net (Expense) Revenue and Changes in Net Position				
						Primary Government			Component Unit	
		Indirect	Program Revenues							
		Expenses	Charges for	Operating	Capital	Governmental	Business-Type		Park and	Fire
Functions/Programs	Expenses	Allocation	Service	Grants and	Grants and	Activities	Activities	Total	Recreation	Districts
Primary Government:										
Governmental Activities:										
General government	\$110,517,918	\$ (13,437,067)	\$ 23,515,727	\$ 410,140	\$ —	\$ (73,154,984)	\$ —	\$ (73,154,984)	\$ —	\$ —
Public works	75,402,007	1,196,414	1,450,959	12,153,716	98,262	(62,895,484)	—	(62,895,484)	—	—
Public safety	176,386,216	85,000	19,393,631	6,675,868	306,410	(150,095,307)	—	(150,095,307)	—	—
Health and human services	87,200,032	8,229,411	30,447,733	27,491,103	16,994	(37,473,613)	—	(37,473,613)	—	—
Planning and economic development	3,441,984	126,000	1,832,672	—	—	(1,735,312)	—	(1,735,312)	—	—
Culture and recreation	28,799,807	—	1,240,061	126,513	—	(27,433,233)	—	(27,433,233)	—	—
Interest on long term debt	392,124	—	—	—	—	(392,124)	—	(392,124)	—	—
Total governmental activities	482,140,088	(3,800,242)	77,880,783	46,857,340	421,666	(353,180,057)	—	(353,180,057)	—	—
Business Type activities:										
Airport	5,138,964	356,925	10,087,044	—	631,304	—	5,222,459	5,222,459	—	—
Johnson County Wastewater	100,582,509	3,135,117	122,670,854	370,680	—	—	19,323,908	19,323,908	—	—
Transportation	17,421,856	308,200	4,564,112	—	7,178,688	—	(5,987,256)	(5,987,256)	—	—
Public Building Commission	22,421,776	—	45,624,807	331,190	—	—	23,534,221	23,534,221	—	—
Total business type activities	145,565,105	3,800,242	182,946,817	701,870	7,809,992	—	42,093,332	42,093,332	—	—
Total Primary Government	\$627,705,193	\$ —	\$260,827,600	\$ 47,559,210	\$ 8,231,658	\$ (353,180,057)	\$ 42,093,332	\$ (311,086,725)	—	—
Component unit:										
Park and Recreation	\$ 40,427,087	\$ —	\$ 22,111,928	\$ 128,896	\$ 199,761				(17,986,502)	
Fire Districts	\$ 24,161,275	\$ —	\$ 2,165,665	\$ 99,830	\$ —					\$ (21,895,780)
General revenues:										
Property taxes						245,651,928	18,829	245,670,757	33,541,712	22,724,148
Sales taxes						101,676,666	—	101,676,666	—	—
Other taxes						5,309,275	—	5,309,275	12,835	—
Unrestricted investment earnings						9,471,385	7,482,034	16,953,419	758,694	48,363
Miscellaneous						7,387,805	—	7,387,805	61,108	368,278
Transfers						(6,841,572)	6,841,572	—	—	—
Total general revenue and transfers						362,655,487	14,342,435	376,997,922	34,374,349	23,140,789
Change in net position						9,475,430	56,435,767	65,911,197	16,387,847	1,245,009
Net position - beginning						192,076,748	414,706,375	606,783,123	117,353,182	—
Prior period adjustments						(5,768,261)	(860,298)	(6,628,559)	(656,373)	(5,849,046)
Net position - beginning of year restated						186,308,487	413,846,077	600,154,564	116,696,809	(5,849,046)
Net position - ending						\$ 195,783,917	\$ 470,281,844	\$ 666,065,761	\$ 133,084,656	\$ (4,604,037)

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

Johnson County, Kansas
Balance Sheet
Governmental Funds
December 31, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Deposits including investments	\$ 94,432,439	\$ 108,932,935	\$ 43,839,734	\$ 247,205,108
Receivables (net of allowance for uncollectibles):	166,342,923	—	93,338,761	259,681,684
Inventories	476,371	—	761,656	1,238,027
Prepays	932,658	—	822,602	1,755,260
Restricted cash and investments	—	—	119	119
Total assets	<u><u>\$ 262,184,391</u></u>	<u><u>\$ 108,932,935</u></u>	<u><u>\$ 138,762,872</u></u>	<u><u>\$ 509,880,198</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,161,130	\$ 8,130,719	\$ 1,691,035	\$ 14,982,884
Salaries and wages payable	6,905,235	—	2,858,147	9,763,382
Due to others	4,473,557	—	213	4,473,770
Unearned revenue	1,777,434	—	953,755	2,731,189
Total liabilities	<u><u>18,317,356</u></u>	<u><u>8,130,719</u></u>	<u><u>5,503,150</u></u>	<u><u>31,951,225</u></u>
Deferred Inflows of Resources:				
Property tax receivable	141,590,078	—	88,113,679	229,703,757
Unavailable revenue - grants revenue	1,688,696	6,900,879	2,662,912	11,252,487
Total deferred inflows of resources	<u><u>143,278,774</u></u>	<u><u>6,900,879</u></u>	<u><u>90,776,591</u></u>	<u><u>240,956,244</u></u>
Fund Balances:				
Nonspendable	1,409,029	—	1,584,258	2,993,287
Restricted	7,944,361	—	21,936,302	29,880,663
Committed	4,922,745	93,901,337	245,125	99,069,207
Assigned	3,485,388	—	18,717,446	22,202,834
Unassigned	82,826,738	—	—	82,826,738
Total fund balances	<u><u>100,588,261</u></u>	<u><u>93,901,337</u></u>	<u><u>42,483,131</u></u>	<u><u>236,972,729</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 262,184,391</u></u>	<u><u>\$ 108,932,935</u></u>	<u><u>\$ 138,762,872</u></u>	<u><u>\$ 509,880,198</u></u>

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, 2018

Total fund balance - all governmental funds	\$ 236,972,729
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.	163,123,675
Less Internal Services Fund Capital Assets	(4,297,992)
Other deferred outflows of resources in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Deferred outflows - pensions	39,241,839
Deferred outflows - OPEB	2,245,669
Deferred outflows - unamortized portion of refundings	1,013
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:	
Interest Payable	\$ (213,246)
Bonds:	
General obligation, net of unamortized premium of \$1,825,520	(13,775,520)
Special obligation	(1,095,000)
Special assessment	(88,800)
Compensated absences	(18,999,058)
Total OPEB liability	(23,701,932)
Capital lease obligations	(38,844)
Net pension liability	(196,983,329)
Total	(254,895,729)
Less Internal Services Fund Long Term Debt	125,299
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	(7,052,760)
Deferred inflows - OPEB	(3,036,022)
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.	23,356,196
Net position of governmental activities	<u><u>\$ 195,783,917</u></u>

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, 2018

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 240,229,935	\$ —	\$ 112,407,925	\$ 352,637,860
Intergovernmental	21,611,330	98,262	24,390,956	46,100,548
Charges for services	48,189,461	—	20,315,556	68,505,017
Investment earnings	7,739,463	63,684	1,393,693	9,196,840
Licenses and permits	1,840,386	—	1,348,533	3,188,919
Other	4,683,213	539,934	2,188,770	7,411,917
Total revenues	324,293,788	701,880	162,045,433	487,041,101
EXPENDITURES				
Current:				
General government	92,069,747	—	685,821	92,755,568
Public works	—	—	11,352,476	11,352,476
Public safety	164,402,960	—	5,281,584	169,684,544
Health and human services	21,684,441	—	73,540,311	95,224,752
Planning and economic development	3,567,307	—	—	3,567,307
Culture and recreation	828,918	—	26,918,697	27,747,615
Debt service:				
Principal retirement	18,992	—	1,058,900	1,077,892
Interest and fiscal charges	3,715	—	241,910	245,625
Capital outlay	18,751,370	50,170,003	4,860,314	73,781,687
Total expenditures	301,327,450	50,170,003	123,940,013	475,437,466
Excess (deficiency) of revenues over (under) expenditures	22,966,338	(49,468,123)	38,105,420	11,603,635
OTHER FINANCING SOURCES (USES)				
Transfers in	1,667,652	46,792,675	2,708,366	51,168,693
Transfers out	(19,138,569)	(1,625,719)	(39,328,268)	(60,092,556)
General Obligation bonds issuance	—	10,501,654	16,693	10,518,347
Premium on bonds issued	—	—	23,836	23,836
Total other financing sources and uses	(17,470,917)	55,668,610	(36,579,373)	1,618,320
Net change in fund balances	5,495,421	6,200,487	1,526,047	13,221,955
Fund balances - beginning	95,092,840	87,700,850	42,135,542	224,929,232
Prior period adjustments	—	—	(1,178,458)	(1,178,458)
Fund balances - beginning as restated	95,092,840	87,700,850	40,957,084	223,750,774
Fund balances - ending	\$ 100,588,261	\$ 93,901,337	\$ 42,483,131	\$ 236,972,729

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, 2018

Net change in fund balances - all governmental funds \$ 13,221,955

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	\$ 11,702,690	
Depreciation Expense	(13,300,920)	
Net change		(1,598,230)

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	1,077,892	
Proceeds From General Obligation bonds	(9,205,000)	
Premium from bonds issued	(1,337,183)	
Net change		(9,464,291)

Net gain (loss) on disposal of capital assets and infrastructure. (38,521)

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. (358,400)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 13,619

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. (63,461)

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. (1,039,476)

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. 296,274

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. 8,505,961

Changes in net position of governmental activities \$ 9,475,430

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 240,519,714	\$ 240,519,714	\$ 240,229,935	\$ (289,779)
Intergovernmental	27,601,394	27,601,394	21,611,330	(5,990,064)
Charges for services	53,292,785	53,292,785	48,189,461	(5,103,324)
Investment earnings	3,069,969	3,069,969	7,476,332	4,406,363
Licenses and permits	1,663,667	1,663,667	1,840,386	176,719
Other	4,704,049	4,704,049	4,682,037	(22,012)
Total revenues	<u>330,851,578</u>	<u>330,851,578</u>	<u>324,029,481</u>	<u>(6,822,097)</u>
EXPENDITURES				
Current:				
General government	99,847,629	99,847,629	92,074,988	7,772,641
Public safety	148,697,660	148,697,660	164,220,874	(15,523,214)
Health and human services	23,700,283	23,700,283	22,151,238	1,549,045
Planning and economic development	3,606,133	3,606,133	3,536,319	69,814
Culture and recreation	1,234,950	1,234,950	828,734	406,216
Capital outlay	41,232,133	41,232,133	18,673,053	22,559,080
Reserves	81,017,822	81,017,822	—	81,017,822
Total expenditures	<u>399,336,610</u>	<u>399,336,610</u>	<u>301,485,206</u>	<u>97,851,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,485,032)</u>	<u>(68,485,032)</u>	<u>22,544,275</u>	<u>91,029,307</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,725,746	1,725,746	1,667,652	(58,094)
Transfers out	(18,684,059)	(18,684,059)	(19,138,569)	(454,510)
Total other financing sources and uses	<u>(16,958,313)</u>	<u>(16,958,313)</u>	<u>(17,470,917)</u>	<u>(512,604)</u>
Net change in fund balances	<u>(85,443,345)</u>	<u>(85,443,345)</u>	<u>5,073,358</u>	<u>\$ 90,516,703</u>
Fund balances - beginning	<u>85,443,345</u>	<u>85,443,345</u>	<u>93,587,963</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 98,661,321</u>	

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

Johnson County, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Wastewater	Public	Non-Major		
		Building Commission			
ASSETS					
Current assets:					
Deposits including investments	\$ 147,028,425	\$ 44,736,230	\$ 13,371,958	\$ 205,136,613	\$ 30,043,287
Receivables (net of allowance for uncollectibles):	19,554,786	954,538	1,760,271	22,269,595	252,266
Due from other funds	—	—	235,040	235,040	—
Inventories	542,313	—	—	542,313	162,789
Prepaid items	52,873	—	—	52,873	61,544
Total current assets	167,178,397	45,690,768	15,367,269	228,236,434	30,519,886
Noncurrent assets:					
Restricted cash and investments	214,290,927	178,517,673	14,931	392,823,531	—
Capital assets:					
Land	655,258	2,148,094	6,935,502	9,738,854	—
Buildings	139,728,508	394,207,433	15,484,239	549,420,180	—
Improvements other than buildings	448,831,751	7,251,821	44,625,401	500,708,973	102,861
Machinery and equipment	261,753,303	1,926,449	30,557,532	294,237,284	9,355,517
Construction in progress	155,312,739	47,213,132	3,546,828	206,072,699	—
Infrastructure	—	—	2,274,401	2,274,401	—
Less accumulated depreciation	(512,633,328)	(103,099,601)	(58,277,036)	(674,009,965)	(5,160,386)
Total capital assets	493,648,231	349,647,328	45,146,867	888,442,426	4,297,992
Total noncurrent assets	707,939,158	528,165,001	45,161,798	1,281,265,957	4,297,992
TOTAL ASSETS	875,117,555	573,855,769	60,529,067	1,509,502,391	34,817,878
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferred outflow	1,043,462	—	67,643	1,111,105	—
OPEB deferred outflow	144,881	—	24,147	169,028	—
	1,188,343	—	91,790	1,280,133	—

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

Johnson County, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Wastewater	Public	Non-Major		
		Building Commission			
LIABILITIES					
Current liabilities					
Accounts payable	21,480,759	6,239,311	1,785,966	29,506,036	4,180,385
Salaries and wages payable	634,944	—	47,363	682,307	17,787
Interest payable	7,138,469	5,044,725	38,813	12,222,007	—
Loans payable	1,423,888	—	—	1,423,888	—
Due to other funds	—	—	—	—	235,040
Due to others	1,074	—	72,879	73,953	—
Unearned revenue	727,463	—	9,827	737,290	101,366
Compensated absences	102,070	—	8,208	110,278	10,484
Insurance claims payable	—	—	—	—	6,801,805
Bonds, capital leases, and other payables	24,901,206	26,826,490	327,139	52,054,835	—
Total current liabilities	56,409,873	38,110,526	2,290,195	96,810,594	11,346,867
Noncurrent liabilities:					
Compensated absences	1,117,783	—	89,882	1,207,665	114,815
Loans payable	16,196,922	—	—	16,196,922	—
Net pension liability	5,826,741	—	410,332	6,237,073	—
Total OPEB liability	1,529,156	—	254,860	1,784,016	—
Bonds, capital leases, and other payables	539,359,211	373,844,855	2,954,618	916,158,684	—
Total noncurrent liabilities	564,029,813	373,844,855	3,709,692	941,584,360	114,815
TOTAL LIABILITIES	620,439,686	411,955,381	5,999,887	1,038,394,954	11,461,682
DEFERRED INFLOWS OF RESOURCES					
Capital Finance Charges Receivable	488,003	—	—	488,003	—
Deferred revenue - grants revenue	—	—	—	—	—
Pension deferred inflow	185,431	—	15,828	201,259	—
OPEB deferred inflow	195,871	—	32,646	228,517	—
Unamortized portion of refunding	534,602	647,647	5,698	1,187,947	—
TOTAL DEFERRED INFLOWS OF RESOURCES	1,403,907	647,647	54,172	2,105,726	—
NET POSITION					
Net investment in capital assets	149,453,665	192,489,649	41,859,412	383,802,726	4,297,992
Restricted for capital projects	—	—	14,931	14,931	—
Unrestricted	105,008,640	(31,236,908)	12,692,455	86,464,187	19,058,204
TOTAL NET POSITION	\$ 254,462,305	\$ 161,252,741	\$ 54,566,798	\$ 470,281,844	\$ 23,356,196

Johnson County, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Major			Total	Activities- Internal Service Funds
	Wastewater	Public	Non-Major		
		Building Commission			
Operating revenues:					
Charges for services	\$ 121,318,182	\$ 45,624,807	\$ 8,520,077	\$ 175,463,066	\$ 63,480,643
Other	1,352,672	—	6,131,079	7,483,751	1,924,470
Total operating revenues	122,670,854	45,624,807	14,651,156	182,946,817	65,405,113
Operating expenses:					
Public works	64,225,407	—	—	64,225,407	—
Transportation	—	—	13,497,046	13,497,046	—
Fleet	—	—	—	—	2,585,153
Risk management	—	—	—	—	4,453,325
Self-insured health care	—	—	—	—	49,390,375
Workers compensation	—	—	—	—	1,654,846
Depreciation	24,595,439	10,008,219	4,166,640	38,770,298	1,148,186
Total operating expenses	88,820,846	10,008,219	17,663,686	116,492,751	59,231,885
Operating income (loss)	33,850,008	35,616,588	(3,012,530)	66,454,066	6,173,228
Nonoperating revenues (expenses):					
Taxes	163	—	18,666	18,829	9
Investment earnings	4,323,519	3,056,003	102,512	7,482,034	274,545
Intergovernmental	370,680	331,190	—	701,870	—
Interest expense	(14,265,622)	(10,128,375)	(150,323)	(24,544,320)	—
Other	(631,158)	(2,285,182)	(5,411,936)	(8,328,276)	(19,743)
Total nonoperating revenues (expenses)	(10,202,418)	(9,026,364)	(5,441,081)	(24,669,863)	254,811
Income (loss) before contributions and transfers	23,647,590	26,590,224	(8,453,611)	41,784,203	6,428,039
Capital Contributions	—	—	7,809,992	7,809,992	—
Transfers in	26,052	—	7,621,895	7,647,947	2,085,491
Transfers out	(731,375)	—	(75,000)	(806,375)	(7,569)
Change in net position	22,942,267	26,590,224	6,903,276	56,435,767	8,505,961
Total net position - beginning	231,816,154	135,177,346	47,712,875	414,706,375	14,850,235
Prior period adjustments	(296,116)	(514,829)	(49,353)	(860,298)	—
Total net position - beginning as restated	231,520,038	134,662,517	47,663,522	413,846,077	14,850,235
Total net position - ending	\$ 254,462,305	\$ 161,252,741	\$ 54,566,798	\$ 470,281,844	\$ 23,356,196

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, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Major				Activities-
	Wastewater	Public Building Commission	Non-Major Total	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 120,239,516	\$ 48,270,996	\$ 8,438,830	\$ 176,949,342	\$ —
Cash received from interfund services provided	—	—	—	—	58,570,986
Cash payments for goods and services	(35,409,229)	—	(11,286,723)	(46,695,952)	(57,785,456)
Cash payments to employees for services	(17,636,294)	—	(1,272,935)	(18,909,229)	(1,378,384)
Other operating cash receipts	1,352,672	—	6,131,079	7,483,751	5,962,273
Net cash provided by (used for) operating activities	68,546,665	48,270,996	2,010,251	118,827,912	5,369,419
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Taxes	163	—	18,666	18,829	9
Intergovernmental	370,680	331,190	—	701,870	(2,008)
Transfers from other funds	26,052	—	6,860,985	6,887,037	2,085,491
Transfers to other funds	(731,375)	—	(75,000)	(806,375)	(7,569)
Net cash provided by (used for) noncapital financing activities	(334,480)	331,190	6,804,651	6,801,361	2,075,923
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(47,124,153)	(32,383,767)	(6,432,713)	(85,940,633)	(1,425,036)
Proceeds from bonds and loans	223,649,871	148,595,000	—	372,244,871	—
Principal paid on bonds, notes and loans	(47,748,188)	(55,360,000)	(1,375,155)	(104,483,343)	—
Interest paid on bonds, notes, leases and loans	(11,310,848)	(8,426,529)	(154,467)	(19,891,844)	—
Net cash provided by (used for) capital and related financing activities	117,466,682	52,424,704	(7,962,335)	161,929,051	(1,425,036)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and dividends on investments	4,323,519	3,056,003	102,512	7,482,034	274,545
Net cash provided by investing activities	4,323,519	3,056,003	102,512	7,482,034	274,545
Net increase (decrease) in cash and cash equivalents	190,002,386	104,082,893	955,079	295,040,358	6,294,851
Cash and cash equivalents at beginning of year	171,316,966	119,171,010	12,431,810	302,919,786	23,748,436
Cash and cash equivalents at end of year	\$ 361,319,352	\$ 223,253,903	\$ 13,386,889	\$ 597,960,144	\$ 30,043,287

(Continued)

Johnson County, Kansas
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Major				Activities-
	Wastewater	Public Building Commission	Non-Major Total	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 33,850,008	\$ 35,616,588	\$ (3,012,530)	\$ 66,454,066	\$ 6,173,228
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	24,595,439	10,008,219	4,166,640	38,770,298	1,148,186
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,078,388)	(774,473)	12,462	(1,840,399)	(122,908)
(Increase) decrease in inventory	(390,798)	—	—	(390,798)	(18,617)
(Increase) decrease in prepaid expenses	107,291	—	—	107,291	(4,957)
(Increase) decrease in due from other funds	—	—	(103,536)	(103,536)	—
Increase (decrease) in accounts payable	11,330,141	4,420,662	870,511	16,621,314	(987,880)
Increase (decrease) in salaries and wages payable	14,882	—	(90)	14,792	3,654
Increase (decrease) in due to other funds	—	(1,000,000)	—	(1,000,000)	103,536
Increase (decrease) in deferred revenue	(278)	—	9,827	9,549	(975,390)
Increase (decrease) in compensated absences payable	(175,639)	—	11,414	(164,225)	6,548
Increase (decrease) in insurance claims payable	—	—	—	—	44,019
Increase (decrease) in net pension liability	(5,126)	—	(369)	(5,495)	—
Increase (decrease) in pension deferred outflows	(36,870)	—	(2,653)	(39,523)	—
Increase (decrease) in pension deferred inflows	(27,176)	—	(1,955)	(29,131)	—
Increase (decrease) in total OPEB liability	377,299	—	62,883	440,182	—
Increase (decrease) in OPEB deferred inflows	(102,790)	—	(17,132)	(119,922)	—
Increase (decrease) in OPEB deferred outflows	88,670	—	14,779	103,449	—
Total adjustments	34,696,657	12,654,408	5,022,781	52,373,846	(803,809)
Net cash provided by (used for) operating activities	\$ 68,546,665	\$ 48,270,996	\$ 2,010,251	\$ 118,827,912	\$ 5,369,419
Deposits including investments	\$ 147,028,425	\$ 44,736,230	\$ 13,371,958	\$ 205,136,613	\$ 30,043,287
Restricted cash and investments	214,290,927	178,517,673	14,931	392,823,531	—
Cash and cash equivalents at the end of year	\$ 361,319,352	\$ 223,253,903	\$ 13,386,889	\$ 597,960,144	\$ 30,043,287

The accompanying notes are an integral part of these financial statements

Johnson County, Kansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

	Employee Retirement Plan Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,420,459	\$ 741,923,893
<i>Receivables (net of allowance for uncollectibles):</i>		
Taxes Receivable	—	568,191,859
Investments restricted for:		
Employee retirement		
Equity securities:		
Domestic	26,864,387	—
International	8,030,668	—
Debt securities:		
US Government	793,332	—
Domestic	7,162,397	—
International	1,225,712	—
Annuities	32,121	—
Total assets	45,529,076	\$ 1,310,115,752
LIABILITIES		
Accounts payable	—	47,461
Agency obligations	—	1,310,068,291
Due to Others	32,121	—
Total liabilities	32,121	\$ 1,310,115,752
NET POSITION		
Net position restricted for pension benefits	\$ 45,496,955	

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, 2018

	<u>Employee Retirement Plan Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,801,921
Total contributions	<u>3,801,921</u>
Investment earnings:	
Net increase (decrease) in the fair value of investments	<u>(6,566,841)</u>
Total investment earnings	<u>(6,566,841)</u>
Total additions	<u>(2,764,920)</u>
DEDUCTIONS	
Benefits	<u>—</u>
Total deductions	<u>—</u>
Change in net position	(2,764,920)
Net position - beginning	48,261,875
Net position - ending	<u>\$ 45,496,955</u>

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 31st 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 Units

Johnson County Park and Recreation District (Park District): The Park District is governed by a seven-member board appointed by the Board of County Commissioners. However, the County is financially accountable for the Park District because the County's commission approves the Park District's budget and levies taxes. The County provides some administrative and accounting services to the Park District. The Park 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 Park District. The Park District has governmental and enterprise funds.

The Park District's financial statements include the Park 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 Park District's financial statements because its purpose is to acquire or construct facilities, and lease those facilities to the Park District or other park agencies.

Johnson County Fire Districts (Fire Districts): The four Fire Districts are governed by separate three-to-five member boards appointed by the Board of County Commissioners. However, the County is financially accountable for the Fire Districts because the County's commission approves the Fire Districts' budgets and levies taxes. The County provides some administrative and accounting services to the Fire Districts. The Fire Districts are legally separate from the County. Separately issued financial statements are prepared for each Fire District. The Fire Districts have governmental funds.

Based on recently issued GASB statements such as GASB 68 and GASB 75, the County reevaluated the impact to the reporting entity per GASB 14 and GASB 61, and determined that the Fire Districts were material to the County's reporting entity. Adjustments were made to the beginning net position for \$5,849,046 to record prior period activity for net pension liability.

Complete financial statements for the Park and Recreation District may be obtained at the entity's administrative offices:

Park and Recreation District
7900 Renner Road
Lenexa, Kansas 66218

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, the Fire Districts, 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 Park 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 Park 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 Park 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, 2018, 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 Park 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, Park District's, and Fire Districts' 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, Park District, and Fire Districts 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

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, Park and Recreation District (Park District), and Fire Districts 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, Park District, or Fire 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, Park District, and Fire Districts 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 the County, Park District, and Fire Districts. Accrued vacation and sick pay for the County, Park District, and Fire Districts 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 the County, Park District, and Fire Districts. 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 Park 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, 2018, 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 and OPEB 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 Park 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 Park 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 Park 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 Park 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 Park 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.

2018 Budget Amendments		
Fund	Original Budget	Adjusted Budget
Wastewater	\$289,151,691	\$467,091,363

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:

Reconciliation of Fund Balance Budgetary Basis to GAAP Basis for the General Fund	
Fund balance, budgetary basis	\$ 98,661,321
Investments change in fair value	(291,635)
Current Year Encumbrances	1,794,610
GAAP Contractual	(52,406)
Inventory	476,371
Fund balance, GAAP basis	<u>\$ 100,588,261</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 Park 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 Park 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:

Reconciliation of Cash			
	Deposits Including Investments	Restricted Cash and Investments	Total
Government-type activities	\$ 277,248,395	\$ 119	\$ 277,248,514
Business-type activities	205,136,613	392,823,531	597,960,144
Agency funds	741,923,893	—	741,923,893
Total	\$ 1,224,308,901	\$ 392,823,650	\$ 1,617,132,551

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

Reconciliation of Park and Recreation Unit Cash			
	Governmental Activities	Business-type Activities	Total
Deposits including investments	\$ 25,763,977	\$ 8,113,447	\$ 33,877,424
Restricted cash and investments	7,992,606	1,382,601	9,375,207
Total	\$ 33,756,583	\$ 9,496,048	\$ 43,252,631

A breakdown of the Fire District's cash is below:

Reconciliation of Fire District Unit Cash	
	Governmental Activities
Deposits and investments	\$ 12,050,844
Restricted deposits and investments	1,955,712
Total	\$ 14,006,556

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

Reconciliation of Deposits and Investments			
	Primary Government	Park and Recreation	Fire Districts
Cash on hand	\$ 53,401	\$ —	\$ —
Carrying amount of deposits	19,586,104	4,783,967	14,006,556
Carrying amount of investments	1,597,493,046	38,468,664	—
Total deposits and investments	\$ 1,617,132,551	\$ 43,252,631	\$ 14,006,556
Deposits including investments	\$ 1,224,308,901	\$ 33,877,424	\$ 12,050,844
Restricted cash and investments	392,823,650	9,375,207	1,955,712
Total deposits and investments	\$ 1,617,132,551	\$ 43,252,631	\$ 14,006,556

As of December 31, 2018, the County had the following investments:

Johnson County's
Schedule of Investments at December 31, 2018

	Interest Rates	Maturities	Par Value	Fair Value
County Investments:				
Money Market Mutual Funds	2.17%	On demand	\$ 49,015,423	\$ 49,015,422
Certificate of Deposit	2.310%	01/18/2019	50,000,000	50,000,000
Kansas Municipal Investment Pool	0.01798		7,125	7,125
Treasury Securities - Coupon	2.571-2.664%	07/31/2019-03/31/2020	169,000,000	167,672,350
Treasury Securities - Discount	2.158-2.449%	01/17/2019-06/20/2019	181,400,000	181,016,710
Federal Agency Discount Notes:				
Federal Home Loan Bank	2.288-2.495%	1/15/2019-06/14/2019	351,500,000	350,774,059
Federal Home Loan Mtge Corp	2.273-2.440%	01/08/2019-06/20/2019	192,500,000	191,512,506
Federal National Mtge Association	2.198%	1/18/2019	100,000,000	99,896,320
Federal Agency Issues:				
Federal Farm Credit Bank	2.618-2.815%	10/03/2019-12/15/2020	53,475,000	53,292,667
Federal Home Loan Bank	2.301-3.140%	08/22/2019-12/28/2021	139,725,000	138,842,829
Federal Home Loan Mtge Corp	2.264-3.095%	2/28/2019-11/24/2020	142,000,000	141,221,651
Federal National Mtge Association	2.106-2.870%	10/26/2018-9/15/2020	129,000,000	127,678,428
Total County Investments			\$ 1,557,622,548	\$ 1,550,930,067
Funds held with Trustee (Restricted for Refunded Debt):				
Debt securities				46,562,979
Total Investments				\$ 1,597,493,046

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 Park 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, 2018, were classified as shown below:

Johnson County's Cash Equivalents and Investments by fair value level at December 31, 2018				
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	\$1,103,218,460	\$ —	\$ 1,103,218,460	\$ —
U.S. Treasury Securities	348,689,060	348,689,060	—	—
Total Investments subject to fair value hierarchy	\$1,451,907,520	\$ 348,689,060	\$ 1,103,218,460	\$ —
Investments not subject to fair value hierarchy:				
Fidelity Govt Money Market Mutual Funds	49,015,422			
Fixed Certificates of Deposit (non-negotiable)	50,000,000			
Kansas Municipal Investment Pool	7,125			
Total Investments not subject to fair value hierarchy	\$ 99,022,547			
Total Investments	\$1,550,930,067			

The maturities of the County's investments as of December 31, 2018, were classified as shown below:

Johnson County's Schedule of Investments at December 31, 2018			
	Investment Maturities in Years		
	Fair Value	Less than 1	1-5
Money Market Mutual Funds	\$ 49,015,422	\$ 49,015,422	\$ —
Certificates of Deposit	50,000,000	50,000,000	—
Kansas Municipal Investment Pool	7,125	7,125	—
Treasury Securities - Coupon	167,672,350	167,672,350	—
Treasury Securities - Discount	181,016,710	181,016,710	—
Federal Agency Discount Notes:			
Federal Home Loan Bank	350,774,059	350,774,059	—
Federal Home Loan Mtge Corp	191,512,506	191,512,506	—
Federal National Mtge Association	99,896,320	99,896,320	—
Federal Agency Issues:			
Federal Farm Credit Bank	53,292,667	18,469,757	34,822,910
Federal Home Loan Bank	138,842,829	15,555,245	123,287,584
Federal Home Loan Mtge Corp	141,221,651	48,634,641	92,587,010
Federal National Mtge Association	127,678,428	58,622,438	69,055,990
Total County Investments	\$ 1,550,930,067	\$ 1,231,176,573	\$ 319,753,494

The Park 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 Park 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 Park District had the following investments as of December 31, 2018:

Investment Type	Fair Value	Maturities	Moody's Rating	Standard & Poor's Rating	Fair Value Hierarchy
Kansas Municipal Investment Pool	\$ 30,338,893	Current	N/A	N/A	N/A
SBKC Money Market Investment	7,992,606	Current	N/A	AAAm	N/A
Community Foundation Pool	1,857	Current	N/A	N/A	N/A
Community Foundation - Money Market	10,065	Current	N/A	N/A	Level 1
Community Foundation - Fixed Income Funds	32,099	Current	N/A	N/A	Level 1
Community Foundation - Equity Funds	62,077	Current	N/A	N/A	Level 1
Community Foundation - Preferred Stocks	4,091	Current	N/A	N/A	Level 1
Community Foundation - Foreign Equity Funds	22,785	Current	N/A	N/A	Level 1
Community Foundation - Real Estate Investment Trusts & Funds	4,191	Current	N/A	N/A	Level 1
	<u>\$ 38,468,664</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, 2018, the County's combined weighted average of all investments is 227 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, 2018 the County has \$165,000,000 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 Park District or its agents in the District's name. As of December 31, 2018, none of the Park District's bank balances with financial institutions were exposed to custodial credit risk. The Park District requires all banks to pledge to the Park 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, 2018, cash and money market funds in the amount \$909,466 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, 2018, 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, U.S. Treasury Bills, 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 Park and Recreation 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, 2018, of total cash and investments, the County invested 4% in coupons, 8% in step-ups, 17% in callable notes, and 41% 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.

The County's investments are held in UMB Bank (3.22%), Federal Farm Credit Bank (3.44%), Federal Home Loan Bank (31.57%), Federal Home Loan Mortgage Corporation (21.45%) and the Federal National Mortgage Association (14.67%).

The Park and Recreation District places no limit on the amount the District may invest in one issuer. More than 5% of the District's investments are in the Kansas Municipal Investment Pool (79%), and SBKC Money Market Investment (21%).

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

Issuer	Par value	Fair Value	% of Portfolio
Fidelity	\$ 49,015,423	\$ 49,015,422	3.17%
OMIP 16	7,125	7,125	0.00%
UMB Bank Kansas	50,000,000	50,000,000	3.22%
Treasury Securities - Coupon	169,000,000	167,672,350	10.81%
Treasury Securities - Discount	181,400,000	181,016,710	11.67%
Federal Farm Credit Bank	53,475,000	53,292,667	3.44%
Federal Home Loan Bank	491,225,000	489,616,888	31.57%
Federal Home Loan Mortgage Corporation	334,500,000	332,734,157	21.45%
Federal National Mortgage Association	229,000,000	227,574,748	14.67%
Total	\$ 1,557,622,548	\$ 1,550,930,067	100.00%

4. Receivables

Receivables are comprised of the following as of December 31, 2018:

Accounts Receivable Fiscal Year 2018							
	Taxes	Accounts	Grant	Interest	Special	Due From	
	Receivable	Receivable	Receivable	Receivable	Assessment	Other	Total
	Receivable	Receivable	Receivable	Receivable	Receivable	Funds	
Governmental Activities	\$247,996,571	\$ 6,551,459	\$ 1,842,840	\$ 3,529,461	\$ 13,619	\$ —	\$259,933,950
Business Type Activities	—	16,590,670	1,115,265	1,600,344	2,963,316	235,040	22,504,635
	\$247,996,571	\$23,142,129	\$ 2,958,105	\$ 5,129,805	\$ 2,976,935	\$ 235,040	\$282,438,585

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, 2018:

Primary Government

	December 31, 2017	Increases	Decreases	December 31, 2018
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 26,737,119	\$ 350,000	\$ —	\$ 27,087,119
Construction in progress	30,903,319	3,855,770	(11,988,687)	22,770,402
Total capital assets, not being depreciated	57,640,438	4,205,770	(11,988,687)	49,857,521
Capital assets, being depreciated				
Buildings	91,729,973	—	(617,376)	91,112,597
Improvements other than buildings	5,677,039	—	(237,500)	5,439,539
Machinery and Equipment	60,594,785	9,392,131	(2,738,033)	67,248,883
Infrastructure	94,880,940	10,093,476	—	104,974,416
Total capital assets being depreciated	252,882,737	19,485,607	(3,592,909)	268,775,435
Less accumulated depreciation for:				
Buildings	(57,420,594)	(1,851,749)	562,819	(58,709,524)
Improvements other than buildings	(2,531,524)	(232,857)	237,500	(2,526,881)
Machinery and Equipment	(30,797,771)	(8,556,484)	2,754,069	(36,600,186)
Infrastructure	(55,012,860)	(2,659,830)	—	(57,672,690)
Total accumulated depreciation	(145,762,749)	(13,300,920)	3,554,388	(155,509,281)
Total capital assets, being depreciated, net	107,119,988	6,184,687	(38,521)	113,266,154
Governmental activities capital assets, net	\$ 164,760,426	\$ 10,390,457	\$ (12,027,208)	\$ 163,123,675

	December 31, 2017	Increases	Decreases	December 31, 2018
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,738,854	\$ —	\$ —	\$ 9,738,854
Construction in progress	138,578,076	118,144,446	(50,649,823)	206,072,699
Total capital assets, not being depreciated	148,316,930	118,144,446	(50,649,823)	215,811,553
Capital assets, being depreciated				
Buildings	533,018,677	18,260,942	(1,859,439)	549,420,180
Improvements other than buildings	475,117,539	25,686,998	(95,564)	500,708,973
Machinery and Equipment	280,290,849	15,407,480	(1,461,045)	294,237,284
Infrastructure	2,274,401	—	—	2,274,401
Total capital assets being depreciated	1,290,701,466	59,355,420	(3,416,048)	1,346,640,838
Less accumulated depreciation for:				
Buildings	(149,857,190)	(13,636,128)	868,413	(162,624,905)
Improvements other than buildings	(223,095,233)	(20,740,372)	8,351	(243,827,254)
Machinery and Equipment	(264,111,411)	(4,332,169)	1,387,396	(267,056,184)
Infrastructure	(439,993)	(61,629)	—	(501,622)
Total accumulated depreciation	(637,503,827)	(38,770,298)	2,264,160	(674,009,965)
Total capital assets being depreciated, net	653,197,639	20,585,122	(1,151,888)	672,630,873
Business-type activities capital assets, net	\$ 801,514,569	\$ 138,729,568	\$ (51,801,711)	\$ 888,442,426

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

Governmental activities	
General Government	\$ 2,131,300
Public Works	3,139,738
Public Safety	6,626,535
Health and Human Services	445,519
Planning and Economic Development	396
Culture and Recreation	957,432
Total depreciation expense for governmental activities	\$ 13,300,920

Business-type activities	
Airport Fund	\$ 1,736,559
Public Building Commission Fund	10,008,219
Transportation Fund	2,430,081
Johnson County Wastewater	24,595,439
Total depreciation expense for business-type activities	\$ 38,770,298

Discretely presented component unit

A summary of changes in governmental activities and business-type activities capital assets for the Park District follows:

	December 31, 2017	Increases	Decreases	December 31, 2018
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 54,009,541	\$ 1,601,656	\$ —	\$ 55,611,197
Construction in progress	23,575,172	11,347,828	(6,691,571)	28,231,429
Total capital assets, not being depreciated	77,584,713	12,949,484	(6,691,571)	83,842,626
Capital assets, being depreciated				
Buildings	26,444,141	5,673,117	—	32,117,258
Improvements other than buildings	40,280,655	2,934,541	(117,788)	43,097,408
Machinery and Equipment	6,367,774	2,142,469	(149,786)	8,360,457
Infrastructure	492,149	—	—	492,149
Total capital assets being depreciated	73,584,719	10,750,127	(267,574)	84,067,272
Less: accumulated depreciation for:				
Buildings	(7,247,716)	(708,141)	—	(7,955,857)
Improvements other than buildings	(22,384,210)	(1,666,983)	17,668	(24,033,525)
Machinery and Equipment	(3,800,299)	(642,578)	143,981	(4,298,896)
Infrastructure	(185,438)	(16,657)	—	(202,095)
Total accumulated depreciation	(33,617,663)	(3,034,359)	161,649	(36,490,373)
Total capital assets, being depreciated, net	39,967,056	7,715,768	(105,925)	47,576,899
Governmental activities capital assets, net	\$ 117,551,769	\$ 20,665,252	\$ (6,797,496)	\$ 131,419,525

	December 31, 2017	Increases	Decreases	December 31, 2018
Business-type activities:				
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	—	(355,808)	5,530,788
Improvements other than buildings	9,352,303	—	—	9,352,303
Machinery and Equipment	1,355,222	—	(44,640)	1,310,582
Total capital assets being depreciated	16,594,121	—	(400,448)	16,193,673
Less accumulated depreciation for:				
Buildings	(2,961,618)	(136,025)	355,808	(2,741,835)
Improvements other than buildings	(9,299,749)	(7,909)	—	(9,307,658)
Machinery and Equipment	(1,132,828)	(56,340)	19,834	(1,169,334)
Total accumulated depreciation	(13,394,195)	(200,274)	375,642	(13,218,827)
Total capital assets being depreciated, net	3,199,926	(200,274)	(24,806)	2,974,846
Business-type activities capital assets, net	\$ 7,440,902	\$ (200,274)	\$ (24,806)	\$ 7,215,822

A summary of changes in governmental activities capital assets for the Fire Districts follows:

	December 31, 2017	Increases	Decreases	December 31, 2018
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 185,353	\$ 250,000	\$ —	\$ 435,353
Ownership rights	527,576	—	(15,388)	512,188
Construction in progress	—	4,132,541	—	4,132,541
Total capital assets, not being depreciated	712,929	4,382,541	(15,388)	5,080,082
Capital assets, being depreciated				
Buildings	13,142,936	—	(178,006)	12,964,930
Machinery and Equipment	14,474,589	316,371	(179,529)	14,611,431
Total capital assets being depreciated	27,617,525	316,371	(357,535)	27,576,361
Less accumulated depreciation for:				
Buildings	(4,591,098)	(354,365)	—	(4,945,463)
Machinery and Equipment	(7,054,144)	(1,074,242)	—	(8,128,386)
Total accumulated depreciation	(11,645,242)	(1,428,607)	—	(13,073,849)
Total capital assets, being depreciated, net	15,972,283	(1,112,236)	(357,535)	14,502,512
Governmental activities capital assets, net	\$ 16,685,212	\$ 3,270,305	\$ (372,923)	\$ 19,582,594

6. Interfund Balances and Transfers

Interfund balances occur when one fund incurs expenses for another fund. In Risk Management fund, it represents the insurance proceeds that has not been distributed to the Airport from the Hangar Replacement wind storm claim. Amounts due to and from other funds as of December 31, 2018 are as follows:

Interfund Balances at December 31, 2018		
	Due to Other Funds	Due from Other Funds
Major Funds		
Airport	\$ —	\$ 235,040
Risk Management	235,040	—
Total	\$ 235,040	\$ 235,040

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, 2018, are as follows:

Interfund Transfers:							
	General Fund	Capital Projects Fund	Wastewater	Non-Major Governmental Funds	Non-Major Enterprise Funds	Non-Major Internal Svc Funds	Total Transfers Out
Transfer From							
General Fund	\$ —	\$ 10,581,061	\$ 26,052	\$ 514,561	\$ 7,621,895	\$ 395,000	\$ 19,138,569
Capital Projects Fund	253,580	—	—	1,050,000	—	322,139	1,625,719
Wastewater	731,375	—	—	—	—	—	731,375
Non-Major Governmental Funds	682,697	36,211,614	—	1,068,805	—	1,365,152	39,328,268
Non-Major Enterprise Funds	—	—	—	75,000	—	—	75,000
Non-Major Internal Svc Funds	—	—	—	—	—	3,200	3,200
Total Transfers In	\$ 1,667,652	\$ 46,792,675	\$ 26,052	\$ 2,708,366	\$ 7,621,895	\$ 2,085,491	\$ 60,902,131

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 and Airport (non-major enterprise) funds. 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, 2018 have been summarized below:

Transfer From	Transfers
Governmental activities to Business-type activities	
General to Non-Major Enterprise	\$ 7,621,895
General to Wastewater	26,052
Business-type activities to Governmental activities	
Wastewater to General	(731,375)
Non-Major Enterprise Funds to Non-Major Governmental	(75,000)
Total Transfers - Statement of Activities	\$ 6,841,572

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, 2018:

Assets Under Capital Lease	
	Governmental Activities
Machinery and equipment	\$ 107,866
Less accumulated depreciation	(91,686)
Total	\$ 16,180

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, 2018:

Summary of Governmental Activities Debt for the year ended December 31, 2018						
	Outstanding January 1	Prior Period Adjustment	Additions	Reductions	Outstanding December 31	Due Within One Year
Primary Government						
Bonds:						
General obligation	\$ 3,035,000	\$ —	\$ 9,205,000	\$ 290,000	\$ 11,950,000	\$ 1,025,000
Plus: bond premium	544,631	—	1,337,183	56,294	1,825,520	—
Special obligation	1,855,000	—	—	760,000	1,095,000	780,000
Special assessment	97,700	—	—	8,900	88,800	9,300
Compensated absences	18,935,597	—	1,012,594	949,133	18,999,058	1,589,723
Total OPEB liability	17,853,790	4,589,803	2,244,990	986,651	23,701,932	—
Net pension liability	191,239,816	—	42,068,926	36,325,413	196,983,329	—
Capital lease obligations	57,836	—	—	18,992	38,844	20,540
Total	\$ 233,619,370	\$ 4,589,803	\$ 55,868,693	\$ 39,395,383	\$ 254,682,483	\$ 3,424,563

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, 2018, governmental activities general and special obligation bonds consist of the following:

Outstanding Governmental Activities General and Special Obligation Bonds as of December 31, 2018					
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years	
Primary Government					
1999A	\$ 7,572,376	\$ 10,000	4.500-5.500%	20	
2004B	4,445,000	485,000	3.125-4.000%	15	
2010B	4,470,000	450,000	2.000-3.250%	10	
2010E	740,000	160,000	0.700-2.600%	10	
2012B	730,000	530,000	2.000-3.000%	13	
2016A	1,580,000	1,315,000	2.000-5.000%	20	
2017A	975,000	890,000	5%	10	
2018A	9,205,000	9,205,000	5%	10	
Total	\$ 29,717,376	\$ 13,045,000			

In 2018, Series 2018A General Obligation bonds were issued in the amount of \$9,205,000 for new electronic voting systems for the Elections office.

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:

Debt Service Requirements Governmental Activities for General and Special Obligation Bonds				
Primary Government	Principal	Interest	Total	
2019	\$ 1,805,000	\$ 635,297	\$ 2,440,297	
2020	1,390,000	546,393	1,936,393	
2021	1,115,000	484,325	1,599,325	
2022	1,180,000	430,075	1,610,075	
2023	1,235,000	372,575	1,607,575	
2024-2028	6,320,000	917,500	7,237,500	
Total	\$ 13,045,000	\$ 3,386,165	\$ 16,431,165	

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.

Outstanding Governmental Activities				
Outstanding Special Assessment Bonds as of December 31, 2018				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2016A	\$ 106,900	\$ 88,800	2.000-5.000%	10

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

Debt Service Requirements Governmental Activities for Special Assessment Bonds				
	Principal	Interest	Total	
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	11,300	2,435		13,735
2024-2027	37,400	3,805		41,205
Total	\$ 88,800	\$ 21,120	\$	109,920

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, 2018 were as follows:

Future Minimum Lease Payments	
Year Ending December 31:	Governmental Activities
2019	22,656
2020	18,880
Total minimum lease payments	41,536
Less amounts representing interest	(2,702)
Present value of minimum lease payments	\$ 38,834

5. Debt Margin

The County has an available debt margin of \$878,974,435 as of December 31, 2018.

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, 2018:

Summary of Business-Type Activities Debt for the year ended December 31, 2018						
	Outstanding January 1	Prior Period Adjustment	Additions	Reductions	Outstanding December 31	Due Within One Year
Primary Government						
General obligation bonds:						
Wastewater	\$ 340,512,300	\$ —	\$ 223,585,000	\$ 45,406,100	\$ 518,691,200	\$ 19,815,700
Plus: bond premium	25,684,705	—	17,439,744	2,562,941	40,561,508	—
Less:						
Issuance discounts	(84,888)	—	—	(7,086)	(77,802)	—
Airport	4,210,313	—	—	1,375,157	2,835,156	170,160
Plus: bond premium	313,257	—	—	23,635	289,622	—
Special assessment bonds:						
Wastewater	9,684	—	—	4,846	4,838	4,838
Revenue bonds:						
PBC	274,945,000	—	148,595,000	55,360,000	368,180,000	24,545,000
Plus: bond premium	11,984,332	—	20,222,601	1,734,610	30,472,323	—
Less:						
Issuance discounts	(291,732)	—	—	(29,269)	(262,463)	—
Compensated absences	1,482,168	—	2,945,147	145,036	1,317,943	110,278
Net pension liability	6,242,568	—	1,152,482	1,157,977	6,237,073	—
Total OPEB liability	1,343,833	345,469	168,978	74,264	1,784,016	—
Retainages payable	406,920	514,829	6,720,413	123,025	7,519,137	7,519,137
Long-term loans:						
Wastewater	19,893,180	—	64,872	2,337,242	17,620,810	1,423,888
Total	\$ 686,651,640	\$ 860,298	\$ 420,894,237	\$ 110,268,478	\$ 995,173,361	\$ 53,589,001

2. Business-Type Activities General Obligation Bonds

At December 31, 2018, Business-Type Activities General Obligation Bonds consist of the following:

Outstanding Business-Type Activities General Obligation Bonds as of December 31, 2018				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2009A Wastewater	16,345,000	11,680,000	2.000-4.125%	20
2009B Wastewater	20,925,000	14,680,000	2.250-5.400%	20
2009C Wastewater	8,460,000	1,935,000	3.000-5.000%	11
2009C Wastewater	3,423,175	1,155,000	3.000-5.000%	12
2009C Wastewater	2,580,000	975,000	3.000-5.000%	13
2010C Wastewater	8,605,000	6,105,000	1.150-4.800%	20
2010D Wastewater	2,460,000	1,180,000	2.000-4.000%	13
2010D Wastewater	9,265,000	5,340,000	3.000-4.000%	14
2011A Wastewater	16,790,000	12,270,000	2.000-4.250%	20
2012A Wastewater	37,350,000	28,650,000	2.000-4.000%	20
2012B Wastewater	26,275,000	19,080,000	2.000-3.000%	13
2013A Wastewater	40,865,000	33,320,000	2.000-5.000%	20
2014A Wastewater	20,205,000	17,330,000	3.500-5.000%	20
2014B Wastewater	21,465,000	19,500,000	3.000-5.000%	13
2014B Wastewater	17,015,000	15,645,000	3.000-5.000%	13
2015A Wastewater	28,605,000	25,440,000	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	31,596,200	2.000-5.000%	20
2016B Wastewater	10,570,000	10,570,000	2.000-4.000%	10
2017A Wastewater	14,805,000	14,240,000	2.500-5.000%	20
2018A Wastewater	223,585,000	223,585,000	3.125-5.000%	22
1999A Airport	410,000	10,156	4.500-5.500%	20
2015A Airport	1,910,000	1,700,000	3.000-5.000%	20
2015B Airport	1,125,000	1,125,000	3.000-5.000%	13
Total	\$ 590,211,275	\$ 521,526,356		

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, 2018, the balance of the bond premium is \$1,288,455.

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, 2018, the balance of the bond premium is \$4,265,032.

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) 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 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 continued to pay the originally scheduled debt service payments on the Series 2007A and 2007B until September 1, 2017. After the call date, the County crossed over and began 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, 2018, the balance of the bond premium is \$2,108,792.

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, 2018, the balance of the bond premium is \$3,165,049.

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) were placed in an escrow account with a major bank and invested in State and Local Government Securities. These investments and their earnings were 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 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 2008A and 2008D until September 1, 2018. After the call date, the County crossed over and began 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, 2018, the balance of the bond premium is \$3,144,510.

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, 2018, the balance of the bond premium is \$903,358.

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, 2018, the balance of the bond premium is \$1,062,654.

On August 22, 2018, the County issued \$223,585,000 of General Obligation Internal Improvement Bonds, Series 2018A, to finance the Tomahawk wastewater project and other smaller wastewater improvements to Johnson County Wastewater. These bonds mature in 2040 and have interest rates ranging from 3.1% to 5.0%. The bond premium for the 2018A issue was recorded in the amount of \$17,439,744 and is being amortized to interest expense through 2040. As of December 31, 2018, the balance of the bond premium is \$17,153,063.

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:

Debt Service Requirements for Business-Type Activities General Obligation Bonds				
	Principal	Interest	Total	
2019	\$ 30,805,860	\$ 21,102,532	\$	51,908,392
2020	20,760,300	19,626,920		40,387,220
2021	20,689,700	18,698,886		39,388,586
2022	21,949,200	17,781,181		39,730,381
2023	27,153,700	16,807,031		43,960,731
2024-2028	153,127,600	64,521,344		217,648,944
2029-2033	122,205,000	36,206,145		158,411,145
2034-2038	90,935,000	15,930,682		106,865,682
2039-2040	33,899,996	1,854,188		35,754,184
Total	\$ 521,526,356	\$ 212,528,909	\$	734,055,265

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, 2018, Wastewater special assessment bonds consist of the following:

Outstanding Wastewater Special Assessment Bonds as of December 31, 2018				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
1999A	\$ 96,891	\$ 4,838	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, 2018, are as follows:

Debt Service Requirements for Wastewater Special Assessment Bonds				
	Principal	Interest	Total	
2019	\$ 4,838	\$ 266	\$	5,104

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, 2018, business-type activities revenue bonds for PBC consist of the following:

Business-Type Activities				
Outstanding Revenue Bonds as of December 31, 2018				
	Original Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
Primary Government				
PBC, 2007B	\$ 4,850,000	\$ 145,000	4.000-4.750%	20
PBC, 2009A	14,995,000	9,740,000	2.500-4.250%	20
PBC, 2010A	13,245,000	8,775,000	1.000-5.650%	20
PBC, 2010B	6,120,000	335,000	2.500-4.000%	12
PBC, 2010C	31,510,000	16,010,000	2.500-4.000%	14
PBC, 2010D	14,250,000	9,245,000	0.850-5.000%	20
PBC, 2011A	35,395,000	25,985,000	2.000-4.375%	20
PBC, 2011B	16,800,000	11,710,000	2.000-4.500%	20
PBC, 2012A	16,635,000	12,020,000	3.000-4.000%	13
PBC, 2014A	1,995,000	1,310,000	2.000-3.000%	10
PBC, 2014B	4,000,000	2,500,000	2.000-4.000%	10
PBC, 2015A	21,460,000	19,105,000	2.000-4.000%	20
PBC, 2015B	41,725,000	41,180,000	2.000-5.000%	13
PBC, 2016A	16,365,000	14,990,000	2.000-5.000%	20
PBC, 2016B	9,175,000	9,175,000	2.000-3.000%	10
PBC, 2017A	15,060,000	14,400,000	2.000-3.125%	20
PBC, 2017B	23,125,000	22,960,000	4.000-5.000%	14
PBC, 2018A	148,595,000	148,595,000	4.000-5.000%	9
Total	\$ 435,300,000	\$ 368,180,000		

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, 2018, the balance of the bond premium is \$967,605.

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, 2018, the balance of the bond premium is \$2,455,257.

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) 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 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 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 2007A, 2008A, and 2008C Bonds until September 1, 2018. After the call date, the PBC crossed 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, 2018, the remaining balance of the bond premium is \$1,686,877.

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, 2018, the balance of the bond premium is \$303,972.

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, 2018, the remaining balance of the bond premium is \$176,684.

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, 2018, the remaining balance of the bond premium is \$3,335,905.

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 begin making debt service payments on the 2017B PBC Bonds, taking advantage of the lower interest rates.

On September 5, 2018, the County issued \$148,595,000 of Lease Purchase Revenue Bonds, Series 2018A to finance the building of the new county courthouse and medical examiner facility. These bonds mature in 2027, and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2018A bonds issue was recorded in the amount of \$20,222,601 and is being amortized to interest expense through 2027. As of December 31, 2018, the remaining balance of the bond premium is \$19,496,188.

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 \$14,895,000 and \$10,194,572 respectively.

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

Debt Service Requirements for Business-Type Activities Revenue Bonds				
	Principal		Interest	Total
Primary Government				
2019	\$	24,545,000	\$	15,134,176
2020		43,430,000		14,372,566
2021		27,115,000		12,734,221
2022		36,040,000		11,649,351
2023		37,610,000		9,998,973
2024-2028		161,695,000		24,942,361
2029-2033		28,715,000		3,901,957
2034-2038		9,030,000		597,519
Total	\$	368,180,000	\$	93,331,124
			\$	461,511,124

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 2018, the State advanced an additional \$64,871, net of principal forgiveness of 40% under the loan agreement, for Wastewater improvements. As of December 31, 2018, the County was eligible to borrow an additional \$530,718, net of the 40% principal forgiveness, under the agreement for various Wastewater improvements.

At December 31, 2018, loan agreements were in existence between the County and the State of Kansas as follows:

Business-Type Activities				
Outstanding Loans as of December 31, 2018				
	Original Issue Amount	Current Loans Outstanding	Interest Rates	Original Term in Years
Mill Creek Regional Plant	13,583,500	5,353,311	2.86%	20
Middle Basin Green Project	10,655,100	6,776,829	2.72%	20
Loan Elm	871,753	551,312	2.17%	20
Gardner Lake	6,104,971	4,939,358	2.17%	20
Total	\$ 31,215,324	\$ 17,620,810		

Annual debt service requirements to maturity for borrowed amounts outstanding at December 31, 2018, against these loans are as follows:

Debt Service Requirements for Business-Type Activities Loans					
	Principal		Interest		Total
2,019	\$	1,423,888	\$	429,047	\$ 1,852,935
2,020		1,462,855		393,664	1,856,519
2,021		1,502,892		357,310	1,860,202
2,022		1,544,029		319,955	1,863,984
2,023		1,586,297		281,574	1,867,871
2024-2028		6,554,067		847,012	7,401,079
2029-2033		3,505,762		233,016	3,738,778
2033-2037		41,020		26,304	67,324
Total	\$	17,620,810	\$	2,887,882	\$ 20,508,692

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

i. Park and Recreation District

1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the Park District for the year ended December 31, 2018:

Summary of Governmental Activities Debt for the year ended December 31, 2018						
Component Unit	Outstanding January 1	Prior Period Adjustment	Additions	Reductions	Outstanding December 31	Due Within One Year
Bonds:						
General obligation	\$ 825,000	\$ —	\$ —	\$ 405,000	\$ 420,000	\$ 420,000
Plus: issuance premiums	30,565	—	—	18,307	12,258	—
Certificates of participation	35,125,000	—	—	4,805,000	30,320,000	4,455,000
Plus: issuance premiums	2,264,488	—	—	362,631	1,901,857	—
Compensated absences	1,103,925	—	347,477	389,509	1,061,893	395,052
Early retirement obligation	—	—	—	—	—	—
Net pension liability	10,527,029	—	783,044	—	11,310,073	—
Total OPEB liability	1,167,209	98,867	131,338	231,627	1,165,787	—
Total	\$ 51,043,216	\$ 98,867	\$ 1,261,859	\$ 6,212,074	\$ 46,191,868	\$ 5,270,052

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund. Expenditures related to the net pension liability and the governmental

portion of the net Other post-employment benefits (OPEB) obligation are generally liquidated from the employee benefits fund.

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

At December 31, 2018, governmental activities and business-type activities debt for the Park District consists of the following:

Summary of Bond Issues					
Component Unit	Original Issue Amount	Governmental Activities Balance	Business- Type Balance	Interest Rates	Original Term in Years
General Obligation:					
2010A Refunding Bonds	\$ 3,625,000	\$ 420,000	\$ —	2.000-4.000%	—
Certificates of Participation:					
2010 Series D	4,145,000	2,770,000	—	2.000-4.125%	20
2011 Series A	12,475,000	5,080,000	—	3.000-5.000%	11
2013 Series A	15,670,000	8,580,000	—	4.000-5.125%	10
2015 Series A	2,490,000	2,215,000	—	2.250-4.00%	20
2017 Series A	7,300,000	6,680,000	—	2.000-4.000%	9
2017 Series B	5,460,000	4,995,000	—	2.000-4.000%	9
Total	\$ 51,165,000	\$ 30,740,000	\$ —		

3. Governmental Activities Long-term Debt

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

Debt Service Requirements Governmental Activities			
Component Unit	Principal	Interest	Total
2019	\$ 4,875,000	\$ 1,250,163	\$ 6,125,163
2020	4,640,000	1,040,263	5,680,263
2021	4,645,000	859,728	5,504,728
2022	5,040,000	676,538	5,716,538
2023	3,300,000	460,050	3,760,050
2024-2028	6,600,000	935,576	7,535,576
2029-2033	1,300,000	193,200	1,493,200
2034-2035	340,000	20,600	360,600
Total	\$ 30,740,000	\$ 5,436,118	\$ 36,176,118

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

The following table summarizes the changes in business-type activities debt of the Park District for the year ended December 31, 2018:

Summary of Business-Type Activities Debt for the year ended December 31, 2018						
Component Unit	Outstanding January 1	Prior Period Adjustment	Additions	Reductions	Outstanding December 31	Due Within One Year
Revenue bonds	\$ 315,000	\$ —	\$ —	\$ 315,000	\$ —	\$ —
Plus: issuance premiums	10,426	—	—	10,426	—	—
Compensated absences	651,418	—	370,192	263,526	758,084	282,027
Total OPEB Liability	1,750,813	148,300	197,007	347,441	1,748,679	—
Total	\$ 2,727,657	\$ 148,300	\$ 567,199	\$ 936,393	\$ 2,506,763	\$ 282,027

All 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 Park 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 \$3,884,813 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.

i. Fire Districts

1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the Fire Districts for the year ended December 31, 2018:

Summary of Governmental Activities Debt for the year ended December 31, 2018					
	Outstanding January 1	Additions	Retirements	Outstanding December 31	Due Within One Year
Governmental Activities:					
Pumper truck loan	\$ 334,016	\$ —	\$ (42,302)	\$ 291,714	\$ 43,990
General obligation bonds	13,305,000	—	(985,000)	12,320,000	765,000
Plus: Bond Premium	16,780	—	—	16,780	—
Capital leases	1,053,294	595,292	(139,101)	1,509,485	177,024
Compensated absences	1,531,122	152,504	(67,418)	1,616,208	35,000
Net pension liability	18,780,137	3,264,757	—	22,044,894	—
Total OPEB liability	4,668,711	—	(94,560)	4,574,151	—
	<u>\$39,689,060</u>	<u>\$ 4,012,553</u>	<u>\$ (1,328,381)</u>	<u>\$ 42,373,232</u>	<u>\$ 1,021,014</u>

At December 31, 2018, governmental activities debt for the Fire Districts consists of the following:

Summary of Bond Issues					
	Issued	Maturity	Original Amount	Governmental Activities Balance	Rate
General obligation bonds:					
2010 Pumper Loan	2/1/14	2/1/24	451,432	291,714	3.99%
2006A Bonds	3/1/06	9/1/21	1,055,000	270,000	3.50% - 5.00%
2015A Bonds	5/1/15	9/1/30	2,585,000	2,585,000	1.50% - 3.00%
2017A Refunding Bonds	12/13/17	9/1/37	6,485,000	6,180,000	2.00% - 3.00%
2010A Refunding Bonds	12/8/10	9/1/30	4,310,000	3,285,000	2.00% - 3.00%
			<u>14,886,432</u>	<u>12,611,714</u>	

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

Debt Service Requirements for Governmental Activities General Obligation Bonds			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 808,990	\$ 369,626	\$ 1,178,616
2020	830,746	349,655	1,180,401
2021	857,571	327,110	1,184,681
2022	779,469	303,392	1,082,861
2023-2027	3,126,443	1,041,172	4,167,615
2028-2032	3,120,000	539,923	3,659,923
2024-2028	1,158,495	169,112	1,327,607
2033-2037	1,930,000	177,000	2,107,000
	<u>\$ 12,611,714</u>	<u>\$ 3,276,990</u>	<u>\$ 15,888,704</u>

9. Fund Balances

Fund balances for all the major and nonmajor governmental funds as of December 31, 2018, were distributed as follows:

Johnson County, Kansas
Fund Balance Classifications
Governmental Funds
December 31, 2018

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ 476,371	\$ —	\$ 761,656	\$ 1,238,027
Prepays	932,658	—	822,602	1,755,260
Subtotal	1,409,029	—	1,584,258	2,993,287
Restricted:				
General Government	219	—	4,718,310	4,718,529
Public Works	—	—	5,030,209	5,030,209
Public Safety	7,162,016	—	6,322,708	13,484,724
Health and Human Services	782,126	—	2,067,807	2,849,933
Planning and Economic Development	—	—	18,224	18,224
Culture and Recreation	—	—	1,324,221	1,324,221
Capital Projects	—	—	—	—
Debt Service	—	—	2,454,823	2,454,823
Subtotal	7,944,361	—	21,936,302	29,880,663
Committed:				
General Government	1,305,686	—	—	1,305,686
Public Works	—	93,901,337	27,902	93,929,239
Public Safety	2,346,672	—	—	2,346,672
Health and Human Services	—	—	107,424	107,424
Planning and Economic Development	1,270,387	—	109,799	1,380,186
Culture and Recreation	—	—	—	—
Subtotal	4,922,745	93,901,337	245,125	99,069,207
Assigned:				
General Government	204,848	—	368,077	572,925
Public Works	505,470	—	5,392,919	5,898,389
Public Safety	2,556,787	—	694,410	3,251,197
Health and Human Services	217,166	—	4,869,713	5,086,879
Planning and Economic Development	1,117	—	—	1,117
Culture and Recreation	—	—	7,392,327	7,392,327
Subtotal	3,485,388	—	18,717,446	22,202,834
Unassigned:	82,826,738	—	—	82,826,738
Total Fund Balances:	<u>\$ 100,588,261</u>	<u>\$ 93,901,337</u>	<u>\$ 42,483,131</u>	<u>\$ 236,972,729</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 2018 is \$7,944,361. The majority of this is related to Public Safety. The largest portion, \$3.8 million, are receipts from the Public Safety Sales Tax that will be used for the construction of a new courthouse and coroner facility. Another \$2.2 million are Public Safety Sales Tax receipts to be used for facilities including jail beds, a crime lab, and juvenile detention campus. Additionally, \$753 thousand are receipts restricted for Sheriff related to the jail and laboratory. An additional \$259 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 2018 is \$4,922,745. General Government accounts for \$1.3 million - \$375 thousand of which is a contingency for sick/disability pay, and \$500 thousand, 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 \$665 thousand for programs including the Corrections house arrest program. Planning and economic development accounts for \$1.3 million, which are related to contractor licensing.

The total assigned fund balance for the General Fund for 2018 is \$3,485,388. Public Safety accounts for \$2.6 million. The components of this include \$431 thousand for District Court programs, \$274 thousand for District Attorney programs, \$1.3 million for the Sheriff commissary program, and \$285 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. Health and Human Services comprise \$217 thousand of the assigned fund balance. Most of this is for aging services. 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 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, 2018, incurred but not reported (IBNR) workers' compensation claims of \$996,331 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 \$1,354,015 have also been recorded in this fund.

The County retains liability for \$500,000 of each occurrence for losses related to automobile and general liability. Excess insurance is purchased to cover any loss in excess of the self-insured retention. 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 \$500,000 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 insurance coverage is purchased to cover the Sheriff's Operations. This insurance is subject to a \$100,000 per claim deductible. One settled claim exceeded the deductible but did not exceed the commercial coverage in the past three fiscal years. There were no significant reductions in the insurance coverage from the prior year. As of December 31, 2018, incurred but not reported (IBNR) automobile, general, and law enforcement liability claims of \$550,791 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	\$	80,018
General liability		107,257
Law enforcement liability		363,516
Total	\$	550,791

Changes in the Risk Management internal service fund's insurance claims payable during 2018 and 2017 were as follows:

Risk Management and Workers Compensation				
	Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Liability End of Year
2018	\$ 3,071,096	5,691,082	(5,861,042)	\$2,901,136
2017	3,002,269	4,260,667	(4,191,840)	3,071,096

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 \$960,963, and \$1,202,099 at December 31, 2018 and December 31, 2017, respectively.

The Park and Recreation District and Fire Districts do not participate in the County's self-insurance programs for risk management and health care. Both organizations purchase commercial insurance coverage for these risks.

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 \$50,915,908 and \$47,311,313 in 2018 and 2017, 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, 2018, a liability of \$3,900,669 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 2018 and 2017 were as follows:

Self-Insured Health Care				
	Insurance Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Insurance Claims Liability End of Year
2018	\$ 3,686,690	49,390,375	(49,176,396)	\$3,900,669
2017	\$ 3,461,905	44,817,263	(44,592,478)	\$3,686,690

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:

General Fund:		Encumbrances
Restricted	\$	820,992
Committed		35,559
Assigned		938,059
	\$	1,794,610

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, 2018.

Primary Government Project Authorizations and Expenditures Since Inception			
Project Category	Authorization		Expenditures Since Inception
Primary Government			
Appraiser	\$	2,486,460	\$ 1,841,517
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		13,683,498	13,643,473
Emergency Management & Communications		6,412,237	4,744,477
Emergency Medical Services		3,421,466	2,917,015
Facilities		28,906,581	14,930,792
Information Technology Services		25,777,825	21,653,903
Justice Information Management		1,451,000	858,155
Library		7,078,670	3,305,026
Mental Health		518,497	492,324
Public Works		151,704,313	118,865,417
Public Works - Stormwater		380,906,385	341,475,696
Records and Tax Administration		5,739,435	3,907,310
Solid Waste		507,520	202,809
Total	\$	632,181,619	\$ 531,661,832

During the course of the 2018 audit, it was discovered that the County had not recorded retainage payable in its financial statements. Staff recorded a prior period adjustment in the business-type activities for \$514,829.

12. Pension Plans

A. KPERS/KP&F

Plan Description. Johnson County, the Park District, and the Fire Districts 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, 2018 was 8.39%. The Johnson County employer contributions to KPERS for the year ending December 31, 2018 was \$13,695,565 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 2018 was 20.09% 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, 2018 was \$9,770,770 and were equal to the required contributions.

The Fire Districts' employer contributions to KPERS for the year ending December 31, 2018 were \$145,291, equal to the statutory required contributions. The Fire Districts' contributions to KP&F for the years ending December 31, 2018 was \$2,140,371, equal to the statutory required contributions. At December 31, 2018, the Fire Districts reported a liability of \$1,342,930 for KPERS and \$20,701,964 for KP&F for its proportionate share of the KPERS' collective net pension liability.

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, 2018, the County reported a liability of \$110,972,192 for KPERS and \$92,248,210 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, 2018, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. 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, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the County's proportion and change from its proportion measured as of June 30, 2017 were as follows:

Net Pension liability as of December 31, 2018					
	Governmental Activities	Business-Type Activities	Total	Proportion as of June 30, 2018	Change in proportion from June 30, 2017
KPERS (local)	\$ 104,735,119	\$ 6,237,073	\$ 110,972,192	0.07962	0.00288
KP&F	92,248,210	—	92,248,210	0.09587	0.00382
	<u>\$ 196,983,329</u>	<u>\$ 6,237,073</u>	<u>\$ 203,220,402</u>		

For the year ended December 31, 2018, the County recognized pension expense of \$10,487,420 for KPERS and \$11,893,978 for KP&F. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,871,058	\$ 3,471,580	\$ 166,235	\$ 99,066
Net difference between projected and actual earnings on pension plan investments	4,859,159	—	137,583	—
Changes in proportionate share	7,732,197	2,814,069	218,932	80,303
Changes in assumptions	9,397,224	767,111	266,076	21,890
County contributions subsequent to measurement date	<u>11,382,201</u>	<u>—</u>	<u>322,279</u>	<u>—</u>
Total	<u>\$ 39,241,839</u>	<u>\$ 7,052,760</u>	<u>\$ 1,111,105</u>	<u>\$ 201,259</u>

The \$11,704,480 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, 2019. 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	
2019	\$	10,507,765	\$	297,520
2020		7,469,852		211,504
2021		329,929		9,342
2022		2,086,066		59,066
2023		413,266		10,135
	\$	20,806,878	\$	587,567

Actuarial assumptions. The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, 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, 2017 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.85%
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 2018 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 the 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:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
County's KPERS proportionate share of the net pension liability	\$ 162,756,890	\$ 110,972,192	\$ 67,209,433
County's KP&F proportionate share of the net pension liability	131,472,039	92,248,210	59,409,215
	<u>\$ 294,228,929</u>	<u>\$ 203,220,402</u>	<u>\$ 126,618,648</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.

Park and Recreation Component Unit Information:

Johnson County Park & Recreation District's employer contributions to KPERS for the years ended December 31, 2018, 2017, and 2016 were \$1,121,798, \$903,214, and \$892,588, respectively, equal to the statutory required contributions for each year. The Park District's employer contributions to KP&F for the years ended December 31, 2018, 2017, and 2016 were \$283,908, \$240,690, and \$243,844, respectively, equal to the statutory required contributions for each year.

At December 31, 2018, the Park District reported a liability of \$8,779,141 for KPERS and \$2,530,932 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, 2018, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The Park District's proportion of the collective net pension liability was based on the ratio of the District's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of KPERS and KP&F for the fiscal year ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the District's proportion and change from its proportion measured as of June 30, 2017 were as follows:

	Net pension liability as of December 31, 2018	Proportion as of June 30, 2018	Increase in proportion from June 30, 2017
KPERS (local)	\$ 8,779,141	0.6299%	0.0626%
KP&F	2,530,932	0.2360%	0.0167%
	<u>\$ 11,310,073</u>		

For the year ended December 31, 2018, the District recognized pension expense of \$1,058,856 for KPERS and \$422,629 for KP&F. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 186,342	\$ 260,455
Net difference between projected and actual earnings on pension plan investments	271,240	—
Changes in proportionate share	1,408,771	—
Changes in assumptions	513,457	49,262
Park District contributions subsequent to measurement date	<u>638,902</u>	<u>—</u>
Total	<u>\$ 3,018,712</u>	<u>\$ 309,717</u>

The \$638,902 reported as deferred outflows of resources related to pensions resulting from the Park District 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:	Deferred Outflows (Inflows) of Resources
2019	886,701
2020	677,497
2021	207,732
2022	252,475
2023	45,688
	<u>2,070,093</u>

The following presents the Park District's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the Park District'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:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Park District's KPERS proportionate share of the net pension liability	12,875,902	8,779,141	5,317,022
Park District's KP&F proportionate share of the net pension liability	3,607,088	2,530,932	1,629,961
	<u>16,482,990</u>	<u>11,310,073</u>	<u>6,946,983</u>

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.

Information Regarding the Supplemental Retirement Plans			
Fiscal Year Ending	Number of Active Participants		
	Employee	Executive	Elected
12/31/2018	2,476	2	6
12/31/2017	2,134	1	6
12/31/2016	2,012	1	6
Fiscal Year Ending	County Contributions		
	Employee	Executive	Elected
12/31/2018	\$ 3,780,444	\$ 5,038	\$ 16,439
12/31/2017	3,523,411	8,000	15,817
12/31/2016	3,305,351	8,000	15,744

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, 2018, there was one issue of industrial revenue bonds outstanding with an original amount of \$3.5 million and an aggregate principal balance outstanding of \$2,443,833.

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, 2018, the following employees were covered by the benefit terms:

Active employees eligible for coverage	2,809
Inactive employees or beneficiaries currently receiving benefit payments	60
	<u>2,869</u>

Total OPEB Liability

The County's total OPEB liability of \$20,550,676 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Payroll growth	3.5%
Discount rate	4.11%
Healthcare cost trend rates	9.0% for 2018, decreasing 0.5% per year to an ultimate rate of 5% for 2026 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 (4.11%), S&P Municipal Bond 20-Year High Grade Rate Index (3.64%), and Fidelity 20-Year Go Municipal Bond Index (3.71%). Based on these, the actuary used a discount rate of 4.11%.

Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement.)

Changes in the Total OPEB Liability

Total OPEB Liability	
Balance at 12/31/2017	\$ 19,197,623
Service cost	1,148,074
Interest cost	709,488
Changes of benefit terms	—
Changes in assumptions	(1,489,326)
Differences between expected and actual experience	1,824,670
Benefit payments	(839,853)
Net change	1,353,053
Balance at 12/31/2018	<u>\$ 20,550,676</u>

Sensitivity Results

The following presents the total OPEB liability as of December 31, 2018, 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 4.11%.
- The 1% decrease in discount rate would be 3.11%.
- The 1% increase in discount rate would be 5.11%.

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 22,422,351
Current Discount Rate	20,550,676
1% Increase	19,053,328

The following presents the total OPEB liability as of December 31, 2018, 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 9.0% 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 8.0% 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 10.0% decreasing by 0.5% annually to an ultimate rate of 6.0%.

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 18,248,604
Current Health Care Trend Rates	20,550,676
1% Increase	23,550,511

For the year ended December 31, 2018, the County recognized OPEB expense of \$1,755,374. At December 31, 2018, 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	\$ 1,424,252	\$ 1,611,852	\$ 107,201	\$ 121,322
Changes in assumptions	1,307,338	633,817	98,401	47,706
Total	<u>\$ 2,731,590</u>	<u>\$ 2,245,669</u>	<u>\$ 205,602</u>	<u>\$ 169,028</u>

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

Deferred Outflows (Inflows) of Resources		
Year ended December 31:	Governmental Activities	Business-Type Activities
2019	\$ (95,035)	\$ (7,153)
2020	(95,035)	(7,153)
2021	(95,035)	(7,153)
2022	(95,035)	(7,153)
2023	(95,035)	(7,153)
Thereafter	(10,746)	(809)
	<u>\$ (485,921)</u>	<u>\$ (36,574)</u>

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

Park and Recreation Component Unit OPEB Information:

Plan description and funding policy: The Park 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 Park District's plan until reaching Medicare eligibility age which is currently 65. The current funding policy of the Park District is to pay premiums as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting. The Park District establishes and amends contribution requirements. The required contribution is based on projected pay-as-you-go financing. For fiscal year 2018, the Park District contributed approximately \$84,899. Retirees receiving benefits contributed \$24,603 through their required contributions.

Employees covered by benefit terms: At December 31, 2018, the following employees were covered by the benefit terms:

Active employees eligible for coverage	239
Inactive employees or beneficiaries currently receiving benefit payments	<u>1</u>
	<u><u>240</u></u>

The Park District's total OPEB liability of \$2,653,880, was measured as of December 1, 2018, and results were actuarially rolled forward to December 31, 2018 on a "no loss / no gain" basis.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	4.11%
Healthcare cost trend rates	9% for 2018, decreasing 0.5% per year to an ultimate rate of 5% for 2026 and later years
Retirees' share of benefit-related costs	100% 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 Park District.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (4.11%), S&P Municipal Bond 20-Year High Grade Rate Index (3.64%), and Fidelity 20-Year Go Municipal Bond Index (3.71%). Based on these, the actuary used a discount rate of 4.11%.

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 9.0% decreasing by 0.5% annually to an ultimate rate of 5.0% in years 2026 and beyond.

Termination rates for the Park 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, 2018.

Changes in the total OPEB liability are as follows:

Total OPEB Liability		
Balance at 12/31/2017	\$	2,918,022
Service cost		198,529
Interest cost		109,451
Changes of benefit terms		—
Changes in assumptions		(521,007)
Differences between expected and actual experience		33,784
Benefit payments		(84,899)
Net change		(264,142)
Balance at 12/31/2018	\$	2,653,880

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.11%) or 1 percentage point higher (5.11%) than the current discount rate:

As of December 31, 2018	Total OPEB Liability	
1% Decrease	\$	2,906,419
Current Discount Rate		2,653,880
1% Increase		2,419,828

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Park District, as well as what the Park 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:

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 2,297,125
Current Health Care Trend Rates	2,653,880
1% Increase	3,083,490

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended December 31, 2018, the Park District recognized OPEB expense of \$314,926. At December 31, 2018, the Park District reported deferred outflows of resources and deferred inflows 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	\$ —	\$ 130,578	\$ —	\$ 195,866
Changes in assumptions	(190,763)	32,759	(286,144)	49,138
Total	<u>\$ (190,763)</u>	<u>\$ 163,337</u>	<u>\$ (286,144)</u>	<u>\$ 245,004</u>

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

		Deferred Outflows (Inflows) of Resources	
		Governmental Activities	Business-Type Activities
Year ended December 31:			
2018	\$	2,778	\$ 4,168
2019		2,778	4,168
2020		2,778	4,168
2021		2,778	4,168
2022		2,778	4,168
Thereafter		(41,316)	(61,980)
	<u>\$</u>	<u>(27,426)</u>	<u>\$ (41,140)</u>

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

Fire District Component Unit OPEB Information:

Plan description and funding policy: Fire District No. 2 and Consolidated Fire District No. 2 sponsor 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 Fire Districts' plan until reaching Medicare eligibility age which is currently 65. The current funding policy of the Fire Districts is to pay premiums as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting. The Fire Districts establish and amend contribution requirements. The required contribution is based on projected pay-as-you-go financing. For fiscal year 2018, the Fire Districts contributed approximately \$139,237.

Active employees eligible for coverage	118
Inactive employees or beneficiaries currently receiving benefit payments	17
	<u>135</u>

The Fire Districts' total OPEB liability of \$4,573,486, was measured as of December 1, 2018, and results were actuarially rolled forward to December 31, 2018 on a "no loss / no gain" basis.

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 Fire Districts.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (4.11%), S&P Municipal Bond 20-Year High Grade Rate Index (3.64%), and Fidelity 20-Year Go Municipal Bond Index (3.71%). Based on these, the actuary used a discount rate of 4.11%.

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 9.0% decreasing by 0.5% annually to an ultimate rate of 5.0% in years 2026 and beyond.

Termination rates for the Fire Districts have been updated to be consistent with those used in the KPERS and KPF pension actuarial valuation for the fiscal year ending December 31, 2018.

Changes in the total OPEB liability are as follows:

Total OPEB Liability		
Balance at 12/31/2017	\$	4,565,205
Service cost		201,279
Interest cost		167,230
Changes of benefit terms		—
Changes in assumptions		(216,915)
Differences between expected and actual experience		(4,076)
Benefit payments		(139,237)
Net change		<u>8,281</u>
Balance at 12/31/2018	\$	<u>4,573,486</u>

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Fire Districts, as well as what the Fire Districts' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.11%) or 1 percentage point higher (5.11%) than the current discount rate:

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 4,976,977
Current Discount Rate	4,573,486
1% Increase	4,208,756

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Fire Districts, as well as what the Fire Districts' 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:

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 4,096,712
Current Health Care Trend Rates	4,573,486
1% Increase	5,129,793

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended December 31, 2018, the Fire Districts recognized OPEB expense of \$340,589. At December 31, 2018, the Fire Districts reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ (3,705)
Changes in assumptions	—	(189,366)
Total	\$ —	\$ (193,071)

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

		Deferred Outflows (Inflows) of Resources
		Governmental Activities
Year ended December 31:		
	2019	(27,920)
	2020	(27,920)
	2021	(27,920)
	2022	(27,920)
	2023	(27,920)
	Thereafter	(53,471)
		(193,071)

15. Postemployment Benefits Other Than Pensions - KPERS Disability & Death

Plan Description

The County participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability equal to 60 percent (prior to January 1, 2006, 66 2/3) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payment for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of the disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If the member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit

rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Active employees eligible for coverage	2,537
Inactive employees or beneficiaries currently receiving benefit payments	37
	<u>2,574</u>

Total OPEB Liability

The County's total OPEB liability of \$4,935,272 reported as of December 31, 2018, was measured as of June 30, 2018 (the measurement date), and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018.

Actuarial Assumptions and Methods

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

Inflation	2.75%
Payroll growth	3.0%
Discount rate	3.87%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2018.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2016.

Changes in the Total OPEB Liability

Total OPEB Liability	
Balance at 12/31/2017	\$ 5,060,424
Service cost	521,196
Interest cost	191,724
Changes of benefit terms	—
Changes in assumptions	(58,308)
Differences between expected and actual experience	(323,365)
Benefit payments	(456,399)
Net change	(125,152)
Balance at 12/31/2018	<u>\$ 4,935,272</u>

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 3.58% to 3.87%.

Sensitivity Results

The following presents the total OPEB liability as of December 31, 2018, 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 3.87%.
- The 1% decrease in discount rate would be 2.87%.
- The 1% increase in discount rate would be 4.87%.

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 5,131,925
Current Discount Rate	4,935,272
1% Increase	4,735,549

For the year ended December 31, 2018, the County recognized OPEB expense of \$658,594. At December 31, 2018, 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	\$ 269,694	\$ —	\$ 20,300	\$ —
Changes in assumptions	34,738	—	2,615	—
Total	<u>\$ 304,432</u>	<u>\$ —</u>	<u>\$ 22,915</u>	<u>\$ —</u>

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

		Deferred Outflows (Inflows) of Resources	
		Governmental Activities	Business-Type Activities
Year ended December 31:			
	2019	\$ (50,523)	\$ (3,803)
	2020	(50,523)	(3,803)
	2021	(50,523)	(3,803)
	2022	(50,523)	(3,803)
	2023	(50,523)	(3,803)
	Thereafter	(51,817)	(3,900)
		<u>\$ (304,432)</u>	<u>\$ (22,915)</u>

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

Prior Period Adjustment

The County recorded a prior period adjustment to the government-wide financial statements to adjust its total OPEB liability and the net position of the governmental activities by \$4,589,803 and the net position of the business-type activities by \$345,469, for a total reduction in net position of \$4,935,272 due to KPERS Disability & Death. The prior period adjustment of the \$345,469 which was recorded in the financial statements of the business-type activities was also recorded in the County's proprietary fund statements.

Park and Recreation Component Unit OPEB KPERS Disability & Death:

At December 31, 2018, the following employees were covered by the benefit terms:

Active employees eligible for coverage	215
Inactive employees or beneficiaries currently receiving benefit payments	<u>2</u>
	<u><u>217</u></u>

The Park District's total OPEB liability of \$260,586, reported as of December 1, 2018 was measured as of June 30, 2018 (the measurement date), and was determined by an actuarial valuation as of December 31, 2017. The results were actuarially rolled forward to June 30, 2018, using the following actuarial assumptions:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	3.87%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2018.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2016.

Changes in the total OPEB liability are as follows:

Total OPEB Liability		
Balance at 12/31/2017	\$	247,167
Service cost		39,471
Interest cost		10,172
Changes of benefit terms		—
Changes in assumptions		(3,090)
Differences between expected and actual experience		(28,085)
Benefit payments		<u>(5,049)</u>
Net change		<u>13,419</u>
Balance at 12/31/2018	\$	<u><u>260,586</u></u>

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 3.58% to 3.87%.

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 270,675
Current Discount Rate	260,586
1% Increase	249,741

For the year ended December 31, 2018, the Park District recognized OPEB expense of \$45,713. At December 31, 2018, the Park District reported deferred outflows of resources and deferred inflows 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	\$ (10,075)	\$ —	\$ (15,112)	\$ —
Changes in assumptions	(3,297)	—	(4,950)	—
Total	<u>\$ (13,372)</u>	<u>\$ —</u>	<u>\$ (20,062)</u>	<u>\$ —</u>

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

		Deferred Outflows (Inflows) of Resources	
		Governmental Activities	Business-Type Activities
Year ended December 31:			
2018	\$	(1,572)	\$ (2,358)
2019		(1,572)	(2,358)
2020		(1,572)	(2,358)
2021		(1,572)	(2,358)
2022		(1,572)	(2,358)
Thereafter		(5,512)	(8,272)
	<u>\$</u>	<u>(13,372)</u>	<u>\$ (20,062)</u>

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

Prior period adjustment

The Park District implemented GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the KPERS OPEB obligation for the year ended December 31, 2018. The implementation caused a prior period adjustment to net position in the governmental funds on the Statement of Activities in the amount of negative \$101,343, and an adjustment to the Statement of Revenues, Expenses and Changes in Net Position in the Enterprise Fund in the amount of negative \$152,013.

Fire District Component Unit OPEB KPERS Disability & Death:

The Fire Districts' total OPEB liability of \$651, reported as of December 1, 2018 was measured as of June 30, 2018 (the measurement date), and was determined by an actuarial valuation as of December 31, 2017. The results were actuarially rolled forward to June 30, 2018, using the following actuarial assumptions:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	3.87%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2018.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2016.

Changes in the total OPEB liability are as follows:

Total OPEB Liability	
Balance at 12/31/2017	103,492
Service cost	1,090
Interest cost	3,744
Effect of plan changes	—
Effect of economic/demographic gains or losses	(107,662)
Effect of assumptions changes or inputs	(13)
Benefit payments	—
Net change	(102,841)
Balance at 12/31/2018	651

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 3.58% to 3.87%.

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Fire Districts, as well as what the Fire Districts' total OPEB liability would be if it were calculated

using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

As of December 31, 2018	Total OPEB Liability
1% Decrease	\$ 695
Current Discount Rate	651
1% Increase	611

For the year ended December 31, 2018, the Fire Districts reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Governmental Activities			
	Deferred Outflows of Resources	Deferred Inflows of Resources	
Differences between expected and actual experience		\$ (96,549)	
Changes in assumptions	\$ 8	\$ (3,657)	
Total	8	(100,206)	

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

Deferred Outflows (Inflows) of Resources	
Governmental Activities	
Year ended December 31:	
2019	(11,587)
2020	(11,587)
2021	(11,587)
2022	(11,587)
2023	(11,587)
Thereafter	(42,271)
	(100,206)

16. 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, 2018:

Johnson County's Tax Abatements entered into as of December 31, 2018				
Company Names	Tax being abated	Dollar amount of taxes abated	Name of abatement	Mechanism for abatement
Unilever	Ad Valorem Property Tax	60,161	EDX	Reduction of assessed value; 50%
Total		<u>\$ 60,161</u>		

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, 2018:

Other government tax abatement programs affecting Johnson County revenues entered into as of December 31, 2018						
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	Quantitative threshold for disclosure of individual recipient (if applicable)	Information not reported due to legal prohibition
				taxes		
Bonner Springs	Ad Valorem Property Tax	\$ 1,573	IRB	None	N/A	
DeSoto	Ad Valorem Property Tax	11,552	EDX	None	N/A	
DeSoto	Ad Valorem Property Tax	5,979	IRBX	None	N/A	
Edgerton	Ad Valorem Property Tax	1,959,279	IRBX	None	N/A	
Gardner	Ad Valorem Property Tax	345,479	IRBX	None	N/A	
Lenexa	Ad Valorem Property Tax	517,017	IRBX	None	N/A	
Lenexa	Ad Valorem Property Tax	57,141	IRB	None	N/A	
Olathe	Ad Valorem Property Tax	60,161	EDX	None	N/A	
Olathe	Ad Valorem Property Tax	658,984	IRBX	None	N/A	
Olathe	Ad Valorem Property Tax	139,238	IRB	None	N/A	
Overland Park	Ad Valorem Property Tax	347,232	IRBX	None	N/A	
Overland Park	Ad Valorem Property Tax	1,934	IRB	None	N/A	
Shawnee	Ad Valorem Property Tax	197,212	IRBX	None	N/A	
Westwood	Ad Valorem Property Tax	8,320	IRB	None	N/A	
Total		<u>\$ 4,311,101</u>				

17. Prior Period Adjustment- Sheriff's Forfeited Property

Description. During the year ended December 31, 2018 management became aware of an adjustment that requires the County to restate its beginning net assets. During a review of Sheriff's Forfeited Property Fund, it was discovered that certain Federal revenues and expenditures were not being tracked and reported on the financial statements properly. In 2018, recording was changed to be in compliance with 2CFR200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Funds requirements. The effects on the financial statements for the year ended December 31, 2018 is presented below:

Sheriff Forfeited Property Fund			
	Initial Balance	Adjusted Balance	Effect of change
Intergovernmental Revenues:	(1,095,564)	82,894	(1,178,458)
Net Position, beginning of year	1,315,468	137,010	

18. 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. 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.
GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period	This statement will be effective for the County beginning with its fiscal year 2020. Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies the accounting for interest cost incurred before the end of a construction period.
GASB Statement No. 90, Major Equity Interests	This statement will be effective for the County beginning with its fiscal year 2019. Statement No. 90 improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.
GASB Statement No. 91, Conduit Debt Obligations	This statement will be effective for the County beginning with its fiscal year 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Required Supplementary Information

Defined Benefit Pension Plans - Primary Government

	Share of the Collective Net Pension Liability Kansas Public Employees Retirement System Last Six Fiscal Years*					
	2018	2017	2016	2015	2014	2013
County's proportion of the collective net pension liability:						
KPERS (local group)	7.962%	7.674%	0.0763	7.54%	7.501%	7.425%
KP&F (police & firemen)	9.587%	9.205%	0.09596	9.326%	9.428%	10.079%
County's proportionate share of the collective net pension liability	\$ 203,220,402	\$ 197,482,384	\$ 207,155,870	\$ 166,717,737	\$ 154,149,390	\$ 194,955,744
County's covered payroll ^	\$ 185,495,956	\$ 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	110%	109%	118%	98%	92%	118%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%
* GASB 68 requires presentation of ten years. As of December 31, 2018, only six years of information is available.						
^ Covered payroll is measured as of the measurement date ending June 30.						

Defined Benefit Pension Plans - Primary Government

Schedule of County's Contributions Kansas Public Employees Retirement System Last Six Fiscal Years*						
	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 23,466,335	\$ 20,776,099	\$ 21,610,866	\$ 22,320,655	\$ 19,062,423	\$ 17,327,048
Contributions in relation to the contractually required contribution	(23,466,335)	(20,776,099)	(21,610,866)	(22,320,655)	(19,062,423)	(17,327,048)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
County's covered payroll ^	\$188,275,048	\$186,956,144	\$177,112,568	\$174,516,244	\$168,610,329	\$166,408,377
Contributions as a percentage of covered payroll	12.46%	11.11 %	12.20%	12.79%	11.31 %	10.41%
* GASB 68 requires presentation of ten years. As of December 31, 2018, only six years of information is available.						
^ Covered payroll is measured as of the fiscal year end December 31.						

Defined Benefit Pension Plans - Park and Recreation Component Unit

KPERS and KPF Defined Benefit Pension Plans Schedule of District's Proportionate Share of the Net Pension Liability Last Six Fiscal Years*						
	2018	2017	2016	2015	2014	2013
Park District's proportion of the collective net pension liability:						
KPERS (local group)	0.630%	0.567%	0.534%	0.512%	0.499%	0.499%
KP&F (police & firemen)	0.263%	0.247%	0.242%	0.231%	0.211%	0.208%
Park District's proportionate share of the collective net pension liability	\$ 11,310,073	\$ 10,527,029	\$ 10,515,083	\$ 8,401,375	\$ 7,353,867	\$ 9,291,775
Park District's covered payroll ^	\$ 12,752,350	\$ 10,780,855	\$ 10,333,178	\$ 9,665,005	\$ 9,140,945	\$ 8,834,280
Park District's proportionate share of the collective net pension liability as a percentage of its covered payroll	89%	98%	102%	87%	82%	105%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%
* GASB 68 requires presentation of ten years. As of December 31, 2018, only six years of information is available.						
^ Covered payroll is measured as of the measurement date ending June 30.						

Defined Benefit Pension Plans - Park and Recreation Component Unit

KPERS and KPF Defined Benefit Pension Plans Schedule of District's Contributions Last Six Fiscal Years*						
	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,405,706	\$ 1,143,904	\$ 1,114,286	\$ 1,105,903	\$ 998,773	\$ 894,676
Contributions in relation to the contractually required contribution	(1,405,706)	(1,143,904)	(1,114,286)	(1,105,903)	(998,773)	(894,676)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Park District's covered payroll ^	\$ 13,177,432	\$ 11,562,848	\$ 10,842,012	\$ 9,941,866	\$ 9,302,027	\$ 8,991,896
Contributions as a percentage of covered payroll	10.67%	9.89%	10.28%	11.12%	10.74%	9.95%
* GASB 68 requires presentation of ten years. As of December 31, 2018, only six 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

Total OPEB Liability			
Last Fiscal Year*			
	2018	2017	2016
Service cost	\$ 1,148,074	\$ 1,159,107	\$ 1,080,888
Interest cost	709,488	626,962	636,831
Changes in assumptions	(1,489,326)	(100,278)	917,434
Differences between expected and actual experience	1,824,670	—	(2,061,572)
Benefit payments	(839,853)	(795,825)	(914,260)
Net change in Total OPEB liability	1,353,053	889,966	(340,679)
Total OPEB liability - beginning of year	19,197,623	18,307,657	18,648,336
Prior period adjustment	\$ —	\$ —	\$ —
Total OPEB liability - end of year	\$ 20,550,676	\$ 19,197,623	\$ 18,307,657
Covered employee payroll	\$ 176,752,259	\$ 168,736,620	\$ 162,916,281
Total OPEB liability as a percentage of covered employee payroll	11.7%	11.4%	11.2%

* GASB 75 requires presentation of ten years. As of December 31, 2018, only three 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 4.11%.
- Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2018 using MP-2018 improvement.

The health care trend rates use an initial rate of 9.0%, decreasing by 0.5% annually to an ultimate rate of 5.0% as shown below.

Year	Current	Year	Current
2018	9.0%	2023	6.5%
2019	8.5%	2024	6.0%
2020	8.0%	2025	5.5%
2021	7.5%	2026+	5.0%
2022	7.0%		

Schedule of Changes in Total OPEB Liability and Related Ratios - KPERS Disability and Death

Total OPEB Liability Last Fiscal Year*			
	2018		2017
Service cost	\$	521,196	\$ 533,091
Interest cost		191,724	149,991
Changes in assumptions		(58,308)	(144,600)
Differences between expected and actual experience		(323,365)	—
Benefit payments		(456,399)	(412,692)
Net change in Total OPEB liability		(125,152)	125,790
Total OPEB liability - beginning of year		5,060,424	4,934,634
Total OPEB liability - end of year	\$	4,935,272	\$ 5,060,424
Covered employee payroll	\$	135,439,000	\$ 128,748,000
Total OPEB liability as a percentage of covered employee payroll		3.6%	3.9%

* GASB 75 requires presentation of ten years. As of December 31, 2018, only two years of information is available.

No assets are accumulated in a trust to pay related benefits for this plan.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

Park and Recreation Component Unit

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability			
Last Fiscal Year*			
	2018	2017	2016
Service cost	\$ 198,529	\$ 200,566	\$ 146,937
Interest cost	109,451	94,141	71,706
Changes in assumptions	(521,007)	(16,886)	110,247
Differences between expected and actual experience	33,784	—	399,018
Benefit payments	(84,899)	(98,192)	(75,876)
Net change in Total OPEB liability	(264,142)	179,629	652,032
Total OPEB liability - beginning of year	2,918,022	2,738,393	2,086,361
Prior period adjustment	—	—	—
Total OPEB liability - end of year	<u>\$ 2,653,880</u>	<u>\$ 2,918,022</u>	<u>\$ 2,738,393</u>
Covered employee payroll	\$ 11,907,847	\$ 11,182,254	\$ 10,005,361
Total OPEB liability as a percentage of covered employee payroll	22.3%	26.1%	27.4%

* GASB 75 requires presentation of ten years. As of December 31, 2018, only three 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 4.11%.
- Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2018 using MP-2018 improvement.

The health care trend rates use an initial rate of 9.0%, decreasing by 0.5% annually to an ultimate rate of 5.0% as shown below.

Year	Current	Year	Current
2,018	9.0%	2,023	6.5%
2,019	8.5%	2,024	6.0%
2,020	8.0%	2,025	5.5%
2,021	7.5%	2026+	5.0%
2,022	7.0%		

Schedule of Changes in Total OPEB Liability and Related Ratios - KPERS Disability and Death

Total OPEB Liability			
Last Fiscal Year*			
	2018	2017	
Service cost	\$ 39,471	\$ 37,575	
Interest cost	10,172	7,305	
Changes in assumptions	(3,090)	(6,902)	
Differences between expected and actual experience	(28,085)	—	
Benefit payments	(5,049)	(18,980)	
Net change in Total OPEB liability	13,419	18,998	
Total OPEB liability - beginning of year	247,167	228,169	
Total OPEB liability - end of year	<u>\$ 260,586</u>	<u>\$ 247,167</u>	
Covered employee payroll	\$ 10,651,958	\$ 9,408,445	
Total OPEB liability as a percentage of covered employee payroll	2.4%	2.6%	

* GASB 75 requires presentation of ten years. As of December 31, 2018, only two years of information is available.

No assets are accumulated in a trust to pay related benefits for this plan.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

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 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, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Deposits including investments	\$ 29,214,971	\$ 2,454,704	\$ 12,170,059	\$ 43,839,734
Receivables (net of allowance for uncollectibles):	70,185,197	5,015,667	18,137,897	93,338,761
Inventories	338,030	—	423,626	761,656
Prepays	674,347	—	148,255	822,602
Restricted cash and investments	—	119	—	119
Total assets	\$ 100,412,545	\$ 7,470,490	\$ 30,879,837	\$ 138,762,872
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,568,273	\$ —	\$ 122,762	\$ 1,691,035
Salaries and wages payable	2,668,360	—	189,787	2,858,147
Due to others	213	—	—	213
Unearned revenue	927,155	—	26,600	953,755
Total liabilities	5,164,001	—	339,149	5,503,150
Deferred Inflows of Resources:				
Property tax receivable	67,594,803	5,015,667	15,503,209	88,113,679
Unavailable revenue - accounts receivable	2,662,912	—	—	2,662,912
Total deferred inflows of resources	70,257,715	5,015,667	15,503,209	90,776,591
Fund Balances:				
Nonspendable	1,012,377	—	571,881	1,584,258
Restricted	10,775,567	2,454,823	8,705,912	21,936,302
Committed	217,223	—	27,902	245,125
Assigned	12,985,662	—	5,731,784	18,717,446
Total fund balances	24,990,829	2,454,823	15,037,479	42,483,131
Total liabilities, deferred inflows of resources and fund balances	\$ 100,412,545	\$ 7,470,490	\$ 30,879,837	\$ 138,762,872

Johnson County, Kansas

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 75,682,664	\$ 4,625,953	\$ 32,099,308	\$ 112,407,925
Intergovernmental	12,237,353	—	12,153,603	24,390,956
Charges for services	19,372,225	—	943,331	20,315,556
Investment earnings	672,866	—	720,827	1,393,693
Licenses and permits	1,332,208	—	16,325	1,348,533
Other	1,977,127	—	211,643	2,188,770
Total revenues	111,274,443	4,625,953	46,145,037	162,045,433
EXPENDITURES				
Current:				
General government	232,928	—	452,893	685,821
Public works	—	—	11,352,476	11,352,476
Public safety	5,281,584	—	—	5,281,584
Health and human services	73,540,311	—	—	73,540,311
Culture and recreation	26,837,058	81,639	—	26,918,697
Debt service:				
Principal retirement	—	1,058,900	—	1,058,900
Interest and fiscal charges	—	241,910	—	241,910
Capital Outlay	81,481	2,725,526	2,053,307	4,860,314
Total expenditures	105,973,362	4,107,975	13,858,676	123,940,013
Excess (deficiency) of revenues over (under) expenditures	5,301,081	517,978	32,286,361	38,105,420
OTHER FINANCING SOURCES (USES)				
Transfers in	678,936	906,517	1,122,913	2,708,366
Transfers out	(4,568,319)	(824,741)	(33,935,208)	(39,328,268)
General obligation bonds proceeds	—	16,693	—	16,693
Premium on bonds issued	—	23,836	—	23,836
Total other financing sources and uses	(3,889,383)	122,305	(32,812,295)	(36,579,373)
Net change in fund balances	1,411,698	640,283	(525,934)	1,526,047
Fund balances - beginning	24,757,589	1,814,540	15,563,413	42,135,542
Prior period adjustments	(1,178,458)	—	—	(1,178,458)
Fund balances - beginning as restated	23,579,131	1,814,540	15,563,413	40,957,084
Fund balances - ending	\$ 24,990,829	\$ 2,454,823	\$ 15,037,479	\$ 42,483,131

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
December 31, 2018

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Fund	County Clerk Technology
ASSETS									
Deposits including investments	\$ 3,003,690	\$ 9,461,093	\$ 90,574	\$ 6,383	\$ 2,802,370	\$ 128,023	\$ 3,014,940	\$ 7,039,033	\$ 822,704
Receivables (net of allowance for uncollectibles):	13,290,265	30,009,895	—	—	17,018,780	—	9,866,257	—	—
Inventories	—	—	—	—	—	—	338,030	—	—
Prepays	—	57,038	—	—	172,121	—	21,834	415,528	7,826
Total assets	\$ 16,293,955	\$ 39,528,026	\$ 90,574	\$ 6,383	\$ 19,993,271	\$ 128,023	\$ 13,241,061	\$ 7,454,561	\$ 830,530
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 58,386	\$ 332,479	\$ 17,799	\$ —	\$ 176,247	\$ —	\$ 202,449	\$ 766,485	\$ 833
Salaries and wages payable	731,998	655,940	—	—	900,416	—	380,006	—	—
Due to others	306	—	—	—	—	—	(93)	—	—
Unearned revenue	31,205	257,359	—	—	173,095	—	465,496	—	—
Total liabilities	821,895	1,245,778	17,799	—	1,249,758	—	1,047,858	766,485	833
Deferred Inflows of Resources:									
Property tax receivable	12,858,024	29,587,675	—	—	16,447,444	—	8,701,660	—	—
Unavailable revenue - accounts receivable	307,425	145	—	—	121,334	—	395,960	—	—
Total deferred inflows of resources	13,165,449	29,587,820	—	—	16,568,778	—	9,097,620	—	—
Fund Balances:									
Nonspendable	—	57,038	—	—	172,121	—	359,864	415,528	7,826
Restricted	1,223,398	1,324,221	—	—	844,409	18,224	—	5,949,632	801,393
Committed	97,500	—	—	—	9,924	109,799	—	—	—
Assigned	985,713	7,313,169	72,775	6,383	1,148,281	—	2,735,719	322,916	20,478
Total fund balances	2,306,611	8,694,428	72,775	6,383	2,174,735	128,023	3,095,583	6,688,076	829,697
Total liabilities, deferred inflows of resources and fund balances	\$ 16,293,955	\$ 39,528,026	\$ 90,574	\$ 6,383	\$ 19,993,271	\$ 128,023	\$ 13,241,061	\$ 7,454,561	\$ 830,530

(Continued)

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue
December 31, 2018

	County Treasurer Technology	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licensure	Total
ASSETS									
Deposits including investments	\$ 253,172	\$ 136,789	\$ 1,987,314	\$ 167,892	\$ 223,952	\$ 13,382	\$ 41,025	\$ 22,635	\$ 29,214,971
Receivables (net of allowance for uncollectibles):	—	—	—	—	—	—	—	—	70,185,197
Inventories	—	—	—	—	—	—	—	—	338,030
Prepays	—	—	—	—	—	—	—	—	674,347
Total assets	\$ 253,172	\$ 136,789	\$ 1,987,314	\$ 167,892	\$ 223,952	\$ 13,382	\$ 41,025	\$ 22,635	\$ 100,412,545
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 3,224	\$ —	\$ 10,354	\$ —	\$ —	\$ —	\$ —	\$ 17	\$ 1,568,273
Salaries and wages payable	—	—	—	—	—	—	—	—	2,668,360
Due to others	—	—	—	—	—	—	—	—	213
Unearned revenue	—	—	—	—	—	—	—	—	927,155
Total liabilities	3,224	—	10,354	—	—	—	—	17	5,164,001
Deferred Inflows of Resources:									
Property tax receivable	—	—	—	—	—	—	—	—	\$ 67,594,803
Unavailable revenue - accounts receivable	—	—	1,838,048	—	—	—	—	—	2,662,912
Total deferred inflows of resources	—	—	1,838,048	—	—	—	—	—	70,257,715
Fund Balances:									
Nonspendable	—	—	—	—	—	—	—	—	1,012,377
Restricted	241,214	—	—	159,982	213,094	—	—	—	10,775,567
Committed	—	—	—	—	—	—	—	—	217,223
Assigned	8,734	136,789	138,912	7,910	10,858	13,382	41,025	22,618	12,985,662
Total fund balances	249,948	136,789	138,912	167,892	223,952	13,382	41,025	22,618	24,990,829
Total liabilities, deferred inflows of resources and fund balances	\$ 253,172	\$ 136,789	\$ 1,987,314	\$ 167,892	\$ 223,952	\$ 13,382	\$ 41,025	\$ 22,635	\$ 100,412,545

Johnson County, Kansas
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue
For the Year Ended December 31, 2018

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Fund	County Clerk Technology
REVENUES									
Taxes	\$ 13,298,024	\$ 30,329,610	\$ —	\$ —	\$ 17,798,295	\$ —	\$ 9,267,438	\$ 4,842,596	\$ —
Intergovernmental	1,797,829	126,513	—	—	5,561,462	—	4,668,655	—	—
Charges for services	9,607,052	202,467	—	—	7,740,086	13,318	1,372,546	—	218,378
Investment earnings	98,565	315,818	1,207	—	117,448	—	—	97,705	9,993
Licenses and permits	—	542,818	—	—	—	—	724,720	—	—
Other	100,216	547,029	82,703	202	142,308	—	1,072,557	—	—
Total revenues	24,901,686	32,064,255	83,910	202	31,359,599	13,318	17,105,916	4,940,301	228,371
EXPENDITURES									
Current:									
General government	—	—	—	—	—	—	—	—	34,295
Public safety	—	—	—	—	—	—	—	4,731,910	—
Health and human services	24,993,177	—	—	—	32,163,931	—	16,383,203	—	—
Culture and recreation	—	26,755,503	81,555	—	—	—	—	—	—
Capital outlay	14,063	—	—	—	66,168	—	—	—	—
Total expenditures	25,007,240	26,755,503	81,555	—	32,230,099	—	16,383,203	4,731,910	34,295
Excess (deficiency) of revenues									
over (under) expenditures	(105,554)	5,308,752	2,355	202	(870,500)	13,318	722,713	208,391	194,076
OTHER FINANCING SOURCES (USES)									
Transfers in	—	—	—	—	628,936	—	50,000	—	—
Transfers out	(515,597)	(3,333,327)	—	—	(81,775)	—	(165,226)	(424,756)	—
Total other financing sources and uses	(515,597)	(3,333,327)	—	—	547,161	—	(115,226)	(424,756)	—
Net change in fund balances	(621,151)	1,975,425	2,355	202	(323,339)	13,318	607,487	(216,365)	194,076
Fund balances - beginning	2,927,762	6,719,003	70,420	6,181	2,498,074	114,705	2,488,096	6,904,441	635,621
Prior period adjustments	—	—	—	—	—	—	—	—	—
Fund balances - beginning as restated	2,927,762	6,719,003	70,420	6,181	2,498,074	114,705	2,488,096	6,904,441	635,621
Fund balances - ending	\$ 2,306,611	\$ 8,694,428	\$ 72,775	\$ 6,383	\$ 2,174,735	\$ 128,023	\$ 3,095,583	\$ 6,688,076	\$ 829,697

(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, 2018

	County Treasurer Technology	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licensure	Total
REVENUES									
Taxes	\$ —	\$ —	\$ —	\$ 9,366	\$ 137,335	\$ —	\$ —	\$ —	\$ 75,682,664
Intergovernmental	—	—	82,894	—	—	—	—	—	12,237,353
Charges for services	218,378	—	—	—	—	—	—	—	19,372,225
Investment earnings	3,712	1,867	17,669	2,252	2,970	—	3,660	—	672,866
Licenses and permits	—	10,565	25,273	—	—	—	—	28,832	1,332,208
Other	—	—	500	—	—	31,612	—	—	1,977,127
Total revenues	222,090	12,432	126,336	11,618	140,305	31,612	3,660	28,832	111,274,443
EXPENDITURES									
Current:									
General government	198,633	—	—	—	—	—	—	—	232,928
Public safety	—	—	124,434	—	84,234	35,702	291,762	13,542	5,281,584
Health and human services	—	—	—	—	—	—	—	—	73,540,311
Culture and recreation	—	—	—	—	—	—	—	—	26,837,058
Capital outlay	—	—	—	—	—	—	—	1,250	81,481
Total expenditures	198,633	—	124,434	—	84,234	35,702	291,762	14,792	105,973,362
Excess (deficiency) of revenues									
over (under) expenditures	23,457	12,432	1,902	11,618	56,071	(4,090)	(288,102)	14,040	5,301,081
OTHER FINANCING SOURCES (USES)									
Transfers in	—	—	—	—	—	—	—	—	678,936
Transfers out	—	—	—	—	(47,638)	—	—	—	(4,568,319)
Total other financing sources and uses	—	—	—	—	(47,638)	—	—	—	(3,889,383)
Net change in fund balances	23,457	12,432	1,902	11,618	8,433	(4,090)	(288,102)	14,040	1,411,698
Fund balances - beginning	226,491	124,357	1,315,468	156,274	215,519	17,472	329,127	8,578	24,757,589
Prior period adjustments	—	—	(1,178,458)	—	—	—	—	—	(1,178,458)
Fund balances - beginning as restated	226,491	124,357	137,010	156,274	215,519	17,472	329,127	8,578	23,579,131
Fund balances - ending	\$ 249,948	\$ 136,789	\$ 138,912	\$ 167,892	\$ 223,952	\$ 13,382	\$ 41,025	\$ 22,618	\$ 24,990,829

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds - Debt Service
December 31, 2018

	Debt Service	Library Special Use	Total
ASSETS			
Deposits including investments	\$ 920,275	\$ 1,534,429	\$ 2,454,704
Receivables (net of allowance for uncollectibles):	1,558,106	3,457,561	5,015,667
Restricted cash and investments	119	—	119
Total assets	\$ 2,478,500	\$ 4,991,990	\$ 7,470,490
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ —	\$ —	\$ —
Total liabilities	—	—	—
Deferred Inflows of Resources:			
Property tax receivable	1,558,106	3,457,561	5,015,667
Total deferred inflows of resources	1,558,106	3,457,561	5,015,667
Fund Balances:			
Restricted	920,394	1,534,429	2,454,823
Total fund balances	920,394	1,534,429	2,454,823
Total liabilities, deferred inflows of resources and fund balances	\$ 2,478,500	\$ 4,991,990	\$ 7,470,490

Johnson County, Kansas
**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
Nonmajor Governmental Funds - Debt Service
For the Year Ended December 31, 2018

	Debt Service	Library Special Use	Total
REVENUES			
Taxes	\$ 359,135	\$ 4,266,818	\$ 4,625,953
Total revenues	<u>359,135</u>	<u>4,266,818</u>	<u>4,625,953</u>
EXPENDITURES			
Current:			
Culture and recreation	—	81,639	81,639
Debt service:			
Principal retirement	1,058,900	—	1,058,900
Interest and fiscal charges	241,910	—	241,910
Capital outlay	—	2,725,526	2,725,526
Total expenditures	<u>1,300,810</u>	<u>2,807,165</u>	<u>4,107,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(941,675)</u>	<u>1,459,653</u>	<u>517,978</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	906,517	—	906,517
Transfers out	—	(824,741)	(824,741)
General obligation bonds proceeds	16,693	—	16,693
Premium on bonds issued	23,836	—	23,836
Total other financing sources and uses	<u>947,046</u>	<u>(824,741)</u>	<u>122,305</u>
Net change in fund balances	<u>5,371</u>	<u>634,912</u>	<u>640,283</u>
Fund balances - beginning	<u>915,023</u>	<u>899,517</u>	<u>1,814,540</u>
Fund balances - ending	<u><u>\$ 920,394</u></u>	<u><u>\$ 1,534,429</u></u>	<u><u>\$ 2,454,823</u></u>

Johnson County, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects
December 31, 2018

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
ASSETS					
Deposits including investments	\$ 4,014,568	\$ 1,847,031	\$ 6,129,684	\$ 178,776	\$ 12,170,059
Receivables (net of allowance for uncollectibles):	—	2,634,088	13,870,780	1,633,029	18,137,897
Inventories	—	—	423,626	—	423,626
Prepays	138,963	—	9,292	—	148,255
Total assets	\$ 4,153,531	\$ 4,481,119	\$ 20,433,382	\$ 1,811,805	\$ 30,879,837
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ —	\$ 116	\$ 122,646	\$ —	\$ 122,762
Salaries and wages payable	—	12,156	177,631	—	189,787
Unearned revenue	—	—	26,600	—	26,600
Total liabilities	—	12,272	326,877	—	339,149
Deferred Inflows of Resources:					
Property tax receivable	—	—	13,870,180	1,633,029	15,503,209
Total deferred inflows of resources	—	—	13,870,180	1,633,029	15,503,209
Fund Balances:					
Nonspendable	138,963	—	432,918	—	571,881
Restricted	3,675,703	1,835,694	3,093,391	101,124	8,705,912
Committed	—	—	—	27,902	27,902
Assigned	338,865	2,633,153	2,710,016	49,750	5,731,784
Total fund balances	4,153,531	4,468,847	6,236,325	178,776	15,037,479
Total liabilities, deferred inflows of resources and fund balances	\$ 4,153,531	\$ 4,481,119	\$ 20,433,382	\$ 1,811,805	\$ 30,879,837

Johnson County, Kansas
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects
For the Year Ended December 31, 2018

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
REVENUES					
Taxes	\$ —	\$ 14,581,510	\$ 15,667,661	\$ 1,850,137	\$ 32,099,308
Intergovernmental	—	—	12,153,603	—	12,153,603
Charges for services	873,510	—	69,821	—	943,331
Investment earnings	56,265	650,347	—	14,215	720,827
Licenses and permits	—	—	16,325	—	16,325
Other	—	952	210,691	—	211,643
Total revenues	929,775	15,232,809	28,118,101	1,864,352	46,145,037
EXPENDITURES					
Current:					
General government	452,893	—	—	—	452,893
Public works	—	469,343	10,883,133	—	11,352,476
Capital outlay	204,923	—	—	1,848,384	2,053,307
Total expenditures	657,816	469,343	10,883,133	1,848,384	13,858,676
Excess (deficiency) of revenues over (under) expenditures	271,959	14,763,466	17,234,968	15,968	32,286,361
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	1,122,913	—	1,122,913
Transfers out	(380,324)	(15,209,381)	(18,345,503)	—	(33,935,208)
Total other financing sources and uses	(380,324)	(15,209,381)	(17,222,590)	—	(32,812,295)
Net change in fund balances	(108,365)	(445,915)	12,378	15,968	(525,934)
Fund balances - beginning	4,261,896	4,914,762	6,223,947	162,808	15,563,413
Fund balances - ending	\$ 4,153,531	\$ 4,468,847	\$ 6,236,325	\$ 178,776	\$ 15,037,479

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Developmental Supports Fund
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 13,267,447	\$ 13,267,447	\$ 13,298,024	\$ 30,577
Intergovernmental	1,991,765	1,991,765	1,797,829	(193,936)
Charges for services	9,763,853	9,763,853	9,607,052	(156,801)
Investment earnings	73,057	73,057	98,565	25,508
Other	92,971	92,971	100,216	7,245
Total revenues	<u>25,189,093</u>	<u>25,189,093</u>	<u>24,901,686</u>	<u>(287,407)</u>
EXPENDITURES				
Current:				
Health and human services	25,029,226	25,029,226	24,993,365	35,861
Capital outlay	359,867	359,867	14,063	345,804
Reserves	2,661,425	2,661,425	—	2,661,425
Total expenditures	<u>28,050,518</u>	<u>28,050,518</u>	<u>25,007,428</u>	<u>3,043,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,861,425)</u>	<u>(2,861,425)</u>	<u>(105,742)</u>	<u>2,755,683</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(300,000)	(300,000)	(515,597)	(215,597)
Total other financing sources and uses	<u>(300,000)</u>	<u>(300,000)</u>	<u>(515,597)</u>	<u>(215,597)</u>
Net change in fund balances	<u>(3,161,425)</u>	<u>(3,161,425)</u>	<u>(621,339)</u>	<u>\$ 2,540,086</u>
Fund balances - beginning	<u>3,161,425</u>	<u>3,161,425</u>	<u>2,927,757</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,306,418</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Library Fund
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 30,295,594	\$ 30,295,594	\$ 30,329,610	\$ 34,016
Intergovernmental	254,678	254,678	126,513	(128,165)
Charges for services	160,657	160,657	202,467	41,810
Investment earnings	139,179	139,179	284,979	145,800
Licenses and permits	—	—	542,818	542,818
Other	1,071,056	1,071,056	547,029	(524,027)
Total revenues	<u>31,921,164</u>	<u>31,921,164</u>	<u>32,033,416</u>	<u>112,252</u>
EXPENDITURES				
Current:				
Culture and recreation	28,309,837	28,309,837	26,774,323	1,535,514
Reserves	4,813,282	4,813,282	—	4,813,282
Total expenditures	<u>33,123,119</u>	<u>33,123,119</u>	<u>26,774,323</u>	<u>6,348,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,201,955)</u>	<u>(1,201,955)</u>	<u>5,259,093</u>	<u>6,461,048</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,611,327)	(3,611,327)	(3,333,327)	278,000
Total other financing sources and uses	<u>(3,611,327)</u>	<u>(3,611,327)</u>	<u>(3,333,327)</u>	<u>278,000</u>
Net change in fund balances	<u>(4,813,282)</u>	<u>(4,813,282)</u>	<u>1,925,766</u>	<u>\$ 6,739,048</u>
Fund balances - beginning	<u>4,813,282</u>	<u>4,813,282</u>	<u>6,710,673</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,636,439</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Other	\$ 5,000	\$ 5,000	\$ 202	\$ (4,798)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>202</u>	<u>(4,798)</u>
EXPENDITURES				
Current:				
Reserves	5,955	5,955	—	5,955
Total expenditures	<u>5,955</u>	<u>5,955</u>	<u>—</u>	<u>5,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(955)</u>	<u>(955)</u>	<u>202</u>	<u>1,157</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	—	5,000
Total other financing sources and uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>—</u>	<u>5,000</u>
Net change in fund balances	<u>(5,955)</u>	<u>(5,955)</u>	<u>202</u>	<u>\$ 6,157</u>
Fund balances - beginning	<u>5,955</u>	<u>5,955</u>	<u>6,181</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,383</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 17,811,947	\$ 17,811,947	\$ 17,798,295	\$ (13,652)
Intergovernmental	4,784,310	6,163,291	5,561,462	(601,829)
Charges for services	8,545,429	9,005,130	7,740,086	(1,265,044)
Investment earnings	45,530	45,530	117,448	71,918
Other	37,082	37,082	89,374	52,292
Total revenues	31,224,298	33,062,980	31,306,665	(1,756,315)
EXPENDITURES				
Current:				
Health and human services	31,710,833	33,535,690	32,198,215	1,337,475
Capital outlay	5,000	105,000	13,234	91,766
Reserves	1,335,398	1,335,398	—	1,335,398
Total expenditures	33,051,231	34,976,088	32,211,449	2,764,639
Excess (deficiency) of revenues over (under) expenditures	(1,826,933)	(1,913,108)	(904,784)	1,008,324
OTHER FINANCING SOURCES (USES)				
Transfers in	573,310	659,485	628,936	(30,549)
Transfers out	(81,775)	(81,775)	(81,775)	—
Total other financing sources and uses	491,535	577,710	547,161	(30,549)
Net change in fund balances	(1,335,398)	(1,335,398)	(357,623)	\$ 977,775
Fund balances - beginning	1,335,398	1,335,398	2,490,423	
Fund balances - ending	\$ —	\$ —	\$ 2,132,800	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Developer Fees Fund
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 9,800	\$ 9,800	\$ 13,318	\$ 3,518
Total revenues	<u>9,800</u>	<u>9,800</u>	<u>13,318</u>	<u>3,518</u>
EXPENDITURES				
Current:				
Reserves	112,222	112,222	—	112,222
Total expenditures	<u>112,222</u>	<u>112,222</u>	<u>—</u>	<u>112,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(102,422)</u>	<u>(102,422)</u>	<u>13,318</u>	<u>115,740</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(9,800)	(9,800)	—	9,800
Total other financing sources and uses	<u>(9,800)</u>	<u>(9,800)</u>	<u>—</u>	<u>9,800</u>
Net change in fund balances	<u>(112,222)</u>	<u>(112,222)</u>	<u>13,318</u>	<u>\$ 125,540</u>
Fund balances - beginning	<u>112,222</u>	<u>112,222</u>	<u>114,705</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 128,023</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 9,234,200	\$ 9,234,200	\$ 9,267,438	\$ 33,238
Intergovernmental	5,406,390	5,406,390	4,668,655	(737,735)
Charges for services	1,589,129	1,589,129	1,372,546	(216,583)
Licenses and permits	642,137	642,137	724,720	82,583
Other	125,063	125,063	389,340	264,277
Total revenues	<u>16,996,919</u>	<u>16,996,919</u>	<u>16,422,699</u>	<u>(574,220)</u>
EXPENDITURES				
Current:				
Health and human services	16,927,719	16,927,719	15,700,407	1,227,312
Reserves	1,616,410	1,616,410	—	1,616,410
Total expenditures	<u>18,544,129</u>	<u>18,544,129</u>	<u>15,700,407</u>	<u>2,843,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,547,210)</u>	<u>(1,547,210)</u>	<u>722,292</u>	<u>2,269,502</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	800	800	50,000	49,200
Transfers out	(122,500)	(122,500)	(165,226)	(42,726)
Total other financing sources and uses	<u>(121,700)</u>	<u>(121,700)</u>	<u>(115,226)</u>	<u>6,474</u>
Net change in fund balances	<u>(1,668,910)</u>	<u>(1,668,910)</u>	<u>607,066</u>	<u>\$ 2,275,976</u>
Fund balances - beginning	<u>1,668,910</u>	<u>1,668,910</u>	<u>1,977,751</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,584,817</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
911 Fund
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Tax	\$ 4,853,014	\$ 4,853,014	\$ 4,842,596	\$ (10,418)
Investment earnings	80,190	80,190	97,705	17,515
Total revenues	4,933,204	4,933,204	4,940,301	7,097
EXPENDITURES				
Current:				
Public safety	4,933,204	4,933,204	5,079,336	(146,132)
Reserves	6,442,477	6,442,477	—	6,442,477
Total expenditures	11,375,681	11,375,681	5,079,336	6,296,345
Excess (deficiency) of revenues over (under) expenditures	(6,442,477)	(6,442,477)	(139,035)	6,303,442
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,454,733)	(1,454,733)	(424,756)	1,029,977
Total other financing sources and uses	(1,454,733)	(1,454,733)	(424,756)	1,029,977
Net change in fund balances	(7,897,210)	(7,897,210)	(563,791)	\$ 7,333,419
Fund balances - beginning	7,897,210	7,897,210	6,990,448	
Fund balances - ending	\$ —	\$ —	\$ 6,426,657	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment earnings	\$ 1,525	\$ 1,525	\$ 1,867	\$ 342
Licenses and permits	25,000	25,000	10,565	(14,435)
Total revenues	<u>26,525</u>	<u>26,525</u>	<u>12,432</u>	<u>(14,093)</u>
EXPENDITURES				
Current:				
Public safety	26,525	26,525	—	26,525
Reserves	141,389	141,389	—	141,389
Total expenditures	<u>167,914</u>	<u>167,914</u>	<u>—</u>	<u>167,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,389)</u>	<u>(141,389)</u>	<u>12,432</u>	<u>153,821</u>
Net change in fund balances	(141,389)	(141,389)	12,432	<u>\$ 153,821</u>
Fund balances - beginning	<u>141,389</u>	<u>141,389</u>	<u>124,356</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 136,788</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$ —	\$ —	\$ 352,710	\$ 352,710
Investment earnings	14,555	14,555	17,669	3,114
Licenses and permits	66,100	66,100	25,273	(40,827)
Other	—	—	500	(500)
Total revenues	80,655	80,655	396,152	(38,213)
EXPENDITURES				
Current:				
Public safety	819,742	819,742	128,975	690,767
Reserves	20,001	20,001	—	20,001
Total expenditures	839,743	839,743	128,975	710,768
Excess (deficiency) of revenues over (under) expenditures	(759,088)	(759,088)	267,177	672,555
Net change in fund balances	(759,088)	(759,088)	267,177	\$ 672,555
Fund balances - beginning	759,088	759,088	1,315,468	
Prior period adjustments	—	—	(1,448,274)	
Fund balances - beginning as restated	759,088	759,088	(132,806)	
Fund balances - ending	\$ —	\$ —	\$ 134,371	

Johnson County, Kansas

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

Controlled Substance Fund

For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 5,000	\$ 5,000	\$ 9,366	\$ 4,366
Investment earnings	1,820	1,820	2,252	432
Total revenues	<u>6,820</u>	<u>6,820</u>	<u>11,618</u>	<u>4,798</u>
EXPENDITURES				
Current:				
Public safety	68,457	68,457	—	68,457
Reserves	10,000	10,000	—	10,000
Total expenditures	<u>78,457</u>	<u>78,457</u>	<u>—</u>	<u>78,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,637)</u>	<u>(71,637)</u>	<u>11,618</u>	<u>83,255</u>
Net change in fund balances	<u>(71,637)</u>	<u>(71,637)</u>	<u>11,618</u>	<u>\$ 83,255</u>
Fund balances - beginning	<u>71,637</u>	<u>71,637</u>	<u>156,274</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 167,892</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 130,000	\$ 130,000	\$ 137,335	\$ 7,335
Investment earnings	1,872	1,872	2,970	1,098
Total revenues	131,872	131,872	140,305	8,433
EXPENDITURES				
Current:				
Public safety	97,752	97,752	84,234	13,518
Reserves	189,993	189,993	—	189,993
Total expenditures	287,745	287,745	84,234	203,511
Excess (deficiency) of revenues over (under) expenditures	(155,873)	(155,873)	56,071	211,944
OTHER FINANCING SOURCES (USES)				
Transfers out	(34,120)	(34,120)	(47,638)	(13,518)
Total other financing sources and uses	(34,120)	(34,120)	(47,638)	(13,518)
Net change in fund balances	(189,993)	(189,993)	8,433	\$ 198,426
Fund balances - beginning	189,993	189,993	215,519	
Fund balances - ending	\$ —	\$ —	\$ 223,952	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Prosecutor Training Fund
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 29,000	\$ 29,000	\$ —	\$ (29,000)
Other	—	—	31,612	31,612
Total revenues	29,000	29,000	31,612	2,612
EXPENDITURES				
Current:				
Public safety	29,000	29,000	35,702	(6,702)
Reserves	31,097	31,097	—	31,097
Total expenditures	60,097	60,097	35,702	24,395
Excess (deficiency) of revenues over (under) expenditures	(31,097)	(31,097)	(4,090)	27,007
Net change in fund balances	(31,097)	(31,097)	(4,090)	\$ 27,007
Fund balances - beginning	31,097	31,097	17,472	
Fund balances - ending	\$ —	\$ —	\$ 13,382	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Investment earnings	\$ 3,516	\$ 3,516	\$ 3,660	\$ 144
Total revenues	<u>3,516</u>	<u>3,516</u>	<u>3,660</u>	<u>144</u>
EXPENDITURES				
Public safety	332,352	332,352	291,762	40,590
Total expenditures	<u>332,352</u>	<u>332,352</u>	<u>291,762</u>	<u>40,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(328,836)</u>	<u>(328,836)</u>	<u>(288,102)</u>	<u>40,734</u>
Net change in fund balances	(328,836)	(328,836)	(288,102)	<u>\$ 40,734</u>
Fund balances - beginning	<u>328,836</u>	<u>328,836</u>	<u>329,127</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41,025</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Licenses and permits	\$ 45,900	\$ 45,900	\$ 28,832	\$ (17,068)
Total revenues	<u>45,900</u>	<u>45,900</u>	<u>28,832</u>	<u>(17,068)</u>
EXPENDITURES				
Public safety	86,874	86,874	13,542	73,332
Capital outlay	—	—	(1,250)	1,250
Total expenditures	<u>86,874</u>	<u>86,874</u>	<u>12,292</u>	<u>74,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,974)</u>	<u>(40,974)</u>	<u>16,540</u>	<u>57,514</u>
Net change in fund balances	(40,974)	(40,974)	16,540	<u>\$ 57,514</u>
Fund balances - beginning	<u>40,974</u>	<u>40,974</u>	<u>6,078</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 22,618</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 367,135	\$ 367,135	\$ 359,135	\$ (8,000)
Total revenues	<u>367,135</u>	<u>367,135</u>	<u>359,135</u>	<u>(8,000)</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal retirement	1,648,651	1,648,651	1,058,900	589,751
Interest and fiscal charges	20,000	20,000	241,910	(221,910)
Reserves	512,786	512,786	—	512,786
Total expenditures	<u>2,181,437</u>	<u>2,181,437</u>	<u>1,300,810</u>	<u>880,627</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,814,302)</u>	<u>(1,814,302)</u>	<u>(941,675)</u>	<u>872,627</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	916,516	916,516	906,516	(10,000)
Bond proceeds & Refunding Bond Issues	—	—	1,377,713	1,377,713
Total other financing sources and uses	<u>916,516</u>	<u>916,516</u>	<u>2,284,229</u>	<u>1,367,713</u>
Net change in fund balances	<u>(897,786)</u>	<u>(897,786)</u>	<u>1,342,554</u>	<u>\$ 2,240,340</u>
Fund balances - beginning	<u>897,786</u>	<u>897,786</u>	<u>1,469,362</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,811,916</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 4,292,200	\$ 4,292,200	\$ 4,266,818	\$ (25,382)
Other	2,690	2,690	—	(2,690)
Total revenues	<u>4,294,890</u>	<u>4,294,890</u>	<u>4,266,818</u>	<u>(28,072)</u>
EXPENDITURES				
Current:				
Culture and recreation	331,305	331,305	88,813	242,492
Capital outlay	—	—	2,725,526	(2,725,526)
Reserves	2,674,937	2,674,937	—	2,674,937
Total expenditures	<u>3,006,242</u>	<u>3,006,242</u>	<u>2,814,339</u>	<u>191,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,288,648</u>	<u>1,288,648</u>	<u>1,452,479</u>	<u>163,831</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,973,585)	(3,973,585)	(824,741)	3,148,844
Total other financing sources and uses	<u>(3,973,585)</u>	<u>(3,973,585)</u>	<u>(824,741)</u>	<u>3,148,844</u>
Net change in fund balances	<u>(2,684,937)</u>	<u>(2,684,937)</u>	<u>627,738</u>	<u>\$ 3,312,675</u>
Fund balances - beginning	<u>2,684,937</u>	<u>2,684,937</u>	<u>867,239</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,494,977</u>	

Johnson County, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Stormwater Fund
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 14,788,637	\$ 14,788,637	\$ 14,581,510	\$ (207,127)
Investment earnings	398,402	398,402	540,814	142,412
Other	—	—	952	952
Total revenues	<u>15,187,039</u>	<u>15,187,039</u>	<u>15,123,276</u>	<u>(63,763)</u>
EXPENDITURES				
Current:				
Public works	477,658	477,658	469,343	8,315
Reserves	3,301,561	3,301,561	—	3,301,561
Total expenditures	<u>3,779,219</u>	<u>3,779,219</u>	<u>469,343</u>	<u>3,309,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,407,820</u>	<u>11,407,820</u>	<u>14,653,933</u>	<u>3,246,113</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,209,381)	(15,209,381)	(15,209,381)	—
Total other financing sources and uses	<u>(15,209,381)</u>	<u>(15,209,381)</u>	<u>(15,209,381)</u>	<u>—</u>
Net change in fund balances	<u>(3,801,561)</u>	<u>(3,801,561)</u>	<u>(555,448)</u>	<u>\$ 3,246,113</u>
Fund balances - beginning	<u>3,801,561</u>	<u>3,801,561</u>	<u>4,424,211</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,868,763</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 15,587,102	\$ 15,587,102	\$ 15,667,661	\$ 80,559
Intergovernmental	11,653,707	11,653,707	12,153,603	499,896
Charges for services	40,380	40,380	69,821	29,441
Licenses and permits	10,294	10,294	16,325	6,031
Other	61,187	61,187	210,691	149,504
Total revenues	27,352,670	27,352,670	28,118,101	765,431
EXPENDITURES				
Current:				
Public works	11,252,502	11,252,502	10,819,474	433,028
Reserves	3,169,655	3,169,655	—	3,169,655
Total expenditures	14,422,157	14,422,157	10,819,474	3,602,683
Excess (deficiency) of revenues over (under) expenditures	12,930,513	12,930,513	17,298,627	4,368,114
OTHER FINANCING SOURCES (USES)				
Transfers in	1,122,913	1,122,913	1,122,913	—
Transfers out	(18,041,081)	(18,041,081)	(18,345,503)	(304,422)
Total other financing sources and uses	(16,918,168)	(16,918,168)	(17,222,590)	(304,422)
Net change in fund balances	(3,987,655)	(3,987,655)	76,037	\$ 4,063,692
Fund balances - beginning	3,987,655	3,987,655	5,718,131	
Fund balances - ending	\$ —	\$ —	\$ 5,794,168	

Johnson County, Kansas

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
County Building Fund
For the Year Ended December 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 1,870,637	\$ 1,870,637	\$ 1,850,137	\$ (20,500)
Investment earnings	5,747	5,747	14,215	8,468
Total revenues	<u>1,876,384</u>	<u>1,876,384</u>	<u>1,864,352</u>	<u>(12,032)</u>
EXPENDITURES				
General Government	10,000	10,000	—	10,000
Capital outlay	—	—	1,848,384	(1,848,384)
Reserves	95,712	95,712	—	95,712
Total expenditures	<u>105,712</u>	<u>105,712</u>	<u>1,848,384</u>	<u>(1,742,672)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,770,672</u>	<u>1,770,672</u>	<u>15,968</u>	<u>(1,754,704)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,866,384)	(1,866,384)	—	1,866,384
Total other financing sources and uses	<u>(1,866,384)</u>	<u>(1,866,384)</u>	<u>—</u>	<u>1,866,384</u>
Net change in fund balances	<u>(95,712)</u>	<u>(95,712)</u>	<u>15,968</u>	<u>\$ 111,680</u>
Fund balances - beginning	<u>95,712</u>	<u>95,712</u>	<u>162,808</u>	
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 178,776</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 and general liability coverage for the County. This Fund maintains reserves to reimburse the County or County agencies for insurable losses not otherwise insured.

Workers Compensation - The Workers Compensation Fund provides for the procurement, administration, and claims handling of 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, 2018

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	Total
ASSETS			
Current assets:			
Deposits including investments	\$ 8,238,124	\$ 5,133,834	\$ 13,371,958
Receivables (net of allowance for uncollectibles):	837,267	923,004	1,760,271
Due from other funds	235,040	—	235,040
Total current assets	9,310,431	6,056,838	15,367,269
Noncurrent assets:			
Restricted cash and investments	9,272	5,659	14,931
Capital assets:			
Land	6,935,502	—	6,935,502
Buildings	13,236,052	2,248,187	15,484,239
Improvements other than buildings	31,074,335	13,551,066	44,625,401
Machinery and equipment	5,150,340	25,407,192	30,557,532
Infrastructure	2,274,401	—	2,274,401
Construction in progress	3,546,828	—	3,546,828
Less accumulated depreciation	(36,383,880)	(21,893,156)	(58,277,036)
Total capital assets	25,833,578	19,313,289	45,146,867
Total noncurrent assets	25,842,850	19,318,948	45,161,798
TOTAL ASSETS	35,153,281	25,375,786	60,529,067
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferred outflow	67,643	—	67,643
OPEB deferred outflow	24,147	—	24,147
TOTAL DEFERRED OUTFLOWS OF RESOURCES	91,790	—	91,790

Johnson County, Kansas
Combining Statement of Net Position
Non-Major Enterprise Funds
December 31, 2018

Business-type Activities - Enterprise Funds			
Non-Major			
	Airport	Transportation	Total
LIABILITIES			
Current liabilities			
Accounts payable	742,096	1,043,870	1,785,966
Salaries and wages payable	47,363	—	47,363
Interest payable	38,813	—	38,813
Due to others	56,723	16,156	72,879
Unearned Revenue	4,168	5,659	9,827
Compensated absences	8,208	—	8,208
Bonds, capital leases, and other payables	327,139	—	327,139
Total current liabilities	1,224,510	1,065,685	2,290,195
Noncurrent liabilities:			
Compensated absences	89,882	—	89,882
Pension obligation	410,332	—	410,332
OPEB obligation	254,860	—	254,860
Bonds, capital leases, and other payables	2,954,618	—	2,954,618
Total noncurrent liabilities	3,709,692	—	3,709,692
TOTAL LIABILITIES	4,934,202	1,065,685	5,999,887
DEFERRED INFLOWS OF RESOURCES			
Pension deferred inflow	15,828	—	15,828
OPEB deferred inflow	32,646	—	32,646
Unamortized portion of refunding	5,698	—	5,698
TOTAL DEFERRED INFLOWS OF RESOURCES	54,172	—	54,172
NET POSITION			
Net investment in capital assets	22,546,123	19,313,289	41,859,412
Restricted for capital projects	9,272	5,659	14,931
Unrestricted	7,701,302	4,991,153	12,692,455
TOTAL NET POSITION	\$ 30,256,697	\$ 24,310,101	\$ 54,566,798

Johnson County, Kansas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Non-Major Enterprise Funds
For the Year Ended December 31, 2018

		Business-type Activities - Enterprise Funds		
		Non-Major		
		Airport	Transportation	Total
Operating revenues:				
Charges for services		\$ 3,957,965	\$ 4,562,112	\$ 8,520,077
Other		6,129,079	2,000	6,131,079
Total operating revenues		10,087,044	4,564,112	14,651,156
Operating expenses:				
Transportation		2,759,183	10,737,863	13,497,046
Depreciation		1,736,559	2,430,081	4,166,640
Total operating expenses		4,495,742	13,167,944	17,663,686
Operating income (loss)		5,591,302	(8,603,832)	(3,012,530)
Nonoperating revenues (expenses):				
Taxes		18,666	—	18,666
Investment earnings		102,512	—	102,512
Intergovernmental		—	—	—
Interest expense		(150,323)	—	(150,323)
Other		(849,824)	(4,562,112)	(5,411,936)
Total nonoperating revenues (expenses)		(878,969)	(4,562,112)	(5,441,081)
Income (loss) before contributions and transfers		4,712,333	(13,165,944)	(8,453,611)
Capital contributions		631,304	7,178,688	7,809,992
Transfers in		760,910	6,860,985	7,621,895
Transfers out		—	(75,000)	(75,000)
Change in net position		6,104,547	798,729	6,903,276
Total net position - beginning		24,201,503	23,511,372	47,712,875
Prior period adjustments		(49,353)	—	(49,353)
Total net position - beginning as restated		24,152,150	23,511,372	47,663,522
Total net position - ending		\$ 30,256,697	\$ 24,310,101	\$ 54,566,798

Johnson County, Kansas
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 4,795,134	\$ 3,643,696	\$ 8,438,830
Cash payments for goods and services	(1,333,083)	(9,953,640)	(11,286,723)
Cash payments to employees for services	(1,272,935)	—	(1,272,935)
Other operating cash receipts	6,129,079	2,000	6,131,079
Net cash provided by (used for) operating activities	8,318,195	(6,307,944)	2,010,251
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Taxes	18,666	—	18,666
Transfers from other funds	—	6,860,985	6,860,985
Transfers to other funds	—	(75,000)	(75,000)
Net cash provided by (used for) noncapital financing activities	18,666	6,785,985	6,804,651
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(5,421,790)	(1,010,923)	(6,432,713)
Principal paid on bonds, notes and loans	(1,375,155)	—	(1,375,155)
Interest paid on bonds, notes and loans	(154,467)	—	(154,467)
Net cash provided by (used for) capital and related financing activities	(6,951,412)	(1,010,923)	(7,962,335)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	102,512	—	102,512
Net cash provided by investing activities	102,512	—	102,512
Net increase (decrease) in cash and cash equivalents	1,487,961	(532,882)	955,079
Cash and cash equivalents at beginning of year	6,759,435	5,672,375	12,431,810
Cash and cash equivalents at end of year	\$ 8,247,396	\$ 5,139,493	\$ 13,386,889

Johnson County, Kansas
Combining Statement of Cash Flows
Non-Major Enterprise Funds (Continued)
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	TOTAL
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 5,591,302	\$ (8,603,832)	\$ (3,012,530)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,736,559	2,430,081	4,166,640
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	936,537	(924,075)	12,462
(Increase) decrease in due from other funds	(103,536)	—	(103,536)
Increase (decrease) in accounts payable	86,288	784,223	870,511
Increase (decrease) in salaries and wages payable	(90)	—	(90)
Increase (decrease) in deferred revenue	4,168	5,659	9,827
Increase (decrease) in compensated absences payable	11,414	—	11,414
Increase (decrease) in net pension liability	(369)	—	(369)
Increase (decrease) in pension deferred outflows	(2,653)	—	(2,653)
Increase (decrease) in pension deferred inflows	(1,955)	—	(1,955)
Increase (decrease) in total OPEB liability	62,883	—	62,883
Increase (decrease) in OPEB deferred outflows	(17,132)	—	(17,132)
Increase (decrease) in OPEB deferred inflows	14,779	—	14,779
Total adjustments	2,726,893	2,295,888	5,022,781
Net cash provided by (used for) operating activities	\$ 8,318,195	\$ (6,307,944)	\$ 2,010,251

Johnson County, Kansas
Combining Statement of Net Position
Internal Service Funds
December 31, 2018

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
ASSETS					
Current assets:					
Deposits including investments	\$ 1,838,945	\$ 6,869,713	\$ 17,859,187	\$ 3,475,442	\$ 30,043,287
Receivables (net of allowance for uncollectibles):	187,019	65,247	—	—	252,266
Inventories	—	—	—	162,789	162,789
Prepaid items	61,544	—	—	—	61,544
Total current assets	2,087,508	6,934,960	17,859,187	3,638,231	30,519,886
Noncurrent assets:					
Capital assets:					
Improvements other than buildings	—	—	—	102,861	102,861
Machinery and equipment	—	—	—	9,355,517	9,355,517
Less accumulated depreciation	—	—	—	(5,160,386)	(5,160,386)
Total noncurrent assets	—	—	—	4,297,992	4,297,992
TOTAL ASSETS	2,087,508	6,934,960	17,859,187	7,936,223	34,817,878
LIABILITIES					
Current liabilities					
Accounts payable	510	—	4,116,716	63,159	4,180,385
Salaries and wages payable	14,768	—	—	3,019	17,787
Deferred revenue	36,119	65,247	—	—	101,366
Due to other funds	235,040	—	—	—	235,040
Compensated absences	3,381	—	—	7,103	10,484
Insurance claims payable	550,791	2,350,345	3,900,669	—	6,801,805
Total current liabilities	840,609	2,415,592	8,017,385	73,281	11,346,867
Noncurrent liabilities:					
Compensated absences	37,024	—	—	77,791	114,815
Total noncurrent liabilities	37,024	—	—	77,791	114,815
TOTAL LIABILITIES	877,633	2,415,592	8,017,385	151,072	11,461,682
NET POSITION					
Net investment in capital assets	—	—	—	4,297,992	4,297,992
Unrestricted	1,209,875	4,519,368	9,841,802	3,487,159	19,058,204
TOTAL NET POSITION	\$ 1,209,875	\$ 4,519,368	\$ 9,841,802	\$ 7,785,151	\$ 23,356,196

Johnson County, Kansas
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2018

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
Operating revenues:					
Charges for services	\$ 2,550,160	\$ 2,359,497	\$ 55,847,125	\$ 2,723,861	\$ 63,480,643
Other	1,539,078	—	54,501	330,891	1,924,470
Total operating revenues	4,089,238	2,359,497	55,901,626	3,054,752	65,405,113
Operating expenses:					
Personnel services	416,037	—	—	972,549	1,388,586
Contractual services	4,036,236	1,654,846	49,390,375	364,028	55,445,485
Commodities	1,052	—	—	1,248,576	1,249,628
Depreciation	—	—	—	1,148,186	1,148,186
Total operating expenses	4,453,325	1,654,846	49,390,375	3,733,339	59,231,885
Operating income (loss)	(364,087)	704,651	6,511,251	(678,587)	6,173,228
Nonoperating revenues (expenses):					
Taxes	9	—	—	—	9
Investment earnings	49,802	87,825	136,918	—	274,545
Other	—	—	—	(19,743)	(19,743)
Total nonoperating revenues (expenses)	49,811	87,825	136,918	(19,743)	254,811
Income (loss) before transfers	(314,276)	792,476	6,648,169	(698,330)	6,428,039
Transfers In	—	—	—	2,085,491	2,085,491
Transfers Out	(3,200)	—	—	(4,369)	(7,569)
Change in net position	(317,476)	792,476	6,648,169	1,382,792	8,505,961
Total net position - beginning	1,527,351	3,726,892	3,193,633	6,402,359	14,850,235
Total net position - ending	\$ 1,209,875	\$ 4,519,368	\$ 9,841,802	\$ 7,785,151	\$ 23,356,196

Johnson County, Kansas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from interfund services provided	\$ —	\$ —	\$ 55,847,125	\$ 2,723,861	\$ 58,570,986
Cash payments for goods and services	(4,144,187)	(1,858,193)	(50,130,119)	(1,652,957)	(57,785,456)
Cash payments to employees for services	(413,046)	—	—	(965,338)	(1,378,384)
Other operating cash receipts	3,152,137	2,424,744	54,501	330,891	5,962,273
Net cash provided by (used for) operating activities	(1,405,096)	566,551	5,771,507	436,457	5,369,419
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Taxes	9	—	—	—	9
Intergovernmental	—	—	—	(2,008)	(2,008)
Transfers from other funds	—	—	—	2,085,491	2,085,491
Transfers to other funds	(3,200)	—	—	(4,369)	(7,569)
Net cash provided by noncapital financing activities	(3,191)	—	—	2,079,114	2,075,923
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	—	—	—	(1,425,036)	(1,425,036)
Net cash provided by (used for) capital and related financing activities	—	—	—	(1,425,036)	(1,425,036)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and dividends on investments	49,802	87,825	136,918	—	274,545
Net cash provided by investing activities	49,802	87,825	136,918	—	274,545
Net increase (decrease) in cash and cash equivalents	(1,358,485)	654,376	5,908,425	1,090,535	6,294,851
Cash and cash equivalents at beginning of year	3,197,430	6,215,337	11,950,762	2,384,907	23,748,436
Cash and cash equivalents at end of year	\$ 1,838,945	\$ 6,869,713	\$ 17,859,187	\$ 3,475,442	\$ 30,043,287

Johnson County, Kansas
Combining Statement of Cash Flows
Internal Service Funds (Continued)
For the Year Ended December 31, 2018

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (364,087)	\$ 704,651	\$ 6,511,251	\$ (678,587)	\$ 6,173,228
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	—	—	—	1,148,186	1,148,186
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(170,713)	47,805	—	—	(122,908)
(Increase) in inventory	—	—	—	(18,617)	(18,617)
(Increase) decrease in prepaid expenses	(4,957)	—	—	—	(4,957)
Increase (decrease) in accounts payable	(6,849)	(5,572)	(953,723)	(21,736)	(987,880)
Increase (decrease) in salaries and wages payable	635	—	—	3,019	3,654
Increase (decrease) in deferred revenue	(1,040,637)	65,247	—	—	(975,390)
Increase (decrease) in due to other funds	103,536	—	—	—	103,536
Increase (decrease) in compensated absences payable	2,356	—	—	4,192	6,548
Increase (decrease) in insurance claims payable	75,620	(245,580)	213,979	—	44,019
Total adjustments	(1,041,009)	(138,100)	(739,744)	1,115,044	(803,809)
Net cash provided by (used for) operating activities	\$ (1,405,096)	\$ 566,551	\$ 5,771,507	\$ 436,457	\$ 5,369,419

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, 2018

	Supplemental Pension Trust - Employees	Supplemental Pension Trust - Executive	Supplemental Pension Trust - Elected Officials	Total
ASSETS				
Cash and cash equivalents	\$ 1,409,584	\$ 3,272	\$ 7,603	\$ 1,420,459
Investments restricted for:				
Employee retirement				
Equity securities:				
Domestic	26,425,797	318,089	120,501	26,864,387
International	7,996,757	22,698	11,213	8,030,668
Debt securities:				
US Government	791,722	—	1,610	793,332
Domestic	7,099,061	8,602	54,734	7,162,397
International	1,216,309	4,588	4,815	1,225,712
Annuities	32,121	—	—	32,121
Total assets	44,971,351	357,249	200,476	45,529,076
LIABILITIES				
Due to Others	32,121	—	—	32,121
Total liabilities	32,121	—	—	32,121
NET POSITION				
Held in trust for pension benefits	<u>\$ 44,939,230</u>	<u>\$ 357,249</u>	<u>\$ 200,476</u>	<u>\$ 45,496,955</u>

Johnson County, Kansas
Combining Statement of Changes in Fiduciary Net Position
Employee Retirement Plan Funds
For the Year Ended December 31, 2018

	Supplemental Pension Trust - Employees	Supplemental Pension Trust - Executive	Supplemental Pension Trust - Elected Officials	Total
ADDITIONS				
Contributions:				
Employer	\$ 3,780,444	\$ 5,038	\$ 16,439	\$ 3,801,921
Total contributions	3,780,444	5,038	16,439	3,801,921
Investment earnings:				
Net increase (decrease) in the fair value of investments	(6,386,398)	(168,714)	(11,729)	(6,566,841)
Total investment earnings	(6,386,398)	(168,714)	(11,729)	(6,566,841)
Total additions	(2,605,954)	(163,676)	4,710	(2,764,920)
DEDUCTIONS				
Benefits	—	—	—	—
Total deductions	—	—	—	—
Change in net assets	(2,605,954)	(163,676)	4,710	(2,764,920)
Net position - beginning	47,545,184	520,925	195,766	48,261,875
Net position - ending	\$ 44,939,230	\$ 357,249	\$ 200,476	\$ 45,496,955

Johnson County, Kansas
Combining Statement of Fiduciary Net Position
Agency Funds
December 31, 2018

	Medical Reimbursement	Inmate	Sheriff Foreclosure	Tax Collection	Research Triangle	Totals
ASSETS						
Deposits including investments	\$ 252,269	\$ 109,108	\$ —	\$ 741,562,516	\$ —	\$ 741,923,893
<i>Receivables (net of allowance for uncollectibles):</i>						
Taxes receivable	—	—	—	568,191,859	—	568,191,859
Total assets	<u>252,269</u>	<u>109,108</u>	<u>—</u>	<u>1,309,754,375</u>	<u>—</u>	<u>1,310,115,752</u>
LIABILITIES						
Accounts payable	—	—	—	47,461	—	47,461
Agency obligations	252,269	109,108	—	1,309,706,914	—	1,310,068,291
Total liabilities	<u>\$ 252,269</u>	<u>\$ 109,108</u>	<u>\$ —</u>	<u>\$ 1,309,754,375</u>	<u>\$ —</u>	<u>\$ 1,310,115,752</u>

Johnson County, Kansas
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
Medical Reimbursement Fund				
ASSETS				
Deposits including investments	\$ 259,714	\$ 1,532,246	\$ 1,539,691	\$ 252,269
Total assets	\$ 259,714	\$ 1,532,246	\$ 1,539,691	\$ 252,269
LIABILITIES				
Accounts payable	\$ 8,170	\$ 1,534,272	\$ 1,542,442	\$ —
Agency obligations	251,544	1,532,701	1,531,976	252,269
Total liabilities	\$ 259,714	\$ 3,066,973	\$ 3,074,418	\$ 252,269
Inmate Fund				
ASSETS				
Deposits including investments	\$ 281,181	\$ 2,500,381	\$ 2,672,454	\$ 109,108
Total assets	\$ 281,181	\$ 2,500,381	\$ 2,672,454	\$ 109,108
LIABILITIES				
Agency obligations	\$ 281,181	\$ 2,575,959	\$ 2,748,032	\$ 109,108
Total liabilities	\$ 281,181	\$ 2,575,959	\$ 2,748,032	\$ 109,108
Sheriff Foreclosure				
ASSETS				
Deposits including investments	\$ —	\$ 5,489,448	\$ 5,489,448	\$ —
Total assets	\$ —	\$ 5,489,448	\$ 5,489,448	\$ —
LIABILITIES				
Agency obligations	\$ —	\$ 5,503,113	\$ 5,503,113	\$ —
Total liabilities	\$ —	\$ 5,503,113	\$ 5,503,113	\$ —
Tax Collection Fund				
ASSETS				
Deposits including investments	\$ 718,561,726	\$ 1,971,109,170	\$ 1,948,108,380	\$ 741,562,516
Taxes receivable	525,320,821	568,191,859	525,320,821	568,191,859
Total assets	\$ 1,243,882,547	\$ 2,539,301,029	\$ 2,473,429,201	\$ 1,309,754,375
LIABILITIES				
Accounts payable	\$ 40,097	\$ 1,143,182,235	\$ 1,143,174,871	\$ 47,461
Agency obligations	1,243,842,450	3,090,140,581	3,024,276,117	1,309,706,914
Total liabilities	\$ 1,243,882,547	\$ 4,233,322,816	\$ 4,167,450,988	\$ 1,309,754,375
Research Triangle Fund				
ASSETS				
Deposits including investments	\$ —	\$ 18,146,821	\$ 18,146,821	\$ —
Total assets	\$ —	\$ 18,146,821	\$ 18,146,821	\$ —
LIABILITIES				
Accounts payable	\$ —	\$ 21,146,935	\$ 21,146,935	\$ —
Agency obligations	—	19,646,878	19,646,878	—
Total liabilities	\$ —	\$ 40,793,813	\$ 40,793,813	\$ —
Totals - All Agency Funds				
ASSETS				
Deposits including investments	\$ 719,102,621	\$ 1,998,778,066	\$ 1,975,956,794	\$ 741,923,893
Taxes receivable	525,320,821	568,191,859	525,320,821	568,191,859
Total assets	\$ 1,244,423,442	\$ 2,566,969,925	\$ 2,501,277,615	\$ 1,310,115,752
LIABILITIES				
Accounts payable	\$ 48,267	\$ 1,165,863,442	\$ 1,165,864,248	\$ 47,461
Agency obligations	1,244,375,175	3,119,399,232	3,053,706,116	1,310,068,291
Total liabilities	\$ 1,244,423,442	\$ 4,285,262,674	\$ 4,219,570,364	\$ 1,310,115,752

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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.

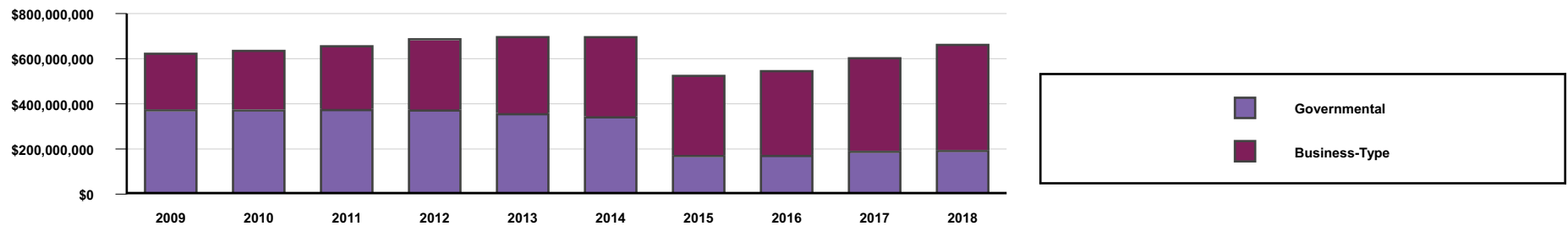
Demographic and Economic Information – Provides information about the County's demographic and economic characteristics, including population statistics and employment data.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 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	\$ 148,126,524
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	4,718,529
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	5,030,209
Law Enforcement	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	13,484,724
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	2,849,933
Planning and Economic Development	—	101,136	5,567	21,130	2,423	2,423	2,423	2,423	4,906	18,224
Libraries, Recreation, and Education	—	4,724,342	2,662,855	1,760,619	1,296,553	—	—	9,050	811,499	1,324,221
Capital projects	—	—	—	1,526,711	235,797	19,244	—	—	—	—
Debt service	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	2,454,823
Special revenue funds	42,334,109	—	—	—	—	—	—	—	—	—
Unrestricted	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	17,776,730
Subtotal Governmental	\$ 375,861,380	\$ 375,344,239	\$ 377,164,877	\$ 375,123,013	\$ 358,774,870	\$ 344,966,944	\$ 173,358,408	\$ 173,906,839	\$ 192,076,748	\$ 195,783,917
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 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	\$ 383,802,726
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	14,931
Unrestricted	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	86,464,187
Subtotal Business-Type	\$ 250,903,626	\$ 264,120,216	\$ 282,782,700	\$ 315,868,833	\$ 341,766,534	\$ 355,209,443	\$ 355,375,405	\$ 375,789,048	\$ 414,706,375	\$ 470,281,844
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 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	\$ 531,929,250
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	4,718,529
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	5,030,209
Public safety	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	13,484,724
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	2,849,933
Planning and economic development	—	101,136	5,567	21,130	2,423	2,423	2,423	2,423	4,906	18,224
Culture and recreation	—	4,724,342	2,662,855	1,760,619	1,296,553	—	—	9,050	811,499	1,324,221
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	14,931
Debt service	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	2,454,823
Special revenue funds	42,334,109	—	—	—	—	—	—	—	—	—
Unrestricted	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	104,240,917
TOTAL NET POSITION	\$ 626,765,006	\$ 639,464,455	\$ 659,947,577	\$ 690,991,846	\$ 700,541,404	\$ 700,176,387	\$ 528,733,813	\$ 549,695,887	\$ 606,783,123	\$ 666,065,761

Government and Business-Type Net Position Comparison



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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental Activities:										
General government	\$ 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	\$ 110,517,918
Public works	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	75,402,007
Public safety	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	176,386,216
Health and human services	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	87,200,032
Planning and economic development	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	3,441,984
Culture and recreation	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	28,799,807
Interest on long term debt	778,619	723,558	436,366	372,224	270,723	302,620	215,013	175,284	205,744	392,124
Total governmental activities	\$ 369,214,797	\$ 377,692,551	\$ 388,067,985	\$ 398,807,312	\$ 395,303,328	\$ 412,241,319	\$ 404,629,898	\$ 438,385,446	\$ 445,597,148	\$ 482,140,088
Business Type activities:										
Airport	\$ 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	\$ 5,138,964
Johnson County Wastewater	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	100,582,509
Transportation	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	17,421,856
Public Building Commission	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	22,421,776
Total business type activities	\$ 85,690,489	\$ 93,263,384	\$ 99,972,012	\$ 101,501,367	\$ 111,516,844	\$ 116,444,745	\$ 133,027,717	\$ 129,599,409	\$ 134,813,004	\$ 145,565,105
Program Revenues:										
Governmental Activities:										
Charges for Service:										
General government (1)	\$ 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	\$ 23,515,727
Public works	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	1,450,959
Public safety	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	19,393,631
Health and human services	30,552,098	31,627,358	35,872,222	32,662,181	29,240,742	29,303,808	27,485,922	27,571,637	30,372,871	30,447,733
Planning and economic development	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	1,832,672
Culture and recreation	344,776	118,330	1,090,644	1,043,562	995,316	1,081,877	685,543	694,510	863,458	1,240,061
Operating Grants and Contributions	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	46,857,340
Capital Grants and Contributions	229,118	239,342	600,946	1,090,021	612,612	1,439,262	2,972,374	563,533	2,003,024	421,666
Total governmental activities	\$ 120,877,494	\$ 135,761,802	\$ 141,455,310	\$ 145,159,607	\$ 139,246,159	\$ 140,224,267	\$ 141,931,457	\$ 137,024,940	\$ 122,462,461	\$ 125,159,789
Business Type activities:										
Charges for Service:										
Airport	\$ 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	\$ 10,087,044
Johnson County Wastewater	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	122,670,854
Transportation	1,585,667	1,892,307	1,476,295	1,627,122	1,702,946	1,940,973	1,432,946	—	—	4,564,112
Public Building Commission	10,536,073	16,187,904	20,296,904	28,202,227	21,504,528	20,104,213	19,603,837	25,975,952	39,449,962	45,624,807
Operating Grants and Contributions	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	701,870
Capital Grants and Contributions	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	7,809,992
Total business type activities	\$ 93,547,210	\$ 101,244,287	\$ 115,253,468	\$ 132,778,093	\$ 136,868,425	\$ 127,423,150	\$ 134,111,636	\$ 149,389,795	\$ 168,494,730	\$ 191,458,679
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (353,180,057)
Business Type Activities	\$ 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	\$ 42,093,332
Total primary government net expense	\$ (240,480,582)	\$ (233,949,846)	\$ (231,331,219)	\$ (222,370,979)	\$ (230,705,588)	\$ (261,038,647)	\$ (261,614,522)	\$ (281,570,120)	\$ (289,452,961)	\$ (311,086,725)
General Revenues:										
Governmental Activities:										
Property Taxes	\$ 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	\$ 245,651,928
Sales Taxes	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	101,676,666
Other Taxes	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	5,309,275
Unrestricted Investment Earnings	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	9,471,385
Miscellaneous	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	7,387,805
Transfers	(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)	(6,841,572)
Total governmental activities	\$ 249,716,632	\$ 239,027,570	\$ 245,731,867	\$ 248,875,805	\$ 247,563,490	\$ 254,747,821	\$ 261,218,206	\$ 303,471,106	\$ 337,869,144	\$ 362,655,487
Business Type activities:										
Property Taxes	\$ 4,192	\$ 2,189	\$ —	\$ 1,562	\$ 2,435	\$ 28	\$ 668	\$ 583	\$ —	\$ 18,829
Unrestricted Investment Earnings	(546,508)	153,471	1,753,568	170,818	(568,562)	1,046,645	435,744	1,078,579	3,190,932	7,482,034
Miscellaneous	1,219,923	2,761,223	43	—	—	362,226	—	—	—	—
Transfers	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	6,841,572
Total business type activities	\$ 9,591,330	\$ 7,621,725	\$ 6,082,474	\$ 4,539,443	\$ 4,399,574	\$ 5,925,809	\$ 8,304,424	\$ 5,577,091	\$ 8,671,053	\$ 14,342,435
Change in Net Position:										
Governmental Activities	\$ 3,520,883	\$ (517,141)	\$ 1,820,638	\$ (2,041,864)	\$ (5,401,440)	\$ (13,807,926)	\$ 1,992,810	\$ 5,759,051	\$ 18,169,909	\$ 9,475,430
Business Type Activities	\$ 15,306,497	\$ 13,216,590	\$ 18,662,484	\$ 33,086,133	\$ 26,658,916	\$ 13,442,909	\$ 5,915,298	\$ 21,719,026	\$ 38,917,327	\$ 56,435,767
Total Primary Government	\$ 18,827,380	\$ 12,699,449	\$ 20,483,122	\$ 31,044,269	\$ 21,257,476	\$ (365,017)	\$ 7,908,108	\$ 27,478,077	\$ 57,087,236	\$ 65,911,197

(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.

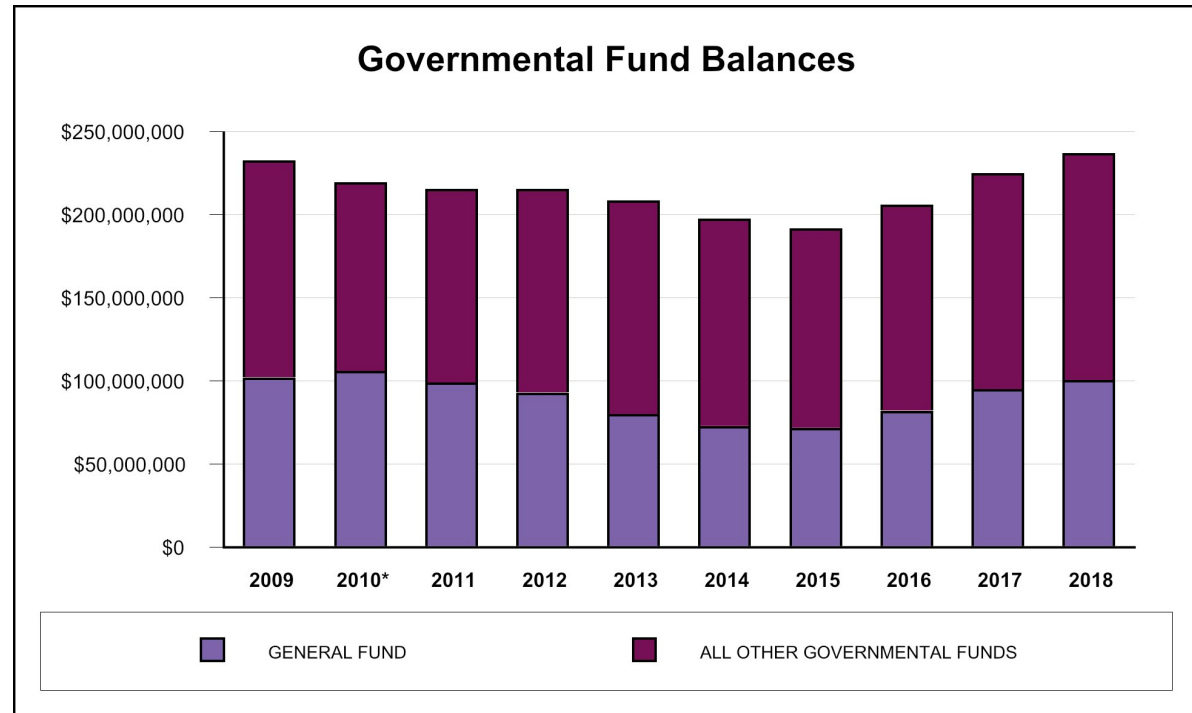
Johnson County, Kansas
Fund Balances of Governmental Funds
Last 10 Fiscal Years

	2010*	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND									
Nonspendable	\$ 2,463,177	\$ 1,224,989	\$ 817,083	\$ 1,004,755	\$ 1,114,515	\$ 1,020,908	\$ 1,328,124	\$ 1,349,915	\$ 1,409,029
Restricted	21,173,651	21,462,100	12,954,887	7,840,276	4,610,826	3,791,768	3,464,810	8,392,120	7,944,361
Committed	4,446,010	3,236,851	3,596,762	4,993,477	4,123,040	3,555,804	10,105,049	4,859,001	4,922,745
Assigned	1,963,891	1,705,179	3,311,732	3,501,120	2,728,789	3,356,758	3,816,143	4,325,488	3,485,388
Unassigned	76,093,418	71,491,545	72,506,285	62,712,425	60,385,885	60,132,601	63,447,847	76,166,316	82,826,738
Total General Fund	\$ 106,140,147	\$ 99,120,664	\$ 93,186,749	\$ 80,052,053	\$ 72,963,055	\$ 71,857,839	\$ 82,161,973	\$ 95,092,840	\$ 100,588,261

ALL OTHER GOVERNMENTAL FUNDS

Nonspendable	\$ 1,032,602	\$ 970,533	\$ 794,546	\$ 695,317	\$ 735,655	\$ 841,529	\$ 1,156,696	\$ 1,416,647	\$ 1,584,258
Restricted	34,901,981	30,522,799	28,595,343	27,047,582	24,010,215	21,896,089	22,003,766	24,260,627	21,936,302
Committed	77,421,969	81,713,737	85,403,416	91,006,567	88,343,166	84,697,630	86,621,594	87,945,975	94,146,462
Assigned	—	3,168,703	7,520,934	9,774,934	11,574,966	12,653,881	13,942,936	16,213,143	18,717,446
Total All Other Governmental Funds	\$ 113,356,552	\$ 116,375,772	\$ 122,314,239	\$ 128,524,400	\$ 124,664,002	\$ 120,089,129	\$ 123,724,992	\$ 129,836,392	\$ 136,384,468

	2009
GENERAL FUND	
Reserved	\$ 13,684,568
Unreserved, reported in:	
Designated for working capital	16,145,687
Designated for restricted agencies	3,232,815
General fund	69,190,584
Total General Fund	\$ 102,253,654
ALL OTHER GOVERNMENTAL FUNDS	
Reserved	\$ 29,981,344
Unreserved, reported in:	
Designated for working capital	—
Debt service fund	569,038
Capital projects fund	58,256,420
Special revenue funds	41,532,252
Total All Other Governmental Funds	\$ 130,339,054



*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.

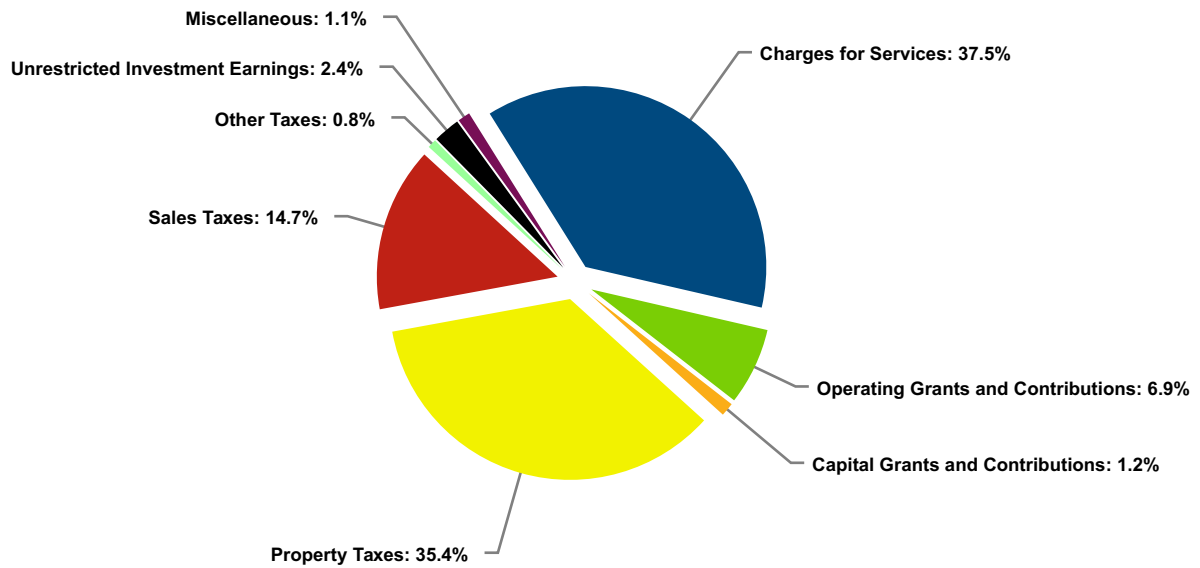
Johnson County, Kansas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>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>	<u>2018</u>
REVENUES										
Taxes	\$ 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	\$ 352,637,860
Intergovernmental	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	46,100,548
Charges for services	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	68,505,017
Interest	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	9,196,840
Licenses and permits	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	3,188,919
Other	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	7,411,917
Total Revenues	387,241,753	382,767,832	391,621,619	399,563,587	392,512,267	398,150,034	415,772,270	451,442,813	464,157,529	487,041,101
EXPENDITURES										
General government	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	92,755,568
Public works and transportation	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	11,352,476
Public safety	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	169,684,544
Health and human services	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	95,224,752
Planning and economic development	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	3,567,307
Culture and recreation	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	27,747,615
Capital outlay	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	73,781,687
Debt service:										
Principal	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	1,077,892
Interest	834,222	779,216	492,904	383,045	297,520	300,793	247,317	163,406	200,025	245,625
Total Expenditures	378,535,432	389,267,773	391,293,019	399,743,568	393,061,570	404,046,396	416,467,994	434,232,887	438,940,450	475,437,466
Excess of revenues over (under)										
 expenditures	8,706,321	(6,499,941)	328,600	(179,981)	(549,303)	(5,896,362)	(695,724)	17,209,926	25,217,079	11,603,635
OTHER FINANCING SOURCES (USES)										
Transfers in	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	51,168,693
Transfers out	(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)	(60,092,556)
Proceeds from capital lease	—	—	—	3,650,000	—	107,866	—	—	—	—
General obligation	—	—	—	—	—	—	—	2,028,232	975,000	10,518,347
Refunding bonds issued	2,361,886	5,414,939	—	730,000	—	—	—	—	—	—
Special obligation bonds issued	—	740,000	—	—	—	—	—	—	—	—
Premium on bonds issued	169,505	84,574	—	68,468	—	—	—	3,559	168,801	23,836
Total other financing sources and uses	(6,382,332)	1,534,671	(4,328,863)	184,533	(6,375,232)	(5,053,034)	(4,984,365)	(3,269,929)	(6,174,812)	1,618,320
NET CHANGE IN FUND BALANCES	\$ 2,323,989	\$ (4,965,270)	\$ (4,000,263)	\$ 4,552	\$ (6,924,535)	\$ (10,949,396)	\$ (5,680,089)	\$ 13,939,997	\$ 19,042,267	\$ 13,221,955
Debt service as a percentage of										
 noncapital expenditures	1.30%	3.14%	1.07%	0.97%	0.52%	0.39%	1.18%	0.26%	0.32%	0.29%

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	
2018	\$ 260,827,600	\$ 47,559,210	\$ 8,231,658	\$ 245,670,757	\$ 101,676,666	\$ 5,309,275	\$ 16,953,419	\$ 7,387,805	\$ 693,616,390
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

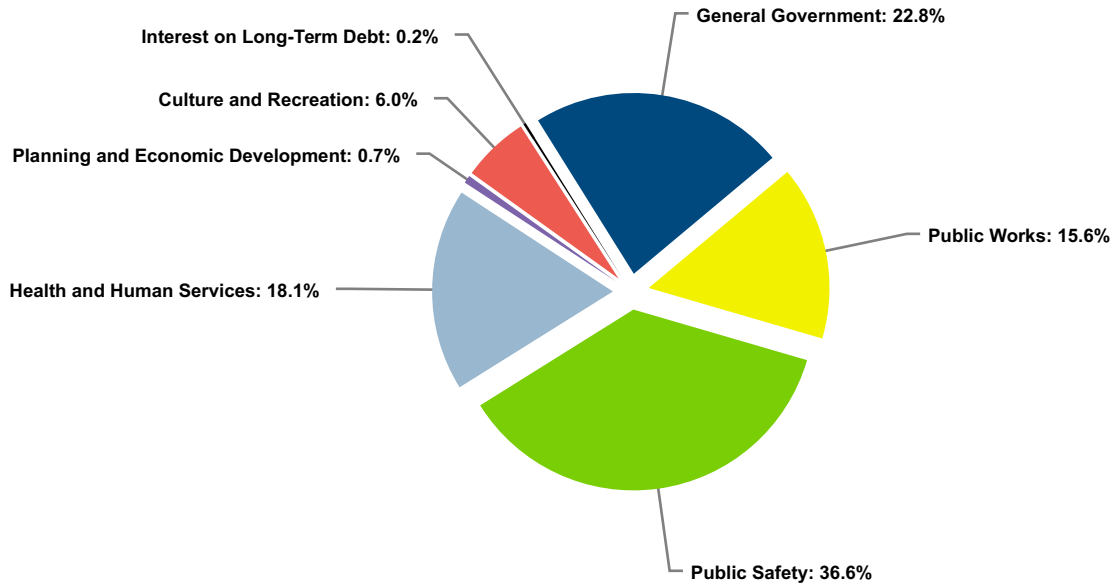
Government-wide Revenues for 2018



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
2018	\$ 110,517,918	\$ 75,402,007	\$ 176,386,216	\$ 87,200,032	\$ 3,441,984	\$ 28,799,807	\$ 392,124	\$ 482,140,088
2017	124,362,793	47,130,215	158,535,702	81,991,518	3,229,970	30,141,206	205,744	445,597,148
2016	125,591,407	69,343,653	130,377,660	80,203,721	3,226,227	29,467,494	175,284	438,385,446
2015	113,432,544	58,303,256	127,595,752	77,734,970	3,342,605	24,005,758	215,013	404,629,898
2014	116,879,634	69,375,704	124,049,242	74,954,082	3,286,580	23,393,457	302,620	412,241,319
2013	114,258,178	58,349,105	122,156,637	74,828,392	2,959,390	22,480,903	270,723	395,303,328
2012	121,428,691	56,201,387	115,395,790	79,336,842	4,101,588	21,970,790	372,224	398,807,312
2011	122,559,659	39,221,489	115,821,699	82,352,302	5,259,908	22,416,562	436,366	388,067,985
2010	99,984,101	52,528,774	110,382,044	85,547,641	6,072,658	22,453,775	723,558	377,692,551
2009	93,560,733	48,710,693	114,483,555	79,429,418	8,408,644	23,843,135	778,619	369,214,797

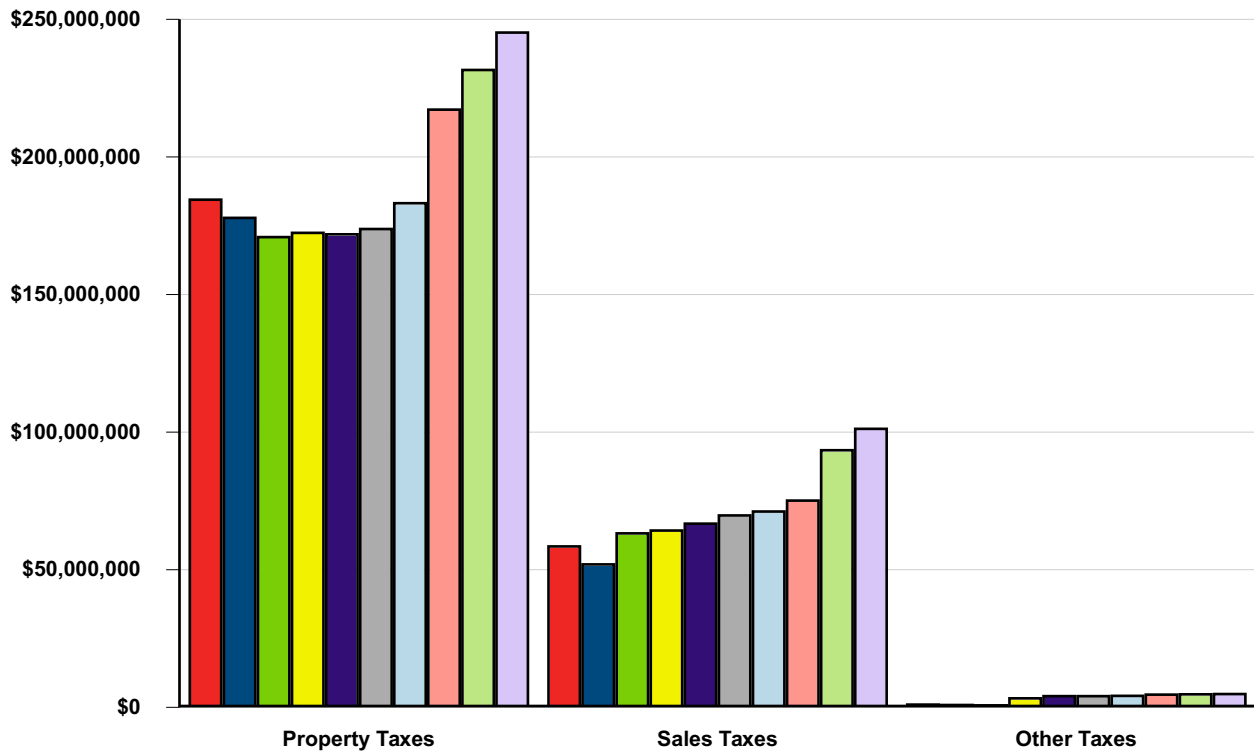
Government-wide Expenses by Functions for 2018



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

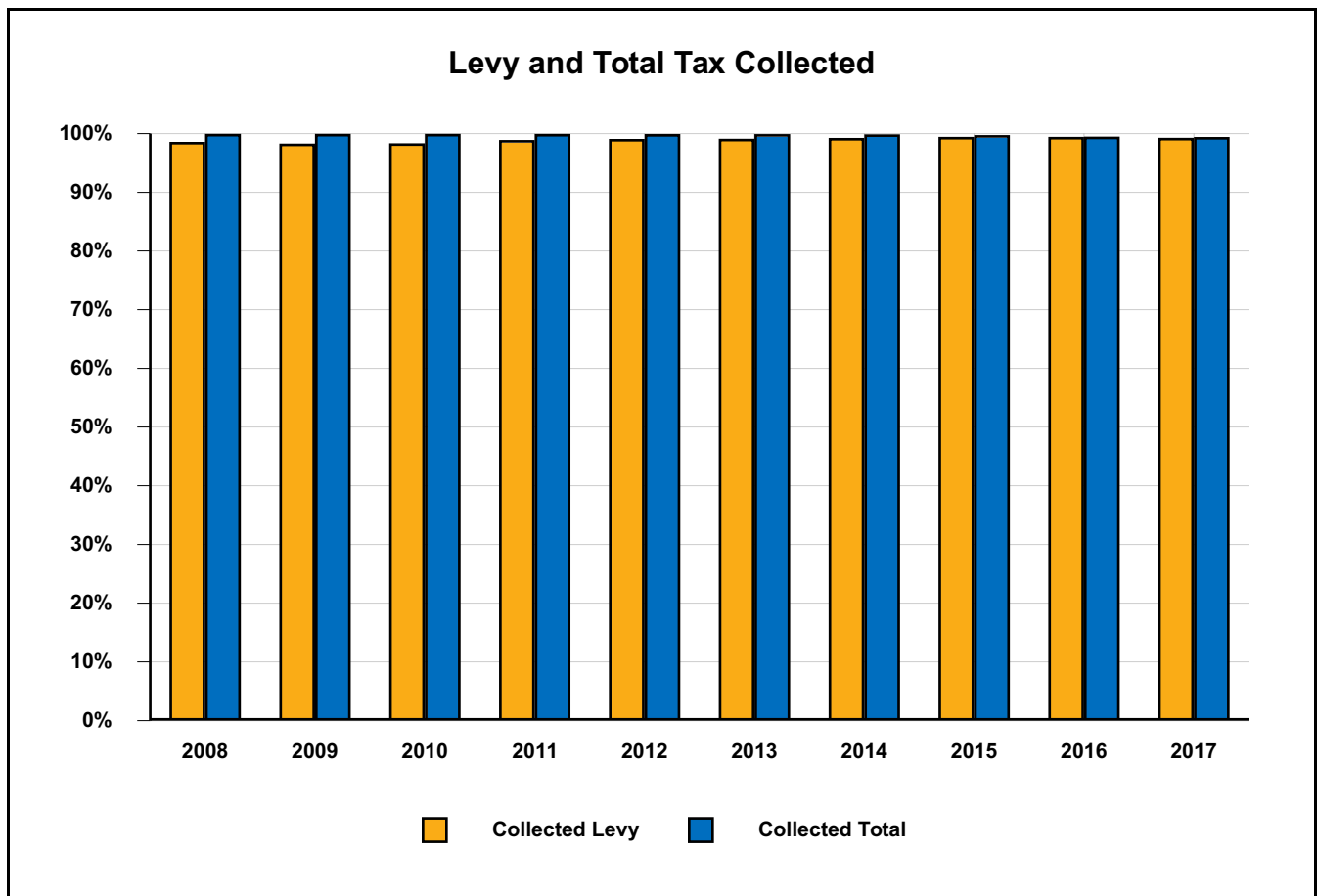
Fiscal Year	Property Taxes	Sales Taxes	Other Taxes	Total
2018	\$ 245,670,757	\$ 101,676,666	\$ 5,309,275	\$ 352,656,698
2017	232,081,211	93,904,750	5,208,009	331,193,970
2016	217,668,981	75,600,644	5,095,421	298,365,046
2015	183,663,325	71,633,771	4,648,964	259,946,060
2014	174,290,655	70,202,538	4,543,089	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

General Governmental Tax Revenues by Source
Years 2009-2018



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

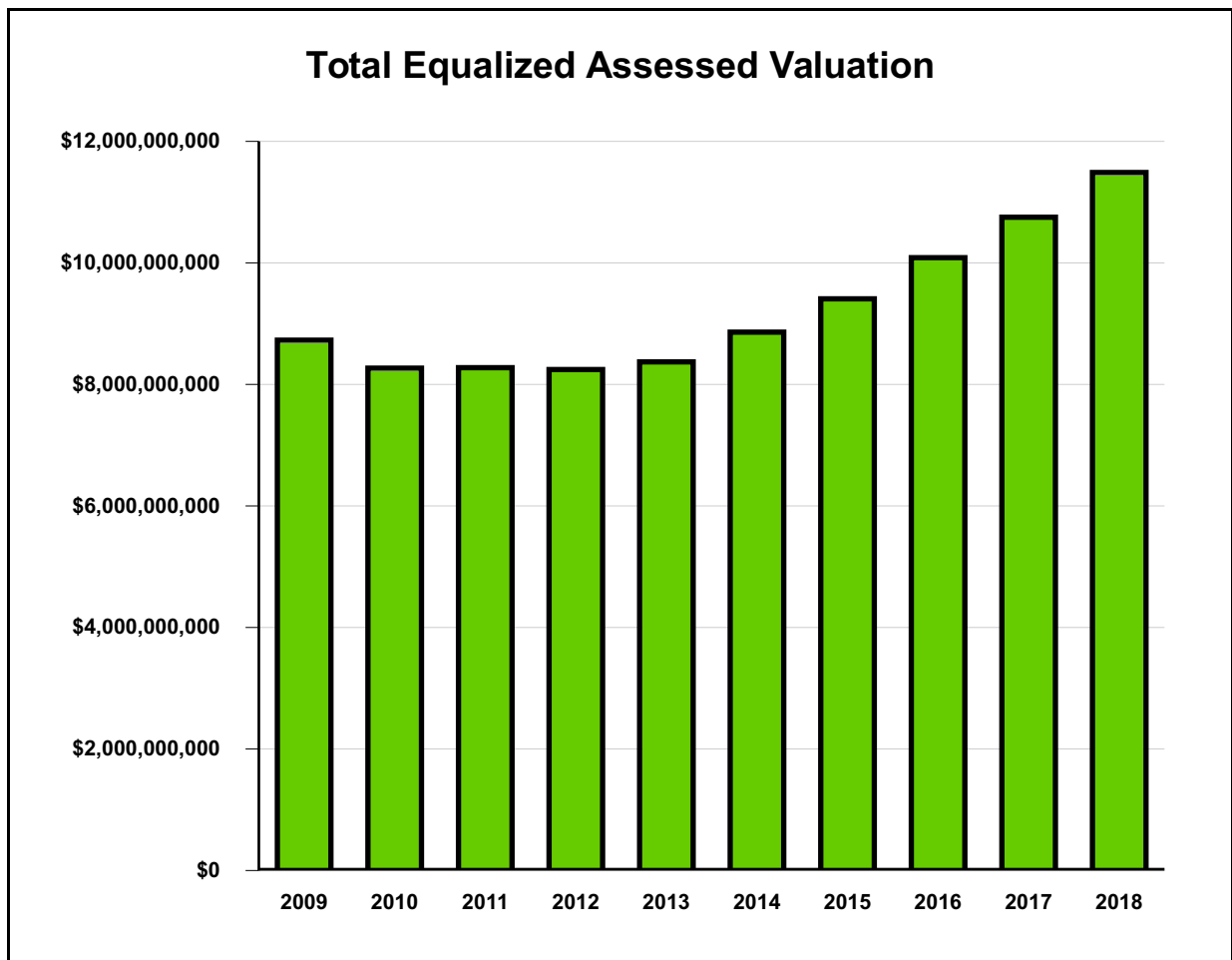
Levy Year (1)	Net Adjusted Tax Roll (2)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collected	Outstanding Delinquent Taxes (3)	Delinquent Taxes to Net Adj. Tax
2017	\$219,353,184	\$217,792,966	99.29%	\$ 305,500	\$218,098,466	99.43%	\$ 2,596,881	1.18%
2016	207,059,053	206,471,779	99.72%	30,184	206,501,963	99.73%	1,342,163	0.65%
2015	193,668,532	192,702,540	99.50%	714,798	193,417,338	99.87%	785,073	0.41%
2014	162,698,105	161,523,261	99.28%	1,058,013	162,581,274	99.93%	533,879	0.33%
2013	154,521,391	153,184,349	99.13%	1,260,092	154,444,441	99.95%	417,048	0.27%
2012	152,286,215	150,921,324	99.10%	1,284,340	152,205,664	99.95%	340,098	0.22%
2011	152,227,343	150,587,044	98.92%	1,583,977	152,171,021	99.96%	259,547	0.17%
2010	153,265,803	150,745,216	98.36%	2,473,474	153,218,690	99.97%	203,225	0.13%
2009	161,016,936	158,295,398	98.31%	2,665,275	160,960,673	99.97%	156,112	0.10%
2008	165,992,122	163,529,885	98.52%	2,408,740	165,938,625	99.97%	99,849	0.06%



- (1) Taxes levied in 2018 are due December 20, 2018 but may be paid 50% by December 20, 2018 and 50% by May 10, 2019.
 (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

Fiscal Year	Real Property Assessed Value(1)	Personal Property Assessed Value(1)	Utilities Assessed Value(1)	Total Assessed Value
2018	\$ 10,210,064,665	\$ 93,893,548	\$ 254,416,422	\$ 10,558,374,635
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



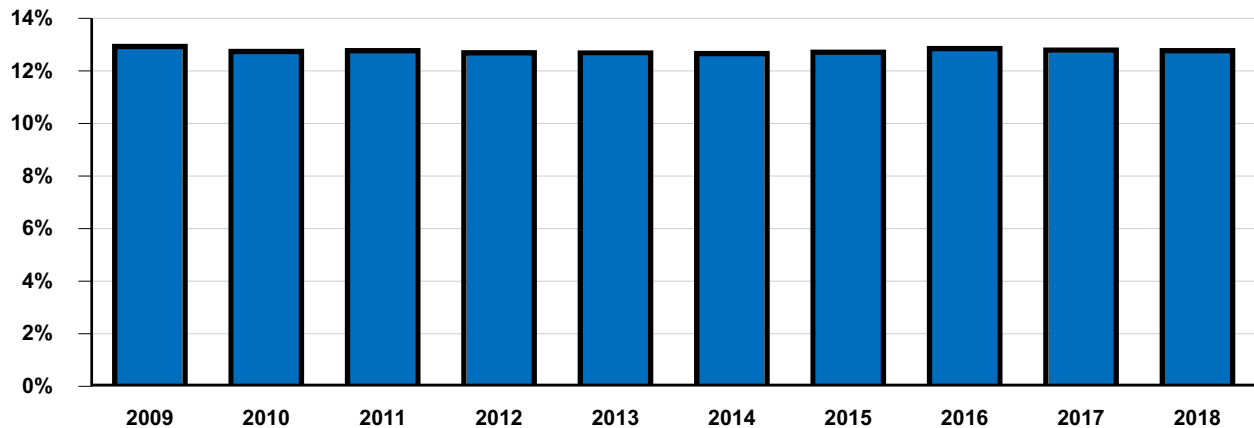
(1) Source: 2018 Annual Abstract of Taxes, County Clerk

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
\$ 969,135,376	\$ 3,660,159	\$ 11,531,170,170	22.925	2018
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

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
\$ 80,674,468,455	\$ 457,693,681	\$ 925,210,025	\$ 82,057,372,161	12.87%	2018
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

Ratio of Total Assessed Property Value to Total Estimated Actual Value



- (1) Source: 2018 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

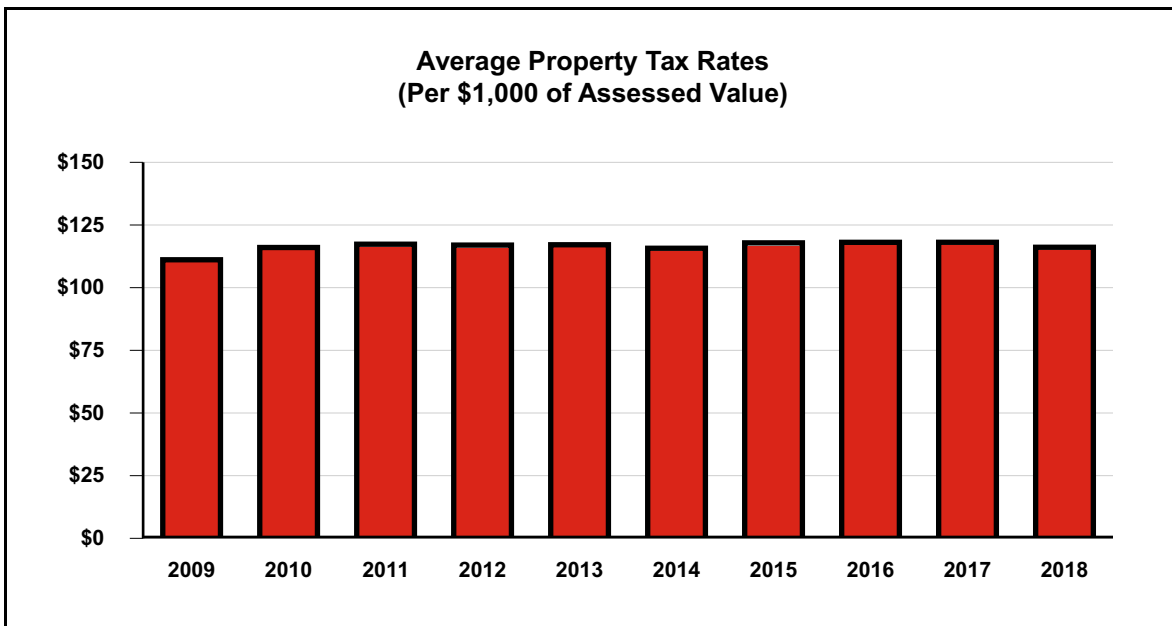
Johnson County, Kansas
Direct and Overlapping Property Tax Rates and Levies
Last Ten Fiscal Years

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

Year	County	County Library	Total Direct Rate	State
2018	19.024	3.901	22.925	1.500
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

TAX LEVIES*

Year	County	County Library	State
2018	\$ 200,874,765	\$ 33,751,320	\$ 15,838,428
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



* Excludes special assessments.

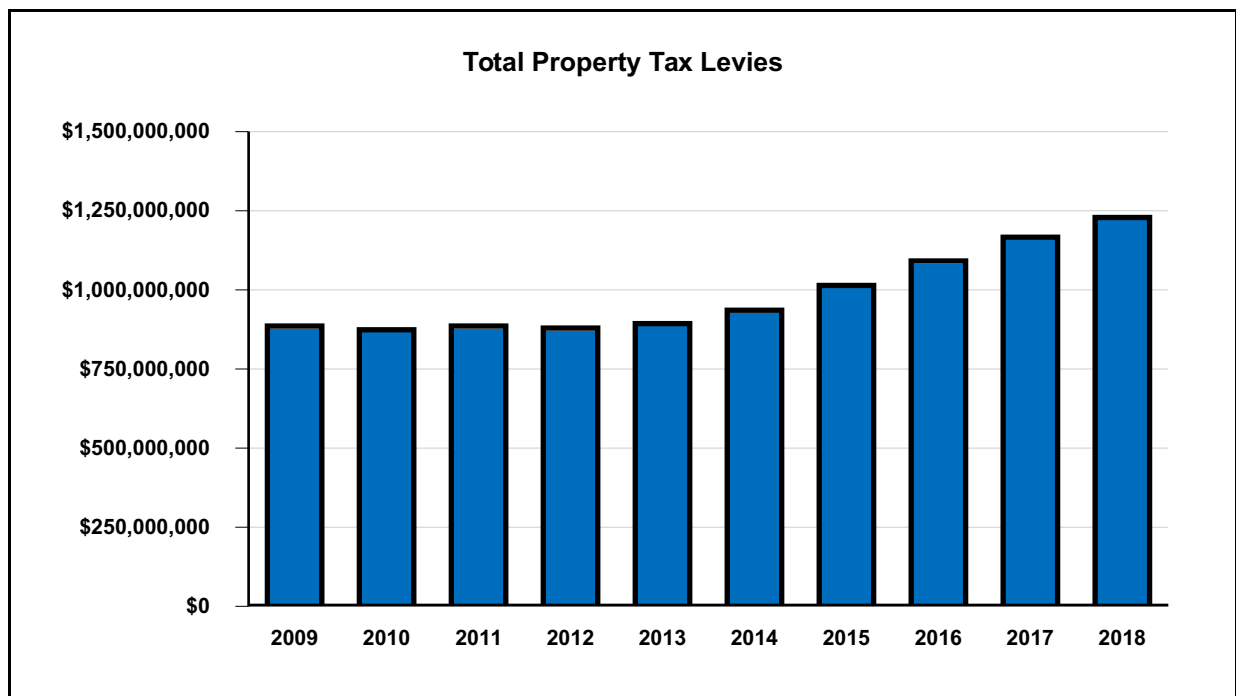
(1) Special Districts include Cemeteries, Drainage and Fire.

(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

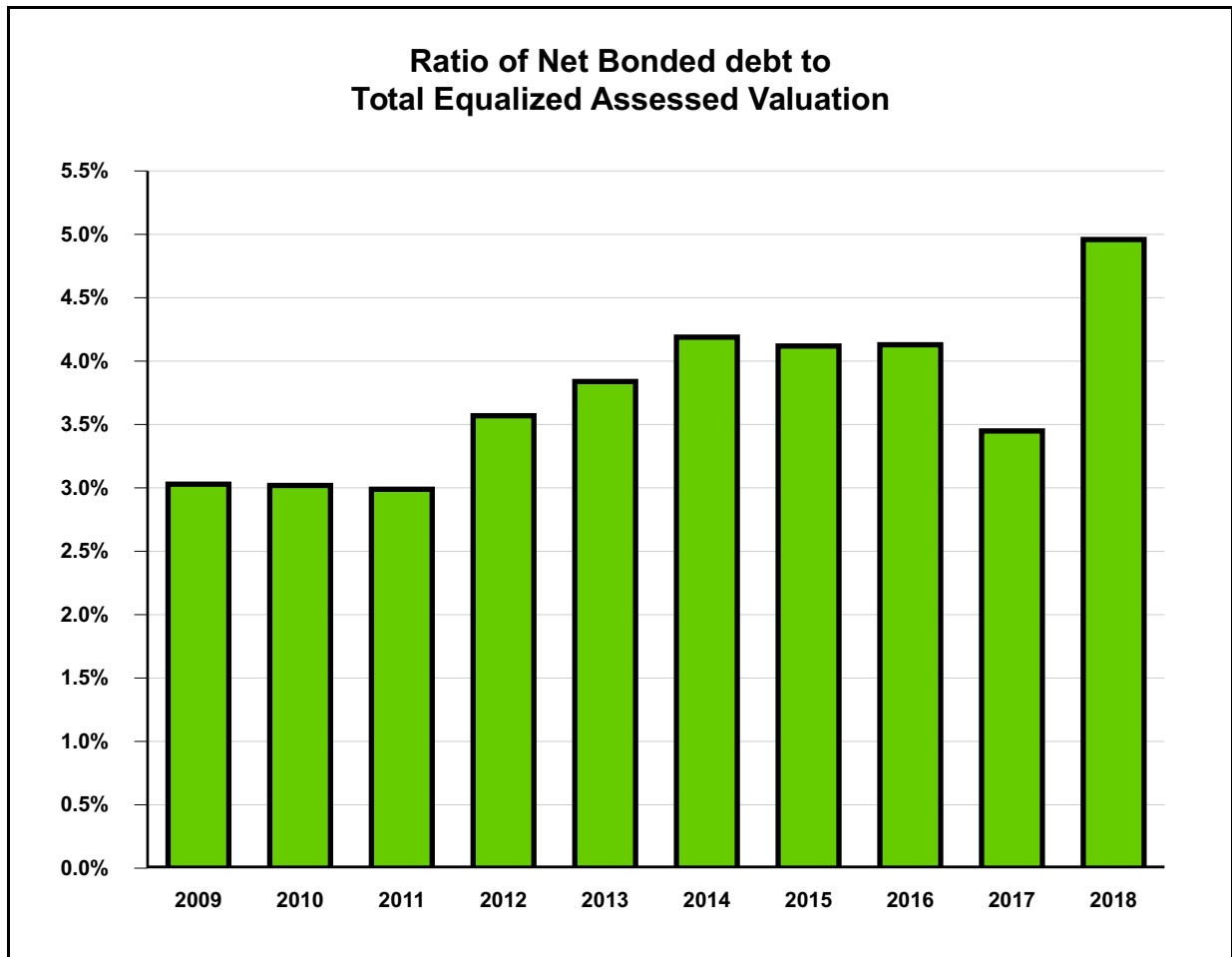
Cities Weighted Average	Townships Weighted Average	Schools Weighted Average	Special Districts Weighted Average (1)	Grand Total Weighted Average (2)	Year
21.054	0.169	70.155	3.759	117.178	2018
21.307	0.117	71.553	3.673	119.164	2017
21.438	0.192	71.131	3.661	119.152	2016
21.025	0.203	71.566	3.453	118.936	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

Cities Total	Townships Total	Schools Total	Special Districts Total (1)	Grand Total	Year
\$ 215,823,794	\$ 83,348	\$ 740,717,721	\$ 30,120,098	\$ 1,237,209,475	2018
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



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

Year	Population (1)	Equalized Assessed Valuation	Bonded Debt	Amount Set Aside for Repayment of G.O. Debt
2018	596,767	\$ 11,531,170,170	\$ 577,170,204	\$ 2,454,823
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

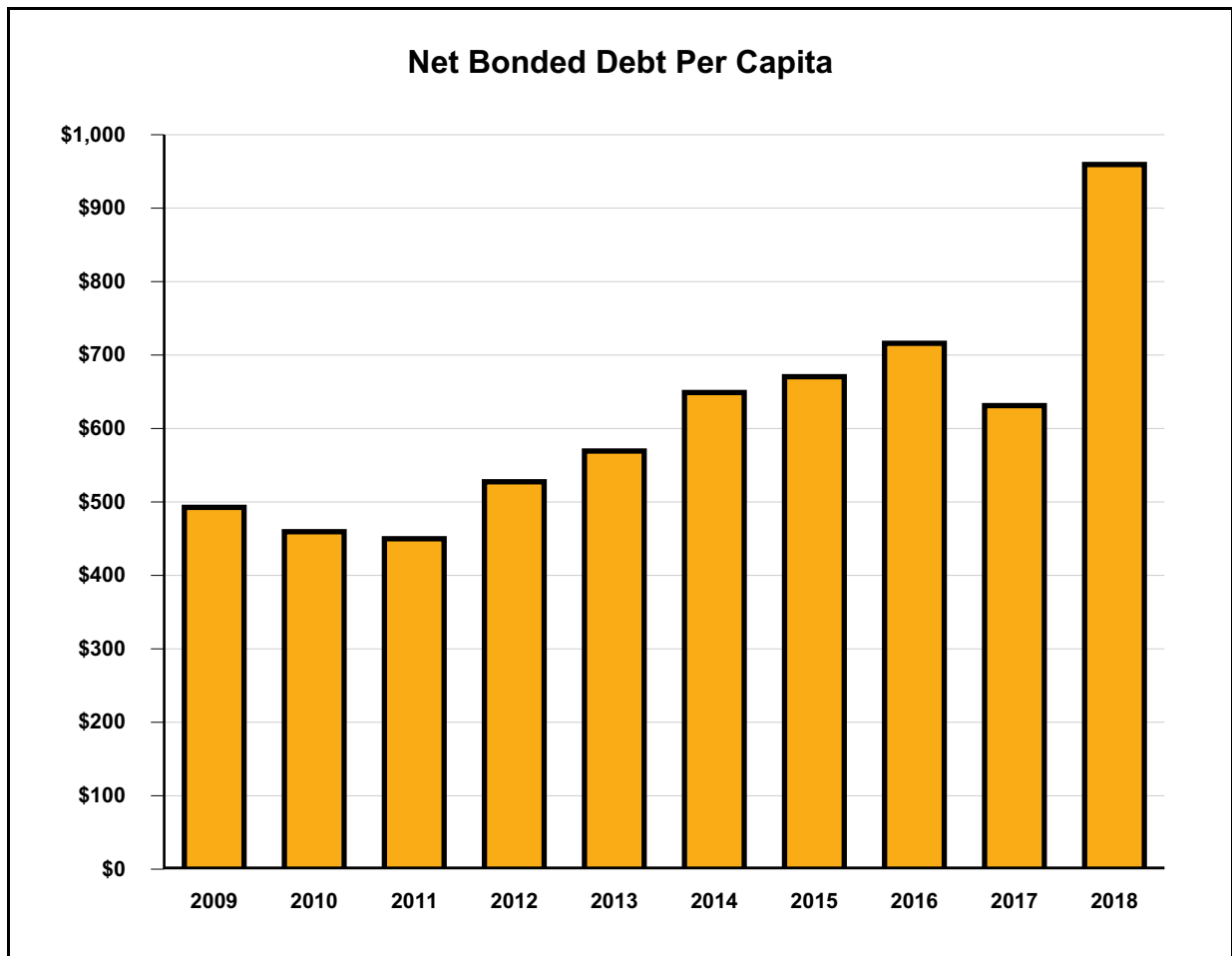


(1) See Demographic Statistics, later in this section.

Johnson County, Kansas

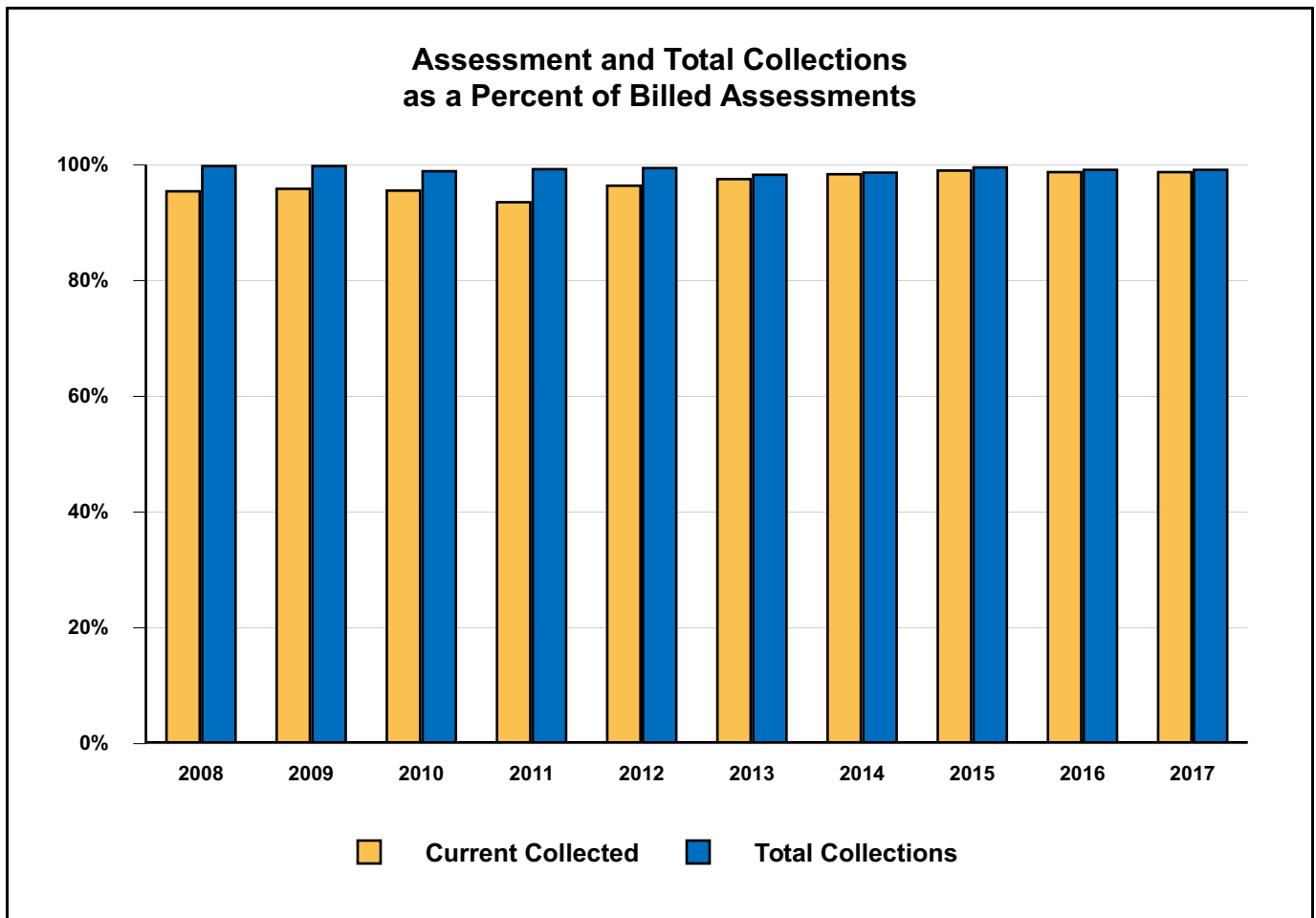
**Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**

Net Bonded Debt	Ratio of Net Bonded Debt to Equalized Valuation	Ratio of Net Bonded Debt Per Capita to Per Capita Income	Per Capita Income (1)	Net Bonded Debt Per Capita	Year
\$ 574,715,381	4.98%	1.32%	\$ 72,717	\$ 963.05	2018
374,270,596	3.47%	0.91%	69,977	634.78	2017
420,582,486	4.15%	1.05%	68,731	719.62	2016
391,111,152	4.14%	1.02%	66,294	674.14	2015
374,654,453	4.21%	1.04%	62,832	652.60	2014
324,824,064	3.86%	0.96%	59,499	572.95	2013
297,316,966	3.59%	0.91%	58,302	531.08	2012
250,732,373	3.01%	0.83%	54,699	453.51	2011
252,712,326	3.04%	0.86%	53,746	463.10	2010
267,673,835	3.05%	0.90%	55,251	496.25	2009



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
2017	\$ 387,482	\$ 383,174	98.89%	\$ 2,738	\$ 385,912	99.59%
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%



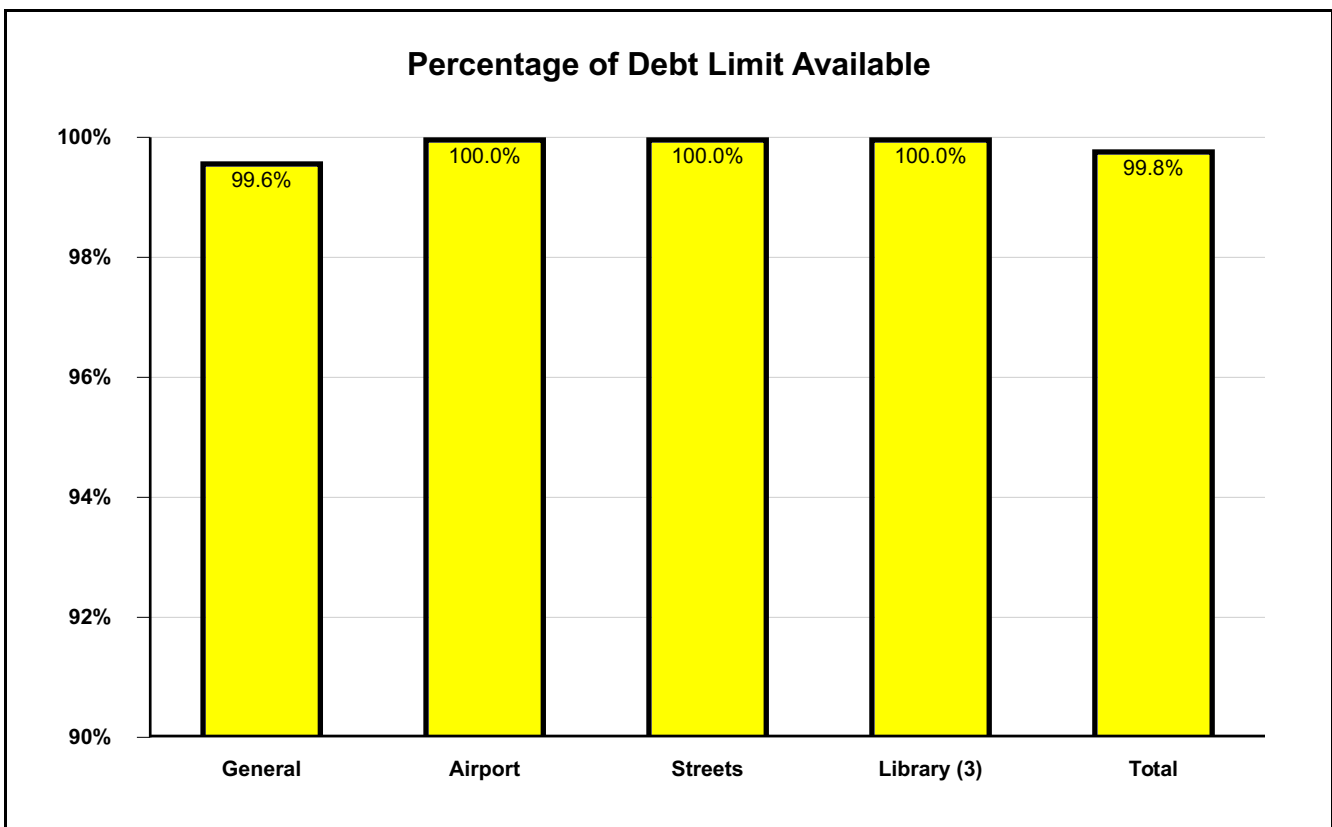
(1) Taxes levied in 2018 are due December 20, 2018 but may be paid 50% by December 20, 2018 and 50% by May 10, 2019.

(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
12/31/2018

	General	Airport	Streets	Library (3)	Total
Assessed Valuation for Debt					
Limitation Purposes	\$11,531,170,170	\$11,531,170,170	\$11,531,170,170	\$ 9,424,241,547	\$44,017,752,057
Percentage Limitation (1)	3.0%	1.0%	2.0%	2.0%	
Dollar Debt Limit	345,935,105	115,311,702	230,623,403	188,484,831	880,355,041
Outstanding Debt (2)	2,215,000	10,160	—	160,000	2,385,160
Amount Set Aside for					
Repayment of G.O. Debt	920,394	—	—	84,160	1,004,554
Net Outstanding Debt	1,294,606	10,160	—	75,840	1,380,606
Available Legal Debt Margin	<u>\$ 344,640,499</u>	<u>\$ 115,301,542</u>	<u>\$ 230,623,403</u>	<u>\$ 188,408,991</u>	<u>\$ 878,974,435</u>



- (1) Source: 2018 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
12/31/18

Entity	Total Debt (1)	Net Debt	Percent Applicable to Johnson County	Net Debt Applicable to Johnson County (2)	Total Assessed Valuation
Johnson County	\$ 14,998,164	\$ 12,543,341	100%	\$ 12,543,341	\$ 10,558,374,635
Cities					
Bonner Springs	4,337,393	4,096,342	5.76%	235,949	5,583,775
DeSoto	17,795,000	17,096,784	99.89%	17,077,978	77,764,852
Edgerton	16,728,602	16,054,908	100%	16,054,908	46,316,533
Fairway	7,660,000	7,608,554	100%	7,608,554	97,060,673
Gardner	47,090,000	43,061,216	100%	43,061,216	188,612,015
Lake Quivira	1,281,464	1,093,500	95.02%	1,039,044	27,803,119
Leawood	78,754,164	69,474,226	100%	69,474,226	960,713,383
Lenexa	121,560,000	117,071,615	100%	117,071,615	1,193,719,635
Merriam	21,585,000	21,553,255	100%	21,553,255	200,819,865
Mission	23,604,790	19,418,461	100%	19,418,461	157,485,883
Mission Hills	1,780,000	1,762,846	100%	1,762,846	194,360,052
Mission Woods	—	—	100%	—	9,492,732
Olathe	238,225,604	200,688,591	100%	200,688,591	1,901,252,208
Overland Park	109,675,000	109,425,000	100%	109,425,000	3,683,702,650
Prairie Village	15,950,000	15,898,458	100%	15,898,458	401,494,261
Roeland Park	3,300,000	3,168,223	100%	3,168,223	83,907,289
Shawnee	43,435,000	42,212,607	100%	42,212,607	924,327,564
Spring Hill	26,285,222	26,209,387	67.87%	17,788,311	61,423,056
Westwood	425,000	425,000	100%	425,000	27,433,750
Westwood Hills	338,521	338,521	100%	338,521	7,892,424
Total	779,810,760	716,657,494		704,302,763	10,251,165,719
School Districts					
Blue Valley U.S.D. 229	344,890,000	329,506,223	99.98%	329,440,322	3,165,464,135
Spring Hill U.S.D. 230	223,315,000	216,908,942	78.78%	170,880,864	198,057,655
Gardner U.S.D. 231	139,215,000	132,360,879	98.04%	129,766,606	319,124,777
DeSoto U.S.D. 232	116,150,000	102,864,716	100%	102,864,716	539,695,045
Olathe U.S.D. 233	526,749,247	484,357,988	100%	484,357,988	2,452,009,298
Wellsville U.S.D. 289	1,959,119	780,658	0.04%	312	30,822
Eudora U.S.D. 491	58,540,000	54,373,263	0.04%	21,749	1,423,486
Shawnee Mission U.S.D. 512	315,515,000	310,830,059	100%	310,830,059	3,882,669,417
Total	1,726,333,366	1,631,982,727		1,528,162,616	10,558,474,635
Other Entities					
Community College	53,665,000	53,665,000	100%	53,665,000	10,558,374,635
Park and Recreation	30,740,000	22,747,394	100%	22,747,394	10,558,374,635
Cons Fire District #2	6,180,000	6,180,000	100%	6,180,000	978,827,064
Fire District #1	4,217,621	4,217,621	100%	4,217,621	261,778,707
Fire District #2	2,855,000	2,855,000	100%	2,855,000	220,371,726
Northwest Cons Fire District	—	—	100%	—	119,744,230
Total	97,657,621	89,665,015		89,665,015	22,697,470,997
Total of Overlapping Debt				2,322,130,394	
Grand Total				\$ 2,334,673,735	

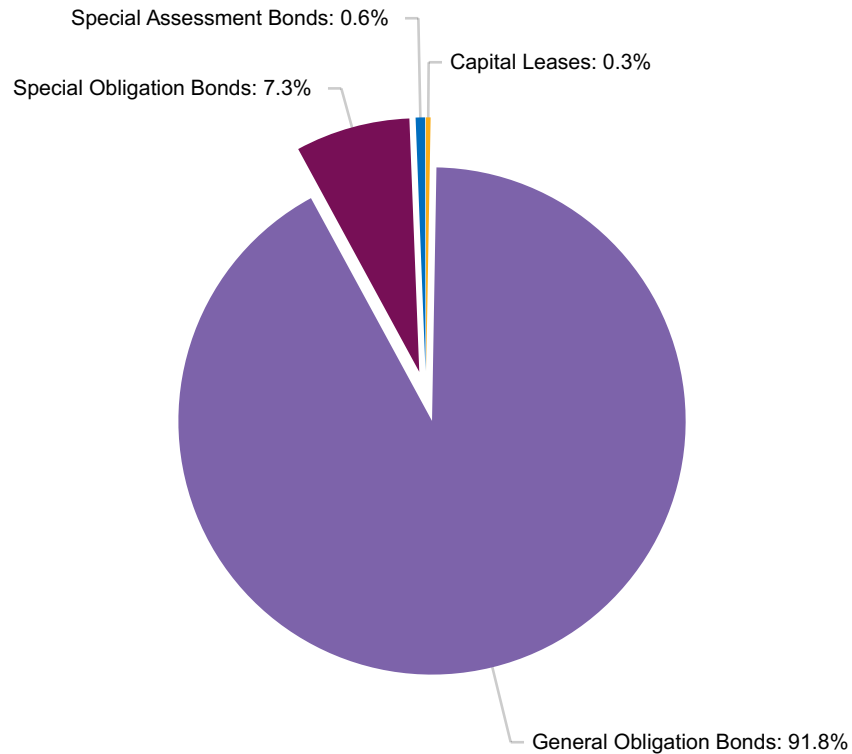
- (1) Includes General and Special Obligation Bonds, Capital Leases, Special Assessment Bonds with governmental commitment and General Obligation Notes. Excludes Airport and Wastewater General Obligation and Special Assessment debt (which are supported by user charges).
- (2) Based upon assessed valuation 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

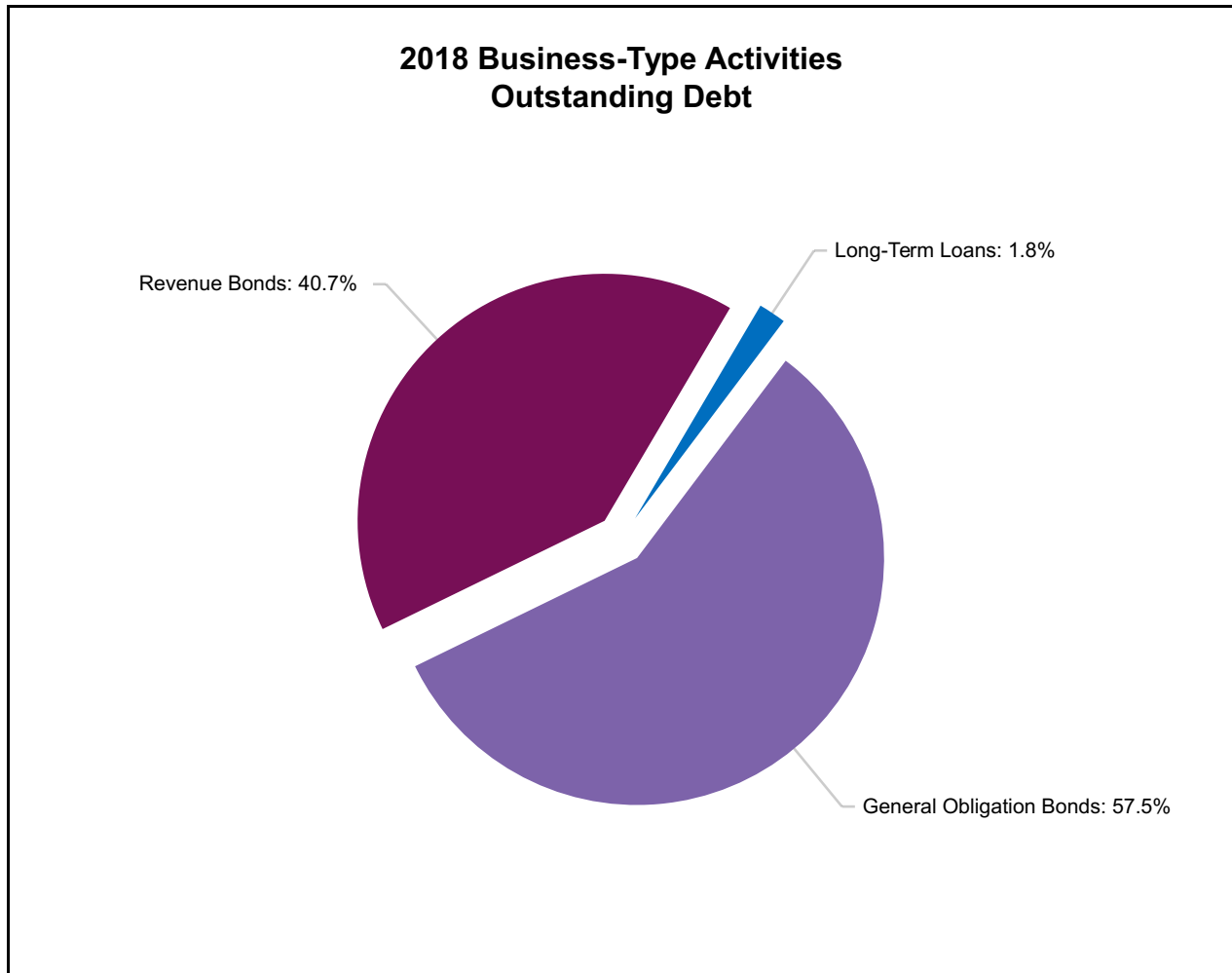
Year	Governmental Activities					
	General	Special	Special	Capital	General	Special
	Obligation	Obligation	Assessment	Leases	Obligation	Assessment
	Bonds	Bonds	Bonds		Bonds	Bonds
2018	\$ 13,775,520	\$ 1,095,000	\$ 88,800	\$ 38,844	\$ 562,299,684	\$ 4,838
2017	3,579,631	1,855,000	97,700	57,836	370,635,687	9,684
2016	2,678,135	2,725,000	106,900	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

**2018 Governmental Activities
Outstanding Debt**



Johnson County, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

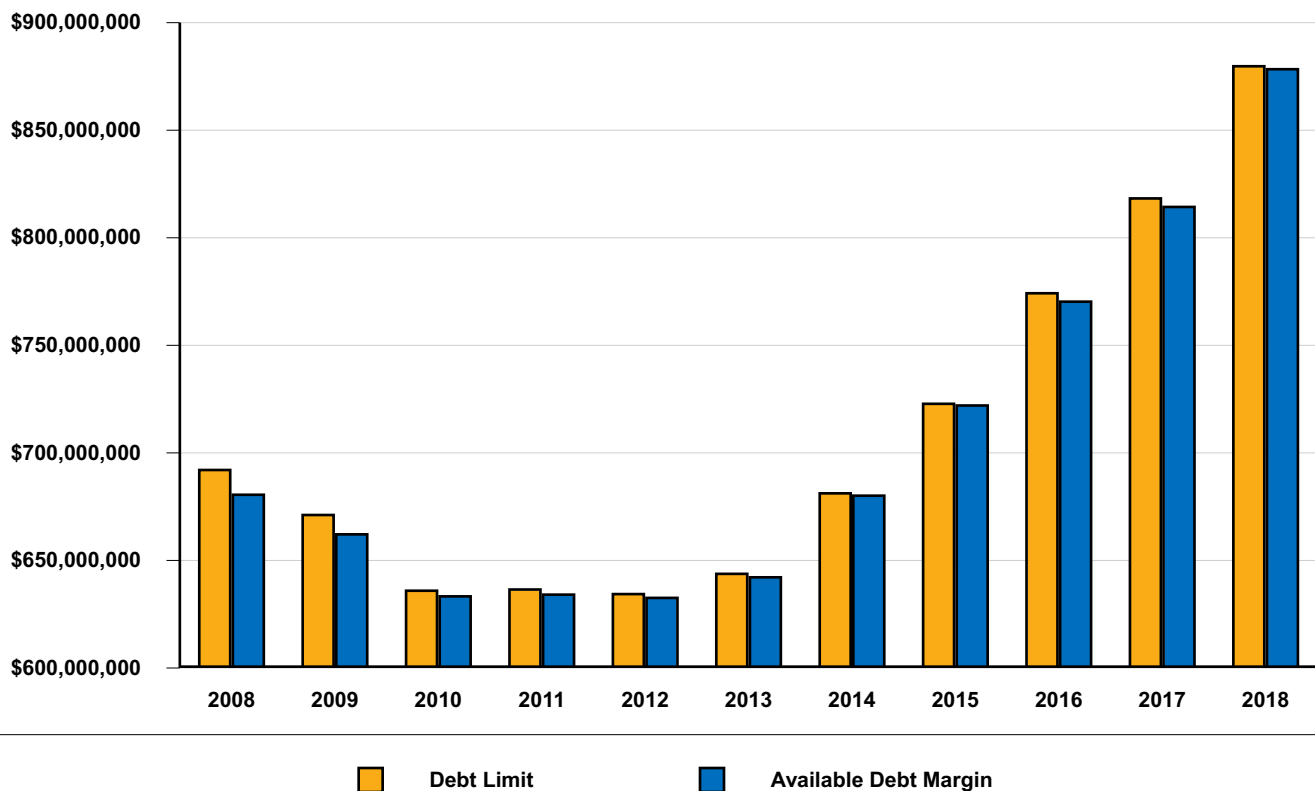
Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita	Year
Revenue Bonds	Loan Payable	Capital Leases	Long-Term Loans					
			Wastewater	Airport				
\$ 398,389,860	\$ —	\$ —	\$ 17,620,810	\$ —	\$ 993,313,356	5.75%	\$ 1,664.49	2018
286,637,600	—	—	19,893,180	—	682,766,318	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



Johnson County, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years

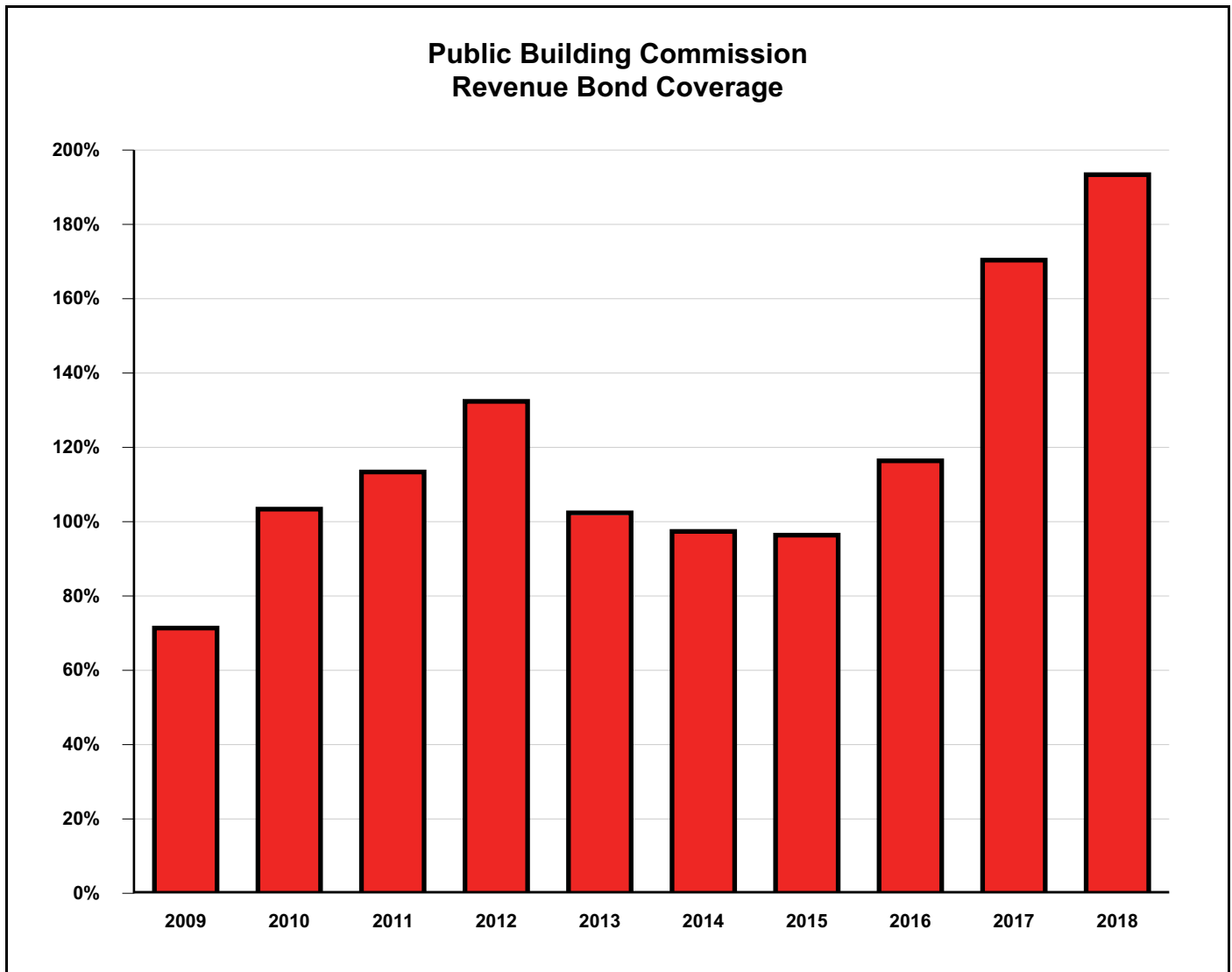
Year	Debt Limit	Outstanding Debt	Amount Set Aside for Repayment of G.O. Debt	Net Outstanding Debt	Available Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2018	\$ 880,355,041	\$ 2,385,160	\$ 1,004,554	\$ 1,380,606	\$ 878,974,435	0.16%
2017	818,908,640	5,760,315	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%

Debt Limit vs. Available Debt Margin



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	
2018	\$ 48,680,810	\$ —	\$ 48,680,810	\$ 14,895,000	\$ 10,194,572	\$ 25,089,572	194%
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%

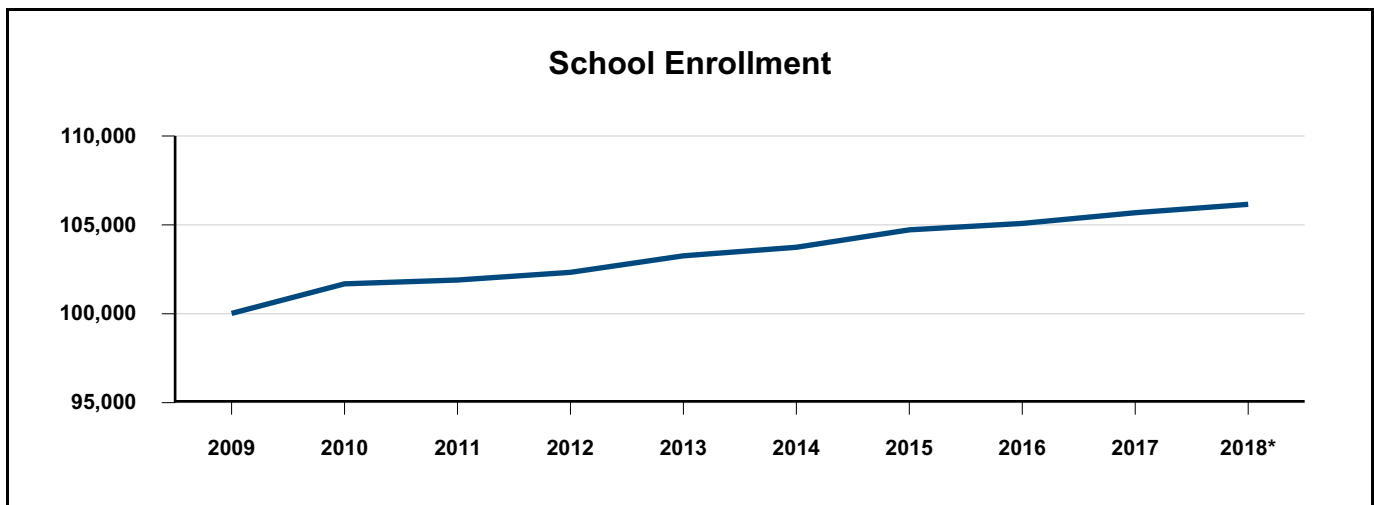
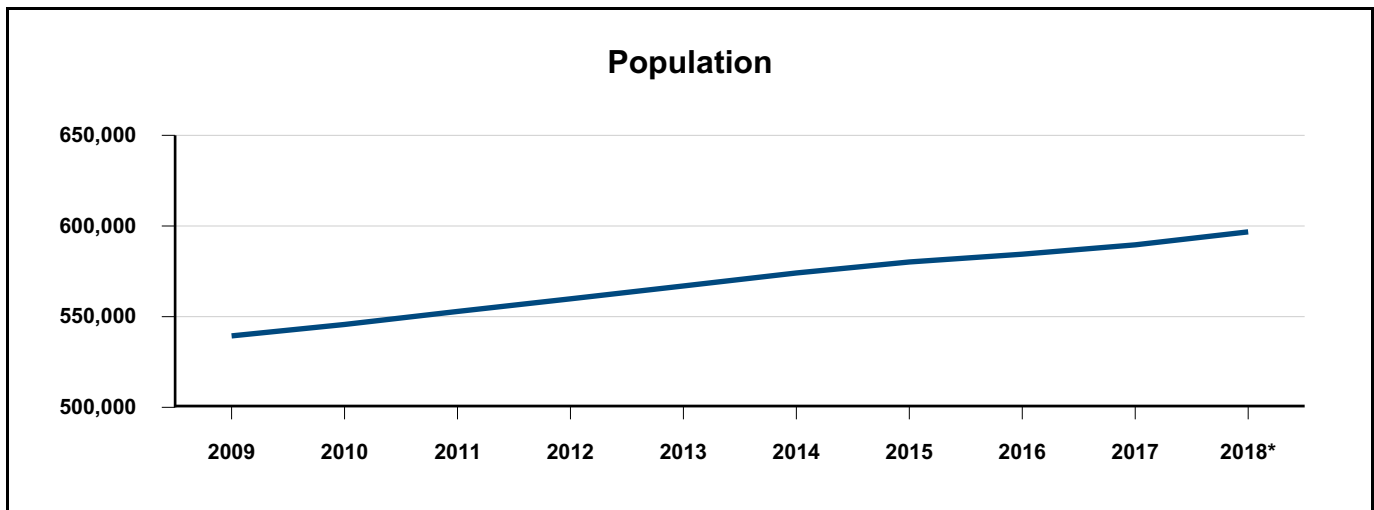


(1) Gross Revenue includes non-operating investment earnings.

(2) Operating expenses do not include depreciation, amortization, or interest expense.

**Johnson County, Kansas
Demographic Statistics
Last Ten Fiscal Years**

Year	Population (1)	Per Capita Income (1)	Median Age (1)	Personal Income(1) **	K-12 School Enrollment (2)
2018	596,767	* \$ 72,717 *	37.96	* \$ 42,988,558 *	106,157
2017	589,609	69,977	37.70	41,368,735	105,684
2016	584,451	68,731	37.60	40,188,177	105,082
2015	580,159	66,294	37.40	38,378,868	104,721
2014	574,096	62,832	36.90	35,995,770	103,741
2013	566,933	59,499	36.70	33,693,466	103,260
2012	559,836	58,302	36.70	32,613,613	102,331
2011	552,874	54,699	36.50	30,235,376	101,899
2010	545,696	53,746	36.40	29,329,852	101,684
2009	539,396	55,251	35.70	29,802,207	100,020



* County estimate based upon information from the Bureau of Economic Analysis

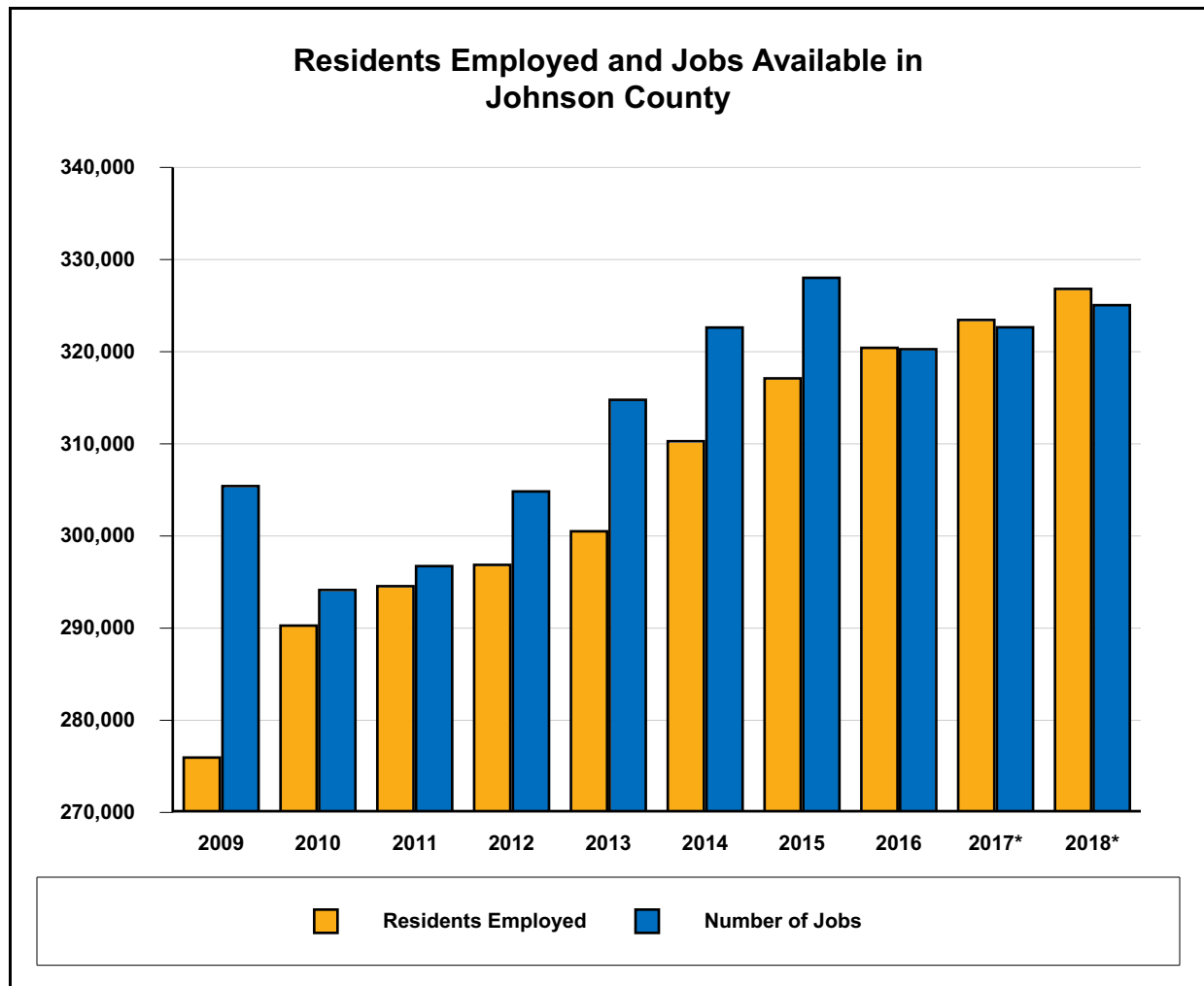
** In Thousands

(1) Bureau of Economic Analysis

(2) Kansas Department of Education

Johnson County, Kansas
Demographic Statistics
Last Ten Fiscal Years

Year	Residents Employed (1)	Unemployment Rate (1)	Number of Employers (2)	Number of Jobs (2)	Gross Payroll (2)
2018	326,954	2.90%	17,957	* 324,104 *	\$ 18,682,808,048 *
2017	323,123	3.00%	17,904	* 322,976 *	17,964,748,487 *
2016	317,670	3.30%	17,852	320,408	17,274,287,000
2015	313,905	3.40%	17,625	328,159	17,532,089,000
2014	308,722	3.80%	17,423	322,765	16,783,732,000
2013	300,633	4.30%	17,242	314,916	16,136,459,000
2012	296,014	4.60%	17,152	304,973	15,135,814,000
2011	291,774	5.40%	16,871	296,871	14,395,561,000
2010	288,469	6.10%	16,873	294,278	13,717,305,000
2009	280,131	6.50%	17,015	305,554	13,980,606,000



* 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, 2018

		Principal Taxpayers					
		2018		2009			
Taxpayer	Type of Business	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sprint Corporation	Telecommunications	\$ 106,912,113	1	1.08%	\$ 51,071,748	3	0.64%
Kansas City Power and Light	Utility	103,317,809	2	1.05%	79,508,638	1	1.00%
Oak Park Mall, LLC	Real Estate	63,750,001	3	0.65%	42,918,749	5	0.54%
UCM/SREP-Corporate Woods	Real Estate	33,156,502	4	0.34%	60,779,771	2	0.76%
Westar Energy	Utility	31,575,030	5	0.32%			
Leawood Town Center Plaza	Real Estate	30,045,700	6	0.30%	21,543,861	7	0.27%
BNSF	Transportation	25,475,214	7	0.26%			
Kansas Gas Service	Utility	24,032,400	8	0.24%	20,687,812	8	0.26%
Southwestern Bell	Telecommunications	20,899,618	9	0.21%	46,137,493	4	0.58%
Atmos Energy	Utility	19,569,376	10	0.20%			
Lenexa Industrial Park	Real Estate				29,213,226	6	0.37%
Perg Building	Shopping Center				20,678,443	9	0.26%
Central Tennessee Hospital	Hospital				15,490,151	10	0.19%
Total		\$ 458,733,763		4.65%	\$388,029,892		4.87%

Source: Johnson County Clerk and Appraiser's Office

		Principal Employers					
		2018		2009			
Employer	Type of Business	Employees in County	Rank	Percentage of Total Employment	Employees in County	Rank	Percentage of Total Employment
Sprint	Telecommunications	6,000	1	1.84%	7,391	1	2.64%
Olathe Unified School District	Public Education (K-12)	4,850	2	1.48%	4,501	2	1.61%
Johnson County Government	Local Government	3,950	3	1.21%	3,664	4	1.31%
Shawnee Mission School District	Public Education (K-12)	3,850	4	1.18%	4,027	3	1.44%
Garmin International Inc	Communication Equip Mfg	3,800	5	1.16%	2,657	9	0.95%
Blue Valley School District #229	Public Education (K-12)	3,500	7	1.07%	3,187	6	1.14%
Black & Veatch	Engineering Services	3,000	6	0.92%	1,810	12	0.65%
Olathe Health System	Health Care Services	2,600	8	0.80%	1,754	13	0.63%
Wal-Mart	Discount Dept Stores	2,500	9	0.76%			
OptumRX	Health Care Services	2,500	10	0.76%			
Shawnee Mission Medical Ctr	Health Care Services	2,450	11	0.75%	2,940	7	1.05%
Hy-Vee Food Stores	Supermarkets & Grocery	2,400	12	0.73%			—%
Johnson Co Community College	Public Education	2,400	13	0.73%	2,784	8	0.99%
Farmers Insurance	Insurance	2,300	14	0.70%			
Reece and Nichols	Real Estate Agents/Brokers	2,100	15	0.64%			
Quest Diagnostics	Testing Laboratories	1,830	16	0.56%			
Waddell & Reed Financial Inc	Investment Advice	1,369	17	0.42%			
Price Chopper	Supermarkets & Grocery	1,326	18	0.41%			
Century Link	Telecommunications	1,300	19	0.40%			
Overland Park Regional Med Ctr	Health Care Services	1,300	20	0.40%	1,100	16	0.39%
Total		55,325		16.92%	39,239		14.02%

Source: Directory of Major Johnson County Employers 2018, CERl, Overland Park, KS c. 2018

Johnson County, Kansas
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES:										
<u>General Government</u>										
<i>Appraiser</i>										
Number of parcels appraised per year	243,540	246,091	244,287	240,983	264,782	241,576	240,907	241,051	241,908	243,649
<i>Elections/Registration</i>										
Number of voter registration applications processed	40,000	113,506	67,701	163,101	72,497	98,757	64,731	40,083	18,575	34,380
<u>Public Safety</u>										
<i>Public Safety Communication</i>										
Calls dispatched for Fire and EMS units	44,445	48,959	51,906	52,595	51,949	53,867	54,406	54,950	61,070	62,215
<i>Sheriff</i>										
Number of persons screened for entry into courthouse	601,155	631,731	589,377	562,645	538,101	413,116	397,286	523,715	531,436	542,060*
Inmates booked	17,732	16,616	15,660	15,411	15,054	14,966	14,907	15,341	15,564	16,030*
Number of calls for service (patrol)	56,642	46,098	43,635	41,915	41,542	42,968	44,498	43,021	47,182	48,130*
Number of calls for service (dispatch) (1)	247,855	312,548	316,444	316,442	310,339	293,921	293,907	295,620	295,050	300,950*
Number of 911 calls received (1)	50,793	90,677	92,823	95,563	90,633	81,080	83,873	79,488	75,538	80,486
<i>Emergency Management</i>										
Number of households receiving information annually	30,000	28,000	30,000	30,000	—	—	—	—	—	—
Number of persons trained	900	1,600	1,600	1,600	—	—	—	—	—	—
Number of radios on trunked radio systems	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	27*
Number of Med-Act emergency events answered	—	—	34,843	35,411	35,411	37,195	38,490	41,143	43,606	44,914*
<u>Health and Human Services</u>										
<i>Health and Environmental</i>										
Number of County citizens accessing services	49,835	40,456	41,670	36,539	46,532	44,731	43,163	41,795	39,747	41,380*
Number of visitors to the department's website (3)	—	—	—	—	—	—	74,566	104,656	132,174	134,676
Number of new visitors to the department's website (3)	—	—	—	—	—	—	40,594	57,360	72,791	80,129
Number of times public accesses the department's home page	86,860	78,905	67,511	69,846	63,388	63,635	—	—	—	—
<i>Human Services</i>										
Number of meals provided	219,587	218,345	204,813	180,124	176,471	197,273	274,000	282,507	276,176	273,471
Number of households provided rental assistance	1,533	1,756	1,696	1,815	1,782	1,810	1,785	1,706	1,604	1,597
<u>Culture and Recreation</u>										
<i>Library Operating</i>										
Number of volunteer hours in support of Library	41,677	46,373	48,776	53,535	51,559	52,973	46,588	48,423	50,457	52,913
BUSINESS-TYPE ACTIVITIES:										
<u>Transportation</u>										
Total annual ridership (transit/paratransit)	578,818	577,965	624,101	670,205	636,241	613,638	567,687	551,175	551,430	573,280
Number of total miles all vehicles travel per day (4)	8,300	8,300	8,300	8,300	8,300	8,700	8,700	11,900	11,116	10,646

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.

* Estimates based on 2019 budget book or average.

(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) 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

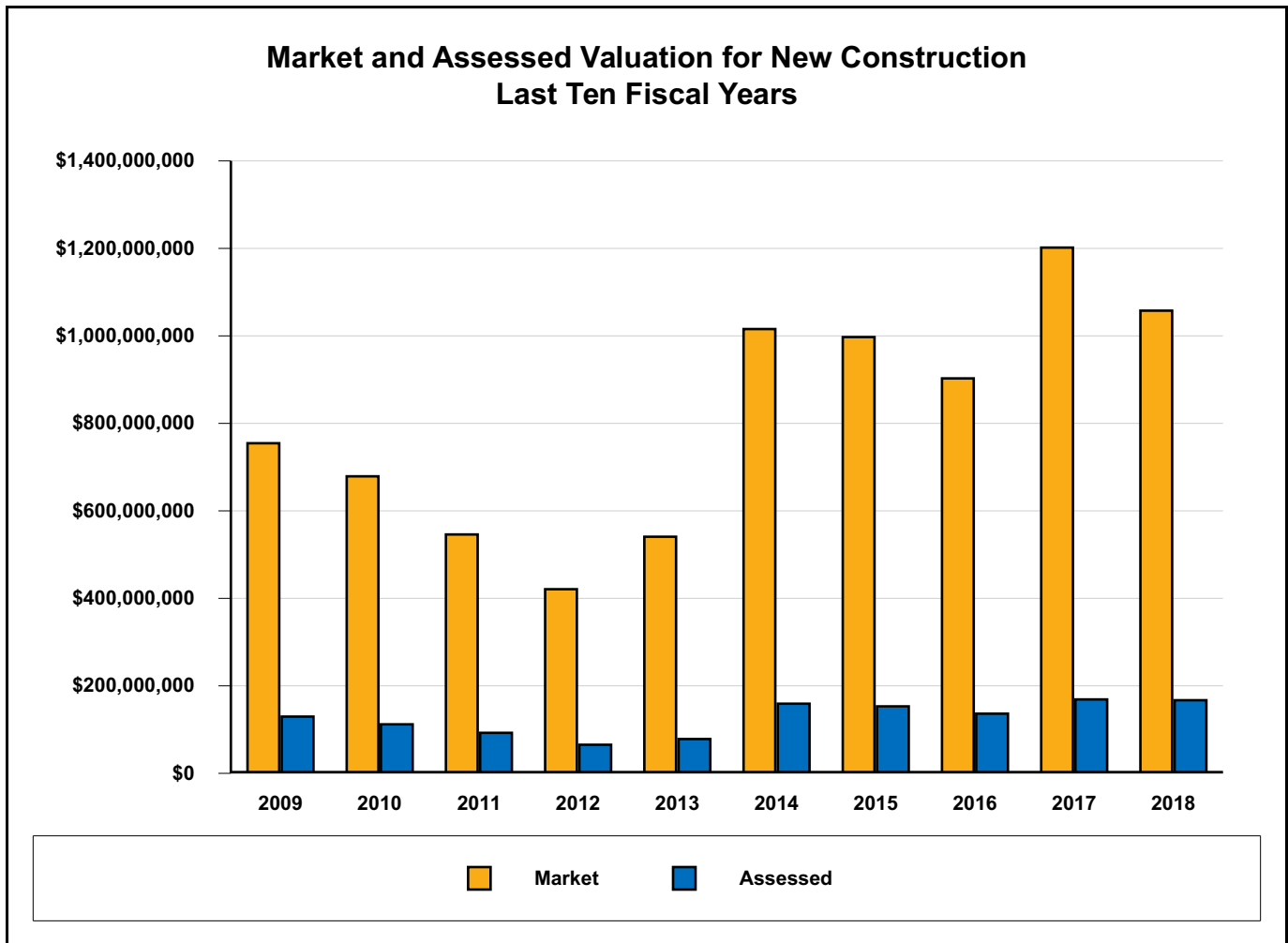
	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES:										
<u>General Government</u>										
Department of Motor Vehicle buildings	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>										
Miles of hard surface pavement	256	246	246	239	245	237	242	233	234	235
Miles of gravel surface	220	214	214	192	186	185	179	173	173	168
<u>Public Safety</u>										
Med-Act Stations	17	17	17	17	17	17	17	17	17	19
Jails	2	2	2	2	2	2	2	2	2	2
Courthouse	1	1	1	1	1	1	1	1	1	1
<u>Health and Human Services</u>										
Community Assistance Centers	6	6	6	6	6	6	6	4	4	4
<u>Culture and Recreation</u>										
Number of Libraries	13	13	13	13	13	13	13	13	13	13
Museums	3	3	3	3	3	3	3	2	2	2
Parks	20	20	20	19	18	18	18	18	18	18
BUSINESS-TYPE ACTIVITIES:										
<u>Airport</u>										
Number of Airports	2	2	2	2	2	2	2	2	2	2
<u>Johnson County Wastewater</u>										
Total existing footage of sewer line	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	12,227,256
Total existing sewer permits	114,832	115,597	116,375	116,713	118,320	119,633	119,672	121,358	122,801	124,021
Water Treatment Plants	7	7	7	6	6	6	6	6	6	6
<u>Transportation</u>										
Approximate Total of County Public Transportation Vehicles	100	100	100	100	100	90	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

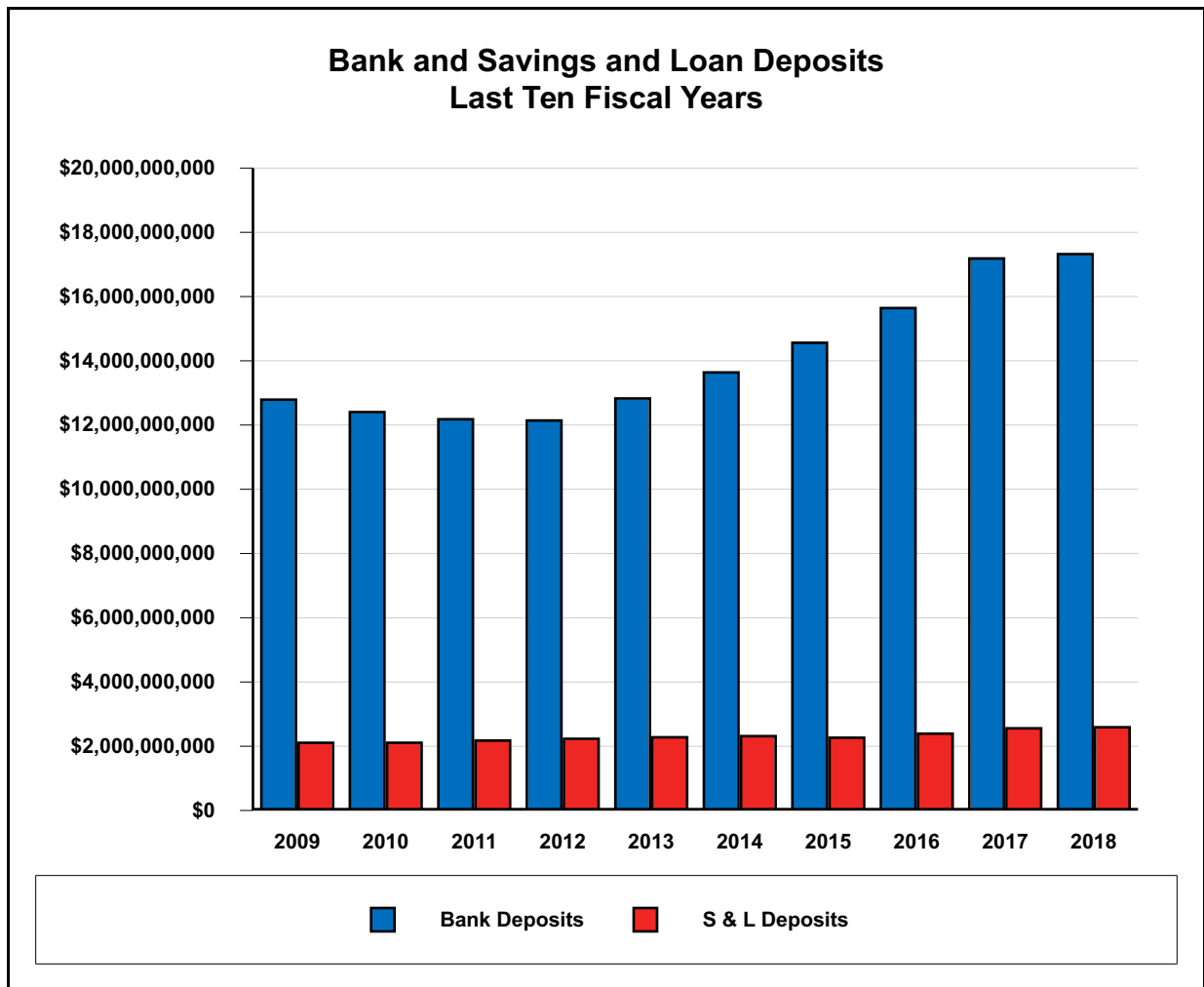
Year	Estimated Market Value Residential	Estimated Market Value Commercial	Assessed Value of New Residential Construction	Assessed Value of New Commercial Construction	Number of Residential Units	Number of Commercial Units
2018	\$ 706,209,580	\$ 354,320,330	\$ 81,383,106	\$ 88,580,051	2,218	189
2017	901,409,300	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



Source: Johnson County Appraiser

Johnson County, Kansas
Bank and Savings and Loan Deposits
Last Ten Fiscal Years

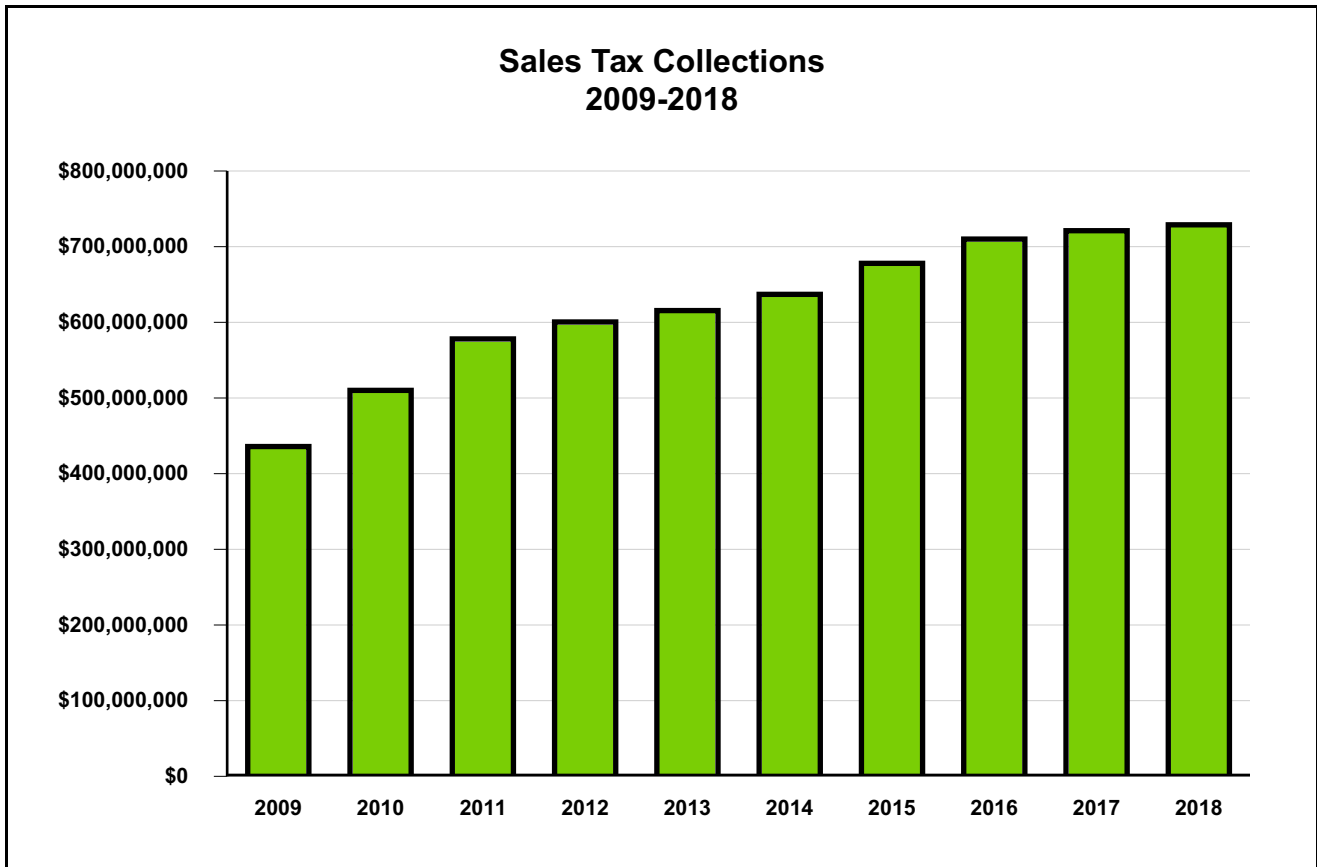
Year	Commercial Banks (1)		Savings & Loan Associations (1)	
	Number of Institutions	Deposits at June 30	Number of Offices	Deposits at June 30
2018	55	\$ 17,361,000,000	25	\$ 2,631,000,000
2017	55	17,226,000,000	26	2,598,000,000
2016	58	15,682,000,000	25	2,432,000,000
2015	58	14,601,000,000	26	2,305,000,000
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



(1) Federal Deposit Insurance Corporation.

Johnson County, Kansas
Gross Sales and Sales Tax Collections
Last Ten Fiscal Years

Year	Gross Sales	Increase (Decrease) Over 2009 Base	Increase (Decrease) Over Previous Year	Sales Tax Collections	Increase (Decrease) Over 2009 Base	Increase (Decrease) Over Previous Year
2018	\$ 21,069,978,069	28.49%	4.49%	\$ 732,390,863	66.69%	1.07%
2017	20,164,576,414	22.97%	0.40%	724,610,436	64.92%	1.55%
2016	20,084,092,444	22.48%	-1.28%	713,544,502	62.40%	4.70%
2015	20,344,258,077	24.06%	4.04%	681,485,916	55.11%	6.40%
2014	19,554,559,954	19.25%	6.90%	640,502,450	45.78%	3.46%
2013	18,291,596,707	11.55%	2.78%	619,060,573	40.90%	2.50%
2012	17,797,465,950	8.53%	0.69%	603,983,852	37.47%	3.85%
2011	17,676,256,038	7.79%	2.31%	581,574,152	32.37%	13.23%
2010	17,277,764,708	5.36%	5.36%	513,604,956	16.90%	16.90%
2009	16,398,273,736			439,369,571		



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, 2018

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 (Based On Most Recent 2016 Data Available)
Excludes government employees and self-employed individuals.

2018 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	19.024	96	Lane	103.440
2	Sedgwick	29.383	97	Smith	103.476
3	Pottawatomie	29.983	98	Morton	104.589
4	McPherson	31.414	99	Rush	106.002
5	Brown	31.938	100	Elk	109.095
6	Butler	34.274	101	Commanche	111.036
7	Grant	36.161	102	Hodgeman	115.030
8	Rice	37.072	103	Hamilton	116.172
9	Leavenworth	37.112	104	Greeley	136.237
10	Saline	38.437	105	Stanton	143.238

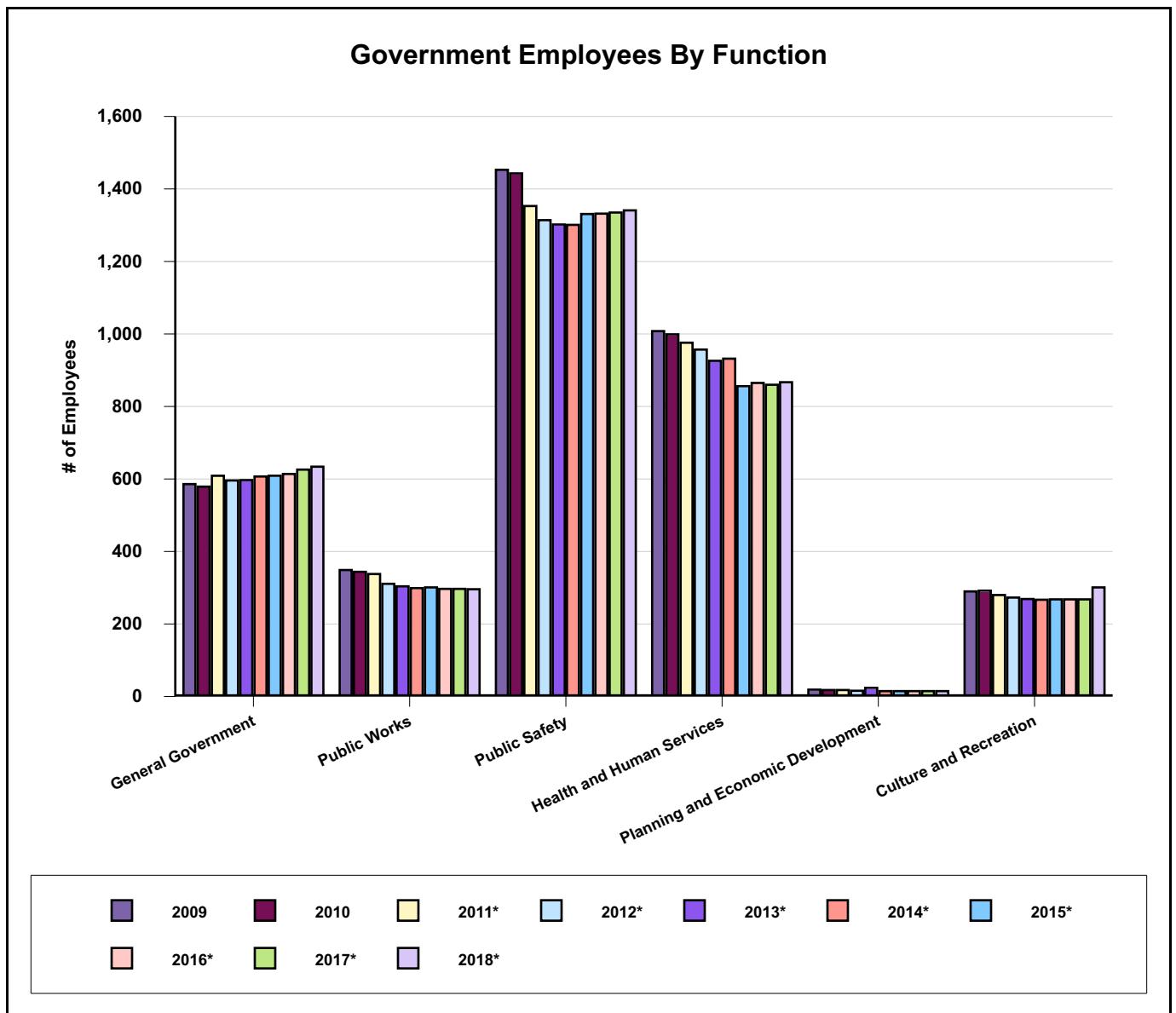
Source: League of Kansas Municipalities

* Per \$1,000 assessed valuation

(1) Taxes levied in 2018 are due December 20, 2018 but may be paid 50% by December 20, 2018 and 50% by May 10, 2019.

Johnson County, Kansas
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	2009	2010	2011*	2012*	2013*	2014*	2015*	2016*	2017*	2018*
General Government	589	582	612	599	600	610	612	617	629	637
Public Works	352	347	341	314	307	302	304	300	300	299
Public Safety	1,456	1,446	1,356	1,317	1,305	1,304	1,334	1,335	1,338	1,344
Health and Human Services	1,011	1,002	979	960	929	935	859	868	863	870
Planning and Economic Development	22	21	21	19	27	18	18	18	18	18
Culture and Recreation	293	295	283	276	272	270	271	271	271	304
Total	3,723	3,693	3,592	3,485	3,440	3,439	3,398	3,409	3,419	3,472

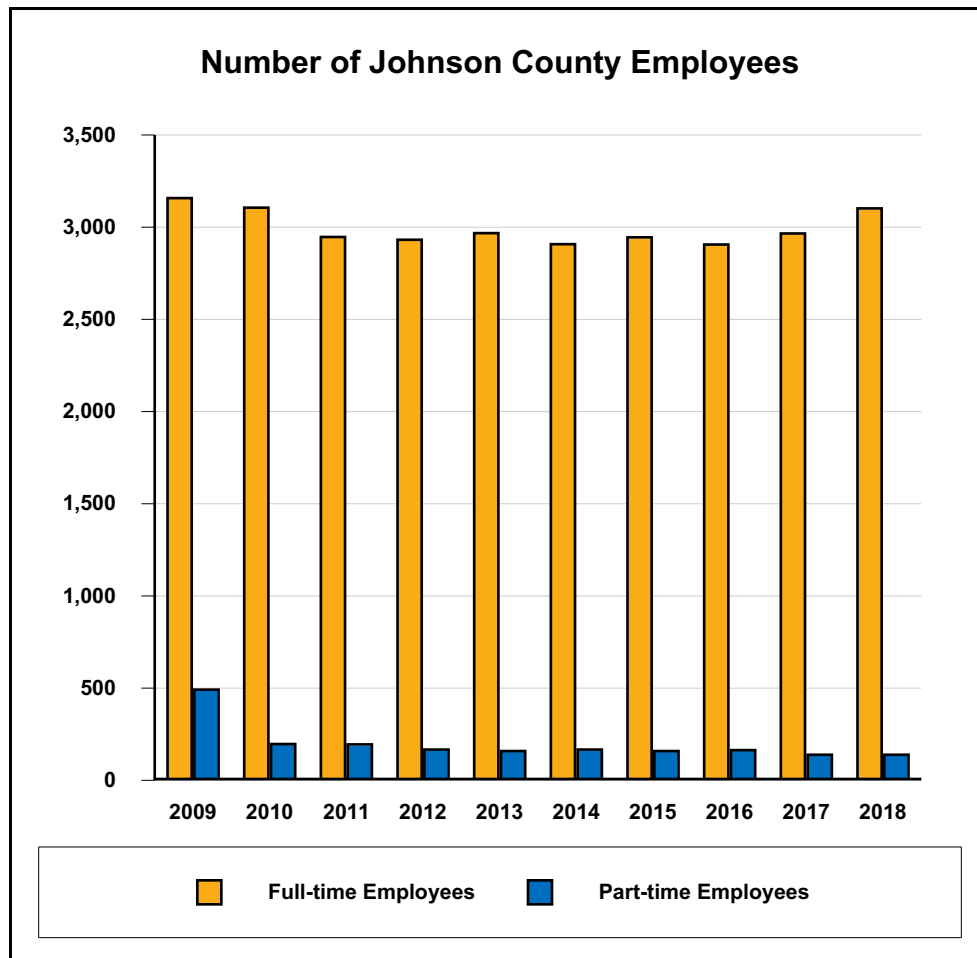


*Twenty unfunded FTE positions have been added to the annual budget for countywide use since 2011. These additional FTE's are reset each budget cycle so there is no cumulative effect. For years 2011-2014 the additional FTE's were reported under "Planning and Economic Development". Beginning in 2015 the 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

Year	Number of Johnson County Full-time Employees	Number of Johnson County Part-time Employees
2018	3,109	168
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



Source: Johnson County Payroll System.

Johnson County, Kansas
County Road System
and
Johnson County Wastewater Statistics
December 31, 2018

County Road System

Pavement		Area
Hard surface	235 miles	480 square miles
Gravel surface	168 miles	
Total miles:	<u>403 miles</u>	

Source: Johnson County Public Works

Johnson County Wastewater

Sewer District	Footage of Sewer Line		Sewer Permits	
	Added in	Total	Issued in	Total
	2018		2018	
Blue River Main	59,588	1,747,166	522	16,349
Douglas L Smith/Middle Basin	2,696	968,237	26	11,234
Kansas City, Missouri	2,961	2,152,754	19	1,645
Mill Creek Regional	47,968	2,934,890	507	21,689
Mission Main	141	1,388,116	12	18,895
New Century Air Center	1,644	152,386	25	834
Tomahawk	4,708	1,584,976	93	36,377
Turkey Creek	1,670	1,298,731	16	16,998
TOTAL	<u>121,376</u>	<u>12,227,256</u>	<u>1,220</u>	<u>124,021</u>

Source: Johnson County Wastewater

Johnson County, Kansas
Summary of Insurance in Force
December 31, 2018

Company	Term	Coverage	Liability
Factory Mutual Ins. Co.	01/01/18 - 01/01/19	Real and personal property, boiler & machinery, and all other physical assets (blanket limit)	\$ 750,000,000
Nova Casualty Company	01/01/18 - 01/01/19	Law Enforcement Professional Liability – Sheriff's Operations (1)	1,000,000
Nova Casualty Company	01/01/18 - 01/01/19	Law Enforcement Professional Liability – Sheriff's Operations (2)	2,000,000
Nova Casualty Company	04/12/18 - 04/12/19	Premises & Professional Liability - Dept of Corrections Adult Services (1)	500,000
Nova Casualty Company	04/12/18 - 04/12/19	Premises & Professional Liability - Dept of Corrections Adult Services (2)	1,000,000
Nova Casualty Company	07/01/18 - 07/01/19	Premises & Professional Liability – Dept of Corrections Juvenile Detention (1)	1,000,000
Nova Casualty Company	07/01/18 - 07/01/19	Premises & Professional Liability – Dept of Corrections Juvenile Detention (2)	2,000,000
Self-Insured	01/01/18 - 01/01/19	Workers' Compensation & Employers Liability (3)	500,000
Safety National Casualty Corp.	01/01/18 - 01/01/19	Workers' Compensation Specific Excess - Self-Insured Retention	Statutory Limit
Safety National Casualty Corp.	01/01/18 - 01/01/19	Employers' Liability (3)	1,000,000
Hartford Fire Ins. Group	08/26/18 - 08/26/19	Public Official Bond - County Treasurer	1,750,000
Liberty Mutual Ins. Co.	09/01/18 - 09/01/19	Public Official Bond - Health Officer	1,000
Liberty Mutual Ins. Co.	11/15/18 - 11/15/19	Public Official Bond - County Engineer	2,500
Liberty Mutual Ins. Co.	01/14/18 - 01/14/19	Public Official Bond - Sheriff	10,000
Hartford Fire Ins. Co.	01/01/18 - 01/01/19	Public Employees Blanket Bond & Faithful Performance Bond (1)	1,500,000
Hartford Fire Ins. Co.	01/01/18 - 01/01/19	Crime - Theft Disappearance and Destruction (1)	2,000,000
Travelers	01/01/18 - 01/01/19	Fiduciary Liability (1)	1,000,000
Philadelphia Ins. Co.	01/01/18 - 01/01/19	Premises & Professional Liability - JCDS (1)	1,000,000
Philadelphia Ins. Co.	01/01/18 - 01/01/19	Premises & Professional Liability – JCDS (2)	3,000,000
Philadelphia Ins. Co.	01/01/18 - 01/01/19	Premises & Professional Liability - Adolescent Center for Treatment (1)	1,000,000
Philadelphia Ins. Co.	01/01/18 - 01/01/19	Premises & Professional Liability - Adolescent Center for Treatment (2)	3,000,000
Old Republic Ins. Co.	01/01/18 - 01/01/19	Airport Liability (1),(2)	10,000,000
Genesis Ins. Co.	01/01/18 - 01/01/19	Excess Automobile Liability - Self-Insured Retention: \$350,000 (3),(4)	500,000
Genesis Ins. Co.	01/01/18 - 01/01/19	Excess General Liability - Self-Insured Retention: \$350,000 (1),(3)	500,000
Genesis Ins. Co.	01/01/18 - 01/01/19	Excess General Liability - Self-Insured Retention: \$350,000 (2)	1,000,000
Genesis Ins. Co.	01/01/18 - 01/01/19	Public Officials E&O incld – Employment Practices Liability Self-insured Retention: \$350,000 (1)	1,000,000
Genesis Ins. Co.	01/01/18 - 01/01/19	Public Officials E&O incld – Employment Practices Liability Self-insured Retention: \$350,000 (2)	2,000,000
Philadelphia Ins. Co.	01/01/18 - 01/01/19	Professional Liability - Mental Health (1)	1,000,000
Philadelphia Ins. Co.	01/01/18 - 01/01/19	Professional Liability - Mental Health (2)	3,000,000
Medical Protective Co.	01/01/18 - 01/01/19	Professional Liability - Dept of Health & Environment(1)	1,000,000
Medical Protective Co.	01/01/18 - 01/01/19	Professional Liability - Dept of Health & Environment (2)	3,000,000
Evanston Ins. Co.	01/01/18 - 01/01/19	Switch Engine Physical Damage	1,089,312
Steadfast Ins. Co.	01/01/18 - 01/01/19	Switch Engine Liability (1)	1,000,000
Steadfast Ins. Co.	01/01/18 - 01/01/19	Switch Engine Liability (2)	3,000,000
Axis Surplus Ins. Co.	01/01/18 - 01/01/19	Data Security/Cyber Liability (1),(2)	1,000,000
Ace American Ins. Co.	04/04/18 - 04/04/19	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