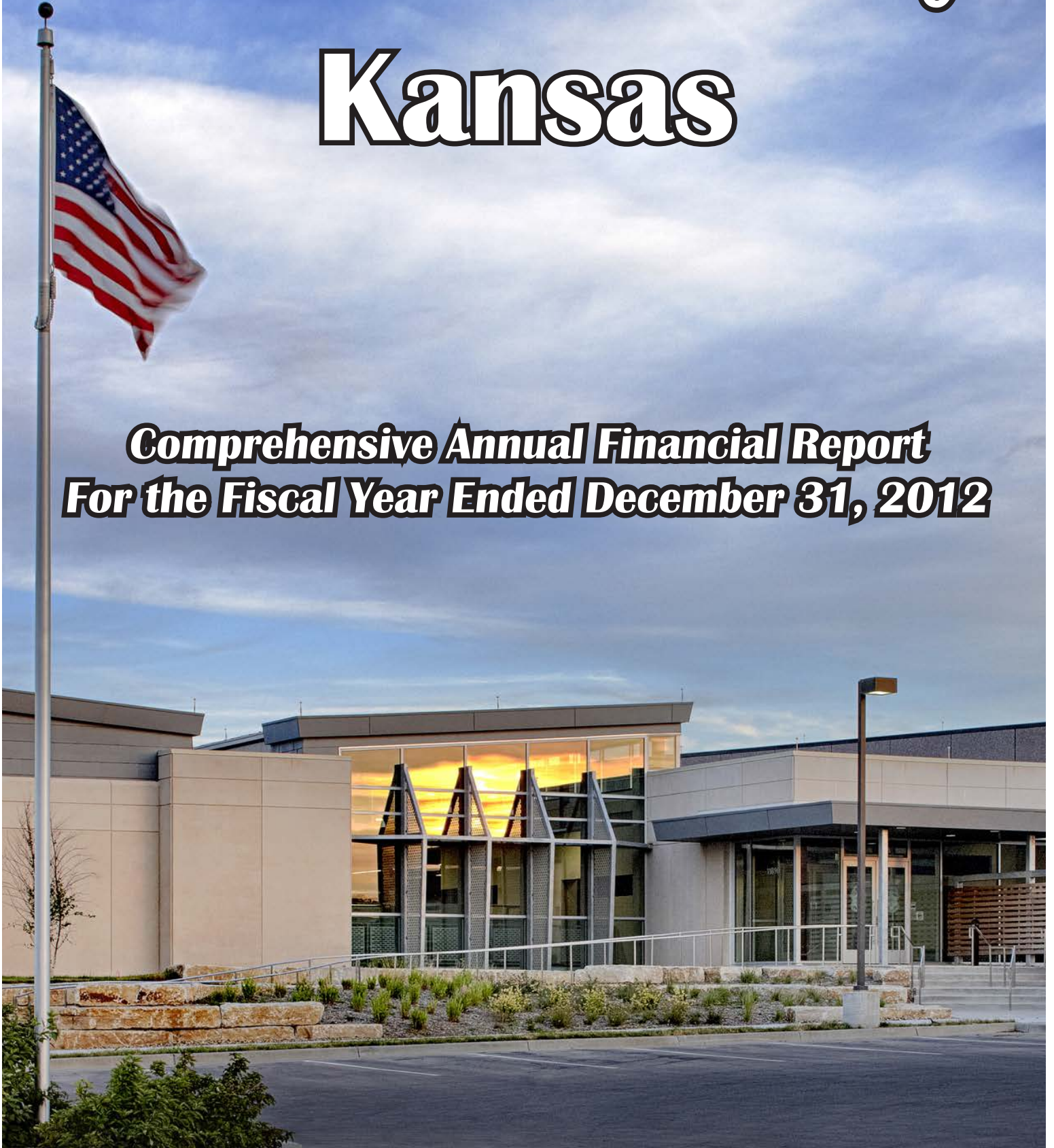


# **Johnson County**

# **Kansas**

***Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2012***



## ABOUT THE COVER



**Criminalistics Laboratory**

**The Criminalistics Laboratory was dedicated in March 2012 by the Johnson County Sheriff's Office. At the dedication of the Crime Lab, Sheriff Frank Denning said, "Forensic science is the future of law enforcement and with this facility we not only will continue to keep our community safe through the latest technology and expertise but also continue to be the national model for forensic sciences."**

**The Crime Lab, accredited by ASCLD/LAB-International, provides forensic science services to all law enforcement agencies within Johnson County, including approximately 26 Johnson County police and fire departments. The project was funded by revenue from a quarter-cent sales tax for public safety uses approved by Johnson County voters in 2008. The new state-of-the-art, two-story Criminalistics Laboratory features nine specialized laboratories.**

**Johnson County has applied for LEED Platinum certification from the United States Green Building Council for the new public safety facility. LEED Platinum certification is the highest rating a building can achieve under the council's Leadership Energy and Environmental Design (LEED) Green Building System. LEED certification is the nationally accepted benchmark for the design, construction, and operation of high performance sustainable buildings.**



**JOHNSON COUNTY, KANSAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the year ended**  
**December 31, 2012**

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



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## Johnson County, Kansas For the year ended December 31, 2012

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# **INTRODUCTORY SECTION**



June 10, 2013

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, 2012. 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 unqualified opinion that the financial statements of the County for the fiscal year ended December 31, 2012, 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 477 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 five agency governing boards: Airport Commission; Developmental Supports Board; Library Board; Mental Health Board; and the Parks and Recreation District Board. The governing boards for these five agencies are responsible for a number of items, including the appointment and direction of an Executive Director for their respective agency and the submission by each agency of an annual budget request to the Board of County Commissioners.

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

## **THE FINANCIAL REPORTING ENTITY**

This CAFR includes the financial activities of the primary government, which also encompasses several enterprise activities, and the financial activities of the County's

component units. Component units are legally separate entities for which the primary government is financially accountable, and/or legally separate organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the County's financial statements to be misleading or incomplete.

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

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

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

### **Budgetary Information**

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

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

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

### **Local Economy**

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

successfully compete with the nation's other premier business locations, attracting investment from throughout the world.

Johnson County's population has grown dramatically in the recent decades and has become the state's largest county with an estimated population of approximately 559,000 in 2012. 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 1,100 residents per square mile.

Between 2003 and 2012, the number of full and part-time jobs increased from 290,619 to 296,704 - a 2.1% increase. At the end of 2012, Johnson County's civilian labor force totaled 283,455 members and the unemployment rate was 5.2%, as compared to the national unemployment rate of 8.1%.

The number of businesses with payroll employment in the County grew from 16,281 establishments in 2003 to 17,033 in 2012 - an increase of 752 businesses or 4.6%. At this pace, Johnson County adds 75 new businesses annually or 6.3 per month. Numerous Fortune 1,000 companies have located offices in the greater Kansas City area, with a few headquartered in Johnson County, including Sprint Nextel Corporation.

Over \$603 million dollars in Kansas State sales tax was collected in Johnson County. This amounted to approximately 25% of the state's total revenue from this source.

In 2012, Johnson County had the highest assessed valuation in the State of Kansas. However, the assessed valuation for Johnson County decreased .417% from the previous year. This downturn in assessed valuations is only the third time in Johnson County's history to show a decline in valuations. The County saw a slight increase in 2011 after two previous years of decline in assessed valuations. Wealth levels and housing values still exceed state averages as Johnson County continues to weather the national recession.

Johnson County has the lowest mill levy rate of all 105 counties in Kansas. The Board of County Commissioners was successful in maintaining a constant mill levy for 2012. The second lowest county in terms of mill levy rate is almost 50 percent higher than the 17.717 mills levied in Johnson County.

### **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.

The fiscal year 2013 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 2013 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 FY2013 budget accomplishes two of the Board's highest fiscal priorities: (1) maintain a constant mill levy for FY 2013 and (2) position the County to eliminate its remaining structural deficit in FY 2014.

The Board's first goal is to be "responsible stewards of the taxpayers' money." The 2013 budget was adopted with a total mill levy of 23.209. The mill levy broken down by taxing

district is 17.717 for Johnson County, 3.149 for the Library, and 2.343 for the Park and Recreation District. The Board is also committed to funding continuing operating expenditures with on-going revenue sources, to maintaining sufficient General Fund reserves for unanticipated and unusual circumstances, and to estimating revenues conservatively to avoid budget shortfalls.

The second goal for the Board is to “provide the best possible mandatory and discretionary services.” Providing quality services to residents is at the heart of what makes Johnson County government an excellent organization. The FY 2013 Budget continues to meet the needs of the community, while planning for the future. Preserving the quality of services provided was one of the guiding principles behind the development of the FY2013 Budget. Every effort was made to preserve the quality and level of services when budget reductions were considered.

The Board’s third goal is to “build a Community of Choice where people want to live and work.” The Board’s commitment to this goal is demonstrated by allocating \$12.7 million to the County Assistance Road System (CARS), a joint partnership with local cities in 2013. The County has contributed over \$72 million to this successful partnership with the cities during the past five years. Continued support to public libraries and park and recreation activities are secure in the FY 2013 Budget as well. The Park and Recreation District mill levy remained constant at 2.343, and the Library District mill levy remained at 3.149 mills.

The fourth goal for the Board is to “empower employee innovation and productivity.” Maintaining adequate employee compensation and benefits during a slowed economy and during a time when departments are asked to reduce budgets is not an easy task. Johnson County recognizes that its employees are its greatest asset. Merit based pay increases were not given in fiscal year 2009, halved in 2010 and postponed in 2011 due to budget constraints. The 2012 budget allocated funds for a modest 1.5% merit increase pool for employees while the 2013 budget provides a merit pool of 2.5%. The 2013 budget also includes a recommendation to allocate \$30.8 million for the employer contribution to the Health Care Fund, along with some plan design changes which should result in no 2013 employee contribution rate increases. The County’s benefits program continues to place an increased emphasis on wellness programs, which have been shown to reduce costs in the long range.

As a result of the past few years of reducing the overall workforce at the County, current priorities going forward include retaining core service area staff, managing workload concerns, addressing morale issues and stemming healthcare costs. The pace of recovery is slow and the County continues to take a cautious approach to filling only positions deemed essential for service delivery.

The long-term financial forecast presents a number of challenges for Johnson County. The County’s tax base is forecasted to decrease slightly in 2013 after a relatively small increase in 2012, preceded by two years of decreases in 2010 and 2011. The reduction in 2013 is due to State legislation which decreased the personal property portion of assessed valuation, and countywide declines in value in the residential and commercial real estate market. Management of the County is optimistic that the largest revenue source, property taxes, will hit bottom sometime in 2013 and will then recover slowly to pre-recession levels over the next four to five years.

The multi-year projections show a constant mill levy of 23.209 mills for FY 2013 through FY 2017. This is accomplished through use of carryover of \$5.4 million in 2013. Original projections in the 2013 budget called for the use of \$7.1 million of carryover in 2014. However, improved revenue projections have eliminated the need for budget reductions

and the use of carryover for FY 2014. Use of carryover as projected would reduce fund balances to their required minimum levels plus some additional margin to allow for potential revenue volatility, including future budgetary actions at the State level. Revised projections indicate that over the next five years, a balanced budget will be obtained for the FY 2014 to FY 2018 budgets, assuming no significant changes to legislation that would impact County expenditures.

For the 2013 budget preparation cycle, the County implemented a new program to solicit citizen input on budgetary issues. A budget simulator was designed and posted on the County's website. Citizens were invited to provide input on various County services and how they would rank them. Additionally, the County held a series of focus groups throughout the County to get additional feedback from the community. While the focus of the citizen engagement process was to determine which services citizens viewed as high priorities, it also gave insight into respondents' underlying values. Looking forward, it will be critical for County government to stay in tune with the overall values and standards of the community.

### **Relevant Financial Policies**

The County's policy is to fund on-going expenditures with on-going revenues. For 2013, the adopted General Fund budget includes the use of reserves to balance the operating budget. This use of reserves to balance the budget is a temporary measure that is available due to the significant fund balance in the General Fund. Even with the use of reserves, the projected fund balance for the year ending December 31, 2013 is anticipated to be approximately \$66.4 million, or 26% of the General Fund revenues (excluding intra-fund transfers and the General Fund cost allocations), exceeding County policy of a reserve calculated to be from 20% to 25% of revenues.

Recently, the Board of County Commissioners approved a revised Reserves Policy that will take effect for 2013. This new policy is expected to generate a reserve amount that ranges between 20% and 25% of estimated annual General Fund net revenues. This will account for fluctuations throughout the year and will address the recent changes in rating agency criteria.

### **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, 2011. This was the twenty-fifth 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 2012 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, 2013. The County has received this award twenty-three 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: Deputy Director Kevin Hiskey, Accounting and Financial Reporting Manager Nancy Torneden, Senior Accountants Jim Longmire, Julie Highfill, and Lisa Yu and Accountants Jerry Verhulst, and Gary Doggett and Cash Manager Tom Robben; for their hours of commitment to excellence. We would also like to acknowledge the accounting firm of Allen, Gibbs & Houlik, L.C. for their review and comments in the preparation of this report.

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

Hannes Zacharias  
County Manager



# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



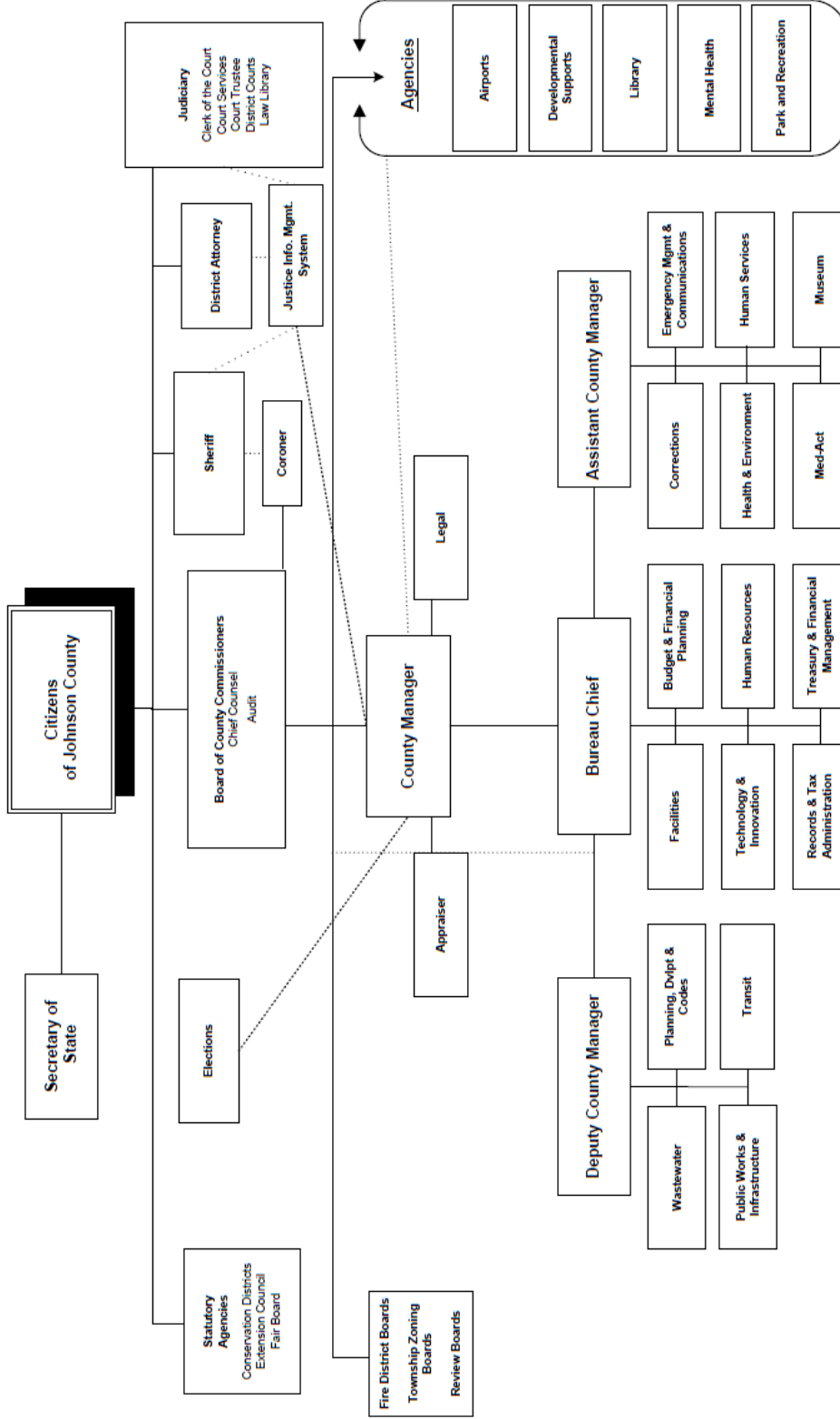
*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director

Johnson County Organization Chart



# Elected Officials

As of December 31, 2012

<b><u>Board of County Commissioners</u></b>	<b><u>Length of Service</u></b>	<b><u>Term Expires</u></b>	<b><u>Position</u></b>
Ed Eilert	5 years	2015	Chairman
C. Edward Peterson	9 years	2015	1st District
James P. Allen	3 years	2013	2nd District
David A. Lindstrom	9 years	2013	3rd District
Jason L. Osterhaus	1 year	2015	4th District
Michael L. Ashcraft	1 year	2015	5th District
Calvin Hayden	3 years	2013	6th District

## **Elected Officials**

Frank Denning	7 years	2013	Sheriff
Stephen M. Howe	3 years	2013	District Attorney

# Appointed Officials

## as of December 31, 2012

Appointed Officials	Position	Length of Service to Johnson County	Other Government Service
Hannes Zacharias	County Manager	11 years	23 years
Penny Postoak Ferguson	Deputy County Manager	3 years	8 years
Don Jarrett	Director of Legal Services/Chief Counsel	27 years	
Ted McFarlane	Chief of Emergency Medical Service	12 years	26 years
Paul Welcome	County Appraiser	21 years	11 years
Bill Miller	County Auditor	8 years	39 years
Sean Casserley	County Librarian	7 months	
Scott Neufeld	Director of Budget and Financial Planning	18 years	7 years
Elizabeth Gillespie	Director of Corrections	6 years	33 years
Walt Way	Director of Emergency Management & Communications	40 years	
Joe Waters	Director of Facilities	18 years	5 years
Lougene Marsh	Director of Health and Environmental	4 years	25 years
Becky Salter	Director of Human Resources	5 years	10 years
Deborah Collins	Director of Human Services	27 years	
Mindi Love	Director of Museum	14 years	4 years
Michael Meadors	Director of Parks and Recreation	27 years	4 years
Dean Palos	Director of Planning	24 years	10 years
Brian Pietig - Interim	Director of Public works & Infrastructure/County Engineer	13 years	1.5 years
John Bartolac	Director of Records and Tax Administration	19 years	11 years
Paul Haugan	Director of Technology & Innovation	6 months	10 years
Alice M. Amrein	Director of Transportation	24 years	1 year
Tom Franzen	Director of Treasury and Financial Management/County Treasurer	14 years	
Brian Newby	Election Commissioner	8 years	7 years
Lee Metcalfe	Executive Director of Airports	24 years	4 years
Maury Thompson	Executive Director of Developmental Supports	21 years	2 years
Maureen Womack	Executive Director of Mental Health	1 year	
John O'Neil	Wastewater General Manager	24 years	8 years

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# **FINANCIAL SECTION**

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

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Johnson County, Kansas

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Johnson County, Kansas (County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Johnson County, Kansas, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

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

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

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

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

June 10, 2013  
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, 2012. 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 \$690,991,846 (net position). Of this amount, \$213,405,246 (unrestricted net position) may be used to meet the County's on-going obligations to citizens and creditors.
- The County's total net position increased by \$31,044,269 during the fiscal year.
- As of December 31, 2012, the County's governmental funds reported combined ending fund balances of \$215,500,988. Approximately 80 percent of this total amount, \$172,339,129, 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 \$93,186,749 or 35 percent of total general fund expenditures of \$265,913,192. Approximately 85 percent of this total amount, \$79,414,779 is available to meet the County's current and future needs.
- The County's investment in capital assets net of accumulated depreciation increased by \$31,687,751 or 4 percent.
- The County's total long-term debt increased by \$27,854,998 (6 percent) during the current fiscal year. This was due to the issuance of debt for various Unified Wastewater projects.

### 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 an airport, wastewater treatment, transportation operations and the Public Building Commission.

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

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

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into the following three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements (i.e., most of the County's basic services are reported in governmental

funds). However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances both provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

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

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

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

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 on OPEB obligations.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Johnson County's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets:</b>						
Current and other assets	\$ 424,474,431	\$ 427,391,714	\$ 168,060,738	\$ 164,380,524	\$ 592,535,169	\$ 591,772,238
Capital assets	180,983,266	180,630,572	726,707,756	695,372,699	907,691,022	876,003,271
Total assets	605,457,697	608,022,286	894,768,494	859,753,223	1,500,226,191	1,467,775,509
Deferred Outflow s	34,175	-	2,732,984	-	2,767,159	-
<b>Liabilities:</b>						
Long-term liabilities outstanding	42,671,980	38,315,916	554,904,481	517,719,196	597,576,461	556,035,112
Other liabilities	38,360,314	192,541,493	19,673,526	59,251,327	58,033,840	251,792,820
Total liabilities	81,032,294	230,857,409	574,578,007	576,970,523	655,610,301	807,827,932
Deferred Inflow s	149,336,565	-	7,054,638	-	156,391,203	-
<b>Net position:</b>						
Net investment in capital assets	169,788,763	169,561,067	261,009,918	245,440,082	430,798,681	415,001,149
Restricted	41,550,230	51,984,899	5,237,689	2,937,327	46,787,919	54,922,226
Unrestricted	163,784,020	155,618,911	49,621,226	34,405,291	213,405,246	190,024,202
Total net position	\$ 375,123,013	\$ 377,164,877	\$ 315,868,833	\$ 282,782,700	\$ 690,991,846	\$ 659,947,577

**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 \$690,991,846 at the close of the current fiscal year.

The largest portion of the County's net position (62 percent) reflects its investment of \$430,798,681 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, \$46,787,919 (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$213,405,246 (31 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

As stated earlier, at the end of the current fiscal year, the County is able to report an increase in total net position of \$31,044,269. The following table reflects the revenues and expenses for the County's activities for the year ended December 31, 2012, and illustrates the comparison between 2012 and the prior year:

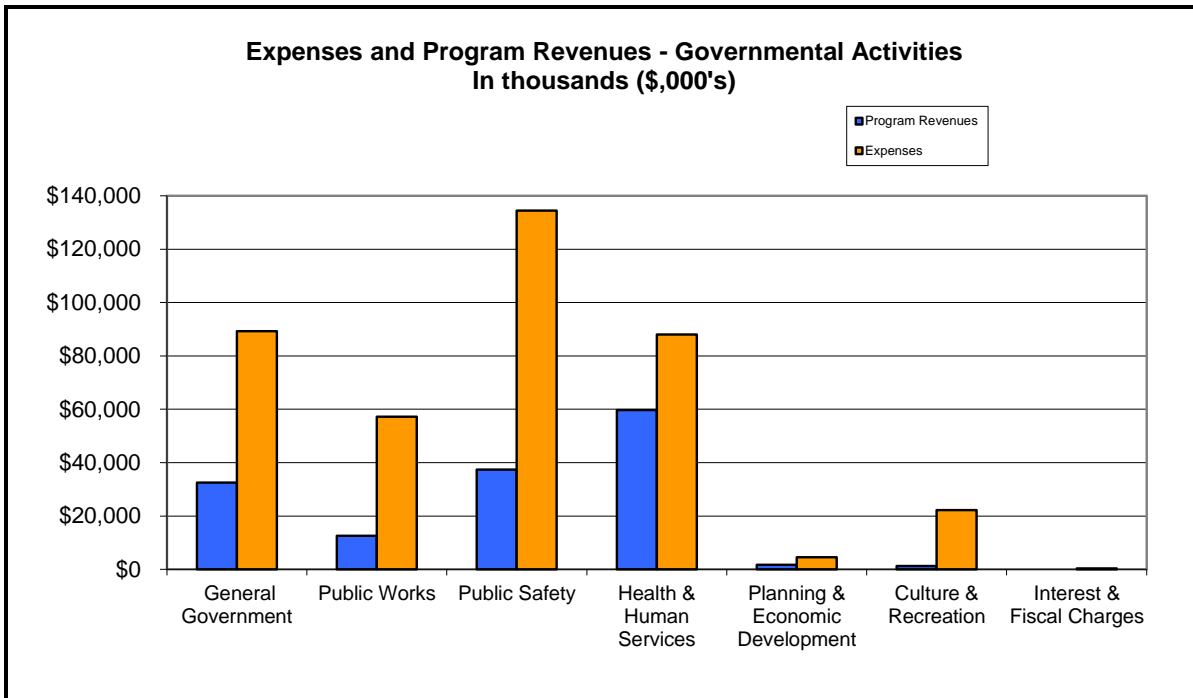
<b>Johnson County's Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 100,892,823	\$ 96,803,304	\$ 118,206,182	\$ 102,341,174	\$ 219,099,005	\$ 199,144,478
Operating grants and contributions	43,176,763	44,051,060	5,508,995	10,870,046	48,685,758	54,921,106
Capital grants and contributions	1,090,021	600,946	9,062,916	2,042,248	10,152,937	2,643,194
<b>General revenues:</b>						
Property taxes	172,891,220	171,345,442	1,562	-	172,892,782	171,345,442
Sales taxes	64,721,509	63,692,635	-	-	64,721,509	63,692,635
Other taxes	3,748,232	1,192,532	-	-	3,748,232	1,192,532
Unrestricted investment earnings	2,428,183	5,943,838	170,818	1,753,568	2,599,001	7,697,406
Miscellaneous	9,453,724	7,886,283	-	43	9,453,724	7,886,326
Total revenues	398,402,475	391,516,040	132,950,473	117,007,079	531,352,948	508,523,119
<b>Expenses, net of indirect cost allocation:</b>						
General government	89,260,248	95,017,843	-	-	89,260,248	95,017,843
Public works	57,263,096	40,142,917	-	-	57,263,096	40,142,917
Public safety	134,415,158	130,269,355	-	-	134,415,158	130,269,355
Health and human services	88,050,197	91,043,276	-	-	88,050,197	91,043,276
Planning and economic development	4,539,943	5,833,935	-	-	4,539,943	5,833,935
Culture and recreation	22,176,410	22,622,847	-	-	22,176,410	22,622,847
Interest on long term debt	372,224	436,366	-	-	372,224	436,366
Airport	-	-	4,751,998	5,472,916	4,751,998	5,472,916
Unified wastewater district	-	-	71,307,574	65,773,781	71,307,574	65,773,781
Transportation	-	-	10,702,588	13,449,367	10,702,588	13,449,367
Public Building Commission	-	-	17,469,243	17,977,394	17,469,243	17,977,394
Total expenses	396,077,276	385,366,539	104,231,403	102,673,458	500,308,679	488,039,997
Increase (decrease) in net position before transfers	2,325,199	6,149,501	28,719,070	14,333,621	31,044,269	20,483,122
Transfers	(4,367,063)	(4,328,863)	4,367,063	4,328,863	-	-
Change in net position	(2,041,864)	1,820,638	33,086,133	18,662,484	31,044,269	20,483,122
Net position - 1/1/12	377,164,877	375,344,239	282,782,700	264,120,216	659,947,577	639,464,455
Net position - 12/31/12	\$ 375,123,013	\$ 377,164,877	\$ 315,868,833	\$ 282,782,700	\$ 690,991,846	\$ 659,947,577

## Analysis of Changes in Net Position.

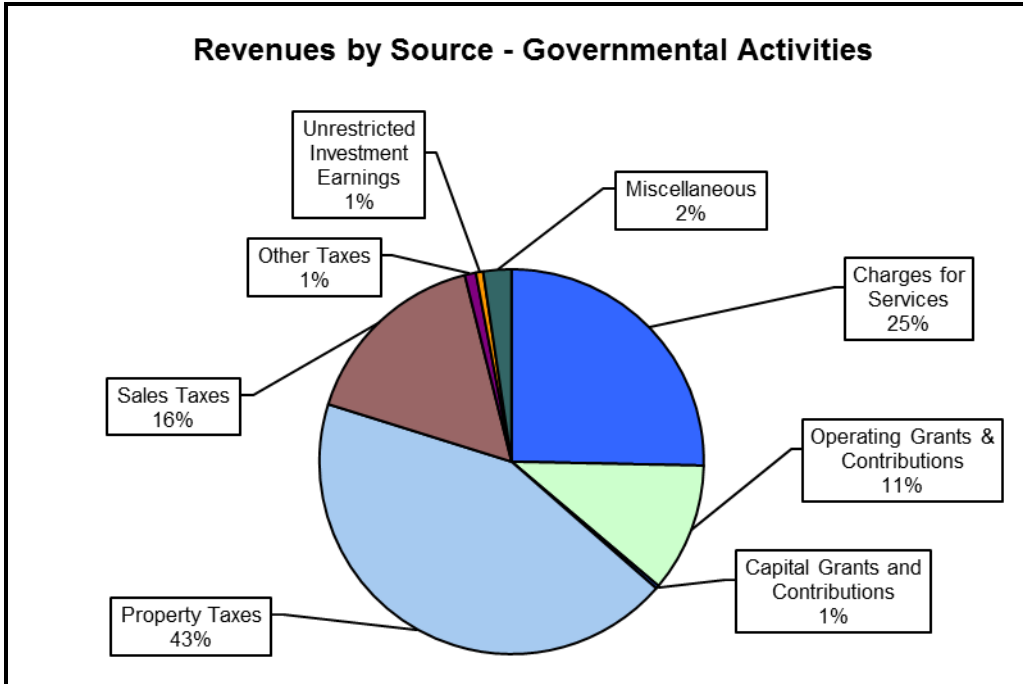
### Governmental Activities

During the current fiscal year, the County's net position related to governmental activities decreased by \$2,041,864. This decrease from the prior year is primarily due to increases in Public Works spending for capital outlay.

Total governmental expenses increased from 2011 to 2012. Expenses increased in the areas of public works and public safety. This is mainly due to increases in cost allocation of support services and maintenance of new facilities.





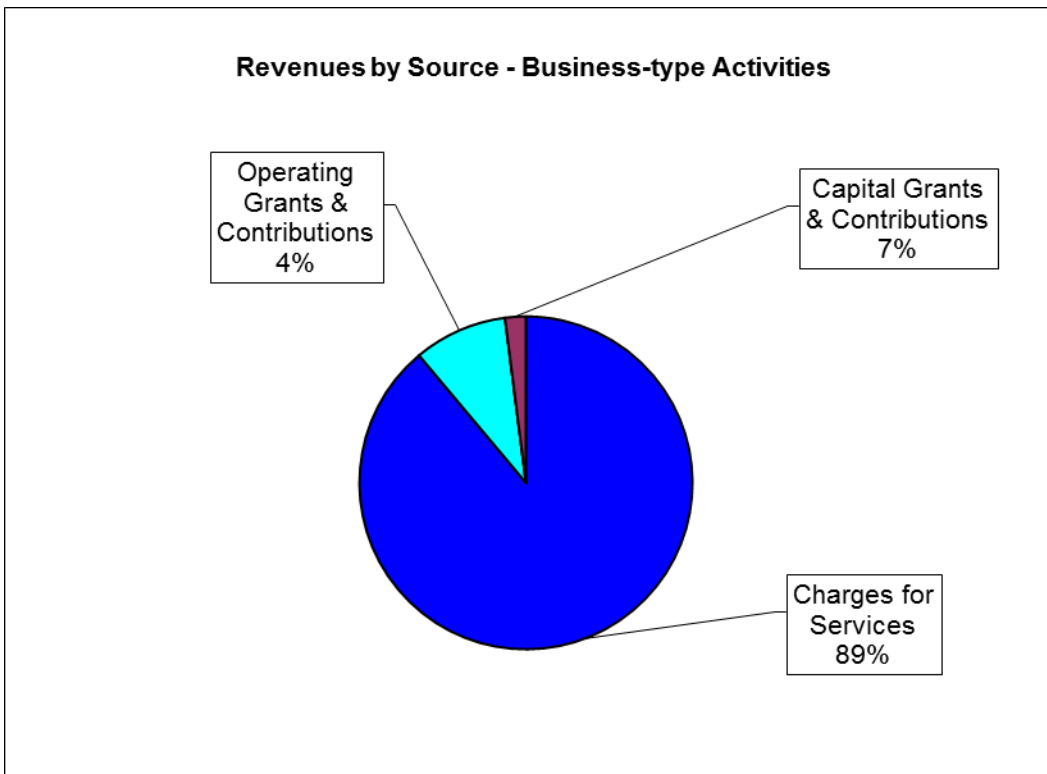
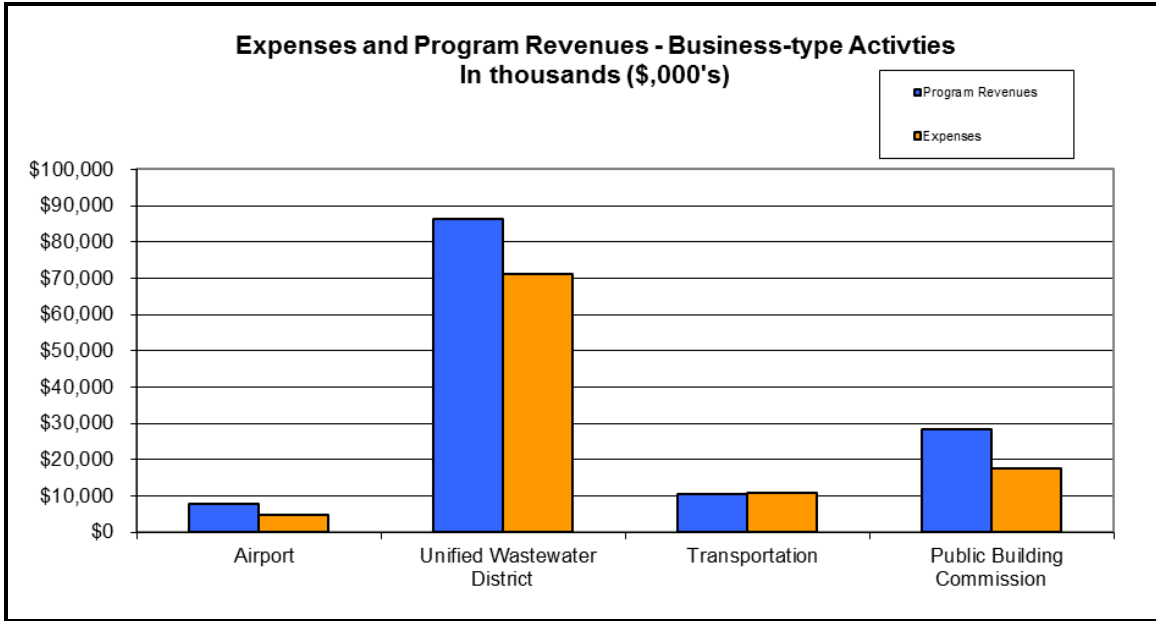


The chart above illustrates the County's governmental expenses and revenues by function, and revenues by source. As shown, public safety is the largest function in expense (34 percent), followed by general government (23 percent), health and human services (22 percent), and public works (14 percent). 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 (43 percent), followed by charges for services (25 percent) and sales taxes (16 percent).

### Business-type Activities

During the current fiscal year, the County's net position related to business-type activities increased by \$33,086,133, up from an increase of \$18,662,484 in net position for 2011. These increases are primarily the result of increased fees recorded in charges for services and increased capital grants received. Charges for services for business-type activities increased by 15.50%. The Public Building Commission accounts for a portion of the increase as building rents increased by approximately \$7.9M. Unified Wastewater District revenues were up approximately \$8.4M due to rate increases and increased usage.

Expenses increased only in the Unified Wastewater District, due to rising operating costs and increased depreciation expense.



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 \$215,500,988, an increase of \$4,552 from the prior year. Approximately 80% of this total amount, or \$172,339,129 constitutes fund balance that is available to meet the County's current and future needs. The remainder of the fund balance totaling \$43,161,859 is either non-spendable or restricted for specific spending; including \$1.6 million "not in spendable form" for items that are not expected to be converted to cash such as inventories and prepaid items, and \$41.6 million 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 \$79,414,779, while total fund balance was \$93,186,749. 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 percent of total general fund expenditures of \$265,913,192, while total fund balance represents 35 percent of that same amount.

The fund balance in the County's general fund has decreased by \$5,933,915 during the current fiscal year. Total revenue in the general fund was \$269 million, an increase of \$6.9 million over the previous year. Total expenditures increased in the areas of general government and public safety, but were still less than total revenues received. The decrease in fund balance is primarily due to the planned use of reserves.

The capital projects fund had an increase in fund balance of \$4,549,308 during the current fiscal year. This increase is due to the timing of capital project spending.

**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 \$49,621,226. The total increase in net position during the current fiscal year was \$33,086,133. This is largely due to the \$15,865,008 increase in the charges for services category.

The total change in net position for the Unified Wastewater District was \$14,492,335 and \$11,059,401 for the Public Building Commission, respectively. The increases in net position for the Unified Wastewater District and Public Building Commission are primarily due to the increases in charges for services.

## GENERAL FUND BUDGETARY HIGHLIGHTS

There was no variance between the original budget and the final budget. Actual revenues were below the final budget by \$2,533,966. Due to the County's effective budget controls expenditures were \$85,251,713 less than budgeted, which resulted in a positive variance of \$82,717,747 in the General Fund. A summary of the significant differences between budgetary estimates for revenues and expenditures is as follows:

- Tax revenue was \$5,442,209 more than anticipated due to the increase in sales and use tax revenues. This is due to a slight improvement in economic conditions.
- Intergovernmental revenues were \$4,469,513 less than expected as the County received fewer ARRA Federal Stimulus Funds and fewer block grants.
- Investment earnings were down \$3,795,227 due to reduced interest rates in the investment market.
- General fund reserves of \$65,552,158 remain available at the end of 2012.
- Actual expenditures increased by \$7,977,436 over the previous year. The most significant increase over the prior year was general government, \$7,445,638. This increase was primarily due to the cost allocation of support services.

## 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, 2012 amounted to \$907,691,022 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways and bridges.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 26,074,510	\$ 24,224,181	\$ 6,340,415	\$ 6,340,415	\$ 32,414,925	\$ 30,564,596
Buildings	55,053,013	57,538,837	307,035,006	218,099,957	362,088,019	275,638,794
Improvements other than buildings	2,932,063	3,021,363	210,697,474	226,788,624	213,629,537	229,809,987
Machinery and equipment	7,898,443	6,692,342	24,937,254	28,699,059	32,835,697	35,391,401
Infrastructure	35,646,725	39,037,661	2,017,362	2,066,871	37,664,087	41,104,532
Construction in progress	53,378,512	50,116,188	175,680,245	213,377,773	229,058,757	263,493,961
Total	\$ 180,983,266	\$ 180,630,572	\$ 726,707,756	\$ 695,372,699	\$ 907,691,022	\$ 876,003,271

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 debt outstanding of \$515,574,998. This amount was comprised of \$281,591,088 of general obligation and \$6,650,000 of special obligation debt backed by the full faith and credit of the County. Special Assessment debt in the amount of \$33,910 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).

<b>Johnson County's Outstanding Debt General Obligation and Revenue Bonds</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
General obligation bonds	\$ 1,790,000	\$ 2,790,000	\$ 279,801,088	\$ 239,281,245	\$ 281,591,088	\$ 242,071,245
Special obligation bonds	6,650,000	8,280,000	-	-	6,650,000	8,280,000
Special assessment debt	-	-	33,910	38,755	33,910	38,755
Revenue bonds	-	-	227,300,000	237,330,000	227,300,000	237,330,000
Total	\$ 8,440,000	\$ 11,070,000	\$ 507,134,998	\$ 476,650,000	\$ 515,574,998	\$ 487,720,000

The County's total long-term debt increased by \$27,854,998 during the fiscal year. This was due to the issuance of debt for various Unified Wastewater projects.

Johnson County is one of approximately 40 counties in the United States to earn the "Triple AAA" 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 three percent of its total assessed valuation. The current debt limitation for the County is \$634,977,376, which is significantly in excess of the County's outstanding general obligation debt. Detailed information on the County's debt limit can be found in the Statistical Section of this report.

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

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

Johnson County continues to be an attractive location for both families and businesses. According to the U.S. Census, the County's population increased from 486,943 in 2003 to 559,913 in 2012 (an increase of 72,970 or 15 percent). On average, the County's population grows by approximately 8,108 persons per year, or 676 per month. Unemployment rates are currently at 5.2% as compared to a national level of 8.1% and a state level of 5.7%.

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 2013. During the current year, the unrestricted fund balance in the general fund is \$79,414,779. The 2013 budget anticipated the use of approximately \$16.2 million of this fund balance to avoid the need to raise additional taxes. The Unified Wastewater District increased the capital finance charge by 7.25 percent and user fees by 6.75 percent, but maintained a constant rate for other fees for 2012.

## **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://treasurer.jocogov.org/fin/accounting.aspx>. Separately issued financial statements for the discretely presented component unit, the Parks and Recreation District, may be obtained at 7900 Renner Road, Lenexa, Kansas 66218.

# **BASIC FINANCIAL STATEMENTS**

**Johnson County, Kansas**  
**Statement of Net Position**  
December 31, 2012

	PRIMARY GOVERNMENT			Component Unit
	Governmental	Business Type	Total	Park and Recreation
	Activities	Activities		
<b>ASSETS</b>				
Deposits including investments	\$ 251,524,196	\$ 67,013,490	\$ 318,537,686	\$ 13,423,423
Receivables (net of allowance for uncollectibles):	171,361,877	14,212,923	185,574,800	17,951,410
Internal balances	(2,454,186)	2,454,186	-	-
Inventories	1,309,757	113,195	1,422,952	38,710
Prepays	414,365	33,692	448,057	137,796
Restricted cash and investments	2,318,422	84,233,252	86,551,674	8,661,473
Capital assets (net of accumulated depreciation):				
Land	26,074,510	6,340,415	32,414,925	56,447,183
Buildings	55,053,013	307,035,006	362,088,019	17,098,066
Improvements other than buildings	2,932,063	210,697,474	213,629,537	25,079,237
Machinery and equipment	7,898,443	24,937,254	32,835,697	1,545,450
Infrastructure	35,646,725	2,017,362	37,664,087	423,139
Construction in progress	53,378,512	175,680,245	229,058,757	274,213
<b>TOTAL ASSETS</b>	<b>605,457,697</b>	<b>894,768,494</b>	<b>1,500,226,191</b>	<b>141,080,100</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized portion of refunding gain	34,175	2,732,984	2,767,159	742,255
<b>LIABILITIES</b>				
Accounts payable	15,141,968	9,950,221	25,092,189	394,364
Salaries and wages payable	5,986,853	431,321	6,418,174	-
Accrued liabilities	10,203,341	44,091	10,247,432	431,139
Interest payable	106,424	6,873,089	6,979,513	539,906
Unearned revenue	6,921,728	2,374,804	9,296,532	583,366
Customer deposits payable	-	-	-	36,050
Noncurrent liabilities				
Due within one year	3,897,458	32,590,062	36,487,520	4,172,874
Due in more than one year	38,774,522	522,314,419	561,088,941	41,728,435
<b>TOTAL LIABILITIES</b>	<b>81,032,294</b>	<b>574,578,007</b>	<b>655,610,301</b>	<b>47,886,134</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax receivable	149,336,565	-	149,336,565	17,212,467
Equivalent Dwelling Unit (EDU) Fees Receivable	-	7,054,638	7,054,638	-
Total deferred inflows of resources	149,336,565	7,054,638	156,391,203	17,212,467
<b>NET POSITION</b>				
Net investment in capital assets	170,038,955	261,009,918	431,048,873	58,285,257
Restricted for:				
General government	6,152,465	-	6,152,465	-
Public works	7,039,999	-	7,039,999	-
Public safety	19,405,137	-	19,405,137	-
Health and human services	4,054,777	-	4,054,777	-
Planning and economic development	21,130	-	21,130	-
Culture and recreation	1,760,619	-	1,760,619	5,350,153
Capital projects	1,526,711	5,237,689	6,764,400	4,833,412
Debt service	1,589,392	-	1,589,392	40,581
Unrestricted	163,533,828	49,621,226	213,155,054	8,214,351
<b>TOTAL NET POSITION</b>	<b>\$ 375,123,013</b>	<b>\$ 315,868,833</b>	<b>\$ 690,991,846</b>	<b>\$ 76,723,754</b>

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



**Johnson County, Kansas**  
**Statement of Activities**  
For the Year Ended December 31, 2012

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Indirect Expenses Allocation	Charges for Service	Operating Grants and Contributions		Governmental Activities	Business-Type Activities	Total	
				Grants and Contributions	Capital Grants and Contributions				
<b>Primary Government:</b>									
<b>Governmental Activities:</b>									
General government	\$ 121,428,691	\$ (32,168,443)	\$ 32,162,077	\$ 327,696	\$ -	\$ (56,770,475)	\$ -	\$ (56,770,475)	\$ -
Public works	56,201,387	1,061,709	1,223,692	10,427,009	963,343	(44,649,052)	-	(44,649,052)	-
Public safety	115,395,790	19,019,368	32,136,708	5,170,728	126,678	(96,981,044)	-	(96,981,044)	-
Health and human services	79,336,842	8,713,355	32,662,181	27,049,779	-	(28,338,237)	-	(28,338,237)	-
Planning and economic development	4,101,588	438,355	1,664,603	-	-	(2,875,340)	-	(2,875,340)	-
Culture and recreation	21,970,790	205,620	1,043,562	201,551	-	(20,931,297)	-	(20,931,297)	-
Interest on long term debt	372,224	-	-	-	-	(372,224)	-	(372,224)	-
Total governmental activities	398,807,312	(2,730,036)	100,892,823	43,176,763	1,090,021	(250,917,669)	-	(250,917,669)	-
<b>Business Type activities:</b>									
Airport	4,596,542	155,456	5,116,115	250,156	2,332,746	-	2,947,019	2,947,019	-
Unified Wastewater District	69,116,271	2,191,303	83,260,718	2,927,989	-	-	14,881,133	14,881,133	-
Transportation	10,319,311	383,277	1,627,122	2,042,071	6,730,170	-	(303,225)	(303,225)	-
Public Building Commission	17,469,243	-	28,202,227	288,779	-	-	11,021,763	11,021,763	-
Total business type activities	101,501,367	2,730,036	118,206,182	5,508,995	9,062,916	-	28,546,690	28,546,690	-
<b>Total Primary Government</b>	<b>\$ 500,308,679</b>	<b>\$ -</b>	<b>\$ 219,099,005</b>	<b>\$ 48,685,758</b>	<b>\$ 10,152,937</b>	<b>(250,917,669)</b>	<b>28,546,690</b>	<b>(222,370,979)</b>	<b>-</b>
<b>Component unit:</b>									
<b>Park and Recreation</b>	<b>\$ 30,581,441</b>	<b>\$ -</b>	<b>\$ 15,593,191</b>	<b>\$ 686,340</b>	<b>\$ -</b>				<b>(14,301,910)</b>
General revenues:									
Property taxes			172,891,220				1,562	172,892,782	19,620,148
Sales taxes			64,721,509				-	64,721,509	
Other taxes			3,748,232				-	3,748,232	21,701
Unrestricted investment earnings			2,428,183				170,818	2,599,001	30,133
Miscellaneous			9,453,724				-	9,453,724	595,976
Transfers			(4,367,063)				4,367,063	-	-
Total general revenue and transfers			248,875,805				4,539,443	253,415,248	20,267,958
Change in net position			(2,041,864)				33,086,133	31,044,269	5,966,048
Net position - beginning			377,164,877				282,782,700	659,947,577	71,135,759
Prior period adjustments			-				-	-	(378,053)
Net position - beginning of year restated			377,164,877				282,782,700	659,947,577	70,757,706
Net position - ending			375,123,013				315,868,833	690,991,846	76,723,754

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

**Johnson County, Kansas**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Deposits including investments	\$ 93,901,055	\$ 89,669,428	\$ 34,739,532	\$ 218,310,015
Receivables (net of allowance for uncollectibles):	108,729,086	60,140	62,450,988	171,240,214
Inventories	576,445	-	733,312	1,309,757
Prepays	240,638	-	61,234	301,872
Restricted cash and investments	-	1,526,711	791,711	2,318,422
<b>Total assets</b>	<u>\$ 203,447,224</u>	<u>\$ 91,256,279</u>	<u>\$ 98,776,777</u>	<u>\$ 393,480,280</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,925,958	\$ 5,408,707	\$ 1,509,254	\$ 9,843,919
Salaries and wages payable	4,238,103	-	1,740,766	5,978,869
Due to others	3,443,534	-	491	3,444,025
Due to other funds	2,454,186	-	-	2,454,186
Unearned revenue	3,297,424	-	1,012,955	4,310,379
<b>Total liabilities</b>	<u>16,359,205</u>	<u>5,408,707</u>	<u>4,263,466</u>	<u>26,031,378</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax receivable	91,601,714	-	57,734,851	149,336,565
Unavailable revenue - accounts receivable	2,299,556	-	311,793	2,611,349
<b>Total deferred inflows of resources</b>	<u>93,901,270</u>	<u>-</u>	<u>58,046,644</u>	<u>151,947,914</u>
<b>Fund Balances:</b>				
Nonspendable	817,083	-	794,546	1,611,629
Restricted	12,954,887	1,526,711	27,068,632	41,550,230
Committed	3,596,762	84,320,861	1,082,555	89,000,178
Assigned	3,311,732	-	7,520,934	10,832,666
Unassigned	72,506,285	-	-	72,506,285
<b>Total fund balances</b>	<u>93,186,749</u>	<u>85,847,572</u>	<u>36,466,667</u>	<u>215,500,988</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 203,447,224</u>	<u>\$ 91,256,279</u>	<u>\$ 98,776,777</u>	<u>\$ 393,480,280</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, 2012

Total fund balance - all governmental funds		\$ 215,500,988
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.		180,983,266
Less Internal Services Fund Capital Assets		(13,584)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:		
Interest Payable	\$	(106,424)
Bonds:		
General obligation, net of unamortized premium of \$118,678, and deferred refundings of \$34,175		(1,874,503)
Special obligation		(6,650,000)
Compensated absences		(17,316,058)
Other post employment benefits		(10,247,436)
Voluntary Retirement Incentive Package		(3,149,808)
Capital lease obligations		(3,400,000)
Total		(42,744,229)
Less Internal Services Fund Long Term Debt		3,169,678
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.		
		18,226,894
Net position of governmental activities		<u>\$ 375,123,013</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, 2012**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 161,463,124	\$ -	\$ 79,895,393	\$ 241,358,517
Intergovernmental	22,018,616	963,343	21,284,825	44,266,784
Charges for services	75,251,972	100,000	23,153,017	98,504,989
Investment earnings	1,800,228	56,295	384,888	2,241,411
Licenses and permits	2,041,394	-	1,696,768	3,738,162
Other	5,931,087	895,692	2,626,945	9,453,724
<b>Total revenues</b>	<u>268,506,421</u>	<u>2,015,330</u>	<u>129,041,836</u>	<u>399,563,587</u>
<b>EXPENDITURES</b>				
Current:				
General government	84,772,306	-	61,035	84,833,341
Public works	-	-	10,805,967	10,805,967
Public safety	129,679,729	-	2,748,329	132,428,058
Health and human services	26,793,953	-	60,755,964	87,549,917
Planning and economic development	4,494,903	-	-	4,494,903
Culture and recreation	1,134,357	-	19,895,269	21,029,626
Debt service:				
Principal retirement	-	-	3,360,000	3,360,000
Interest and fiscal charges	24,577	-	358,468	383,045
Capital outlay	19,013,367	31,053,550	4,791,794	54,858,711
<b>Total expenditures</b>	<u>265,913,192</u>	<u>31,053,550</u>	<u>102,776,826</u>	<u>399,743,568</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,593,229</u>	<u>(29,038,220)</u>	<u>26,265,010</u>	<u>(179,981)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,966,433	32,182,472	3,137,765	38,286,670
Transfers out	(11,493,577)	(2,244,944)	(28,812,084)	(42,550,605)
Proceeds from capital lease	-	3,650,000	-	3,650,000
Refunding bonds issued	-	-	730,000	730,000
Premium on bonds issued	-	-	68,468	68,468
<b>Total other financing sources and uses</b>	<u>(8,527,144)</u>	<u>33,587,528</u>	<u>(24,875,851)</u>	<u>184,533</u>
<b>Net change in fund balances</b>	<u>(5,933,915)</u>	<u>4,549,308</u>	<u>1,389,159</u>	<u>4,552</u>
<b>Fund balances - beginning</b>	<u>99,120,664</u>	<u>81,298,264</u>	<u>35,077,508</u>	<u>215,496,436</u>
<b>Fund balances - ending</b>	<u>\$ 93,186,749</u>	<u>\$ 85,847,572</u>	<u>\$ 36,466,667</u>	<u>\$ 215,500,988</u>

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

**Johnson County, Kansas**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2012**

Net change in fund balances - all governmental funds \$ 4,552

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	\$ 12,667,409	
	Depreciation Expense	<u>(10,198,464)</u>	
	Net change		2,468,945

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 assets. 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	3,360,000	
	Proceeds from refunding bonds	(730,000)	
	Proceeds from capital leases	(3,650,000)	
	Premium from bonds issued	<u>(68,468)</u>	
	Net change		(1,088,468)

Net gain (loss) on disposal of capital assets, infrastructure and other reconciling items. 1,891,685

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. 10,821

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. (546,789)

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. (664,476)

Voluntary Retirement Incentive Package expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (3,149,808)

Payment on capital leases. Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 255,499

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. (1,223,825)

Changes in net position of governmental activities \$ (2,041,864)

*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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 156,020,915	\$ 156,020,915	\$ 161,463,124	\$ 5,442,209
Intergovernmental	26,488,129	26,488,129	22,018,616	(4,469,513)
Charges for services	75,273,171	75,273,171	75,251,972	(21,199)
Investment earnings	5,924,687	5,924,687	2,129,460	(3,795,227)
Licenses and permits	2,461,251	2,461,251	2,041,394	(419,857)
Other	5,643,340	5,643,340	6,372,961	729,621
<b>Total revenues</b>	<u>271,811,493</u>	<u>271,811,493</u>	<u>269,277,527</u>	<u>(2,533,966)</u>
<b>EXPENDITURES</b>				
Current:				
General government	99,078,486	99,078,486	92,533,233	6,545,253
Public safety	129,352,547	129,352,547	122,021,944	7,330,603
Health and human services	30,748,319	30,748,319	26,809,958	3,938,361
Planning and economic development	6,271,677	6,271,677	4,493,056	1,778,621
Culture and recreation	1,383,085	1,383,085	1,134,602	248,483
Capital outlay	19,085,127	19,085,127	19,226,893	(141,766)
Reserves	65,552,158	65,552,158	-	65,552,158
<b>Total expenditures</b>	<u>351,471,399</u>	<u>351,471,399</u>	<u>266,219,686</u>	<u>85,251,713</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(79,659,906)</u>	<u>(79,659,906)</u>	<u>3,057,841</u>	<u>82,717,747</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,534,968	1,534,968	2,966,433	1,431,465
Transfers out	(10,870,002)	(10,870,002)	(11,493,577)	(623,575)
<b>Total other financing sources and uses</b>	<u>(9,335,034)</u>	<u>(9,335,034)</u>	<u>(8,527,144)</u>	<u>807,890</u>
<b>Net change in fund balances</b>	<u>(88,994,940)</u>	<u>(88,994,940)</u>	<u>(5,469,303)</u>	<u>\$ 83,525,637</u>
<b>Fund balances - beginning</b>	<u>88,994,940</u>	<u>88,994,940</u>	<u>96,275,595</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,806,292</u>	

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

**Johnson County, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2012**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Unified Wastewater District	Public Building Commission	Non-Major Total		
	Total		Total		
<b>ASSETS</b>					
<b>Current assets:</b>					
Deposits including investments	\$ 44,297,660	\$ 8,606,834	\$ 14,108,996	\$ 67,013,490	\$ 33,214,181
Receivables					
<i>(net of allowance for uncollectibles):</i>	12,969,127	145,942	1,097,854	14,212,923	121,663
Due from other funds	-	2,454,186	-	2,454,186	-
Inventories	113,195	-	-	113,195	-
Prepaid items	5,081	-	28,611	33,692	112,493
<b>Total current assets</b>	<b>57,385,063</b>	<b>11,206,962</b>	<b>15,235,461</b>	<b>83,827,486</b>	<b>33,448,337</b>
<b>Noncurrent assets:</b>					
Restricted cash and investments	59,719,346	23,106,752	1,407,154	84,233,252	-
<b>Capital assets:</b>					
Land	655,258	804,966	4,880,191	6,340,415	-
Buildings	54,740,732	333,297,645	14,621,874	402,660,251	-
Improvements other than buildings	300,409,023	6,752,631	26,858,698	334,020,352	-
Machinery and equipment	250,331,289	-	18,232,702	268,563,991	36,035
Construction in progress	156,618,427	8,271,619	10,790,199	175,680,245	-
Infrastructure	-	-	2,187,980	2,187,980	-
Less accumulated depreciation	(372,625,109)	(48,874,052)	(41,246,317)	(462,745,478)	(22,451)
<b>Total capital assets</b>	<b>390,129,620</b>	<b>300,252,809</b>	<b>36,325,327</b>	<b>726,707,756</b>	<b>13,584</b>
<b>Total noncurrent assets</b>	<b>449,848,966</b>	<b>323,359,561</b>	<b>37,732,481</b>	<b>810,941,008</b>	<b>13,584</b>
<b>TOTAL ASSETS</b>	<b>507,234,029</b>	<b>334,566,523</b>	<b>52,967,942</b>	<b>894,768,494</b>	<b>33,461,921</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized portion of refunding gain	1,874,300	791,008	67,676	2,732,984	-

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

**Johnson County, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2012**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Unified Wastewater District	Public Building Commission	Non-Major Total		
	Total				
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	5,537,725	2,344,997	2,067,499	9,950,221	5,298,049
Salaries and wages payable	375,050	-	56,271	431,321	7,984
Interest payable	3,836,773	2,989,043	47,273	6,873,089	-
Loans payable	5,030,764	-	16,686	5,047,450	-
Due to others	-	-	44,091	44,091	-
Unearned revenue	503,232	-	1,871,572	2,374,804	-
Compensated absences	94,052	-	16,233	110,285	1,365
Voluntary retirement healthcare benefits	-	-	-	-	992,743
Insurance claims payable	-	-	-	-	6,759,316
Bonds, capital leases, and other payables	12,692,986	14,344,186	395,155	27,432,327	-
<b>Total current liabilities</b>	<b>28,070,582</b>	<b>19,678,226</b>	<b>4,514,780</b>	<b>52,263,588</b>	<b>13,059,457</b>
<b>Noncurrent liabilities:</b>					
Compensated absences	1,274,853	-	220,036	1,494,889	18,505
Loans payable	24,517,557	-	-	24,517,557	-
Voluntary retirement healthcare benefits	-	-	-	-	2,157,065
Bonds, capital leases, and other payables	274,034,218	219,219,024	3,048,731	496,301,973	-
<b>Total noncurrent liabilities</b>	<b>299,826,628</b>	<b>219,219,024</b>	<b>3,268,767</b>	<b>522,314,419</b>	<b>2,175,570</b>
<b>TOTAL LIABILITIES</b>	<b>327,897,210</b>	<b>238,897,250</b>	<b>7,783,547</b>	<b>574,578,007</b>	<b>15,235,027</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Equivalent Dwelling Unit (EDU) Fees Receivable	7,054,638	-	-	7,054,638	-
<b>Total deferred inflows of resources</b>	<b>7,054,638</b>	<b>-</b>	<b>-</b>	<b>7,054,638</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	133,198,952	94,878,535	32,932,431	261,009,918	13,584
Restricted for capital projects	2,248,789	1,581,746	1,407,154	5,237,689	-
Unrestricted	38,708,740	-	10,912,486	49,621,226	18,213,310
<b>TOTAL NET POSITION</b>	<b>\$ 174,156,481</b>	<b>\$ 96,460,281</b>	<b>\$ 45,252,071</b>	<b>\$ 315,868,833</b>	<b>\$ 18,226,894</b>



*Johnson County, Kansas*  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major		Non-Major		
	Unified Wastewater District	Public Building Commission	Total	Total	
<b>Operating revenues:</b>					
Charges for services	\$ 83,029,499	\$ 28,202,227	\$ 4,417,347	\$ 115,649,073	\$ 41,290,732
Other	231,219	-	2,325,890	2,557,109	71,741
<b>Total operating revenues</b>	<b>83,260,718</b>	<b>28,202,227</b>	<b>6,743,237</b>	<b>118,206,182</b>	<b>41,362,473</b>
<b>Operating expenses:</b>					
Public works	39,486,089	-	-	39,486,089	-
Transportation	-	-	12,338,015	12,338,015	-
Risk management	-	-	-	-	4,564,997
Self-insured health care	-	-	-	-	38,144,260
Depreciation	20,284,756	6,435,150	2,967,615	29,687,521	3,544
<b>Total operating expenses</b>	<b>59,770,845</b>	<b>6,435,150</b>	<b>15,305,630</b>	<b>81,511,625</b>	<b>42,712,801</b>
<b>Operating income (loss)</b>	<b>23,489,873</b>	<b>21,767,077</b>	<b>(8,562,393)</b>	<b>36,694,557</b>	<b>(1,350,328)</b>
<b>Nonoperating revenues (expenses):</b>					
Taxes	-	-	1,562	1,562	2,444
Investment earnings	132,875	37,638	305	170,818	186,772
Intergovernmental	2,927,989	288,779	2,292,227	5,508,995	-
Interest expense	(10,929,170)	(9,376,166)	(145,258)	(20,450,594)	-
Other	(607,559)	(1,657,927)	(3,698)	(2,269,184)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(8,475,865)</b>	<b>(10,707,676)</b>	<b>2,145,138</b>	<b>(17,038,403)</b>	<b>189,216</b>
<b>Income (loss) before contributions and transfers</b>	<b>15,014,008</b>	<b>11,059,401</b>	<b>(6,417,255)</b>	<b>19,656,154</b>	<b>(1,161,112)</b>
<b>Capital Contributions</b>	<b>25,068</b>	<b>-</b>	<b>9,062,916</b>	<b>9,087,984</b>	<b>-</b>
<b>Transfers in</b>	<b>188,629</b>	<b>-</b>	<b>4,968,532</b>	<b>5,157,161</b>	<b>15,347</b>
<b>Transfers out</b>	<b>(735,370)</b>	<b>-</b>	<b>(79,796)</b>	<b>(815,166)</b>	<b>(78,060)</b>
<b>Change in net position</b>	<b>14,492,335</b>	<b>11,059,401</b>	<b>7,534,397</b>	<b>33,086,133</b>	<b>(1,223,825)</b>
<b>Total net position - beginning</b>	<b>159,664,146</b>	<b>85,400,880</b>	<b>37,717,674</b>	<b>282,782,700</b>	<b>19,450,719</b>
<b>Total net position - ending</b>	<b>\$ 174,156,481</b>	<b>\$ 96,460,281</b>	<b>\$ 45,252,071</b>	<b>\$ 315,868,833</b>	<b>\$ 18,226,894</b>

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

**Johnson County, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds		
	Major		Non-Major		Total			
	Unified Wastewater District	Public Building Commission	Total					
\$	75,464,516	23,620,529	\$	3,672,927	\$	102,757,972	\$	38,299,310
	(25,686,455)	-		(9,905,404)		(35,591,859)		(42,587,095)
	(13,881,160)	-		(1,976,224)		(15,857,384)		2,792,608
	231,219	-		2,325,890		2,557,109		3,063,163
	36,128,120	23,620,529		(5,882,811)		53,865,838		1,567,986
	<b>Net cash provided by (used for) operating activities</b>							
	-	-		1,562		1,562		2,444
	2,927,989	288,779		2,292,227		5,508,995		-
	188,629	-		4,968,532		5,157,161		15,347
	(735,370)	-		(79,796)		(815,166)		(78,060)
	2,381,248	288,779		7,182,525		9,852,552		(60,269)
	<b>Net cash provided by (used for) noncapital financing activities</b>							
	25,068	-		9,062,916		9,087,984		-
	(11,820,760)	(25,120,126)		(9,830,479)		(46,771,365)		-
	63,625,000	16,635,000		-		80,260,000		-
	(28,384,354)	(26,665,000)		(457,682)		(55,507,036)		-
	(10,628,409)	(9,749,394)		(151,198)		(20,529,001)		-
	12,816,545	(44,899,520)		(1,376,443)		(33,459,418)		-
	<b>Net cash provided by (used for) capital and related financing activities</b>							
	132,875	37,638		305		170,818		186,772
	132,875	37,638		305		170,818		186,772
	51,458,788	(20,952,574)		(76,424)		30,429,790		1,694,489
	<b>Net increase (decrease) in cash and cash equivalents</b>							
	52,558,218	52,666,160		15,592,574		120,816,952		31,519,692
	104,017,006	31,713,586		15,516,150		151,246,742		33,214,181
	<b>Cash and cash equivalents at beginning of year</b>							
	<b>Cash and cash equivalents at end of year</b>							

(Continued)

**Johnson County, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds (Continued)**  
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Major		Public		Total	
	Unified Wastewater District	Building Commission	Non-Major Total	Total		
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>						
<b>Operating income (loss)</b>	\$ 23,489,873	\$ 21,767,077	\$ (8,562,393)	\$ 36,694,557	\$ (1,350,328)	
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>						
Depreciation	20,284,756	6,435,150	2,967,615	29,687,521	3,544	
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	26,898,926	142,511	(289,155)	26,752,282	(22,018)	
(Increase) decrease in inventory	75,276	-	-	75,276	-	
(Increase) decrease in prepaid expenses	(5,081)	-	-	(5,081)	(58,133)	
(Increase) decrease in due from other funds	-	(72,902)	-	(72,902)	-	
Increase (decrease) in accounts payable	(242,690)	(4,724,209)	490,052	(4,476,847)	(836,484)	
Increase (decrease) in salaries and wages payable	(89,286)	-	(13,012)	(102,298)	(55,586)	
Increase (decrease) in due to other funds	-	-	-	-	-	
Increase (decrease) in deferred revenue	(34,463,909)	72,902	(455,265)	(34,919,174)	-	
Increase (decrease) in claims and judgements payable	-	-	-	72,902	-	
Increase (decrease) in other post employment benefits	180,255	-	(20,653)	159,602	3,149,808	
Increase (decrease) in compensated absences payable	-	-	-	-	(17,568)	
Increase (decrease) in insurance claims payable	-	-	-	-	754,751	
<b>Total adjustments</b>	<b>12,638,247</b>	<b>1,853,452</b>	<b>2,679,582</b>	<b>17,171,281</b>	<b>2,918,314</b>	
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 36,128,120</b>	<b>\$ 23,620,529</b>	<b>\$ (5,882,811)</b>	<b>\$ 53,865,838</b>	<b>\$ 1,567,986</b>	
<b>Deposits including investments</b>	\$ 44,297,660	\$ 8,606,834	\$ 14,108,996	\$ 67,013,490	\$ 33,214,181	
<b>Restricted cash and investments</b>	59,719,346	23,106,752	1,407,154	84,233,252	-	
<b>Cash and cash equivalents at the end of year</b>	<b>\$ 104,017,006</b>	<b>\$ 31,713,586</b>	<b>\$ 15,516,150</b>	<b>\$ 151,246,742</b>	<b>\$ 33,214,181</b>	

The accompanying notes are an integral part of these financial statements

**Johnson County, Kansas**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2012**

		<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	551,986,606
Receivables (net of allowance for uncollectibles):		
Taxes Receivable		408,426,885
<b>Total assets</b>		<u>960,413,491</u>
<b>LIABILITIES</b>		
Accounts payable		33,995
Agency obligations		960,379,496
<b>Total liabilities</b>	\$	<u>960,413,491</u>

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

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# 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. The County has adopted Statement No. 39, *Determining Whether Certain Organizations are Component Units -- an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. The primary government and each blended and discretely presented component unit all have a December 31<sup>st</sup> year end.

#### Blended Component Unit

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

#### Discretely Presented Component Unit

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

services as outlined in the Kansas Statute 19-2863. Separately issued financial statements are prepared for the District. The District has governmental and enterprise funds.

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

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

Public Building Commission  
Treasury and Financial Management  
111 South Cherry Street, Suite 2400  
Olathe, Kansas 66061

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 **Unified Wastewater District** 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 transportation fund, which operates the bus system available 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.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's enterprise and internal service funds are charges for customer services including: rent, wastewater charges, and public transportation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services,

administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Cash from all funds except for the Public Building Commission, the Park and Recreation District Component Unit, and proceeds from the sale of bonds and general obligation notes, is pooled for the purpose of increasing income through investment activities. Investments, which have a remaining maturity at time of purchase of one year or less, are stated at fair value, which approximates amortized cost. All other investments are stated at fair value as determined by quoted market prices. Investments principally consist of United States Treasury and Agency securities, certificates of deposit, and cash held in money market funds. Investment income is allocated to the designated funds on the basis of the ending monthly cash balance which is contrary to Kansas State Statutes. That investment income which is not allocated is credited to the General Fund. Interest revenue is susceptible to accrual and has been reported within these financial statements. Cash proceeds from the Public Building Commission and from the sale of bonds and general obligation notes are maintained separately and invested primarily in Government Money Market funds and United States Treasury and Agency securities.

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

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

The District internally pools all investments with the exception of bond reserve funds and capital projects funds held in escrow by a trustee. Pooled investments for the District are carried at cost, which approximates fair value, and consist principally of funds held with the State of Kansas Municipal Investment Pool and a Money Market Investment with Security Bank of Kansas City.

#### ***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, 2012, such taxes are a lien on the property and are recorded as taxes receivable, net of 2.40%

uncollected taxes for the current year tax roll, with a corresponding amount recorded as inflows of resources.

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

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

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

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

#### ***G. Inventories***

Inventories for the County and the District are valued at cost using the first-in, first-out method. Inventories in governmental funds are recorded as expenditures when consumed. Unconsumed inventories in governmental funds are equally offset by nonspendable 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***

Prepaid items are those paid out in the current year but which benefit future accounting periods. The County and the District record these items as an asset.

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

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

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

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

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

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

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

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

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

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

All special assessment taxes are levied over a ten to twenty year period and the annual installments are due and payable with annual ad valorem property taxes. The County may foreclose liens against property benefited by special assessments when delinquent. On December 31st, the special assessment taxes levied are a lien on the property and are recorded as receivables in the Debt Service Fund with a corresponding amount recorded as inflows of resources. For the Unified Wastewater District, receivables and corresponding revenue are recorded for special assessments.

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

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

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

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

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

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

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

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2012, 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. *Intent* is expressed by (1) the County’s Board or (2) a body (for example: the Library Board) or official to which the County’s Board has delegated the authority to assign amounts to be used for specific purposes.
- *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. Prior Year Data/Reclassifications***

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### ***Q. 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.

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

GASB Statement No. 65 provides standardized guidance on reclassifying, as deferred outflows of resources or deferred inflows of resources, certain items previously reported as assets and liabilities. The County implemented this in 2012. A deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position applicable to a future reporting period. The County identified certain financial statement balances that met the definition of a deferred outflow of resources or a deferred inflow of resources. These items were reclassified as deferred outflows of resources or deferred inflows of resources, as applicable.

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

### ***A. Budgetary Information***

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

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

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

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

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

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

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

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

<b>Reconciliation of Fund Balance</b>	
<b>Budgetary Basis to GAAP Basis</b>	
<b>for the General Fund</b>	
Fund balance, budgetary basis	\$ 90,806,292
Investments change in fair value	149,542
Current Year Encumbrances	1,703,629
Inventory	576,445
GAAP Contractual	(49,159)
Fund balance, GAAP basis	<u>\$ 93,186,749</u>

### 3. Deposits and Investments

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

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

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

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

<b>Reconciliation of Cash</b>			
	<b>Deposits Including</b>	<b>Restricted Cash</b>	
	<b>Investments</b>	<b>and Investments</b>	<b>Total</b>
Government-type activities	\$ 251,524,196	\$ 2,318,422	\$ 253,842,618
Business-type activities	67,013,490	84,233,252	151,246,742
Agency funds	551,986,606	-	551,986,606
<b>Total</b>	<b>\$ 870,524,292</b>	<b>\$ 86,551,674</b>	<b>\$ 957,075,966</b>



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

<b>Reconciliation of Component Unit Cash</b>			
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
Deposits including investments	\$ 8,928,183	\$ 4,495,240	\$ 13,423,423
Restricted cash and investments	7,782,733	878,740	8,661,473
<b>Total</b>	<b>\$ 16,710,916</b>	<b>\$ 5,373,980</b>	<b>\$ 22,084,896</b>

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

<b>Reconciliation of Deposits and Investments</b>		
	<b>Primary</b>	<b>Component</b>
	<b>Government</b>	<b>Unit</b>
Cash on hand	\$ 47,775	\$ -
Carrying amount of deposits	32,645,758	856,059
Carrying amount of investments	924,382,433	21,228,837
<b>Total deposits and investments</b>	<b>\$ 957,075,966</b>	<b>\$ 22,084,896</b>
Deposits including investments	\$ 870,524,292	\$ 13,423,423
Restricted cash and investments	86,551,674	8,661,473
<b>Total deposits and investments</b>	<b>\$ 957,075,966</b>	<b>\$ 22,084,896</b>

As of December 31, 2012, the County had the following investments:

<b>Johnson County's</b>				
<b>Schedule of Investments at December 31, 2012</b>				
	<b>Interest</b>		<b>Par</b>	<b>Fair</b>
	<b>Rates</b>	<b>Maturities</b>	<b>Value</b>	<b>Value</b>
<b>County Investments:</b>				
Money Market Mutual Funds	0.01%	On demand	\$ 253,787,594	\$ 253,787,594
Certificate of Deposit	0.31-1.74%	01/18/2013-03/19/2013	4,600,000	4,600,000
Kansas Municipal Investment Pool			6,979	6,979
Treasury Securities - Coupon	0.08-0.85%	02/28/2013-12/15/2015	224,000,000	224,060,592
<b>Federal Agency Discount Notes:</b>				
Federal National Mtge Association	0.08%	02/01/2013	34,000,000	33,998,510
<b>Federal Agency Issues - Coupon:</b>				
Federal Farm Credit Bank	0.45-0.94%	07/23/2011-09/01/2015	54,000,000	54,048,250
Federal Home Loan Bank	0.38-1.09%	03/09/2012-09/08/2015	28,775,000	29,060,785
Federal Home Loan Mtge Corp	0.50-1.00%	03/14/2012-12/28/2015	30,000,000	30,049,260
Federal National Mtge Association	0.25-2.60%	01/30/2012-12/28/2015	247,239,000	247,238,217
<b>Total County Investments</b>			<b>\$ 876,408,573</b>	<b>\$ 876,850,187</b>
<b>Funds held with Trustee (Restricted for Refunded Debt):</b>				
Debt securities				47,532,246
<b>Total Investments</b>				<b>\$ 924,382,433</b>

The maturities of the County's investments as of December 31, 2012, were classified as shown below:

<b>Johnson County's</b>			
<b>Schedule of Investments at December 31, 2012</b>			
	Investment Maturities in Years		
	Fair Value	Less than 1	1-5
Money Market Mutual Funds	\$ 253,787,594	\$ 253,787,594	\$ -
Certificate of Deposit	4,600,000	4,600,000	-
Kansas Municipal Investment Pool	6,979	6,979	-
Treasury Securities - Discount	-	-	-
Treasury Securities - Coupon	224,060,592	63,161,826	160,898,766
Federal Agency Discount Notes:			
Federal National Mtge Association	33,998,510	33,998,510	-
Federal Agency Issues - Coupon:			
Federal Farm Credit Bank	54,048,250	54,048,250	-
Federal Home Loan Bank	29,060,785	11,595,965	17,464,820
Federal Home Loan Mtge Corp	30,049,260	3,004,200	27,045,060
Federal National Mtge Association	247,238,217	13,039,918	234,198,299
Total County Investments	<u>\$ 876,850,187</u>	<u>\$ 437,243,242</u>	<u>\$ 439,606,945</u>

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

Restricted Investments for the District are held by the Trustee in various money market investments for bond reserves and future capital expenditures. These investments are authorized by the bond covenants. The District had the following investments as of December 31, 2012:

<b>Component Unit</b>					
<b>Schedule of Investments at December 31, 2012</b>					
	Rating	Interest Rates	Maturities	Par Value	Fair Value
	District Investments:				
Kansas Municipal Investment Pool	AAAf/S1+	N/A	Current-180 days	\$ 17,194,089	\$ 17,194,089
SBKC Money Market Investment	AAA	N/A	Current	3,560,144	3,560,144
Federally Tax Exempt Municipal Bonds	Not available	N/A	Current-2042	329,595	329,595
Community Foundation, Equity Funds, Fixed Income Funds	Not available	N/A	Current-2028	104,168	104,168
Principal Financial Group, Inc. Common Stock	N/A	N/A	Current	40,841	40,841
				<u>\$ 21,228,837</u>	<u>\$ 21,228,837</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, 2012, the County's combined weighted average of all investments is 636 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, are not registered in the name of the government and 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, 2012 the County has \$324,875,000 of investments exposed to custodial credit risk.

All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the District or its agents in the District's name. All investments are held by the District in the District or its agent's name.

**Credit Risk.** As of December 31, 2012, County funds not held in depository accounts had been invested in certificates of deposits, Government money market funds, the state municipal investment pool, U.S. Treasury notes and the following Government Sponsored Enterprise (GSE) Notes: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Notes. The GSE Notes are rated Aaa by Moody's Investor Service. Government money market mutual funds are primarily invested in the above mentioned GSE's and repurchase agreements collateralized with GSE's. The Municipal Investment Pool Portfolio is rated AAaf/S1+ by Standard & Poor's.

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

**Concentration of Credit Risk.** At December 31, 2012, of total cash and investments, the County invested 36% in coupons, 28% in callable notes, and 4% in discount notes. The County's investment policy permits up to 80% to be invested in coupons, 50% in callable notes, 50% in discount notes, and 25% for both 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%, Money Market Funds and Instruments percent increases to 50% and the limit on the MIP may be increased to 50%. Additionally, the policy permits 100% in demand deposits, certificates of deposits and treasury notes.

More than 5 percent of the County's investments are in Fidelity Money Market Mutual Funds (10.70%), JP Morgan (10.95%), Bank of Oklahoma Blackrock FedFund Money Market (7.30%), Treasury Securities (25.55%), Federal Farm Credit Bank (6.16%), and the Federal National Mortgage Association (32.07%).

The District places no limit on the amount that is invested with any one issuer. More than 5 percent of the District's investments are in the Kansas Municipal Investment Pool (81%), and SBKC Money Market Investment (17%).

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

Issuer	Par value	Fair Value	% of Portfolio
Fidelity	\$ 93,780,928	\$ 93,780,928	10.70%
JP Morgan	96,006,422	96,006,422	10.95%
Bank of Oklahoma Blackrock FedFund Money Market	64,000,244	64,000,244	7.30%
SMP 16	6,979	6,979	0.00%
US Bank	1,100,000	1,100,000	0.13%
Commerce Bank	3,500,000	3,500,000	0.40%
Treasury Securities - Coupon	224,000,000	224,060,592	25.55%
Federal Farm Credit Bank	54,000,000	54,048,250	6.16%
Federal Home Loan Bank	28,775,000	29,060,785	3.31%
Federal Home Loan Mortgage Corporation	30,000,000	30,049,260	3.43%
Federal National Mortgage Association	281,239,000	281,236,727	32.07%
<b>Total</b>	<b>\$ 876,408,573</b>	<b>\$ 876,850,187</b>	<b>100.00%</b>

#### 4. Receivables

Receivables are comprised of the following as of December 31, 2012:

Accounts Receivable Fiscal Year 2012						
	Taxes Receivable	Accounts Receivable	Grant Receivable	Interest Receivable	Special Assessment Receivable	Total
<b>Governmental Activities</b>	\$ 161,001,242	\$ 7,420,756	\$ 2,007,865	\$ 932,014	\$ -	\$ 171,361,877
<b>Business Type Activities</b>	-	12,909,315	331,513	67,381	904,714	14,212,923
	\$ 161,001,242	\$ 20,330,071	\$ 2,339,378	\$ 999,395	\$ 904,714	\$ 185,574,800

#### 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, 2012:

## Primary Government

	December 31,				December 31,
	2011	Increases	Decreases	Transfers	2012
<b>Governmental activities:</b>					
Capital assets, not being depreciated					
Land	\$ 24,224,181	\$ 1,850,329	\$ -	\$ -	\$ 26,074,510
Construction in progress	50,116,188	8,221,683	(4,959,359)	-	53,378,512
Total capital assets, not being depreciated	74,340,369	10,072,012	(4,959,359)	-	79,453,022
Capital assets, being depreciated					
Buildings	103,806,190	-	(411,283)	-	103,394,907
Improvements other than buildings	4,878,338	318,469	(588,573)	-	4,608,234
Machinery and Equipment	30,964,284	4,209,620	(2,138,268)	(405,400)	32,630,236
Infrastructure	80,862,898	3,026,667	(3,071,730)	-	80,817,835
Total capital assets being depreciated	220,511,710	7,554,756	(6,209,854)	(405,400)	221,451,212
Less accumulated depreciation for:					
Buildings	(46,267,353)	(2,423,200)	348,659	-	(48,341,894)
Improvements other than buildings	(1,856,975)	(215,421)	396,225	-	(1,676,171)
Machinery and Equipment	(24,271,942)	(2,959,082)	2,118,899	380,332	(24,731,793)
Infrastructure	(41,825,237)	(4,600,761)	1,254,888	-	(45,171,110)
Total accumulated depreciation	(114,221,507)	(10,198,464)	4,118,671	380,332	(119,920,968)
Total capital assets, being depreciated, net	106,290,203	(2,643,708)	(2,091,183)	(25,068)	101,530,244
Governmental activities capital assets, net	\$ 180,630,572	\$ 7,428,304	\$ (7,050,542)	\$ (25,068)	\$ 180,983,266

	December 31,				December 31,
	2011	Increases	Decreases	Transfers	2012
<b>Business-type activities:</b>					
Capital assets, not being depreciated					
Land	\$ 6,340,415	\$ -	\$ -	\$ -	\$ 6,340,415
Construction in progress	213,377,773	58,946,643	(96,644,171)	-	175,680,245
Total capital assets, not being depreciated	219,718,188	58,946,643	(96,644,171)	-	182,020,660
Capital assets, being depreciated					
Buildings	305,247,786	97,412,465	-	-	402,660,251
Improvements other than buildings	334,020,352	-	-	-	334,020,352
Machinery and Equipment	267,068,224	1,282,572	(192,205)	405,400	268,563,991
Infrastructure	2,187,980	-	-	-	2,187,980
Total capital assets being depreciated	908,524,342	98,695,037	(192,205)	405,400	1,007,432,574
Less accumulated depreciation for:					
Buildings	(87,147,829)	(8,477,416)	-	-	(95,625,245)
Improvements other than buildings	(107,231,728)	(16,091,150)	-	-	(123,322,878)
Machinery and Equipment	(238,369,165)	(5,069,445)	192,205	(380,332)	(243,626,737)
Infrastructure	(121,109)	(49,509)	-	-	(170,618)
Total accumulated depreciation	(432,869,831)	(29,687,520)	192,205	(380,332)	(462,745,478)
Total capital assets being depreciated, net	475,654,511	69,007,517	-	25,068	544,687,096
Business-type activities capital assets, net	\$ 695,372,699	\$ 127,954,160	\$ (96,644,171)	\$ 25,068	\$ 726,707,756

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

<b>Governmental activities</b>	
General Government	\$ 1,900,699
Public Works	5,374,114
Public Safety	1,524,292
Health and Welfare	417,809
Planning and Economic Development	13,059
Culture and Recreation	968,491
Total depreciation expense for governmental activities	<u>\$10,198,464</u>

<b>Business-type activities</b>	
Airport Fund	\$ 1,385,671
Public Building Commission Fund	6,435,150
Transportation Fund	1,581,943
Unified Wastewater District Fund	20,284,756
Total depreciation expense for business-type activities	<u>\$29,687,520</u>

### Discretely presented component unit

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

	December 31,			December 31,
	2011	Increases	Decreases	2012
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 52,206,207	\$ -	\$ -	\$ 52,206,207
Construction in progress	638,022	164,381	(528,190)	274,213
Total capital assets, not being depreciated	<u>52,844,229</u>	<u>164,381</u>	<u>(528,190)</u>	<u>52,480,420</u>
Capital assets, being depreciated				
Buildings	24,688,213	692,777	-	25,380,990
Improvements other than buildings	30,950,899	519,984	-	31,470,883
Machinery and Equipment	3,915,890	225,858	-	4,141,748
Infrastructure	492,149	-	-	492,149
Total capital assets being depreciated	<u>60,047,151</u>	<u>1,438,619</u>	<u>-</u>	<u>61,485,770</u>
Less: accumulated depreciation for:				
Buildings	(3,295,312)	(649,502)	-	(3,944,814)
Improvements other than buildings	(14,015,342)	(1,299,319)	-	(15,314,661)
Machinery and Equipment	(2,558,382)	(275,671)	-	(2,834,053)
Infrastructure	(40,990)	(28,020)	-	(69,010)
Total accumulated depreciation	<u>(19,910,026)</u>	<u>(2,252,512)</u>	<u>-</u>	<u>(22,162,538)</u>
Total capital assets, being depreciated, net	<u>40,137,125</u>	<u>(813,893)</u>	<u>-</u>	<u>39,323,232</u>
Governmental activities capital assets, net	<u>\$ 92,981,354</u>	<u>\$ (649,512)</u>	<u>\$ (528,190)</u>	<u>\$ 91,803,652</u>

	December 31,		December 31,	
	2011	Increases	Decreases	2012
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 4,240,976	\$ -	\$ -	\$ 4,240,976
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	4,240,976	-	-	4,240,976
Capital assets, being depreciated				
Buildings	5,886,596	-	-	5,886,596
Improvements other than buildings	9,341,853	10,450	-	9,352,303
Machinery and Equipment	3,107,076	15,495	(20,037)	3,102,534
Total capital assets being depreciated	18,335,525	25,945	(20,037)	18,341,433
Less accumulated depreciation for:				
Buildings	(2,139,731)	(103,804)	-	(2,243,535)
Improvements other than buildings	(8,156,695)	(253,764)	-	(8,410,459)
Machinery and Equipment	(2,678,823)	(205,993)	20,037	(2,864,779)
Total accumulated depreciation	(12,975,249)	(563,561)	20,037	(13,518,773)
Total capital assets being depreciated, net	5,360,276	(537,616)	-	4,822,660
Business-type activities capital assets, net	\$ 9,601,252	\$ (537,616)	\$ -	\$ 9,063,636

Depreciation expense in the amount of \$2,252,512 for the component unit's governmental activities was charged to culture and recreation.

## 6. Interfund Balances and Transfers

Interfund balances occur when one fund incurs expenses for another fund. For 2012, the General Fund owes the Public Building Commission for settlement costs of a lawsuit with the contractor related to damage incurred by a fire during construction of the Adult Detention Center. The judgment is being appealed. Amounts due to and from other funds as of December 31, 2012 are as follows:

Interfund Balances at December 31, 2012		
	Due to Other Funds	Due from Other Funds
<b>Major Funds</b>		
General Fund	\$ 2,454,186	\$ -
Public Building Commission	-	2,454,186
Total	\$ 2,454,186	\$ 2,454,186

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 operating transfers for the year ended December 31, 2012, are as follows:

<b>Interfund Transfers:</b>							
	General Fund	Capital Projects Fund	Unified Wastewater District	Non-Major Governmental Funds	Non-Major Enterprise Funds	Non-Major Internal Svc Funds	<b>Total Transfers Out</b>
<b>Transfer From</b>							
General Fund	\$ -	\$ 5,825,192	\$ -	\$ 699,853	\$ 4,968,532	\$ -	\$ 11,493,577
Capital Projects Fund	1,950,383	-	188,629	105,932	-	-	2,244,944
Unified Wastewater District	735,370	-	-	-	-	-	735,370
Non-Major Governmental Funds	202,620	26,277,484	-	2,331,980	-	15,347	28,827,431
Non-Major Enterprise Funds	-	79,796	-	-	-	-	79,796
Non-Major Internal Svc Funds	78,060	-	-	-	-	-	78,060
<b>Total Transfers In</b>	<b>\$ 2,966,433</b>	<b>\$ 32,182,472</b>	<b>\$ 188,629</b>	<b>\$ 3,137,765</b>	<b>\$ 4,968,532</b>	<b>\$ 15,347</b>	<b>\$ 43,459,178</b>

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

Transfers from a major enterprise fund, the Unified Wastewater, were to reimburse the General fund for various costs. 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 reimburse the General Fund for various costs.

Transfers for the government-wide Statement of Activities for the year ended December 31, 2012 have been summarized below:

<b>Transfer From</b>	<b>Transfers</b>
Governmental activities to Business-type activities	
General to Non-Major Enterprise	\$ 4,968,532
Capital Projects to Unified Wastewater	188,629
Non-Major Governmental to Unified Wastewater	25,068
Business-type activities to Governmental activities	
Unified Wastewater to General	(735,370)
Non-Major Enterprise Funds to Capital Projects	(79,796)
<b>Total Transfers - Statement of Activities</b>	<b>\$ 4,367,063</b>

## 7. Assets under Capital Leases

The County and the Park and Recreation District have entered into various leases for land, buildings, equipment and vehicles, which have bargain purchase options and have been classified in the financial statements as capital leases. The following table details property under capital leases by major classification at December 31, 2012:



<b>Assets Under Capital Lease</b>		
	Governmental Activities	Component Unit
Machinery and equipment	\$ -	\$ 473,562
Land	1,602,150	-
Building and Improvements	348,233	-
Construction in Progress	172,906	-
Restricted for Capital Improvement	1,526,711	-
Less accumulated depreciation	(11,608)	(197,052)
<b>Total</b>	<b>\$ 3,638,392</b>	<b>\$ 276,510</b>

## 8. Debt

### A. Governmental Activities Long-Term Debt

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

The following table summarizes the changes in governmental activities long-term debt of the County for the year ended December 31, 2012:

<b>Summary of Governmental Activities Debt for the year ended December 31, 2012</b>					
	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
<b>Primary Government</b>					
Bonds:					
General obligation	\$ 2,790,000	\$ 730,000	\$ 1,730,000	\$ 1,790,000	\$ 150,000
Plus: bond premium	115,333	68,468	65,123	118,678	-
Special obligation	8,280,000	-	1,630,000	6,650,000	1,315,000
Compensated absences	16,773,711	1,933,707	1,391,360	17,316,058	1,189,715
Other post employment benefits	9,582,960	1,682,293	1,017,817	10,247,436	-
Voluntary Retirement Incentive	889,617	3,149,808	889,617	3,149,808	992,743
Capital lease obligations	5,499	3,650,000	255,499	3,400,000	250,000
<b>Total</b>	<b>\$ 38,437,120</b>	<b>\$ 11,214,276</b>	<b>\$ 6,979,416</b>	<b>\$ 42,671,980</b>	<b>\$ 3,897,458</b>

For the governmental activities, claims and judgments, and compensated absences are generally liquidated by the general fund. Other post employment benefits (OPEB) are liquidated from the health care fund.

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

At December 31, 2012, governmental activities general and special obligation bonds consist of the following:

<b>Outstanding Governmental Activities</b>				
<b>General and Special Obligation Bonds as of December 31, 2012</b>				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
<b>Primary Government</b>				
1999A	\$ 7,572,376	\$ 70,000	4.500-5.500%	20
2004B	4,445,000	3,020,000	3.125-4.000%	15
2005A	1,245,000	905,000	4.000-4.750%	20
2008C	1,410,000	690,000	3.000-3.875%	10
2010B	4,470,000	2,340,000	2.000-3.250%	10
2010D	185,000	85,000	2.000-3.000%	3
2010E	740,000	600,000	0.700-2.600%	10
2012B	730,000	730,000	2.000-3.000%	13
Total	\$ 20,797,376	\$ 8,440,000		

On August 15, 2012, the County issued \$27,005,000 of General Obligation Internal Improvement Crossover Refunding Bonds, Series 2012B, to crossover refund issue 2005A. For governmental activities, \$730,000 of the \$27,005,000 will be used to crossover refund issue 2005A. The Series 2012B Bonds related to governmental activities mature in 2015 and have interest rates from 2.0% to 3.0%. The bond premium for the governmental activities portion of the 2012B Series was recorded in the amount of \$68,468. As of December 31, 2012, the remaining balance of the bond premium was \$66,491.

For governmental activities, 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 \$71,094 and a reduction of \$83,650 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 Crossover 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 2012B Bonds allocable to the Series 2005A until September 1, 2015 (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 County will continue to pay the originally scheduled debt service payments on the Series 2005A Bonds until September 1, 2015. After the call date, the County will cross over and begin making debt service payments on the 2012B Bonds, taking advantage of the lower interest rates. All of the deferred amounts related to refunding are being amortized to interest expense annually.

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

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

<b>Debt Service Requirements Governmental Activities for General and Special Obligation Bonds</b>			
<b>Primary Government</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 1,465,000	\$ 278,472	\$ 1,743,472
2014	1,000,000	238,882	1,238,882
2015	1,635,000	209,563	1,844,563
2016	920,000	147,450	1,067,450
2017	950,000	116,373	1,066,373
2018-2022	2,230,000	179,450	2,409,450
2023-2027	240,000	14,325	254,325
Total	\$ 8,440,000	\$ 1,184,515	\$ 9,624,515

### **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. At December 31, 2012, governmental activities special assessment bonds had a zero balance.

### **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, 2012 were as follows:

<b>Future Minimum Lease Payments</b>	
<b>Year Ending December 31:</b>	<b>Governmental Activities</b>
2013	290,800
2014	287,800
2015	2,934,800
Total minimum lease payments	3,513,400
Less amounts representing interest	(113,400)
Present value of minimum lease payments	\$ 3,400,000

### **5. Debt Margin**

The County has an available debt margin of \$633,205,678 as of December 31, 2012.

## **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, 2012:

<b>Summary of Business-Type Activities Debt for the year ended December 31, 2012</b>					
	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
<b>Primary Government</b>					
General obligation bonds:					
Wastewater	\$ 235,520,000	\$ 63,625,000	\$ 22,670,000	\$ 276,475,000	\$ 12,510,000
Plus: bond premium	4,795,180	6,174,982	809,674	10,160,488	-
Less:					
Issuance discounts	(240,092)	(38,803)	(158,560)	(120,335)	-
Airport	3,761,245	-	435,157	3,326,088	395,155
Plus: bond premium	139,990	-	22,192	117,798	-
Special assessment bonds:					
Wastewater	38,755	-	4,845	33,910	4,845
Revenue bonds:					
PBC	237,330,000	16,635,000	26,665,000	227,300,000	11,890,000
Plus: bond premium	2,659,587	1,850,406	254,381	4,255,612	-
Less:					
Issuance discounts	(477,900)	-	(31,312)	(446,588)	-
Claims and judgments	2,381,284	72,902	-	2,454,186	2,454,186
Compensated absences	1,445,572	267,222	107,620	1,605,174	110,285
Retainages payable	175,741	50,700	48,300	178,141	178,141
Long-term loans:					
Wastewater	35,257,830	-	5,709,509	29,548,321	5,030,764
Airport	39,211	-	22,525	16,686	16,686
<b>Total</b>	<b>\$ 522,826,403</b>	<b>\$ 88,637,409</b>	<b>\$ 56,559,331</b>	<b>\$ 554,904,481</b>	<b>\$ 32,590,062</b>

## **2. Business-Type Activities General Obligation Bonds**

At December 31, 2012, Business-Type Activities General Obligation Bonds consist of the following:

<b>Outstanding Business-Type Activities General Obligation Bonds as of December 31, 2012</b>					
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years	
2005A Wastewater	\$ 44,935,000	\$ 32,600,000	3.000-5.000%	20	
2007A Wastewater	42,220,000	32,200,000	4.000-5.000%	20	
2007B Wastewater	24,590,000	24,590,000	4.000-4.750%	20	
2008A Wastewater	26,585,000	26,585,000	4.000-5.000%	20	
2008B Wastewater	17,070,000	215,000	4.000-5.000%	10	
2008D Wastewater	10,425,000	10,425,000	4.000-5.000%	20	
2009A Wastewater	16,345,000	16,345,000	2.000-4.125%	20	
2009B Wastewater	20,925,000	20,925,000	2.250-5.400%	20	
2009C Wastewater	8,460,000	6,945,000	3.000-5.000%	11	
2009C Wastewater	3,423,175	2,935,000	3.000-5.000%	12	
2009C Wastewater	2,580,000	2,135,000	3.000-5.000%	13	
2010C Wastewater	8,605,000	8,605,000	1.150-4.800%	20	
2010D Wastewater	2,460,000	2,290,000	2.000-4.000%	13	
2010D Wastewater	9,265,000	9,265,000	3.000-4.000%	14	
2011A Wastewater	16,790,000	16,790,000	2.000-4.000%	20	
2012A Wastewater	37,350,000	37,350,000	2.000-4.000%	20	
2012B Wastewater	26,275,000	26,275,000	2.000-3.000%	13	
1999A Airport	410,000	71,088	4.500-5.500%	20	
2008A Airport	1,960,000	1,715,000	4.000-5.000%	20	
2008B Airport	1,505,000	745,000	4.000-5.000%	10	
2010D Airport	940,000	795,000	2.000-4.000%	7	
Total	\$ 323,118,175	\$ 279,801,088			

On August 15, 2012, the County issued \$37,350,000 of General Obligation Internal Improvement Bonds, Series 2012A, to finance certain wastewater improvements to the Unified Wastewater District. These bonds mature in 2032 and have interest rates ranging from 2.0% to 4.0%. The bond premium for the Series 2012A issue was recorded in the amount of \$3,710,995 and is being amortized to interest expense through 2032. As of December 31, 2012, the balance of the bond premium is \$3,603,850.

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, 2012, the balance of the bond premium is \$2,392,846.

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) 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 2012B Bonds allocable to the Series 2005A until September 1, 2015, (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 2005A until September 1, 2015. After the call date, the County will cross over and begin making debt service payments on the 2012B Bonds, taking advantage of the lower interest rates.

Remaining debt service requirements for general obligation wastewater bonds will be paid from the Unified Wastewater District Enterprise Fund with revenues from equivalent dwelling unit (EDU) charges and connection fees. In 2013 EDU charges will not be on the property tax rolls and will be collected on the usage billings. Remaining debt service requirements for general obligation airport bonds will be paid from the Airport Enterprise Fund with revenues from operations or from taxes.

For 2014 remaining debt service requirements for general obligation wastewater bonds will be paid from the Unified Wastewater District Enterprise Fund with revenues from wastewater Capital Finance Charges and connection fees. Capital Finance Charges are billed and collected in the same manner as the wastewater operations and maintenance charge. Remaining debt service requirements for general obligation airport bonds will be paid from the Airport Enterprise Fund with revenues from operations or from taxes.

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

<b>Debt Service Requirements for Business-Type Activities General Obligation Bonds</b>			
	Principal	Interest	Total
2013	\$ 12,905,155	\$ 11,149,628	\$ 24,054,783
2014	13,650,155	10,626,012	24,276,167
2015	40,495,155	10,136,003	50,631,158
2016	14,595,155	8,425,725	23,020,880
2017	14,965,155	7,894,442	22,859,597
2018-2022	80,290,313	30,472,734	110,763,047
2023-2027	75,900,000	14,430,536	90,330,536
2028-2032	27,000,000	2,300,165	29,300,165
Total	\$ 279,801,088	\$ 95,435,245	\$ 375,236,333

### **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, 2012, Wastewater special assessment bonds consist of the following:

<b>Outstanding Wastewater Special Assessment Bonds as of December 31, 2012</b>				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
1999A	\$ 96,891	\$ 33,910	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, 2012, are as follows:

<b>Debt Service Requirements for Wastewater Special Assessment Bonds</b>					
	Principal		Interest		Total
2013	\$	4,845	\$	1,830	\$ 6,675
2014		4,845		1,578	6,423
2015		4,845		1,322	6,167
2016		4,845		1,060	5,905
2017		4,845		800	5,645
2018-2022		9,685		798	10,483
Total	\$	33,910	\$	7,388	\$ 41,298

#### **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, 2012, business-type activities revenue bonds for PBC consist of the following:

<b>Business-Type Activities</b>					
<b>Outstanding Revenue Bonds as of December 31, 2012</b>					
	Original	Current	Interest	Original	
	Amount	Bonds	Rates	Term in	
		Outstanding		Years	
<b>Primary Government</b>					
PBC, 2005A	\$ 28,260,000	\$ 20,550,000	2.375-4.800%	20	
PBC, 2007A	10,500,000	8,015,000	2.000-5.250%	20	
PBC, 2007B	4,850,000	2,480,000	4.000-4.750%	20	
PBC, 2008A	48,825,000	42,760,000	3.892-4.125%	20	
PBC, 2008B	5,640,000	4,930,000	3.800-3.900%	20	
PBC, 2008C	10,750,000	9,190,000	4.000-5.000%	20	
PBC, 2009A	14,995,000	13,510,000	4.000-4.750%	20	
PBC, 2010A	13,245,000	12,300,000	1.000-5.650%	20	
PBC, 2010B	6,120,000	2,890,000	2.500-4.000%	12	
PBC, 2010C	31,510,000	30,395,000	2.500-4.000%	14	
PBC, 2010D	14,250,000	13,010,000	0.850-5.000%	20	
PBC, 2011A	35,395,000	34,605,000	2.000-4.375%	20	
PBC, 2011B	16,800,000	16,030,000	2.000-4.500%	20	
PBC, 2012A	16,635,000	16,635,000	3.000-4.000%	13	
Total	\$ 257,775,000	\$ 227,300,000			

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, 2012, the balance of the bond premium is \$1,796,980.

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) 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 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 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 2005A PBC Bonds until September 1, 2015. After the call date, the PBC will cross over and begin making debt service payments on the 2012A PBC Bonds, taking advantage of the lower interest rates.

Remaining debt service requirements for PBC revenue bonds will be paid from the PBC Enterprise fund. This fund has future lease revenue pledged to repay revenue bonds which provided proceeds for financing of buildings and facilities. The bonds are payable solely from lease payments made directly to a trustee for the purpose of repaying the debt. Principal and interest paid for the current year were \$11,445,000 and \$9,790,327, respectively.



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

<b>Debt Service Requirements for Business-Type Activities Revenue Bonds</b>			
	Principal	Interest	Total
<b>Primary Government</b>			
2013	\$ 11,890,000	\$ 8,967,129	\$ 20,857,129
2014	11,955,000	8,595,370	20,550,370
2015	28,045,000	8,236,985	36,281,985
2016	11,710,000	7,119,691	18,829,691
2017	12,160,000	6,716,605	18,876,605
2018-2022	64,970,000	26,645,261	91,615,261
2023-2027	60,640,000	13,481,092	74,121,092
2028-2032	25,930,000	2,396,633	28,326,633
Total	\$ 227,300,000	\$ 82,158,766	\$ 309,458,766

### **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 EDU charges within the Wastewater District. The County has also committed to pay loan obligations for various railroad improvements at the New Century Air Center.

There were no new advances from the State (KDHE) in 2012, and as of December 31, 2012, the County had used all available eligibility to borrow on existing loans. Johnson County signed two new loans with KDHE in 2012 for various Wastewater improvements, however no activity has occurred on either loan as of December 31, 2012.

At December 31, 2012, loan agreements were in existence between the County and the State of Kansas as follows:

<b>Business-Type Activities</b>				
<b>Outstanding Loans as of December 31, 2012</b>				
	Original Issue Amount	Current Loans Outstanding	Interest Rates	Original Term in Years
Blue River	\$ 14,290,397	\$ 5,079,133	3.14%	20
Mill Creek	47,190,000	6,280,880	3.77%	20
Mill Creek Regional Plant	13,583,500	8,886,528	2.86%	20
Middle Basin Green Project	10,655,100	9,301,780	2.72%	20
Airport Industrial Rail Project	217,197	16,686	3.00%	10
Total	\$ 85,936,194	\$ 29,565,007		

Annual debt service requirements to maturity for borrowed amounts outstanding at December 31, 2012, against these loans are as follows:

<b>Debt Service Requirements for Business-Type Activities Loans</b>					
	Principal		Interest		Total
2013	\$	5,047,450	\$	808,905	\$ 5,856,355
2014		4,863,096		659,735	5,522,831
2015		1,815,565		510,081	2,325,646
2016		1,862,036		458,210	2,320,246
2017		1,940,268		404,720	2,344,988
2018-2022		6,612,153		1,354,985	7,967,138
2023-2027		5,290,983		591,638	5,882,621
2028-2032		2,133,456		106,816	2,240,272
Total	\$	29,565,007	\$	4,895,090	\$ 34,460,097

### **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, with the exception of one case, will not be material to the financial statements.

In one case, the outcome of such litigation has been determined to result in probable loss to the Public Building Commission, which has been accrued in the accompanying financial statements. County counsel and management estimate the amount of the potential loss related to this particular litigation is likely to be approximately \$2,454,186. The case is being appealed.

## **C. Component Unit Debt**

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

The following table summarizes the changes in governmental activities long-term debt of the District for the year ended December 31, 2012:

Summary of Governmental Activities Debt for the year ended December 31, 2012					
Component Unit	Outstanding			Outstanding December 31	Due Within One Year
	January 1	Additions	Reductions		
Bonds:					
General obligation	\$ 3,000,000	\$ -	\$ 340,000	\$ 2,660,000	\$ 345,000
Plus: issuance premiums	140,397	-	18,306	122,091	-
Revenue	76,000	-	38,000	38,000	38,000
Certificates of participation	40,230,000	-	2,785,000	37,445,000	2,890,000
Plus: issuance premiums	843,730	-	81,292	762,438	-
Compensated absences	784,133	328,210	317,923	794,420	286,309
Early retirement obligation	159,450	-	39,441	120,009	-
Other post employment benefits	402,785	58,780	20,827	440,738	-
Capital lease obligations	77,526	-	41,591	35,935	35,935
<b>Total</b>	<b>\$45,714,021</b>	<b>\$ 386,990</b>	<b>\$ 3,682,380</b>	<b>\$ 42,418,631</b>	<b>\$ 3,595,244</b>

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund. Other post-employment benefits (OPEB) are liquidated from the employee benefits fund.

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

At December 31, 2012, governmental activities and business-type activities debt for the 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
<b>General Obligation:</b>					
2010A Refunding Bonds	\$ 3,625,000	\$ 2,660,000	\$ -	2.000-4.000%	9
<b>Revenue:</b>					
2010B Refunding Lease	3,310,000	38,000	2,137,000	2.000-4.000%	8
<b>Certificates of Participation:</b>					
2003 Series A	28,255,000	17,785,000	-	2.625-4.500%	20
2003 Series B	3,640,000	1,895,000	-	2.250-5.000%	21
2010 Series C	3,280,000	2,415,000	-	3.000-4.000%	8
2010 Series D	4,145,000	3,805,000	-	2.000-4.125%	8
2010 Series A	12,475,000	11,545,000	-	3.000-5.000%	11
<b>Total</b>	<b>\$58,730,000</b>	<b>\$ 40,143,000</b>	<b>\$2,137,000</b>		

## 3. Governmental Activities Long-term Debt

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

<b>Debt Service Requirements Governmental Activities</b>			
<b>Component Unit</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 3,308,935	\$ 1,604,297	\$ 4,913,232
2014	3,360,000	1,481,033	4,841,033
2015	3,470,000	1,362,113	4,832,113
2016	3,615,000	1,223,938	4,838,938
2017	3,750,000	1,095,763	4,845,763
2018-2022	18,305,000	3,020,346	21,325,346
2023-2027	3,550,000	428,725	3,978,725
2028-2032	820,000	66,600	886,600
<b>Total</b>	<b>\$ 40,178,935</b>	<b>\$ 10,282,815</b>	<b>\$ 50,461,750</b>

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

The following table summarizes the changes in business-type activities debt of the District for the year ended December 31, 2012:

<b>Summary of Business-Type Activities Debt for the year ended December 31, 2012</b>					
<b>Component Unit</b>	<b>Outstanding January 1</b>	<b>Additions</b>	<b>Reductions</b>	<b>Outstanding December 31</b>	<b>Due Within One Year</b>
Revenue bonds	\$ 2,474,000	\$ -	\$ 337,000	\$ 2,137,000	\$ 352,000
Plus: issuance premiums	78,496	-	11,345	67,151	-
Compensated absences	554,177	153,278	164,379	543,076	195,724
Capital lease obligations	130,620	-	73,950	56,670	29,906
Net OPEB Obligation	620,330	90,526	32,075	678,781	-
<b>Total</b>	<b>\$ 3,857,623</b>	<b>\$ 243,804</b>	<b>\$ 618,749</b>	<b>\$ 3,482,678</b>	<b>\$ 577,630</b>

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

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

<b>Debt Service Requirements for Business-Type Activities Revenue Bonds</b>			
<b>Component Unit</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 352,000	\$ 69,350	\$ 421,350
2014	355,000	60,550	415,550
2015	360,000	49,900	409,900
2016	370,000	39,100	409,100
2017	385,000	28,000	413,000
2018-2022	315,000	12,600	327,600
<b>Total</b>	<b>\$ 2,137,000</b>	<b>\$ 259,500</b>	<b>\$ 2,396,500</b>

All of the revenue bonds require the establishment of bond reserves of an amount equal to the lesser of a) 10 percent of the stated principal amount of the bonds; b) the maximum

annual debt service requirements; or c) 125 percent of the average annual debt service requirements. The District has \$331,673 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 percent of the stated principal amount of the certificates; b) the maximum annual debt service requirements; or c) 125 percent of the average annual debt service requirements. The exception to this requirement is the Series 2011A bond reserve, which is discussed in greater detail on the next page. The governmental activities have \$3,560,144 restricted for the required bond reserves.

The District has \$4,181,748 restricted cash and cash equivalents in Capital Projects Fund established by Kansas statute K.S.A. 19-2873b, which allows for the transfer of unspent General Fund dollars to be transferred to the District's Capital Projects Fund and moneys therein may be expended for acquisition of land and/or construction of improvements for future park and recreational use or for any such purposes.

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.

**6. Capital leases**

As explained in Note 7, the District 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, 2012 were as follows:

<b>Future Minimum Lease Payments</b>	
Year Ending December 31:	Component Unit
2013	69,324
2014	27,917
Total minimum lease payments	97,241
Less amounts representing interest	(4,636)
Present value of minimum lease payments	\$ 92,605

**9. Fund Balances**

Fund balances for all the major and nonmajor governmental funds as of December 31, 2012, were distributed as follows:

**Johnson County, Kansas**  
**Fund Balance Classifications**  
**Governmental Funds**  
**December 31, 2012**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Inventories	\$ 576,445	\$ -	\$ 733,312	\$ 1,309,757
Prepays	240,638	-	61,234	301,872
<b>Subtotal</b>	<u>817,083</u>	<u>-</u>	<u>794,546</u>	<u>1,611,629</u>
<b>Restricted:</b>				
General Government	216	-	6,152,249	6,152,465
Public Works	18,383	-	7,021,616	7,039,999
Public Safety	12,578,072	-	6,827,065	19,405,137
Health and human services	347,852	-	3,706,925	4,054,777
Planning and economic development	21,130	-	-	21,130
Culture and recreation	(10,766)	-	1,771,385	1,760,619
Capital projects	-	1,526,711	-	1,526,711
Debt service	-	-	1,589,392	1,589,392
<b>Subtotal</b>	<u>12,954,887</u>	<u>1,526,711</u>	<u>27,068,632</u>	<u>41,550,230</u>
<b>Committed:</b>				
General Government	375,000	-	-	375,000
Public Works	-	84,320,861	266,115	84,586,976
Public Safety	1,517,134	-	-	1,517,134
Health and human services	2,230	-	705,603	707,833
Planning and economic development	487,544	-	109,799	597,343
Culture and recreation	1,214,855	-	1,038	1,215,893
<b>Subtotal</b>	<u>3,596,763</u>	<u>84,320,861</u>	<u>1,082,555</u>	<u>89,000,179</u>
<b>Assigned:</b>				
General Government	318,049	-	102,328	420,377
Public Works	274,103	-	2,843,352	3,117,455
Public Safety	2,431,036	-	722,673	3,153,709
Health and human services	276,133	-	1,560,401	1,836,534
Planning and economic development	3,959	-	-	3,959
Culture and recreation	8,452	-	2,292,180	2,300,632
<b>Subtotal</b>	<u>3,311,732</u>	<u>-</u>	<u>7,520,934</u>	<u>10,832,666</u>
<b>Unassigned:</b>				
	72,506,285	-	-	72,506,285
<b>Total fund balances</b>	<u>\$ 93,186,749</u>	<u>\$ 85,847,572</u>	<u>\$ 36,466,667</u>	<u>\$ 215,500,988</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 2012 is \$12,954,887. The majority of this is related to Public Safety. The largest portion, \$10 million, are receipts from the Public Safety Sales Tax to be used for facilities including jail beds, a crime lab, and juvenile detention campus. Additionally, \$1.3 million are receipts restricted to Sheriff activities, and another \$700 thousand are receipts from fees to administer District Court domestic violence programs, bond supervision, and juvenile supervision. An additional \$500 thousand is restricted for community corrections programs.

The total committed fund balance for the General Fund for 2012 is \$3,596,762. General Government accounts for \$375 thousand, which is a contingency for sick/disability pay. Public Safety accounts for \$1.5 million, which is comprised of \$1 million as a contingency for adult and juvenile prisoner boarding, prisoner medical costs, and for general county litigation expenses, and \$300 thousand for programs including the Corrections house arrest program. Planning and economic development accounts for \$500 thousand, which are related to contractor licensing. Culture and recreation accounts for \$1.2 million, which is the County's Heritage Trust Fund. This fund was established by the Board of County Commissioners to recognize the importance of preserving the valuable heritage and history of Johnson County. The revenue for this fund is derived from a one-cent increase in mortgage registration fees.

The total assigned fund balance for the General Fund for 2012 is \$3,311,732. Public Safety accounts for \$2.4 million. The components of this include \$650 thousand for District Court programs, \$500 thousand for the Sheriff commissary program, and \$300 thousand for Corrections training programs. The remaining assigned fund balance for Public Safety represents encumbrances for departments including Sheriff (\$315 thousand), and Emergency Management & Communications (\$350 thousand.) 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**

The restricted portion of the capital projects fund is for capital lease proceeds received for the County Museum project. All other fund balance is committed under Public Works.

## **C. Other Governmental Funds**

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

# **10. Self-Insurance**

## **A. Risk Management**

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

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Since November 1990, the County has qualified as a self-insurer for workers' compensation benefits. Workers' Compensation costs are paid into the Risk Management internal service fund by all other funds through an allocation system and are available to pay claims, claim reserves, and administrative costs of the program. The County retains liability for \$500,000 per accident with specific excess coverage purchased commercially to provide protection in excess of that 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, 2012, incurred but not reported (IBNR) workers' compensation claims of \$1,144,245 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 \$1,255,431 have also been recorded in this fund.

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

the prior year. As of December 31, 2012, incurred but not reported (IBNR) automobile, general, and law enforcement liability claims of \$1,569,205 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	\$ 44,843
General liability	942,650
Law enforcement liability	<u>581,712</u>
Total	\$ 1,569,205

Changes in the Risk Management internal service fund's insurance claims payable during 2012 and 2011 were as follows:

<b>Risk Management</b>				
	Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Liability End of Year
2012	\$3,194,862	4,267,423	(3,493,404)	\$3,968,881
2011	\$3,157,474	4,097,355	(4,059,967)	\$3,194,862

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 \$3,038,919 and \$2,944,339 at December 31, 2012 and December 31, 2011 respectively.

### ***B. Self-Insured Health Care***

The County began self-insuring health care benefits in 1990, and has been in a cost-plus arrangement since 1993. The County retains liability for \$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 \$41,286,322 and \$42,753,453 in 2012 and 2011, respectively. Settled claims have not exceeded this aggregate liability coverage in any of the past three fiscal years. In 2010, the County increased its office and drug copayments to a level commensurate with local peers. A third party administrator is contracted to provide claims administration and payment services. As of December 31, 2012, a liability of \$2,790,435 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 consultant 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 2012 and 2011 were as follows:

<b>Self-Insured Health Care</b>				
	Insurance Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Insurance Claims Liability End of Year
2012	\$2,809,704	38,137,600	(38,156,869)	\$2,790,435
2011	\$2,857,313	35,662,954	(35,710,563)	\$2,809,704

## **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, 2012, the County's General Fund had a total of \$1.7 million in encumbrances, which were reported as part of the government fund balance sheet as follows:

General Fund:		Encumbrances
Restricted	\$	245,516
Committed		8,512
Assigned		1,449,601
	\$	<u>1,703,629</u>

#### D. Commitments

Capital projects often extend from one to four years and are accounted for in the County's Capital Projects Fund. Kansas statutes do not require capital project expenditures to be budgeted. The following is a schedule of project authorizations and expenditures incurred since inception, by category, for capital projects in progress at December 31, 2012.

Primary Government Project Authorizations and Expenditures Since Inception		
Project Category	Authorization	Expenditures Since Inception
<b>Primary Government</b>		
AIMS	\$ 1,561,752	\$ 312,615
Appraiser	2,486,460	78,910
Budget & Financial Planning - Econ. Dev.	1,477,732	-
Election	2,981,844	259,412
Emergency Management & Communications	27,661,802	1,818,413
Emergency Medical Services	1,613,288	131,639
Environmental	287,500	-
Facilities	16,192,605	3,713,649
Information Technology Services	11,402,509	604,113
Infrastructure	114,958,296	16,169,597
Library	2,884,359	733,311
Mental Health	1,110,000	480,849
Public Health	197,200	34,941
Public Works - Stormwater	253,742,755	20,313,751
Records and Tax Administration	3,100,000	199,152
Total	\$ 441,658,102	\$ 44,850,352

## 12. Pension Plans

### A. KPERS/KP&F

Johnson County and the District participate in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* 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 66603-3803) or by calling 1-888-275-5737.

K.S.A. 74-4919 established the KPERS member-employee contribution rate at 4% of covered salary. Beginning July 1, 2009, the percentage was raised to 6% for new employees only. The 4% rate will remain in effect for employees hired prior to July 2009.

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% 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 calendar year 2012 was 7.34%. The Johnson County employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$8,614,755, \$8,390,637, and \$7,603,997, respectively, and equal the required contributions for each year.

On July 1, 2006, new 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). The new rate only applies to workers who retired from a different KPERS employer. For example, the rate would not apply to a KPERS County retiree resuming employment with the County. The 2012 employer rate was 13.44% and is calculated on the employee's gross earnings. There is no employee rate assessed.

The KP&F employer rates established for fiscal year 2012 are 16.54% 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 years ending December 31, 2012, 2011, and 2010, were \$7,250,830, \$6,467,743, and \$5,676,736, respectively, and were equal to the required contributions for each year.

The Park and Recreation District employer contributions to KPERS for the years ending December 31, 2012, 2011 and 2010, were \$594,790, \$567,781, and \$543,131, respectively, equal to the statutory required contributions for each year. The Park and Recreation District contributions to KP&F for the years ending December 31, 2012, 2011, and 2010, were \$146,943, \$128,260, and \$110,470, respectively, equal to the statutory required contributions for each year.

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

The County offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees or other beneficiaries until termination, retirement, death or unforeseeable emergency.

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

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

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

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

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

The Johnson County Elected Retirement Plan was established to provide benefits at retirement for the Elected Officials of the County. This plan covers all elected officials for the County as of January 1, 2002 provided the elected official has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is \$10 per pay period in order to qualify for the Employer's matching contribution to the retirement plan. The Employer's matching contribution to the retirement plan shall be in an amount equal to 100% of the Elected Official's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the elected officials are permitted to this plan. Elected officials will vest as follows: 25% with one year of service, 50% with two years of service, 75% with three years of service, and 100% vested with four years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

<b>Information Regarding the Supplemental Retirement Plans</b>			
<u>Fiscal Year Ending</u>	<b>Number of Active Participants</b>		
	Employee	Executive	Elected
12/31/2012	1,862	1	7
12/31/2011	1,957	1	6
12/31/2010	1,973	1	7
<u>Fiscal Year Ending</u>	<b>County Contributions</b>		
	Employee	Executive	Elected
12/31/2012	\$ 2,850,318	\$ 8,000	\$ 16,304
12/31/2011	2,977,646	7,692	15,720
12/31/2010	2,922,545	8,000	16,265

### **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, 2012, there were three issues of industrial revenue bonds outstanding with an original amount of \$23,049,500 and an aggregate principal balance outstanding of \$12,711,381.

### **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. 45 (GASB Statement 45).

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.

#### **Funding Policy**

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. As of

December 31, 2012, the County had 60 participating retirees and the County expended approximately \$1,017,817 for these benefits.

**Annual OPEB Cost and Net OPEB Obligation**

The County’s annual OPEB cost is equal to the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, plus one year’s interest on the beginning balance of the net OPEB obligation, minus any adjustment to the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year and any unfunded actuarial liabilities (or funding excess) amortized over thirty years. The following table shows the components of the County’s annual OPEB cost for the year, the amount contributed to the plan, and changes in the County’s net OPEB obligation to the plan:

Annual Required Contribution (ARC)	\$ 1,853,159
Interest on prior year net OPEB Obligation	383,318
Adjustment to the ARC	(554,184)
Annual OPEB Cost (expense)	1,682,293
Employer Contributions	(1,017,817)
Increase in net OPEB obligation	664,476
Net Obligation at Beginning of Year	9,582,960
Net Obligation at End of Year	\$ 10,247,436

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior years are as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$1,253,111	21.2%	\$8,897,843
12/31/2011	1,618,894	57.7%	9,582,960
12/31/2012	1,682,293	60.5%	10,247,436

**Funded Status and Funding Progress**

As of January 1, 2012, the most recent actuarial valuation date, the funded status and funding progress of the plan is as follows:

Actuarial accrued liability (AAL)	\$ 16,095,527
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 16,095,527
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Annual covered payroll (active plan members)	\$ 167,765,798
UAAL as a percentage of annual covered payroll	9.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present in



time, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, benefit obligations are computed using the projected unit credit method. The actuarial assumptions included a 3% inflation rate implicitly included in the 4% discount rate, and an annual healthcare cost trend rate of 8.5% for 2013, reduced by .5% each year to an ultimate rate of 5% in 2020 and beyond. Benefits are attributed to service based on the plan’s benefit eligibility provisions. The beginning of the attribution period is the date of hire and the end is the full eligibility date. The unfunded actuarial accrued liability is amortized over a 30 year open period in level dollar amounts. No assets have been segregated and restricted to provide postretirement benefits.

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

The following table shows the information for the Parks and Recreation component unit annual OPEB cost for the year, the amount contributed to the plan, and changes in the component unit’s net OPEB obligation to the plan:

Annual Required Contribution (ARC)	\$ 167,548
Interest on prior year net OPEB Obligation	40,925
Adjustment to the ARC	(59,167)
Annual OPEB Cost (expense)	149,306
Employer Contributions	(52,903)
Increase in net OPEB obligation	96,403
Net Obligation at Beginning of Year	1,023,116
Net Obligation at End of Year	\$ 1,119,519

The Parks and Recreation component unit’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior years are as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$ 198,443	7.5%	\$ 930,139
12/31/2011	141,512	34.3%	1,023,116
12/31/2012	149,306	35.4%	1,119,519

**Funded Status and Funding Progress**

As of January 1, 2012, the most recent actuarial valuation date, the funded status and funding progress of the plan is as follows:

Actuarial accrued liability (AAL)	\$ 1,293,888
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 1,293,888
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Annual covered payroll (active plan members)	\$ 7,764,203
UAAL as a percentage of annual covered payroll	16.7%

## **15. Termination Benefits- Voluntary Retirement Incentive Program**

**Description.** The County offered a one-time termination incentive to employees eligible for normal or reduced retirement in the Kansas Employees Retirement System between October 14, 2011 and November 29, 2011. Eligible employees were offered incentive pay of one week of regular wages or salary for each year of service, with a minimum of eight (8) weeks and a maximum of sixteen (16) weeks. Additionally, employees were offered a choice between two health incentive options: 1) Employee may purchase continued group health insurance at the active employee rate for five years or until the age of 65, whichever comes first or 2) the Employee receives a lump sum payment of \$6,000 in lieu of health care coverage, subject to income-related tax withholding and other deductions. Voluntary termination was elected by 167 employees: 47 employees elected the medical waiver cash payout option and 120 employees elected to continue in the health insurance program. The County funded cash incentives from a combination of operations and reserves and will fund the health insurance benefits to retirees and their dependents on a pay-as-you-go basis.

The December 31, 2011 actuarial valuation assumed annual healthcare cost trend rates of 9% declining to 7% discounted to the present value utilizing a 4% discount rate. In 2012, \$889,617 of the liability associated with termination benefits was amortized, leaving an unamortized liability of \$3,149,808.

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

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

### **GASB Statement No. 68, Accounting and Financial Reporting for Pensions**

This statement will be effective for the County beginning with its fiscal year 2015. This statement establishes accounting and financial reporting by state and local governments for pensions, including entities that participate in cost-sharing multiple-employer plans. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equipment arrangements that meet certain criteria. Also, this statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources,

deferred inflows of resources, and expense/expenditures. For example, cost-sharing employers participating in KPERS, such as the County, will be required to record their proportionate share, as defined in Statement No. 68, of the KPERS unfunded pension liability. While management of the County has not yet estimated their share of the KPERS liability, it is presumed that the amount will be material to the County's financial statements

**GASB Statement No. 69,  
Government Combinations  
and Disposals of  
Government Operations**

This statement will be effective for the County beginning with its fiscal year 2016. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. GASB 69 is intended to improve the information presented about the financial reporting entity, which is comprised of a primary government and related entities (component units).

**GASB Statement No. 70,  
Accounting and Financial  
Reporting for  
Nonexchange Financial  
Guarantees**

This statement will be effective for the County beginning with its fiscal year 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

# Required Supplementary Information

## Schedule of Funding Progress – Other Postemployment Benefits Other Than Pensions

The schedules of funding progress presented below provide a consolidated snapshot of the County's ability to meet current and future liabilities with plan assets. The first schedule below does not include the Parks and Recreation Component Unit information.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/08	-	\$ 10,080,935	\$ 10,080,935	-	\$ 161,933,134	6.2%
01/01/10	-	10,386,055	10,386,055	-	180,247,137	5.8%
01/01/12	-	16,095,527	16,095,527	-	167,765,798	9.6%

## Parks and Recreation Component Unit

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/07	-	\$ 1,065,526	\$ 1,065,526	-	\$ 8,011,995	13.3%
01/01/10	-	1,583,140	\$ 1,583,140	-	7,618,470	20.8%
01/01/12	-	1,293,888	1,293,888	-	7,764,203	16.7%

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## Nonmajor Governmental Funds

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

**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, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Deposits including investments	\$ 19,312,508	\$ 854,833	\$ 14,572,191	\$ 34,739,532
Receivables (net of allowance for uncollectibles):	44,916,338	1,873,877	15,660,773	62,450,988
Inventories	84,609	-	648,703	733,312
Prepays	36,882	-	24,352	61,234
Restricted cash and investments	-	791,711	-	791,711
<b>Total assets</b>	<b>\$ 64,350,337</b>	<b>\$ 3,520,421</b>	<b>\$ 30,906,019</b>	<b>\$ 98,776,777</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,216,474	\$ 57,152	\$ 235,628	\$ 1,509,254
Salaries and wages payable	1,597,420	-	143,346	1,740,766
Due to others	489	-	2	491
Unearned revenue	1,012,955	-	-	1,012,955
<b>Total liabilities</b>	<b>3,827,338</b>	<b>57,152</b>	<b>378,976</b>	<b>4,263,466</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax receivable	42,392,646	1,873,877	13,468,328	57,734,851
Unavailable revenue - accounts receivable	311,793	-	-	311,793
<b>Total deferred inflows of resources</b>	<b>42,704,439</b>	<b>1,873,877</b>	<b>13,468,328</b>	<b>58,046,644</b>
<b>Fund Balances:</b>				
Nonspendable	121,491	-	673,055	794,546
Restricted	12,305,375	1,589,392	13,173,865	27,068,632
Committed	816,440	-	266,115	1,082,555
Assigned	4,575,254	-	2,945,680	7,520,934
<b>Total fund balances</b>	<b>17,818,560</b>	<b>1,589,392</b>	<b>17,058,715</b>	<b>36,466,667</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 64,350,337</b>	<b>\$ 3,520,421</b>	<b>\$ 30,906,019</b>	<b>\$ 98,776,777</b>

*Johnson County, Kansas*  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Year Ended December 31, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 49,541,915	\$ 4,020,487	\$ 26,332,991	\$ 79,895,393
Intergovernmental	10,857,816	-	10,427,009	21,284,825
Charges for services	21,620,111	-	1,532,906	23,153,017
Investment earnings	184,727	58	200,103	384,888
Licenses and permits	1,690,818	-	5,950	1,696,768
Other	804,545	-	1,822,400	2,626,945
<b>Total revenues</b>	<u>84,699,932</u>	<u>4,020,545</u>	<u>40,321,359</u>	<u>129,041,836</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	61,035	61,035
Public works	-	-	10,805,967	10,805,967
Public safety	2,748,329	-	-	2,748,329
Health and human services	60,755,964	-	-	60,755,964
Culture and recreation	19,670,963	224,306	-	19,895,269
Debt service:				
Principal retirement	-	3,360,000	-	3,360,000
Interest and fiscal charges	114	358,354	-	358,468
Capital Outlay	1,071,937	434,725	3,285,132	4,791,794
<b>Total expenditures</b>	<u>84,247,307</u>	<u>4,377,385</u>	<u>14,152,134</u>	<u>102,776,826</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>452,625</u>	<u>(356,840)</u>	<u>26,169,225</u>	<u>26,265,010</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	754,029	1,976,796	406,940	3,137,765
Transfers out	(889,486)	(2,029,783)	(25,892,815)	(28,812,084)
Refunding bonds issued	-	730,000	-	730,000
Premium on bonds issued	-	68,468	-	68,468
<b>Total other financing sources and uses</b>	<u>(135,457)</u>	<u>745,481</u>	<u>(25,485,875)</u>	<u>(24,875,851)</u>
<b>Net change in fund balances</b>	317,168	388,641	683,350	1,389,159
<b>Fund balances - beginning</b>	17,501,392	1,200,751	16,375,365	35,077,508
<b>Fund balances - ending</b>	<u>\$ 17,818,560</u>	<u>\$ 1,589,392</u>	<u>\$ 17,058,715</u>	<u>\$ 36,466,667</u>

*Johnson County, Kansas*  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue**  
December 31, 2012

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Telephone	911 Fund
<b>ASSETS</b>									
Deposits including investments	\$ 1,772,110	\$ 4,642,393	\$ 147,219	\$ 1,662	\$ 1,810,330	\$ 109,799	\$ 3,031,575	\$ 2,580,691	\$ 2,806,315
Receivables (net of allowance for uncollectibles):	8,851,863	17,761,302	-	-	12,463,699	-	5,839,474	-	-
Inventories	-	-	-	-	-	-	84,609	-	-
Prepaids	-	17,064	-	-	19,818	-	-	-	-
<b>Total assets</b>	<b>\$ 10,623,973</b>	<b>\$ 22,420,759</b>	<b>\$ 147,219</b>	<b>\$ 1,662</b>	<b>\$ 14,293,847</b>	<b>\$ 109,799</b>	<b>\$ 8,955,658</b>	<b>\$ 2,580,691</b>	<b>\$ 2,806,315</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 87,253	\$ 469,397	\$ -	\$ -	\$ 179,249	\$ -	\$ 232,893	\$ 68,654	\$ 118,673
Salaries and wages payable	432,342	344,383	-	-	591,440	-	229,255	-	-
Due to others	489	-	-	-	-	-	-	-	-
Unearned revenue	33,060	266,454	-	-	181,212	-	532,229	-	-
<b>Total liabilities</b>	<b>553,144</b>	<b>1,080,234</b>	<b>-</b>	<b>-</b>	<b>951,901</b>	<b>-</b>	<b>994,377</b>	<b>68,654</b>	<b>118,673</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Property tax receivable	8,614,706	17,402,977	-	-	11,592,999	-	4,781,964	-	-
Unavailable revenue - accounts receivable	-	4,762	-	-	49,698	-	257,333	-	-
<b>Total deferred inflows of resources</b>	<b>8,614,706</b>	<b>17,407,739</b>	<b>-</b>	<b>-</b>	<b>11,642,697</b>	<b>-</b>	<b>5,039,297</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>									
Nonspendable	-	17,064	-	-	19,818	-	84,609	-	-
Restricted	1,143,625	1,771,385	-	-	1,435,886	-	1,127,414	2,456,135	2,678,616
Committed	97,500	1,038	-	-	-	109,799	608,103	-	-
Assigned	214,998	2,143,299	147,219	1,662	243,545	-	1,101,858	55,902	9,026
<b>Total fund balances</b>	<b>1,456,123</b>	<b>3,932,786</b>	<b>147,219</b>	<b>1,662</b>	<b>1,699,249</b>	<b>109,799</b>	<b>2,921,984</b>	<b>2,512,037</b>	<b>2,687,642</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,623,973</b>	<b>\$ 22,420,759</b>	<b>\$ 147,219</b>	<b>\$ 1,662</b>	<b>\$ 14,293,847</b>	<b>\$ 109,799</b>	<b>\$ 8,955,658</b>	<b>\$ 2,580,691</b>	<b>\$ 2,806,315</b>

**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue**  
**December 31, 2012**

	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licenseure	Total
<b>ASSETS</b>								
Deposits including investments	\$ 106,327	\$ 646,096	\$ 135,775	\$ 128,254	\$ 33,619	\$ 1,168,463	\$ 191,880	\$ 19,312,508
Receivables (net of allowance for uncollectibles):	-	-	-	-	-	-	-	44,916,338
Inventories	-	-	-	-	-	-	-	84,609
Prepays	-	-	-	-	-	-	-	36,882
<b>Total assets</b>	<b>\$ 106,327</b>	<b>\$ 646,096</b>	<b>\$ 135,775</b>	<b>\$ 128,254</b>	<b>\$ 33,619</b>	<b>\$ 1,168,463</b>	<b>\$ 191,880</b>	<b>\$ 64,350,337</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ 2,577	\$ -	\$ -	\$ -	\$ 57,778	\$ -	\$ 1,216,474
Salaries and wages payable	-	-	-	-	-	-	-	1,597,420
Due to others	-	-	-	-	-	-	-	489
Unearned revenue	-	-	-	-	-	-	-	1,012,955
<b>Total liabilities</b>	<b>-</b>	<b>2,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,778</b>	<b>-</b>	<b>3,827,338</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Property tax receivable	-	-	-	-	-	-	-	42,392,646
Unavailable revenue - accounts receivable	-	-	-	-	-	-	-	311,793
Total deferred inflows of resources	-	-	-	-	-	-	-	42,704,439
<b>Fund Balances:</b>								
Nonspendable	-	-	-	-	-	-	-	121,491
Restricted	59,015	236,152	134,915	125,972	-	1,066,912	69,348	12,305,375
Committed	-	-	-	-	-	-	-	816,440
Assigned	47,312	407,367	860	2,282	33,619	43,773	122,532	4,575,254
<b>Total fund balances</b>	<b>106,327</b>	<b>643,519</b>	<b>135,775</b>	<b>128,254</b>	<b>33,619</b>	<b>1,110,685</b>	<b>191,880</b>	<b>17,818,560</b>
<b>Total liabilities and fund balances</b>	<b>\$ 106,327</b>	<b>\$ 646,096</b>	<b>\$ 135,775</b>	<b>\$ 128,254</b>	<b>\$ 33,619</b>	<b>\$ 1,168,463</b>	<b>\$ 191,880</b>	<b>\$ 64,350,337</b>

*Johnson County, Kansas*  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Special Revenue**  
For the Year Ended December 31, 2012

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Telephone	911 Fund
<b>REVENUES</b>									
Taxes	\$ 8,046,647	\$ 19,266,181	\$ -	\$ -	\$ 13,551,791	\$ -	\$ 5,165,077	\$ 132,467	\$ 3,224,071
Intergovernmental	2,044,136	210,271	-	-	4,528,525	-	4,074,884	-	-
Charges for services	9,320,601	181,906	-	-	10,567,417	2,131	1,275,547	-	-
Investment earnings	30,224	53,522	999	-	47,550	-	-	21,530	9,026
Licenses and permits	-	676,276	-	-	-	-	665,120	-	-
Other	37,400	272,348	123,076	1,662	55,349	-	290,986	-	-
<b>Total revenues</b>	<b>19,479,008</b>	<b>20,660,504</b>	<b>124,075</b>	<b>1,662</b>	<b>28,750,632</b>	<b>2,131</b>	<b>11,471,614</b>	<b>153,997</b>	<b>3,233,097</b>
<b>EXPENDITURES</b>									
Current:									
Public safety	-	-	-	-	-	-	-	662,116	545,455
Health and human services	19,377,465	-	-	-	29,153,856	-	12,224,643	-	-
Culture and recreation	-	19,388,078	137,804	9,323	-	135,758	-	-	-
Debt service:									
Interest and fiscal charges	-	114	-	-	-	-	-	-	-
Capital outlay	21,099	675,969	-	-	54,585	-	-	-	-
<b>Total expenditures</b>	<b>19,398,564</b>	<b>20,064,161</b>	<b>137,804</b>	<b>9,323</b>	<b>29,208,441</b>	<b>135,758</b>	<b>12,224,643</b>	<b>662,116</b>	<b>545,455</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>80,444</b>	<b>596,343</b>	<b>(13,729)</b>	<b>(7,661)</b>	<b>(457,809)</b>	<b>(133,627)</b>	<b>(753,029)</b>	<b>(508,119)</b>	<b>2,687,642</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	97,500	406	-	-	28,770	-	627,353	-	-
Transfers out	-	(492,934)	-	-	(344,006)	-	(19,250)	-	-
<b>Total other financing sources and uses</b>	<b>97,500</b>	<b>(492,528)</b>	<b>-</b>	<b>-</b>	<b>(315,236)</b>	<b>-</b>	<b>608,103</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>177,944</b>	<b>103,815</b>	<b>(13,729)</b>	<b>(7,661)</b>	<b>(773,045)</b>	<b>(133,627)</b>	<b>(144,926)</b>	<b>(508,119)</b>	<b>2,687,642</b>
<b>Fund balances - beginning</b>	<b>1,278,179</b>	<b>3,828,971</b>	<b>160,948</b>	<b>9,323</b>	<b>2,472,294</b>	<b>243,426</b>	<b>\$ 3,066,910</b>	<b>3,020,156</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 1,456,123</b>	<b>\$ 3,932,786</b>	<b>\$ 147,219</b>	<b>\$ 1,662</b>	<b>\$ 1,699,249</b>	<b>\$ 109,799</b>	<b>\$ 2,921,984</b>	<b>\$ 2,512,037</b>	<b>\$ 2,687,642</b>

*Johnson County, Kansas*  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Special Revenue**  
For the Year Ended December 31, 2012

	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licensure	Total
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ 47,828	\$ 107,853	\$ -	\$ -	\$ -	\$ 49,541,915
Intergovernmental	-	-	-	-	-	-	-	10,857,816
Charges for services	-	-	-	-	-	272,509	-	21,620,111
Investment earnings	698	5,252	839	943	-	14,144	-	184,727
Licenses and permits	20,979	255,289	-	-	-	-	73,154	1,690,818
Other	-	-	-	-	23,724	-	-	804,545
<b>Total revenues</b>	<b>21,677</b>	<b>260,541</b>	<b>48,667</b>	<b>108,796</b>	<b>23,724</b>	<b>286,653</b>	<b>73,154</b>	<b>84,699,932</b>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	24,911	10,584	68,747	14,996	1,421,374	146	2,748,329
Health and human services	-	-	-	-	-	-	-	60,755,964
Culture and recreation	-	-	-	-	-	-	-	19,670,963
Debt service:								
Interest and fiscal charges	-	-	-	-	-	-	-	114
Capital outlay	-	320,284	-	-	-	-	-	1,071,937
<b>Total expenditures</b>	<b>-</b>	<b>345,195</b>	<b>10,584</b>	<b>68,747</b>	<b>14,996</b>	<b>1,421,374</b>	<b>146</b>	<b>84,247,307</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>21,677</b>	<b>(84,654)</b>	<b>38,083</b>	<b>40,049</b>	<b>8,728</b>	<b>(1,134,721)</b>	<b>73,008</b>	<b>452,625</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	754,029
Transfers out	-	-	-	(33,296)	-	-	-	(889,486)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,296)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(135,457)</b>
<b>Net change in fund balances</b>	<b>21,677</b>	<b>(84,654)</b>	<b>38,083</b>	<b>6,753</b>	<b>8,728</b>	<b>(1,134,721)</b>	<b>73,008</b>	<b>317,168</b>
<b>Fund balances - beginning</b>	<b>84,650</b>	<b>728,173</b>	<b>97,692</b>	<b>121,501</b>	<b>24,891</b>	<b>2,245,406</b>	<b>118,872</b>	<b>17,501,392</b>
<b>Fund balances - ending</b>	<b>\$ 106,327</b>	<b>\$ 643,519</b>	<b>\$ 135,775</b>	<b>\$ 128,254</b>	<b>\$ 33,619</b>	<b>\$ 1,110,685</b>	<b>\$ 191,880</b>	<b>\$ 17,818,560</b>

**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Debt Service**  
**December 31, 2012**

	Debt Service	Library Special Use	Total
<b>ASSETS</b>			
Deposits including investments	\$ 315,195	\$ 539,638	\$ 854,833
Receivables (net of allowance for uncollectibles):	-	1,873,877	1,873,877
Restricted cash and investments	791,711	-	791,711
<b>Total assets</b>	<b>\$ 1,106,906</b>	<b>\$ 2,413,515</b>	<b>\$ 3,520,421</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 41	\$ 57,111	\$ 57,152
<b>Total liabilities</b>	<b>41</b>	<b>57,111</b>	<b>57,152</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax receivable	-	1,873,877	1,873,877
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,873,877</b>	<b>1,873,877</b>
 <b>Fund Balances:</b>			
Restricted	1,106,865	482,527	1,589,392
<b>Total fund balances</b>	<b>1,106,865</b>	<b>482,527</b>	<b>1,589,392</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,106,906</b>	<b>\$ 2,413,515</b>	<b>\$ 3,520,421</b>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Debt Service**  
**For the Year Ended December 31, 2012**

	Debt Service	Library Special Use	Total
<b>REVENUES</b>			
Taxes	\$ 1,479,049	\$ 2,541,438	\$ 4,020,487
Investment earnings	58	-	58
<b>Total revenues</b>	<u>1,479,107</u>	<u>2,541,438</u>	<u>4,020,545</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	-	224,306	224,306
Debt service:			
Principal retirement	3,360,000	-	3,360,000
Interest and fiscal charges	358,354	-	358,354
Capital outlay	-	434,725	434,725
<b>Total expenditures</b>	<u>3,718,354</u>	<u>659,031</u>	<u>4,377,385</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,239,247)</u>	<u>1,882,407</u>	<u>(356,840)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,976,796	-	1,976,796
Transfers out	-	(2,029,783)	(2,029,783)
Refunding bonds issued	730,000	-	730,000
Premium on bonds issued	68,468	-	68,468
<b>Total other financing sources and uses</b>	<u>2,775,264</u>	<u>(2,029,783)</u>	<u>745,481</u>
<b>Net change in fund balances</b>	536,017	(147,376)	388,641
<b>Fund balances - beginning</b>	570,848	629,903	1,200,751
<b>Fund balances - ending</b>	<u>\$ 1,106,865</u>	<u>\$ 482,527</u>	<u>\$ 1,589,392</u>



**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Capital Projects**  
**December 31, 2012**

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
<b>ASSETS</b>					
Deposits including investments	\$ 6,260,239	\$ 2,250,709	\$ 5,780,972	\$ 280,271	\$ 14,572,191
Receivables (net of allowance for uncollectibles):	-	2,154,506	12,821,286	684,981	15,660,773
Inventories	-	-	648,703	-	648,703
Prepays	22,852	-	1,500	-	24,352
<b>Total assets</b>	<b>\$ 6,283,091</b>	<b>\$ 4,405,215</b>	<b>\$ 19,252,461</b>	<b>\$ 965,252</b>	<b>\$ 30,906,019</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 5,662	\$ 282	\$ 229,684	\$ -	\$ 235,628
Salaries and wages payable	-	9,167	134,179	-	143,346
Due to others	-	-	2	-	2
<b>Total liabilities</b>	<b>5,662</b>	<b>9,449</b>	<b>363,865</b>	<b>-</b>	<b>378,976</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property tax receivable	-	-	12,783,347	684,981	13,468,328
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>12,783,347</b>	<b>684,981</b>	<b>13,468,328</b>
<b>Fund Balances:</b>					
Nonspendable	22,852	-	650,203	-	673,055
Restricted	6,152,249	3,441,937	3,579,679	-	13,173,865
Committed	-	-	-	266,115	266,115
Assigned	102,328	953,829	1,875,367	14,156	2,945,680
<b>Total fund balances</b>	<b>6,277,429</b>	<b>4,395,766</b>	<b>6,105,249</b>	<b>280,271</b>	<b>17,058,715</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,283,091</b>	<b>\$ 4,405,215</b>	<b>\$ 19,252,461</b>	<b>\$ 965,252</b>	<b>\$ 30,906,019</b>

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Capital Projects**  
**For the Year Ended December 31, 2012**

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
<b>REVENUES</b>					
Taxes	\$ -	\$ 11,941,805	\$ 13,386,209	\$ 1,004,977	\$ 26,332,991
Intergovernmental	-	-	10,427,009	-	10,427,009
Charges for services	1,299,730	-	233,176	-	1,532,906
Investment earnings	43,699	152,184	-	4,220	200,103
Licenses and permits	-	-	5,950	-	5,950
Other	-	7,050	1,815,350	-	1,822,400
<b>Total revenues</b>	<b>1,343,429</b>	<b>12,101,039</b>	<b>25,867,694</b>	<b>1,009,197</b>	<b>40,321,359</b>
<b>EXPENDITURES</b>					
Current:					
General government	61,035	-	-	-	61,035
Public works	-	471,685	10,334,282	-	10,805,967
Capital outlay	-	-	2,159,154	1,125,978	3,285,132
<b>Total expenditures</b>	<b>61,035</b>	<b>471,685</b>	<b>12,493,436</b>	<b>1,125,978</b>	<b>14,152,134</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,282,394</b>	<b>11,629,354</b>	<b>13,374,258</b>	<b>(116,781)</b>	<b>26,169,225</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	234,947	171,993	406,940
Transfers out	(168,500)	(10,984,853)	(14,739,462)	-	(25,892,815)
<b>Total other financing sources and uses</b>	<b>(168,500)</b>	<b>(10,984,853)</b>	<b>(14,504,515)</b>	<b>171,993</b>	<b>(25,485,875)</b>
<b>Net change in fund balances</b>	<b>1,113,894</b>	<b>644,501</b>	<b>(1,130,257)</b>	<b>55,212</b>	<b>683,350</b>
<b>Fund balances - beginning</b>	<b>5,163,535</b>	<b>3,751,265</b>	<b>7,235,506</b>	<b>225,059</b>	<b>16,375,365</b>
<b>Fund balances - ending</b>	<b>\$ 6,277,429</b>	<b>\$ 4,395,766</b>	<b>\$ 6,105,249</b>	<b>\$ 280,271</b>	<b>\$ 17,058,715</b>

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Developmental Supports Fund**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 7,951,408	\$ 7,951,408	\$ 8,046,647	\$ 95,239
Intergovernmental	1,950,537	1,950,537	2,044,136	93,599
Charges for services	10,896,498	10,896,498	9,320,601	(1,575,897)
Investment earnings	100,456	100,456	30,224	(70,232)
Other	92,971	92,971	37,401	(55,570)
<b>Total revenues</b>	<b>20,991,870</b>	<b>20,991,870</b>	<b>19,479,009</b>	<b>(1,512,861)</b>
<b>EXPENDITURES</b>				
Current:				
Health and human services	20,832,003	20,832,003	19,376,584	1,455,419
Capital outlay	159,867	159,867	21,100	138,767
Reserves	1,897,168	1,897,168	-	1,897,168
<b>Total expenditures</b>	<b>22,889,038</b>	<b>22,889,038</b>	<b>19,397,684</b>	<b>3,491,354</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,897,168)</b>	<b>(1,897,168)</b>	<b>81,325</b>	<b>1,978,493</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	97,500	97,500
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>97,500</b>	<b>97,500</b>
<b>Net change in fund balances</b>	<b>(1,897,168)</b>	<b>(1,897,168)</b>	<b>178,825</b>	<b>\$ 2,075,993</b>
<b>Fund balances - beginning</b>	<b>1,897,168</b>	<b>1,897,168</b>	<b>1,194,915</b>	
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,373,740</b>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Library Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 19,110,651	\$ 19,110,651	\$ 19,266,181	\$ 155,530
Intergovernmental	230,000	230,000	210,272	(19,728)
Charges for services	1,002,600	1,002,600	181,906	(820,694)
Investment earnings	191,450	191,450	72,213	(119,237)
Licenses and permits	-	-	676,276	676,276
Other	269,197	269,197	272,348	3,151
<b>Total revenues</b>	<u>20,803,898</u>	<u>20,803,898</u>	<u>20,679,196</u>	<u>(124,702)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	20,835,192	20,835,192	19,354,868	1,480,324
Capital outlay	234,126	234,126	214,318	19,808
Reserves	2,729,423	2,729,423	-	2,729,423
<b>Total expenditures</b>	<u>23,798,741</u>	<u>23,798,741</u>	<u>19,569,186</u>	<u>4,229,555</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,994,843)</u>	<u>(2,994,843)</u>	<u>1,110,010</u>	<u>4,104,853</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	26,278	26,278	406	(25,872)
Transfers out	(492,934)	(492,934)	(492,934)	-
<b>Total other financing sources and uses</b>	<u>(466,656)</u>	<u>(466,656)</u>	<u>(492,528)</u>	<u>(25,872)</u>
<b>Net change in fund balances</b>	<u>(3,461,499)</u>	<u>(3,461,499)</u>	<u>617,482</u>	<u>\$ 4,078,981</u>
<b>Fund balances - beginning</b>	<u>3,461,499</u>	<u>3,461,499</u>	<u>3,026,666</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,644,148</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Other	\$ 5,000	\$ 5,000	\$ 1,661	\$ (3,339)
<b>Total revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>1,661</u>	<u>(3,339)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	-	9,323	(9,323)
Reserves	7,758	7,758	-	7,758
<b>Total expenditures</b>	<u>7,758</u>	<u>7,758</u>	<u>9,323</u>	<u>(1,565)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,758)</u>	<u>(2,758)</u>	<u>(7,662)</u>	<u>(4,904)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(5,000)	(5,000)	-	5,000
<b>Total other financing sources and uses</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
<b>Net change in fund balances</b>	<u>(7,758)</u>	<u>(7,758)</u>	<u>(7,662)</u>	<u>\$ 96</u>
<b>Fund balances - beginning</b>	<u>7,758</u>	<u>7,758</u>	<u>9,323</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,661</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 13,398,174	\$ 13,398,174	\$ 13,551,791	\$ 153,617
Intergovernmental	4,839,300	4,839,300	4,528,525	(310,775)
Charges for services	14,518,655	14,518,655	10,567,417	(3,951,238)
Investment earnings	137,685	137,685	47,550	(90,135)
Other	105,065	105,065	55,349	(49,716)
<b>Total revenues</b>	<u>32,998,879</u>	<u>32,998,879</u>	<u>28,750,632</u>	<u>(4,248,247)</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	32,665,793	32,665,793	29,304,839	3,360,954
Capital outlay	83,200	83,200	54,585	28,615
Reserves	3,092,081	3,092,081	-	3,092,081
<b>Total expenditures</b>	<u>35,841,074</u>	<u>35,841,074</u>	<u>29,359,424</u>	<u>6,481,650</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,842,195)</u>	<u>(2,842,195)</u>	<u>(608,792)</u>	<u>2,233,403</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,120	19,120	28,770	9,650
Transfers out	(269,006)	(269,006)	(344,006)	(75,000)
<b>Total other financing sources and uses</b>	<u>(249,886)</u>	<u>(249,886)</u>	<u>(315,236)</u>	<u>(65,350)</u>
<b>Net change in fund balances</b>	<u>(3,092,081)</u>	<u>(3,092,081)</u>	<u>(924,028)</u>	<u>\$ 2,168,053</u>
<b>Fund balances - beginning</b>	<u>3,092,081</u>	<u>3,092,081</u>	<u>2,443,423</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,519,395</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Developer Fees Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 9,800	\$ 9,800	\$ 2,130	\$ (7,670)
<b>Total revenues</b>	<u>9,800</u>	<u>9,800</u>	<u>2,130</u>	<u>(7,670)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	-	135,758	(135,758)
Reserves	237,859	237,859	-	237,859
<b>Total expenditures</b>	<u>237,859</u>	<u>237,859</u>	<u>135,758</u>	<u>102,101</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(228,059)</u>	<u>(228,059)</u>	<u>(133,628)</u>	<u>94,431</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(9,800)	(9,800)	-	9,800
<b>Total other financing sources and uses</b>	<u>(9,800)</u>	<u>(9,800)</u>	<u>-</u>	<u>9,800</u>
<b>Net change in fund balances</b>	<u>(237,859)</u>	<u>(237,859)</u>	<u>(133,628)</u>	<u>\$ 104,231</u>
<b>Fund balances - beginning</b>	<u>237,859</u>	<u>237,859</u>	<u>243,427</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,799</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 5,098,114	\$ 5,098,114	\$ 5,165,077	\$ 66,963
Intergovernmental	3,820,967	3,820,967	4,074,884	253,917
Charges for services	1,357,116	1,357,116	1,275,548	(81,568)
Licenses and permits	378,697	378,697	665,120	286,423
Other	74,417	74,417	290,986	216,569
<b>Total revenues</b>	<u>10,729,311</u>	<u>10,729,311</u>	<u>11,471,615</u>	<u>742,304</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	10,800,384	10,800,384	12,244,511	(1,444,127)
Reserves	2,797,303	2,797,303	-	2,797,303
<b>Total expenditures</b>	<u>13,597,687</u>	<u>13,597,687</u>	<u>12,244,511</u>	<u>1,353,176</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,868,376)</u>	<u>(2,868,376)</u>	<u>(772,896)</u>	<u>2,095,480</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	627,353	627,353
Transfers out	(19,250)	(19,250)	(19,250)	-
<b>Total other financing sources and uses</b>	<u>(19,250)</u>	<u>(19,250)</u>	<u>608,103</u>	<u>627,353</u>
<b>Net change in fund balances</b>	<u>(2,887,626)</u>	<u>(2,887,626)</u>	<u>(164,793)</u>	<u>\$ 2,722,833</u>
<b>Fund balances - beginning</b>	<u>2,887,626</u>	<u>2,887,626</u>	<u>2,979,321</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,814,528</u>	



**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**911 Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Tax	\$ 3,425,610	\$ 3,425,610	\$ 3,224,071	\$ (201,539)
Investment earnings	-	-	9,026	9,026
<b>Total revenues</b>	<u>3,425,610</u>	<u>3,425,610</u>	<u>3,233,097</u>	<u>(192,513)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	2,000,000	2,000,000	686,687	1,313,313
Capital outlay	1,379,300	1,379,300	-	1,379,300
Reserves	-	-	-	-
<b>Total expenditures</b>	<u>3,379,300</u>	<u>3,379,300</u>	<u>686,687</u>	<u>2,692,613</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>46,310</u>	<u>46,310</u>	<u>2,546,410</u>	<u>2,500,100</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(46,310)	(46,310)	-	46,310
<b>Total other financing sources and uses</b>	<u>(46,310)</u>	<u>(46,310)</u>	<u>-</u>	<u>46,310</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>2,546,410</u>	<u>\$ 2,546,410</u>
<b>Fund balances - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,546,410</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**911 Telephone Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 132,467	\$ 132,467
Investment earnings	61,317	61,317	21,530	(39,787)
<b>Total revenues</b>	<u>61,317</u>	<u>61,317</u>	<u>153,997</u>	<u>92,680</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	811,317	811,317	511,272	300,045
Capital outlay	950,000	950,000	-	950,000
Reserves	847,177	847,177	-	847,177
<b>Total expenditures</b>	<u>2,608,494</u>	<u>2,608,494</u>	<u>511,272</u>	<u>2,097,222</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,547,177)</u>	<u>(2,547,177)</u>	<u>(357,275)</u>	<u>2,189,902</u>
<b>Net change in fund balances</b>	(2,547,177)	(2,547,177)	(357,275)	<u>\$ 2,189,902</u>
<b>Fund balances - beginning</b>	<u>2,547,177</u>	<u>2,547,177</u>	<u>2,795,716</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,438,441</u>	

*Johnson County, Kansas*  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**District Attorney Forfeited Property Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 936	\$ 936	\$ 698	\$ (238)
Licenses and permits	13,000	13,000	20,979	7,979
<b>Total revenues</b>	<u>13,936</u>	<u>13,936</u>	<u>21,677</u>	<u>7,741</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	13,936	13,936	-	13,936
Reserves	59,015	59,015	-	59,015
<b>Total expenditures</b>	<u>72,951</u>	<u>72,951</u>	<u>-</u>	<u>72,951</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(59,015)</u>	<u>(59,015)</u>	<u>21,677</u>	<u>80,692</u>
<b>Net change in fund balances</b>	<u>(59,015)</u>	<u>(59,015)</u>	<u>21,677</u>	<u>\$ 80,692</u>
<b>Fund balances - beginning</b>	<u>59,015</u>	<u>59,015</u>	<u>84,650</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,327</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 13,080	\$ 13,080	\$ 5,252	\$ (7,828)
Licenses and permits	200,000	200,000	255,289	55,289
<b>Total revenues</b>	<u>213,080</u>	<u>213,080</u>	<u>260,541</u>	<u>47,461</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	543,049	543,049	24,911	518,138
Reserves	9,999	9,999	-	9,999
<b>Total expenditures</b>	<u>553,048</u>	<u>553,048</u>	<u>24,911</u>	<u>528,137</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(339,968)</u>	<u>(339,968)</u>	<u>235,630</u>	<u>575,598</u>
<b>Net change in fund balances</b>	<u>(339,968)</u>	<u>(339,968)</u>	<u>235,630</u>	<u>\$ 575,598</u>
<b>Fund balances - beginning</b>	<u>339,968</u>	<u>339,968</u>	<u>403,938</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 639,568</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Controlled Substance Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 2,000	\$ 2,000	\$ 47,828	\$ 45,828
Investment earnings	2,466	2,466	839	(1,627)
<b>Total revenues</b>	<u>4,466</u>	<u>4,466</u>	<u>48,667</u>	<u>44,201</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	43,323	43,323	42,001	1,322
Reserves	9,999	9,999	-	9,999
<b>Total expenditures</b>	<u>53,322</u>	<u>53,322</u>	<u>42,001</u>	<u>11,321</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(48,856)</u>	<u>(48,856)</u>	<u>6,666</u>	<u>55,522</u>
<b>Net change in fund balances</b>	<u>(48,856)</u>	<u>(48,856)</u>	<u>6,666</u>	<u>\$ 55,522</u>
<b>Fund balances - beginning</b>	<u>48,856</u>	<u>48,856</u>	<u>97,692</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,358</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 100,000	\$ 100,000	\$ 107,853	\$ 7,853
Investment earnings	2,043	2,043	943	(1,100)
<b>Total revenues</b>	<u>102,043</u>	<u>102,043</u>	<u>108,796</u>	<u>6,753</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	82,923	82,923	68,747	14,176
Reserves	117,829	117,829	-	117,829
<b>Total expenditures</b>	<u>200,752</u>	<u>200,752</u>	<u>68,747</u>	<u>132,005</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(98,709)</u>	<u>(98,709)</u>	<u>40,049</u>	<u>138,758</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(19,120)	(19,120)	(33,296)	(14,176)
<b>Total other financing sources and uses</b>	<u>(19,120)</u>	<u>(19,120)</u>	<u>(33,296)</u>	<u>(14,176)</u>
<b>Net change in fund balances</b>	<u>(117,829)</u>	<u>(117,829)</u>	<u>6,753</u>	<u>\$ 124,582</u>
<b>Fund balances - beginning</b>	<u>117,829</u>	<u>117,829</u>	<u>121,500</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,253</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Prosecutor Training Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ 29,000	\$ 29,000	\$ 23,724	\$ (5,276)
<b>Total revenues</b>	<u>29,000</u>	<u>29,000</u>	<u>23,724</u>	<u>(5,276)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	29,000	29,000	14,996	14,004
Reserves	16,141	16,141	-	16,141
<b>Total expenditures</b>	<u>45,141</u>	<u>45,141</u>	<u>14,996</u>	<u>30,145</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(16,141)</u>	<u>(16,141)</u>	<u>8,728</u>	<u>24,869</u>
<b>Net change in fund balances</b>	<u>(16,141)</u>	<u>(16,141)</u>	<u>8,728</u>	<u>\$ 24,869</u>
<b>Fund balances - beginning</b>	<u>16,141</u>	<u>16,141</u>	<u>24,490</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,218</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**911 Wireless Telephone Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 272,510	\$ 272,510
Investment earnings	50,088	50,088	14,144	(35,944)
<b>Total revenues</b>	<u>50,088</u>	<u>50,088</u>	<u>286,654</u>	<u>236,566</u>
<b>EXPENDITURES</b>				
Public safety	1,650,000	1,650,000	1,676,415	(26,415)
Capital outlay	580,063	580,063	-	580,063
<b>Total expenditures</b>	<u>2,230,063</u>	<u>2,230,063</u>	<u>1,676,415</u>	<u>553,648</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,179,975)</u>	<u>(2,179,975)</u>	<u>(1,389,761)</u>	<u>790,214</u>
<b>Net change in fund balances</b>	<u>(2,179,975)</u>	<u>(2,179,975)</u>	<u>(1,389,761)</u>	<u>\$ 790,214</u>
<b>Fund balances - beginning</b>	<u>2,179,975</u>	<u>2,179,975</u>	<u>2,006,775</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 617,014</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 73,154	\$ 28,154
<b>Total revenues</b>	<u>45,000</u>	<u>45,000</u>	<u>73,154</u>	<u>28,154</u>
<b>EXPENDITURES</b>				
Public safety	63,979	63,979	146	63,833
Reserves	10,001	10,001	-	10,001
<b>Total expenditures</b>	<u>73,980</u>	<u>73,980</u>	<u>146</u>	<u>73,834</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(28,980)</u>	<u>(28,980)</u>	<u>73,008</u>	<u>101,988</u>
<b>Net change in fund balances</b>	<u>(28,980)</u>	<u>(28,980)</u>	<u>73,008</u>	<u>\$ 101,988</u>
<b>Fund balances - beginning</b>	<u>28,980</u>	<u>28,980</u>	<u>118,873</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,881</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 1,465,938	\$ 1,465,938	\$ 1,479,049	\$ 13,111
Investment earnings	-	-	58	58
<b>Total revenues</b>	<u>1,465,938</u>	<u>1,465,938</u>	<u>1,479,107</u>	<u>13,169</u>
<b>EXPENDITURES</b>				
Current:				
Debt Service:				
Principal retirement	3,717,735	3,717,735	3,360,000	357,735
Interest and fiscal charges	30,000	30,000	354,412	(324,412)
Reserves	276,846	276,846	-	276,846
<b>Total expenditures</b>	<u>4,024,581</u>	<u>4,024,581</u>	<u>3,714,412</u>	<u>310,169</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,558,643)</u>	<u>(2,558,643)</u>	<u>(2,235,305)</u>	<u>323,338</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,986,797	1,986,797	1,976,796	(10,001)
Bond proceeds & Refunding Bond Issues	-	-	1,981	1,981
<b>Total other financing sources and uses</b>	<u>1,986,797</u>	<u>1,986,797</u>	<u>1,978,777</u>	<u>(8,020)</u>
<b>Net change in fund balances</b>	<u>(571,846)</u>	<u>(571,846)</u>	<u>(256,528)</u>	<u>\$ 315,318</u>
<b>Fund balances - beginning</b>	<u>571,846</u>	<u>571,846</u>	<u>605,760</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,232</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 2,519,342	\$ 2,519,342	\$ 2,541,438	\$ 22,096
Other	2,690	2,690	-	(2,690)
<b>Total revenues</b>	<u>2,522,032</u>	<u>2,522,032</u>	<u>2,541,438</u>	<u>19,406</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	208,773	208,773	109,861	98,912
Capital outlay	433,475	433,475	434,725	(1,250)
Reserves	287,756	287,756	-	287,756
<b>Total expenditures</b>	<u>930,004</u>	<u>930,004</u>	<u>544,586</u>	<u>385,418</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,592,028</u>	<u>1,592,028</u>	<u>1,996,852</u>	<u>404,824</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,039,784)	(2,039,784)	(2,029,783)	10,001
<b>Total other financing sources and uses</b>	<u>(2,039,784)</u>	<u>(2,039,784)</u>	<u>(2,029,783)</u>	<u>10,001</u>
<b>Net change in fund balances</b>	<u>(447,756)</u>	<u>(447,756)</u>	<u>(32,931)</u>	<u>\$ 414,825</u>
<b>Fund balances - beginning</b>	<u>447,756</u>	<u>447,756</u>	<u>482,723</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,792</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Stormwater Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 10,925,359	\$ 10,925,359	\$ 11,941,805	\$ 1,016,446
Investment earnings	594,422	594,422	275,668	(318,754)
Other	-	-	7,050	7,050
<b>Total revenues</b>	<u>11,519,781</u>	<u>11,519,781</u>	<u>12,224,523</u>	<u>704,742</u>
<b>EXPENDITURES</b>				
Current:				
Public works	488,059	488,059	471,686	16,373
Reserves	2,324,854	2,324,854	-	2,324,854
<b>Total expenditures</b>	<u>2,812,913</u>	<u>2,812,913</u>	<u>471,686</u>	<u>2,341,227</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>8,706,868</u>	<u>8,706,868</u>	<u>11,752,837</u>	<u>3,045,969</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(11,031,722)	(11,031,722)	(10,984,853)	46,869
<b>Total other financing sources and uses</b>	<u>(11,031,722)</u>	<u>(11,031,722)</u>	<u>(10,984,853)</u>	<u>46,869</u>
<b>Net change in fund balances</b>	<u>(2,324,854)</u>	<u>(2,324,854)</u>	<u>767,984</u>	<u>\$ 3,092,838</u>
<b>Fund balances - beginning</b>	<u>2,324,854</u>	<u>2,324,854</u>	<u>2,863,658</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,631,642</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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 13,194,526	\$ 13,194,526	\$ 13,386,209	\$ 191,683
Intergovernmental	10,218,186	10,218,186	10,427,010	208,824
Charges for services	122,562	122,562	233,176	110,614
Licenses and permits	15,530	15,530	5,950	(9,580)
Other	20,582	20,582	123,219	102,637
<b>Total revenues</b>	<u>23,571,386</u>	<u>23,571,386</u>	<u>24,175,564</u>	<u>604,178</u>
<b>EXPENDITURES</b>				
Current:				
Public works	10,298,307	10,298,307	10,186,108	112,199
Capital outlay	333,716	333,716	458,087	(124,371)
Reserves	4,436,646	4,436,646	-	4,436,646
<b>Total expenditures</b>	<u>15,068,669</u>	<u>15,068,669</u>	<u>10,644,195</u>	<u>4,424,474</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>8,502,717</u>	<u>8,502,717</u>	<u>13,531,369</u>	<u>5,028,652</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	154,015	154,015	234,947	80,932
Transfers out	(14,639,462)	(14,639,462)	(14,739,462)	(100,000)
<b>Total other financing sources and uses</b>	<u>(14,485,447)</u>	<u>(14,485,447)</u>	<u>(14,504,515)</u>	<u>(19,068)</u>
<b>Net change in fund balances</b>	<u>(5,982,730)</u>	<u>(5,982,730)</u>	<u>(973,146)</u>	<u>\$ 5,009,584</u>
<b>Fund balances - beginning</b>	<u>5,982,730</u>	<u>5,982,730</u>	<u>6,164,306</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,191,160</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**County Building Fund**  
**For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 987,769	\$ 987,769	\$ 1,004,977	\$ 17,208
Investment earnings	28,854	28,854	4,220	(24,634)
<b>Total revenues</b>	<u>1,016,623</u>	<u>1,016,623</u>	<u>1,009,197</u>	<u>(7,426)</u>
<b>EXPENDITURES</b>				
Capital outlay	1,188,616	1,188,616	1,125,979	62,637
Reserves	94,599	94,599	-	94,599
<b>Total expenditures</b>	<u>1,283,215</u>	<u>1,283,215</u>	<u>1,125,979</u>	<u>157,236</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(266,592)</u>	<u>(266,592)</u>	<u>(116,782)</u>	<u>149,810</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	171,993	171,993	171,993	-
<b>Total other financing sources and uses</b>	<u>171,993</u>	<u>171,993</u>	<u>171,993</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(94,599)</u>	<u>(94,599)</u>	<u>55,211</u>	<u>\$ 149,810</u>
<b>Fund balances - beginning</b>	<u>94,599</u>	<u>94,599</u>	<u>225,060</u>	
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,271</u>	

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## Nonmajor Proprietary Funds

### Enterprise Funds

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

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

### Internal Service Funds

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

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



**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**December 31, 2012**

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Deposits including investments	\$ 8,112,714	\$ 5,996,282	\$ 14,108,996
Receivables (net of allowance for uncollectibles):	576,912	520,942	1,097,854
Prepays	-	28,611	28,611
<b>Total current assets</b>	<b>8,689,626</b>	<b>6,545,835</b>	<b>15,235,461</b>
<b>Noncurrent assets:</b>			
Restricted cash and investments	80,571	1,326,583	1,407,154
<b>Capital assets:</b>			
Land	4,880,191	-	4,880,191
Buildings	14,575,148	46,726	14,621,874
Improvements other than buildings	26,858,698	-	26,858,698
Machinery and equipment	2,757,870	15,474,832	18,232,702
Infrastructure	2,187,980	-	2,187,980
Construction in progress	2,952,797	7,837,402	10,790,199
Less accumulated depreciation	(29,135,670)	(12,110,647)	(41,246,317)
<b>Total capital assets</b>	<b>25,077,014</b>	<b>11,248,313</b>	<b>36,325,327</b>
<b>Total noncurrent assets</b>	<b>25,157,585</b>	<b>12,574,896</b>	<b>37,732,481</b>
<b>TOTAL ASSETS</b>	<b>33,847,211</b>	<b>19,120,731</b>	<b>52,967,942</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized portion of refunding gain	67,676	-	67,676

**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**December 31, 2012**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Non-Major</b>		
	<b>Airport</b>	<b>Transportation</b>	<b>Total</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	387,884	1,679,615	2,067,499
Salaries and wages payable	27,552	28,719	56,271
Interest payable	47,273	-	47,273
Loans payable	16,686	-	16,686
Due to others	43,890	201	44,091
Unearned Revenue	53,633	1,817,939	1,871,572
Compensated absences	6,634	9,599	16,233
Bonds, capital leases, and other payables	395,155	-	395,155
<b>Total current liabilities</b>	<b>978,707</b>	<b>3,536,073</b>	<b>4,514,780</b>
<b>Noncurrent liabilities:</b>			
Compensated absences	89,916	130,120	220,036
Bonds, capital leases, and other payables	3,048,731	-	3,048,731
<b>Total noncurrent liabilities</b>	<b>3,138,647</b>	<b>130,120</b>	<b>3,268,767</b>
<b>TOTAL LIABILITIES</b>	<b>4,117,354</b>	<b>3,666,193</b>	<b>7,783,547</b>
<b>NET POSITION</b>			
Net investment in capital assets	21,684,118	11,248,313	32,932,431
Restricted for capital projects	80,571	1,326,583	1,407,154
Unrestricted	8,032,844	2,879,642	10,912,486
<b>TOTAL NET POSITION</b>	<b>\$ 29,797,533</b>	<b>\$ 15,454,538</b>	<b>\$ 45,252,071</b>

*Johnson County, Kansas*  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds		
	Airport	Transportation	Total
<b>Operating revenues:</b>			
Charges for services	2,949,231	\$ 1,468,116	\$ 4,417,347
Other	2,166,884	159,006	2,325,890
<b>Total operating revenues</b>	<b>5,116,115</b>	<b>1,627,122</b>	<b>6,743,237</b>
<b>Operating expenses:</b>			
Transportation	3,217,877	9,120,138	12,338,015
Depreciation	1,385,672	1,581,943	2,967,615
<b>Total operating expenses</b>	<b>4,603,549</b>	<b>10,702,081</b>	<b>15,305,630</b>
<b>Operating income (loss)</b>	<b>512,566</b>	<b>(9,074,959)</b>	<b>(8,562,393)</b>
<b>Nonoperating revenues (expenses):</b>			
Taxes	1,562	-	1,562
Investment earnings	305	-	305
Intergovernmental	250,156	2,042,071	2,292,227
Interest expense	(145,258)	-	(145,258)
Other	(3,191)	(507)	(3,698)
<b>Total nonoperating revenues (expenses)</b>	<b>103,574</b>	<b>2,041,564</b>	<b>2,145,138</b>
<b>Income (loss) before contributions and transfers</b>	<b>616,140</b>	<b>(7,033,395)</b>	<b>(6,417,255)</b>
<b>Capital contributions</b>	<b>2,332,746</b>	<b>6,730,170</b>	<b>9,062,916</b>
<b>Transfers in</b>	<b>-</b>	<b>4,968,532</b>	<b>4,968,532</b>
<b>Transfers out</b>	<b>-</b>	<b>(79,796)</b>	<b>(79,796)</b>
<b>Change in net position</b>	<b>2,948,886</b>	<b>4,585,511</b>	<b>7,534,397</b>
<b>Total net position - beginning</b>	<b>26,848,647</b>	<b>10,869,027</b>	<b>37,717,674</b>
<b>Total net position - ending</b>	<b>\$ 29,797,533</b>	<b>\$ 15,454,538</b>	<b>\$ 45,252,071</b>

**Johnson County, Kansas**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended December 31, 2012**

	Business-type Activities - Enterprise Funds		
	Airport	Transportation	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 2,980,394	\$ 692,533	\$ 3,672,927
Cash payments for goods and services	(2,245,519)	(7,659,885)	(9,905,404)
Cash payments to employees for services	(1,007,469)	(968,755)	(1,976,224)
Other operating cash receipts	2,166,884	159,006	2,325,890
	<u>1,894,290</u>	<u>(7,777,101)</u>	<u>(5,882,811)</u>
<b>Net cash provided by (used for) operating activities</b>			
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Taxes	1,562	-	1,562
Intergovernmental	250,156	2,042,071	2,292,227
Transfers from other funds	-	4,968,532	4,968,532
Transfers from other funds	-	(79,796)	(79,796)
	<u>251,718</u>	<u>6,930,807</u>	<u>7,182,525</u>
<b>Net cash provided by (used for) noncapital financing activities</b>			
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital Contributions	2,332,746	6,730,170	9,062,916
Acquisition and construction of capital assets	(3,025,239)	(6,805,240)	(9,830,479)
Principal paid on bonds, notes and loans	(457,682)	-	(457,682)
Interest paid on bonds, notes and loans	(151,198)	-	(151,198)
	<u>(1,301,373)</u>	<u>(75,070)</u>	<u>(1,376,443)</u>
<b>Net cash provided by (used for) capital and related financing activities</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments	305	-	305
Net cash provided by investing activities	<u>305</u>	<u>-</u>	<u>305</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>844,940</u>	<u>(921,364)</u>	<u>(76,424)</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>7,348,345</u>	<u>8,244,229</u>	<u>15,592,574</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 8,193,285</u>	<u>\$ 7,322,865</u>	<u>\$ 15,516,150</u>

(Continued)

*Johnson County, Kansas*  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds (Continued)**  
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds		
	Airport	Non-Major Transportation	TOTAL
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 512,566	\$ (9,074,959)	\$ (8,562,393)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,385,672	1,581,943	2,967,615
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	7,292	(296,447)	(289,155)
Increase (decrease) in accounts payable	(1,378)	491,430	490,052
Increase (decrease) in salaries and wages payable	(3,907)	(9,105)	(13,012)
Increase (decrease) in deferred revenue	23,871	(479,136)	(455,265)
Increase (decrease) in compensated absences payable	(29,826)	9,173	(20,653)
<b>Total adjustments</b>	<b>1,381,724</b>	<b>1,297,858</b>	<b>2,679,582</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 1,894,290</b>	<b>\$ (7,777,101)</b>	<b>\$ (5,882,811)</b>

**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2012**

	Risk Management	Self-Insured Health Care	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Deposits including investments	\$ 8,119,628	\$ 25,094,553	\$ 33,214,181
Receivables (net of allowance for uncollectibles):	121,663	-	121,663
Prepaid items	112,493	-	112,493
<b>Total current assets</b>	<b>8,353,784</b>	<b>25,094,553</b>	<b>33,448,337</b>
<b>Noncurrent assets:</b>			
<b>Capital assets:</b>			
Machinery and equipment	36,035	-	36,035
Less accumulated depreciation	(22,451)	-	(22,451)
<b>Total noncurrent assets</b>	<b>13,584</b>	<b>-</b>	<b>13,584</b>
<b>TOTAL ASSETS</b>	<b>8,367,368</b>	<b>25,094,553</b>	<b>33,461,921</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	-	-	-
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	158	5,297,891	5,298,049
Salaries and wages payable	7,984	-	7,984
Compensated absences	1,365	-	1,365
Voluntary retirement healthcare benefits	-	992,743	992,743
Insurance claims payable	3,968,881	2,790,435	6,759,316
<b>Total current liabilities</b>	<b>3,978,388</b>	<b>9,081,069</b>	<b>13,059,457</b>
<b>Noncurrent liabilities:</b>			
Compensated absences	18,505	-	18,505
Voluntary retirement healthcare benefits	-	2,157,065	2,157,065
<b>Total noncurrent liabilities</b>	<b>18,505</b>	<b>2,157,065</b>	<b>2,175,570</b>
<b>TOTAL LIABILITIES</b>	<b>3,996,893</b>	<b>11,238,134</b>	<b>15,235,027</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	13,584	-	13,584
Unrestricted	4,356,891	13,856,419	18,213,310
<b>TOTAL NET POSITION</b>	<b>\$ 4,370,475</b>	<b>\$ 13,856,419</b>	<b>\$ 18,226,894</b>

*Johnson County, Kansas*  
**Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Position**  
**Internal Service Funds**  
For the Year Ended December 31, 2012

	Risk Management	Self-Insured Health Care	Total
<b>Operating revenues:</b>			
Charges for services	\$ 2,991,422	\$ 38,299,310	\$ 41,290,732
Other	56,556	15,185	71,741
<b>Total operating revenues</b>	<b>3,047,978</b>	<b>38,314,495</b>	<b>41,362,473</b>
<b>Operating expenses:</b>			
Personal services	284,046	-	284,046
Contractual services	4,267,423	38,137,600	42,405,023
Commodities	13,528	6,660	20,188
Depreciation	3,544	-	3,544
<b>Total operating expenses</b>	<b>4,568,541</b>	<b>38,144,260</b>	<b>42,712,801</b>
<b>Operating income (loss)</b>	<b>(1,520,563)</b>	<b>170,235</b>	<b>(1,350,328)</b>
<b>Nonoperating revenues (expenses):</b>			
Taxes	2,444	-	2,444
Investment earnings	36,597	150,175	186,772
<b>Total nonoperating revenues (expenses)</b>	<b>39,041</b>	<b>150,175</b>	<b>189,216</b>
<b>Income (loss) before transfers</b>	<b>(1,481,522)</b>	<b>320,410</b>	<b>(1,161,112)</b>
<b>Transfers In</b>	-	15,347	15,347
<b>Transfers Out</b>	(78,060)	-	(78,060)
<b>Change in net position</b>	<b>(1,559,582)</b>	<b>335,757</b>	<b>(1,223,825)</b>
<b>Total net position - beginning</b>	<b>5,930,057</b>	<b>13,520,662</b>	<b>19,450,719</b>
<b>Total net position - ending</b>	<b>\$ 4,370,475</b>	<b>\$ 13,856,419</b>	<b>\$ 18,226,894</b>

*Johnson County, Kansas*  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended December 31, 2012

	Risk Management	Self-Insured Health Care	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ -	\$ 38,299,310	\$ 38,299,310
Cash payments for goods and services	(3,663,248)	(38,923,847)	(42,587,095)
Cash payments to employees for services	(337,602)	3,130,210	2,792,608
Other operating cash receipts	3,047,978	15,185	3,063,163
<b>Net cash provided by (used for) operating activities</b>	<b>(952,872)</b>	<b>2,520,858</b>	<b>1,567,986</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Taxes	2,444	-	2,444
Transfers from other funds	-	15,347	15,347
Transfers to other funds	(78,060)	-	(78,060)
<b>Net cash provided by noncapital financing activities</b>	<b>(75,616)</b>	<b>15,347</b>	<b>(60,269)</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	-	-	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments	36,597	150,175	186,772
<b>Net cash provided by investing activities</b>	<b>36,597</b>	<b>150,175</b>	<b>186,772</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(991,891)</b>	<b>2,686,380</b>	<b>1,694,489</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>9,111,519</b>	<b>22,408,173</b>	<b>31,519,692</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 8,119,628</b>	<b>\$ 25,094,553</b>	<b>\$ 33,214,181</b>

(Continued)



*Johnson County, Kansas*  
**Combining Statement of Cash Flows**  
**Internal Service Funds (Continued)**  
For the Year Ended December 31, 2012

	Risk Management	Self-Insured Health Care	Total
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (1,520,563)	\$ 170,235	\$ (1,350,328)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation	3,544	-	3,544
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(22,018)	-	(22,018)
(Increase) decrease in prepaid expenses	(58,133)	-	(58,133)
Increase (decrease) in accounts payable	(76,165)	(760,319)	(836,484)
Increase (decrease) in salaries and wages payable	(51,335)	(4,251)	(55,586)
Increase (decrease) in compensated absences payable	(2,221)	(15,347)	(17,568)
Increase (decrease) in other post employment benefits	-	3,149,808	3,149,808
Increase (decrease) in insurance claims payable	774,019	(19,268)	754,751
<b>Total adjustments</b>	<b>567,691</b>	<b>2,350,623</b>	<b>2,918,314</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (952,872)</b>	<b>\$ 2,520,858</b>	<b>\$ 1,567,986</b>

## Fiduciary Funds

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

***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**  
**Agency Funds**  
**December 31, 2012**

	Medical Reimbursement	Inmate	Sheriff Foreclosure	Fire Districts	Tax Collection	Research Triangle	Totals
\$	56,088	\$ 64,655	\$ -	\$ -	\$ 551,865,863	\$ -	\$ 551,986,606
	-	-	-	-	408,426,885	-	408,426,885
Total assets	56,088	64,655	-	-	960,292,748	-	960,413,491
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	33,995	-	33,995
Agency obligations	56,088	64,655	-	-	960,258,753	-	960,379,496
Total liabilities	\$ 56,088	\$ 64,655	\$ -	\$ -	\$ 960,292,748	\$ -	\$ 960,413,491

**ASSETS**

Deposits including investments  
 Receivables (net of allowance  
 for uncollectibles):  
 Taxes receivable

**LIABILITIES**

Accounts payable  
 Agency obligations

**Johnson County, Kansas**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended December 31, 2012**

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<b>Medical Reimbursement Fund</b>				
ASSETS				
Deposits including investments	\$ 131,994	\$ 704,327	\$ 780,233	\$ 56,088
Total assets	\$ 131,994	\$ 704,327	\$ 780,233	\$ 56,088
LIABILITIES				
Accounts payable	\$ 1,930	\$ 116,285	\$ 118,215	\$ -
Agency obligations	130,064	313,164	387,140	56,088
Total liabilities	\$ 131,994	\$ 429,449	\$ 505,355	\$ 56,088
<b>Inmate Fund</b>				
ASSETS				
Deposits including investments	\$ 66,367	\$ 1,060,570	\$ 1,062,282	\$ 64,655
Total assets	\$ 66,367	\$ 1,060,570	\$ 1,062,282	\$ 64,655
LIABILITIES				
Agency obligations	\$ 66,367	\$ 1,060,570	\$ 1,062,282	\$ 64,655
Total liabilities	\$ 66,367	\$ 1,060,570	\$ 1,062,282	\$ 64,655
<b>Sheriff Foreclosure</b>				
ASSETS				
Deposits including investments	\$ 118	\$ 1,254,445	\$ 1,254,563	\$ -
Total assets	\$ 118	\$ 1,254,445	\$ 1,254,563	\$ -
LIABILITIES				
Agency obligations	118	1,254,445	1,254,563	-
Total liabilities	\$ 118	\$ 1,254,445	\$ 1,254,563	\$ -
<b>Tax Collection Fund</b>				
ASSETS				
Deposits including investments	\$ 574,201,896	\$ 3,154,797,884	\$ 3,177,133,917	\$ 551,865,863
Taxes receivable	421,410,038	408,426,885	421,410,038	408,426,885
Total assets	\$ 995,611,934	\$ 3,563,224,769	\$ 3,598,543,955	\$ 960,292,748
LIABILITIES				
Accounts payable	\$ 1,892	\$ 898,820,563	\$ 898,788,460	\$ 33,995
Agency obligations	995,610,042	3,570,603,453	3,605,954,742	960,258,753
Total liabilities	\$ 995,611,934	\$ 4,469,424,016	\$ 4,504,743,202	\$ 960,292,748
<b>Research Triangle Fund</b>				
ASSETS				
Deposits including investments	\$ -	\$ 29,655,538	\$ 29,655,538	\$ -
Total assets	\$ -	\$ 29,655,538	\$ 29,655,538	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ 14,827,769	\$ 14,827,769	\$ -
Agency obligations	-	14,827,769	14,827,769	-
Total liabilities	\$ -	\$ 29,655,538	\$ 29,655,538	\$ -
<b>Totals - All Agency Funds</b>				
ASSETS				
Deposits including investments	\$ 574,400,375	\$ 3,187,472,764	\$ 3,209,886,533	\$ 551,986,606
Taxes receivable	421,410,038	408,426,885	421,410,038	408,426,885
Total assets	\$ 995,810,413	\$ 3,595,899,649	\$ 3,631,296,571	\$ 960,413,491
LIABILITIES				
Accounts payable	\$ 3,822	\$ 913,764,617	\$ 913,734,444	\$ 33,995
Agency obligations	995,806,591	3,588,059,401	3,623,486,496	960,379,496
Total liabilities	\$ 995,810,413	\$ 4,501,824,018	\$ 4,537,220,940	\$ 960,413,491

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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.

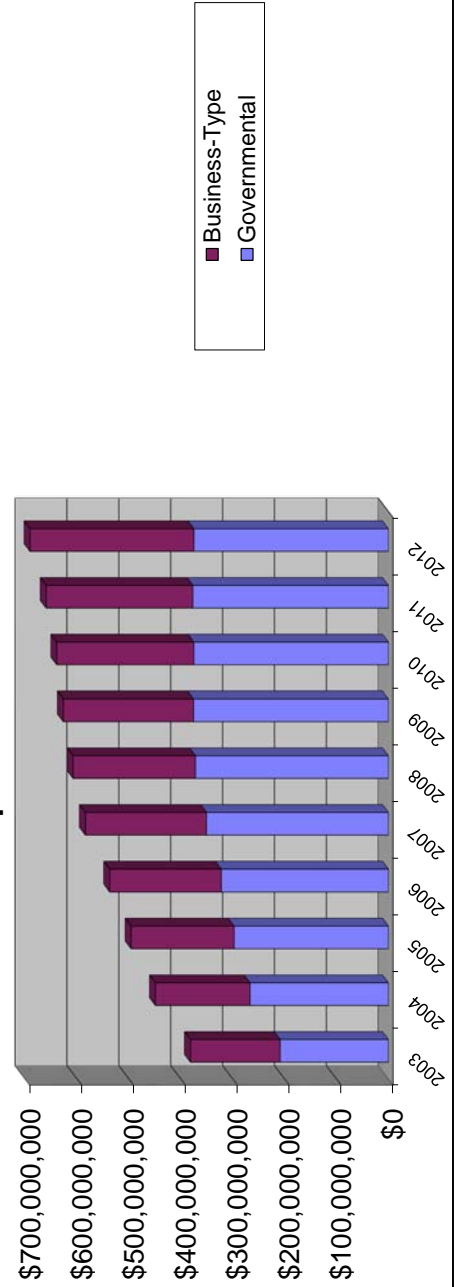
Johnson County, Kansas  
Net Position by Component  
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010*	2011	2012
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 54,160,592	\$ 96,741,012	\$ 105,082,458	\$ 112,300,996	\$ 119,244,891	\$ 143,707,961	\$ 153,740,601	\$ 163,016,990	\$ 169,561,067	\$ 169,788,763
Restricted for:										
General governmental	-	-	-	-	-	-	-	5,126,074	5,082,273	6,152,465
Public works	-	-	-	-	-	-	-	10,594,183	9,400,296	7,039,999
Public safety	2,475,662	5,760,617	7,778,976	8,238,141	8,930,873	3,013,914	11,994,709	25,189,010	26,751,077	19,405,137
Health and human services	-	-	-	-	-	-	-	9,612,521	6,882,080	4,054,777
Planning and economic development	2,688,777	2,796,500	3,286,261	3,179,500	3,506,695	4,874,350	-	101,136	5,567	21,130
Culture and recreation	-	-	-	-	-	-	-	4,724,342	2,662,855	1,760,619
Capital projects	-	-	-	-	-	-	-	-	-	1,526,711
Debt service	1,280,180	5,170,446	5,059,579	5,013,455	4,822,736	283,994	2,826,554	369,583	1,200,751	1,589,392
Special revenue funds	6,915,616	28,789,859	30,624,358	35,437,648	40,237,457	43,702,643	42,334,109	-	-	-
Unrestricted	141,464,813	127,255,016	145,803,575	158,247,813	174,092,929	176,757,635	164,965,407	156,610,400	155,618,911	163,784,020
Subtotal Governmental	\$ 208,985,640	\$ 267,013,450	\$ 297,635,207	\$ 322,417,563	\$ 350,835,581	\$ 372,340,487	\$ 375,661,380	\$ 375,344,239	\$ 377,164,877	\$ 375,123,013

<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 132,776,317	\$ 168,059,283	\$ 181,469,106	\$ 209,272,291	\$ 214,915,235	\$ 214,435,443	\$ 163,793,605	\$ 239,207,065	\$ 245,440,082	\$ 261,009,918
Restricted for:										
Debt service	26,784,007	-	-	-	-	-	-	-	-	-
Capital projects	13,198,860	14,245,724	16,954,281	5,730,092	18,458,671	21,161,685	20,110,011	22,534,673	34,405,291	49,621,226
Unrestricted	\$ 172,759,184	\$ 182,305,007	\$ 198,423,387	\$ 215,002,383	\$ 233,373,906	\$ 235,597,128	\$ 250,903,626	\$ 264,120,216	\$ 282,782,700	\$ 315,868,833
Subtotal Business-Type	\$ 186,936,909	\$ 264,800,295	\$ 286,551,564	\$ 321,573,287	\$ 334,160,126	\$ 358,143,404	\$ 317,534,206	\$ 402,224,055	\$ 415,001,149	\$ 430,798,681

<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 186,936,909	\$ 264,800,295	\$ 286,551,564	\$ 321,573,287	\$ 334,160,126	\$ 358,143,404	\$ 317,534,206	\$ 402,224,055	\$ 415,001,149	\$ 430,798,681
Restricted for:										
General governmental	-	-	-	-	-	-	-	5,126,074	5,082,273	6,152,465
Public works	-	-	-	-	-	-	-	10,594,183	9,400,296	7,039,999
Public safety	2,475,662	5,760,617	7,778,976	8,238,141	8,930,873	3,013,914	11,994,709	25,189,010	26,751,077	19,405,137
Health and human services	-	-	-	-	-	-	-	9,612,521	6,882,080	4,054,777
Planning and economic development	2,688,777	2,796,500	3,286,261	3,179,500	3,506,695	4,874,350	-	101,136	5,567	21,130
Culture and recreation	-	-	-	-	-	-	-	4,724,342	2,662,855	1,760,619
Capital projects	-	-	-	-	-	-	-	-	-	1,526,711
Debt service	28,064,187	5,170,446	5,059,579	5,013,455	4,822,736	283,994	2,826,554	369,583	1,200,751	1,589,392
Special revenue funds	6,915,616	28,789,859	30,624,358	35,437,648	40,237,457	43,702,643	42,334,109	-	-	-
Unrestricted	154,663,673	142,000,740	162,357,856	163,977,905	192,551,600	197,919,320	185,075,418	179,145,073	190,024,202	213,405,246
<b>TOTAL NET POSITION</b>	\$ 381,744,824	\$ 449,318,457	\$ 496,055,594	\$ 537,419,936	\$ 584,209,487	\$ 607,937,625	\$ 626,765,006	\$ 639,464,455	\$ 659,947,577	\$ 680,991,946

Government and Business-Type  
Net Position Comparison



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



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
General government	\$ 49,180,792	\$ 60,676,762	\$ 57,723,271	\$ 65,528,919	\$ 71,261,191	\$ 73,360,726	\$ 93,560,733	\$ 99,984,101	\$ 122,559,659	\$ 121,428,691
Public works	17,586,137	46,141,076	41,812,063	48,494,829	54,349,098	46,845,970	48,710,693	52,528,774	39,221,489	56,201,387
Public safety	85,781,828	99,465,273	105,164,200	113,339,836	123,123,775	127,137,837	114,463,555	110,362,044	115,821,699	115,393,790
Health and human services	60,676,936	69,633,911	73,718,512	78,104,338	81,034,438	82,910,854	79,429,641	86,547,641	82,352,302	79,336,842
Planning and economic development	16,774,636	22,627,432	23,818,084	23,774,305	22,827,432	23,527,172	23,110,110	6,072,658	5,289,908	4,101,588
Culture and recreation	18,527,298	19,196,126	20,143,713	21,322,091	22,556,476	23,043,135	22,453,775	22,416,562	21,970,900	21,970,900
Interest on long term debt	1,752,795	1,868,926	1,547,167	1,515,485	1,407,419	1,092,150	778,619	723,558	436,366	372,224
Total governmental activities	\$ 250,252,382	\$ 319,509,506	\$ 322,390,010	\$ 352,079,603	\$ 377,258,209	\$ 377,491,089	\$ 369,214,797	\$ 377,692,551	\$ 388,067,965	\$ 398,907,312
<b>Business Type activities:</b>										
Nursing Center (1)	\$ 132,128	\$ 4,350,789	\$ 4,629,785	\$ 4,588,078	\$ 4,700,347	\$ 5,131,328	\$ 4,497,689	\$ 4,792,927	\$ 5,342,515	\$ 4,596,542
Unified Wastewater District	48,892,044	48,281,549	49,077,830	53,460,298	52,961,673	63,434,950	59,706,568	64,690,942	63,669,520	69,116,271
Transportation	4,445,491	6,769,281	7,884,696	8,001,184	8,258,381	9,289,931	11,157,705	11,649,001	12,982,583	10,319,311
Public Building Commission	4,026,778	4,842,512	5,497,373	6,980,764	8,258,381	7,804,136	10,328,527	12,130,514	17,977,394	17,469,243
Total business type activities	\$ 61,854,694	\$ 64,244,131	\$ 67,089,684	\$ 73,030,324	\$ 74,342,990	\$ 85,660,345	\$ 85,690,489	\$ 93,263,384	\$ 99,972,012	\$ 101,501,367
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Service:										
General government (2)	\$ 35,222,590	\$ 46,120,163	\$ 46,929,062	\$ 47,725,673	\$ 50,432,484	\$ 43,749,639	\$ 29,511,504	\$ 28,103,834	\$ 28,211,950	\$ 32,162,077
Public works	132,320	861,723	379,125	242,130	322,690	35,493	1,368,741	1,527,831	1,237,385	1,223,692
Health and human services	7,263,455	9,826,191	12,575,449	13,334,433	14,945,008	14,945,008	23,061,294	28,714,044	35,872,222	32,136,708
Planning and economic development	20,210,338	23,649,404	22,586,504	23,030,979	24,763,252	25,372,061	30,552,098	31,627,358	35,872,222	35,872,222
Culture and recreation	1,014,611	1,047,850	894,717	1,050,186	1,411,679	1,202,539	1,334,779	2,367,635	1,677,059	1,664,603
Capital Grants and Contributions	2,190,637	989,122	1,088,009	677,491	1,453,552	344,776	118,330	118,330	1,090,544	1,043,995
Operating Grants and Contributions	42,681,643	41,185,436	47,217,302	43,643,321	45,264,428	47,057,433	42,591,472	48,716,178	44,051,060	43,176,763
Capital Grants and Contributions	150,984	38,563	144,596	411,553	239,364	203,989	229,118	239,342	600,946	1,090,021
Total governmental activities	\$ 108,866,578	\$ 123,718,452	\$ 131,814,764	\$ 128,982,598	\$ 137,221,892	\$ 126,893,494	\$ 120,877,494	\$ 135,761,802	\$ 141,455,310	\$ 145,159,607
<b>Business Type activities:</b>										
Charges for Service:										
Nursing Center (1)	\$ 6,315,259	\$ 4,143,541	\$ 4,576,078	\$ 4,298,079	\$ 4,557,409	\$ 5,028,692	\$ 4,656,102	\$ 5,045,869	\$ 5,662,595	\$ 5,116,115
Unified Wastewater District	52,811,119	57,253,211	61,205,283	60,166,648	65,304,524	62,064,357	67,906,366	71,056,892	74,885,380	83,260,718
Transportation	615,681	1,262,445	1,487,591	785,852	989,990	1,086,667	1,585,667	1,892,307	1,476,295	1,627,122
Public Building Commission	7,993,410	6,053,241	7,607,682	9,555,791	8,977,685	10,084,842	10,536,073	16,187,904	20,296,904	28,202,227
Operating Grants and Contributions	2,441,767	3,638,036	6,907,341	3,212,441	4,414,815	2,278,890	5,294,890	7,059,043	10,870,046	5,508,995
Capital Grants and Contributions	665,124	250,000	250,000	2,865,994	833,630	26,531	35,688,112	2,272	2,042,248	9,062,916
Total business type activities	\$ 70,832,360	\$ 72,600,474	\$ 81,189,945	\$ 80,884,805	\$ 85,078,053	\$ 80,890,204	\$ 93,547,210	\$ 101,244,287	\$ 115,253,468	\$ 132,778,093
<b>Net (Expense)/Revenue:</b>										
<b>Governmental Activities:</b>										
Business Type Activities	\$ (141,386,804)	\$ (194,906,820)	\$ (189,450,094)	\$ (221,384,136)	\$ (238,291,204)	\$ (248,604,941)	\$ (246,195,749)	\$ (239,544,711)	\$ (243,911,229)	\$ (250,917,669)
Governmental Activities	8,977,666	7,072,109	12,995,109	6,161,412	8,990,041	(6,862,795)	5,715,167	5,594,865	12,580,010	28,546,690
Total primary government net expense	\$ (132,409,138)	\$ (187,834,711)	\$ (176,454,985)	\$ (215,222,724)	\$ (229,301,163)	\$ (255,567,736)	\$ (240,480,582)	\$ (233,949,846)	\$ (231,331,219)	\$ (222,370,979)
<b>General Revenues:</b>										
<b>Governmental Activities:</b>										
Property Taxes	\$ 129,936,256	\$ 138,924,881	\$ 142,123,808	\$ 161,876,560	\$ 173,957,923	\$ 184,292,683	\$ 184,944,586	\$ 178,332,637	\$ 171,345,442	\$ 172,891,220
Sales Taxes	52,022,478	61,866,361	63,507,087	65,068,745	66,816,061	63,884,470	58,948,208	52,415,824	63,682,635	64,721,509
Other Taxes	1,840,375	1,801,971	1,675,701	1,816,751	1,646,512	1,639,876	1,472,563	1,329,971	1,192,532	3,746,232
Unrestricted Investment Earnings	5,865,168	2,357,593	8,887,382	17,590,871	21,489,622	19,525,362	6,646,003	4,186,559	5,943,638	2,428,183
Miscellaneous	5,048,029	5,292,434	5,390,737	5,940,684	6,496,744	6,618,995	7,467,421	7,886,283	5,943,724	9,453,724
Transfers	(1,584,307)	(2,412,820)	(1,452,811)	(6,067,182)	(3,697,429)	(5,268,404)	(8,913,723)	(4,704,842)	(4,328,863)	(4,367,063)
Total governmental activities	\$ 192,528,999	\$ 208,030,420	\$ 220,071,851	\$ 246,176,482	\$ 266,709,232	\$ 270,109,857	\$ 249,716,632	\$ 239,027,570	\$ 245,731,867	\$ 248,875,805
<b>Business Type activities:</b>										
Property Taxes	\$ 1,056,220	\$ 298,269	\$ 96,355	\$ 59,615	\$ 8,237	\$ 3,949	\$ 4,192	\$ 2,189	\$ -	\$ 1,562
Other Taxes	4,451	4,451	91	91	91	91	91	91	91	91
Unrestricted Investment Earnings	561,504	(241,826)	1,569,654	4,290,696	5,676,816	3,811,399	(546,508)	153,471	1,753,568	170,818
Miscellaneous	-	-	-	-	-	102,266	1,219,923	2,761,223	43	-
Transfers	1,584,307	2,412,820	1,452,811	6,067,182	3,697,429	5,268,404	8,913,723	4,704,842	4,328,863	4,367,063
Total business type activities	\$ 3,206,482	\$ 2,473,714	\$ 3,123,271	\$ 10,417,584	\$ 9,381,482	\$ 9,188,018	\$ 9,591,330	\$ 7,621,725	\$ 6,082,474	\$ 4,539,443
<b>Change in Net Position:</b>										
<b>Governmental Activities:</b>										
Business Type Activities	\$ 51,143,195	\$ 13,523,600	\$ 30,621,757	\$ 24,782,346	\$ 28,418,028	\$ 21,504,916	\$ 3,520,883	\$ (517,141)	\$ 1,820,638	\$ (2,041,864)
Governmental Activities	12,184,148	9,545,823	16,118,380	16,578,996	18,371,523	2,223,223	15,306,497	13,216,590	18,662,484	33,086,133
Total Primary Government	\$ 63,327,343	\$ 23,069,423	\$ 46,740,137	\$ 41,361,342	\$ 46,789,551	\$ 23,728,139	\$ 18,827,380	\$ 12,699,449	\$ 20,483,122	\$ 31,044,269

(1) Nursing Center was no longer part of County after 2003.  
(2) Indirect cost allocations are recorded in each government and business activity type, but all corresponding charge for service revenue is recorded in the general fund. The revenue is now being allocated across the activity types to present a clearer comparison of charges for services revenue to expenses by each activity.

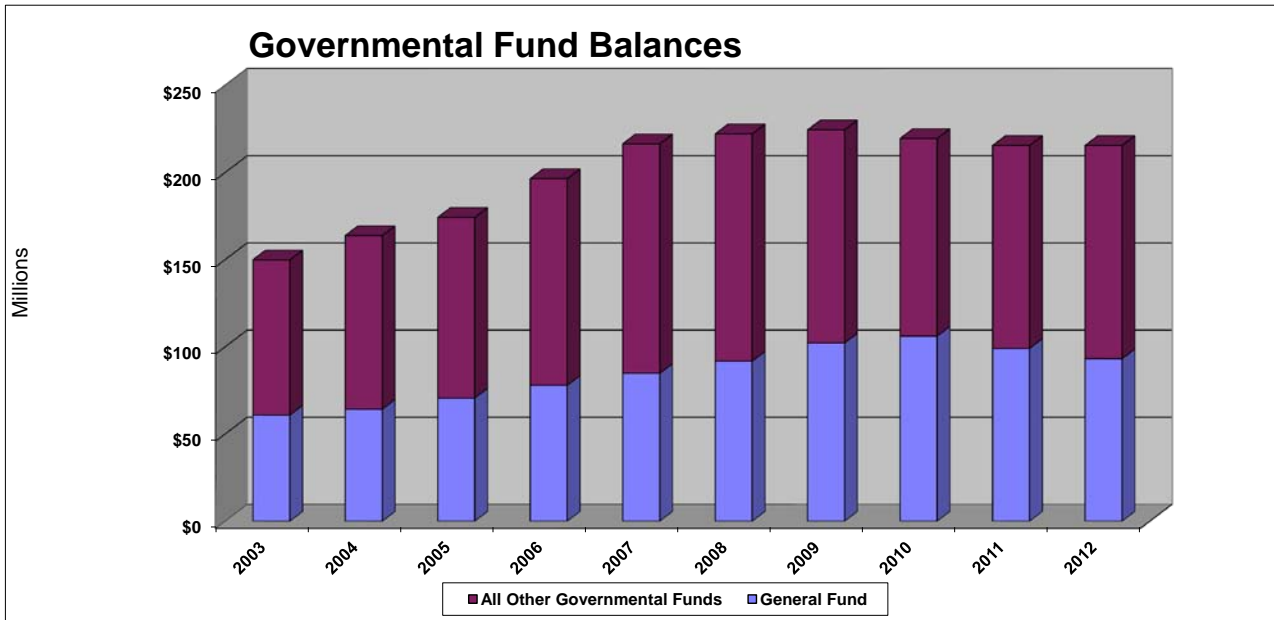
**Johnson County, Kansas**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>GENERAL FUND</b>							
Reserved	\$ 7,337,286	\$ 10,358,682	\$ 12,292,496	\$ 12,740,589	\$ 14,280,139	\$ 10,196,363	\$ 13,684,568
Unreserved, reported in:							
Designated for working capital	18,837,308	11,696,899	12,523,195	13,504,578	13,844,930	15,781,297	16,145,687
Designated for restricted agencies	5,204,772	3,361,166	6,412,421	3,372,771	2,592,186	3,075,830	3,232,815
General fund	29,517,313	38,850,563	39,404,783	48,291,140	54,080,473	62,745,436	69,190,584
<b>Total General Fund</b>	<b>\$ 60,896,679</b>	<b>\$ 64,267,310</b>	<b>\$ 70,632,895</b>	<b>\$ 77,909,078</b>	<b>\$ 84,797,728</b>	<b>\$ 91,798,926</b>	<b>\$ 102,253,654</b>

<b>ALL OTHER GOVERNMENTAL FUNDS</b>							
Reserved	\$ 5,114,720	\$ 32,438,475	\$ 31,603,443	\$ 31,851,111	\$ 30,909,707	\$ 29,981,344	\$ 20,594,656
Unreserved, reported in:							
Designated for working capital	-	-	-	-	-	-	-
Debt service fund	1,280,180	793,061	717,227	701,097	541,116	569,038	3,055,995
Capital projects fund	57,234,771	37,975,213	41,456,477	51,446,053	61,966,839	58,256,420	60,470,432
Special revenue funds	25,345,525	28,351,005	29,821,286	34,527,447	38,199,483	41,532,252	38,087,232
<b>Total All Other Governmental Funds</b>	<b>\$ 88,975,196</b>	<b>\$ 99,557,754</b>	<b>\$ 103,598,433</b>	<b>\$ 118,525,708</b>	<b>\$ 131,617,145</b>	<b>\$ 130,339,054</b>	<b>\$ 122,208,315</b>

	<u>2010*</u>	<u>2011</u>	<u>2012</u>
<b>GENERAL FUND</b>			
Nonspendable	\$ 2,463,177	\$ 1,224,989	\$ 817,083
Restricted	21,173,651	21,462,100	12,954,887
Committed	4,446,010	3,236,851	3,596,762
Assigned	1,963,891	1,705,179	3,311,732
Unassigned	76,093,418	71,491,545	72,506,285
<b>Total General Fund</b>	<b>\$ 106,140,147</b>	<b>\$ 99,120,664</b>	<b>\$ 93,186,749</b>

<b>ALL OTHER GOVERNMENTAL FUNDS</b>			
Nonspendable	\$ 1,032,602	\$ 970,533	\$ 794,546
Restricted	34,901,981	30,522,799	28,595,343
Committed	77,421,969	81,713,737	85,403,416
Assigned	-	3,168,703	7,520,934
<b>Total All Other Governmental Funds</b>	<b>\$ 113,356,552</b>	<b>\$ 116,375,772</b>	<b>\$ 122,314,239</b>



\* 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.

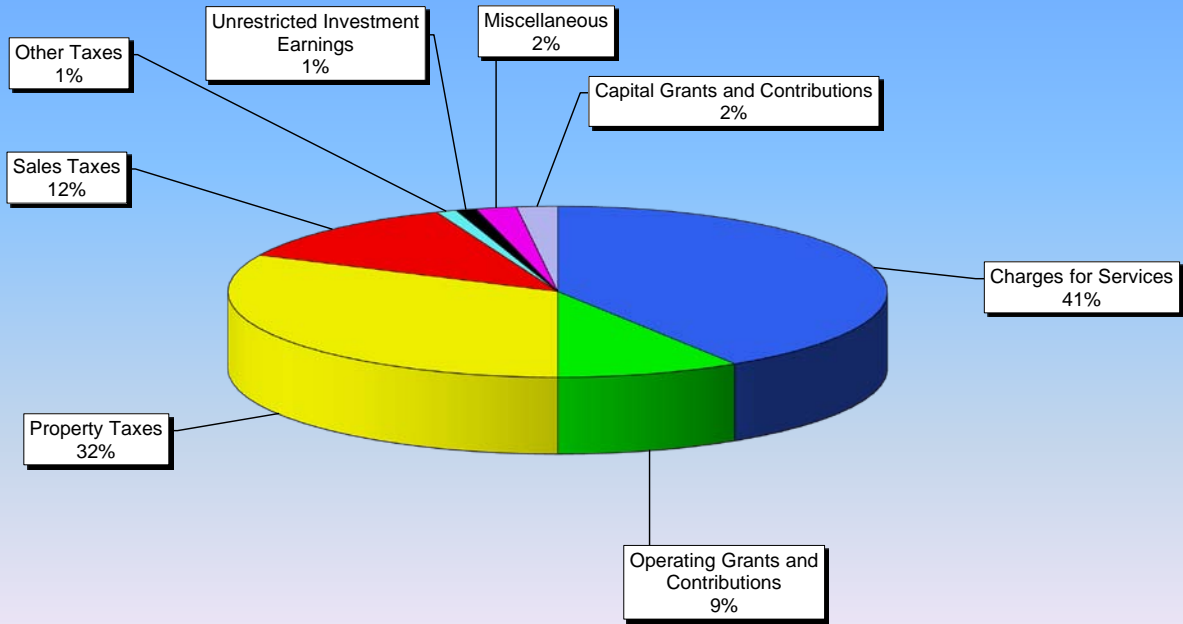
**Johnson County, Kansas**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>REVENUES</b>										
Taxes	\$ 182,329,357	\$ 201,699,087	\$ 207,194,978	\$ 228,735,916	\$ 242,417,134	\$ 249,614,892	\$ 245,361,507	\$ 232,076,115	\$ 236,230,452	\$ 241,358,517
Intergovernmental	42,832,627	41,223,999	47,361,898	44,054,874	45,503,792	47,261,422	42,820,590	48,965,520	44,652,006	44,266,784
Charges for services	76,561,352	76,931,093	76,198,339	83,065,113	87,704,135	83,487,583	83,497,182	87,280,513	93,621,834	98,504,989
Interest	5,199,255	1,945,897	8,043,217	16,182,301	19,441,431	17,804,744	5,566,291	3,659,272	5,695,019	2,241,411
Licenses and permits	2,595,110	3,034,763	2,948,228	3,719,810	3,331,951	2,682,432	3,377,189	3,328,991	3,531,425	3,738,162
Other	5,049,029	5,292,434	5,330,663	5,940,737	6,496,744	6,235,870	6,618,994	7,467,421	7,890,893	9,453,724
<b>Total Revenues</b>	<b>314,556,730</b>	<b>330,127,273</b>	<b>347,077,343</b>	<b>381,698,751</b>	<b>404,895,187</b>	<b>407,086,943</b>	<b>387,241,753</b>	<b>382,767,832</b>	<b>391,621,619</b>	<b>399,563,587</b>
<b>EXPENDITURES</b>										
General government	50,233,878	56,705,353	59,300,779	62,833,222	64,737,243	70,963,960	70,303,864	74,921,935	79,796,363	84,833,341
Public works and transportation	9,089,124	9,175,398	9,469,202	9,751,395	9,986,468	10,580,267	10,478,111	10,517,997	10,868,720	10,805,967
Public safety	90,102,027	97,312,476	102,828,116	111,279,298	118,165,755	123,645,258	123,687,441	120,275,025	127,796,327	132,428,058
Health and human services	63,504,096	69,064,765	72,589,932	76,682,752	80,338,521	81,311,709	84,889,660	89,524,748	90,701,089	87,549,917
Planning and economic development	17,119,716	22,602,954	22,795,210	23,746,721	23,485,399	23,070,417	8,754,799	6,468,876	5,841,549	4,494,903
Culture and recreation	17,571,798	18,089,705	19,109,616	20,239,177	21,600,355	22,041,905	22,977,249	21,669,234	21,842,621	21,029,626
Capital outlay	36,608,636	39,189,824	45,012,838	43,710,803	57,852,307	55,275,777	52,759,720	54,114,294	50,381,621	54,868,711
Debt service:										
Principal	4,143,660	4,069,122	3,823,047	3,802,962	3,728,208	9,392,084	3,850,366	10,996,448	3,571,825	3,360,000
Interest	1,768,666	1,614,403	1,567,192	1,482,843	1,359,990	1,236,641	834,222	779,216	492,904	383,045
<b>Total Expenditures</b>	<b>290,141,601</b>	<b>317,824,000</b>	<b>336,495,932</b>	<b>353,529,173</b>	<b>381,254,246</b>	<b>397,518,018</b>	<b>378,535,432</b>	<b>389,267,773</b>	<b>391,293,019</b>	<b>399,743,568</b>
<b>Excess of revenues over (under) expenditures</b>	<b>24,415,129</b>	<b>12,303,273</b>	<b>10,581,411</b>	<b>28,169,578</b>	<b>23,640,941</b>	<b>9,568,925</b>	<b>8,706,321</b>	<b>(6,499,941)</b>	<b>328,600</b>	<b>(179,981)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	38,881,140	43,501,298	42,588,157	49,004,640	62,157,379	49,140,806	41,725,689	34,260,872	37,209,862	38,286,670
Transfers out	(41,846,547)	(46,296,382)	(44,040,969)	(54,986,983)	(65,854,808)	(54,409,210)	(50,639,412)	(38,965,714)	(41,538,725)	(42,550,605)
Proceeds from capital lease	20,460	-	26,320	16,223	36,575	-	-	-	-	3,650,000
General obligation	985,000	-	1,245,000	-	-	-	-	-	-	-
Refunding bonds issued	-	4,445,000	-	-	-	1,410,000	2,361,886	5,414,939	-	730,000
Special obligation bonds issued	-	-	-	-	-	-	-	740,000	-	-
Premium on bonds issued	-	-	6,345	-	-	12,586	169,505	84,574	-	68,468
<b>Total other financing sources and uses</b>	<b>(1,959,947)</b>	<b>1,649,916</b>	<b>(175,147)</b>	<b>(5,966,120)</b>	<b>(3,660,854)</b>	<b>(3,845,818)</b>	<b>(6,382,332)</b>	<b>1,534,671</b>	<b>(4,328,863)</b>	<b>184,533</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 22,455,182</b>	<b>\$ 13,953,189</b>	<b>\$ 10,406,264</b>	<b>\$ 22,203,458</b>	<b>\$ 19,980,087</b>	<b>\$ 5,723,107</b>	<b>\$ 2,323,989</b>	<b>\$ (4,965,270)</b>	<b>\$ (4,000,263)</b>	<b>\$ 4,552</b>
<b>Debt service as a percentage of noncapital expenditures</b>	2.30%	1.81%	1.68%	1.52%	1.40%	2.84%	1.30%	3.14%	1.07%	0.97%

**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		
2012	\$ 219,099,005	\$ 48,685,758	\$ 10,152,937	\$ 172,892,782	\$ 64,721,509	\$ 3,748,232	\$ 2,599,001	\$ 9,453,724	\$ 531,352,948	
2011	199,144,478	54,921,106	2,643,194	171,345,442	63,692,635	1,192,532	7,697,406	7,886,326	508,523,119	
2010	180,989,254	55,775,221	241,614	178,334,826	52,415,824	1,329,971	4,340,030	10,228,644	483,655,384	
2009	162,741,112	47,886,362	3,797,230	184,948,778	58,948,208	1,472,563	6,099,495	7,838,918	473,732,666	
2008	158,016,882	49,336,296	230,520	184,296,632	63,684,470	1,639,876	23,336,761	6,338,136	486,879,573	
2007	171,547,698	49,679,243	1,072,994	173,966,160	66,816,061	1,646,312	27,165,438	6,496,744	498,390,650	
2006	159,743,894	46,855,762	3,277,547	161,936,175	65,068,745	1,816,842	21,831,567	5,940,737	466,471,269	
2005	158,495,470	54,124,643	394,596	142,220,163	63,507,087	1,680,152	10,457,036	5,330,684	436,209,831	
2004	151,206,891	44,823,472	288,563	139,223,150	61,866,361	1,806,422	2,315,767	5,292,434	406,823,060	
2003	133,759,420	45,123,410	816,108	130,392,476	52,022,478	1,844,826	6,426,672	5,049,029	375,434,419	

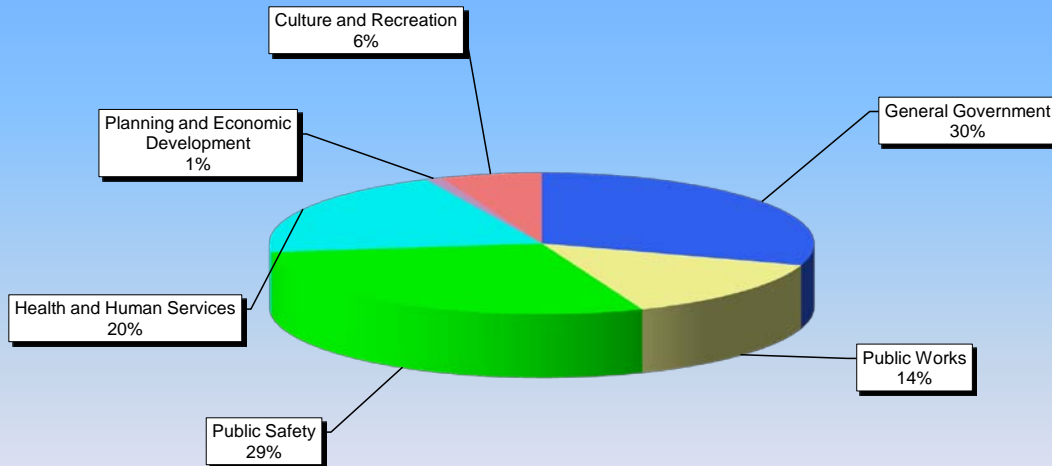
## Government-wide Revenues for 2012



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

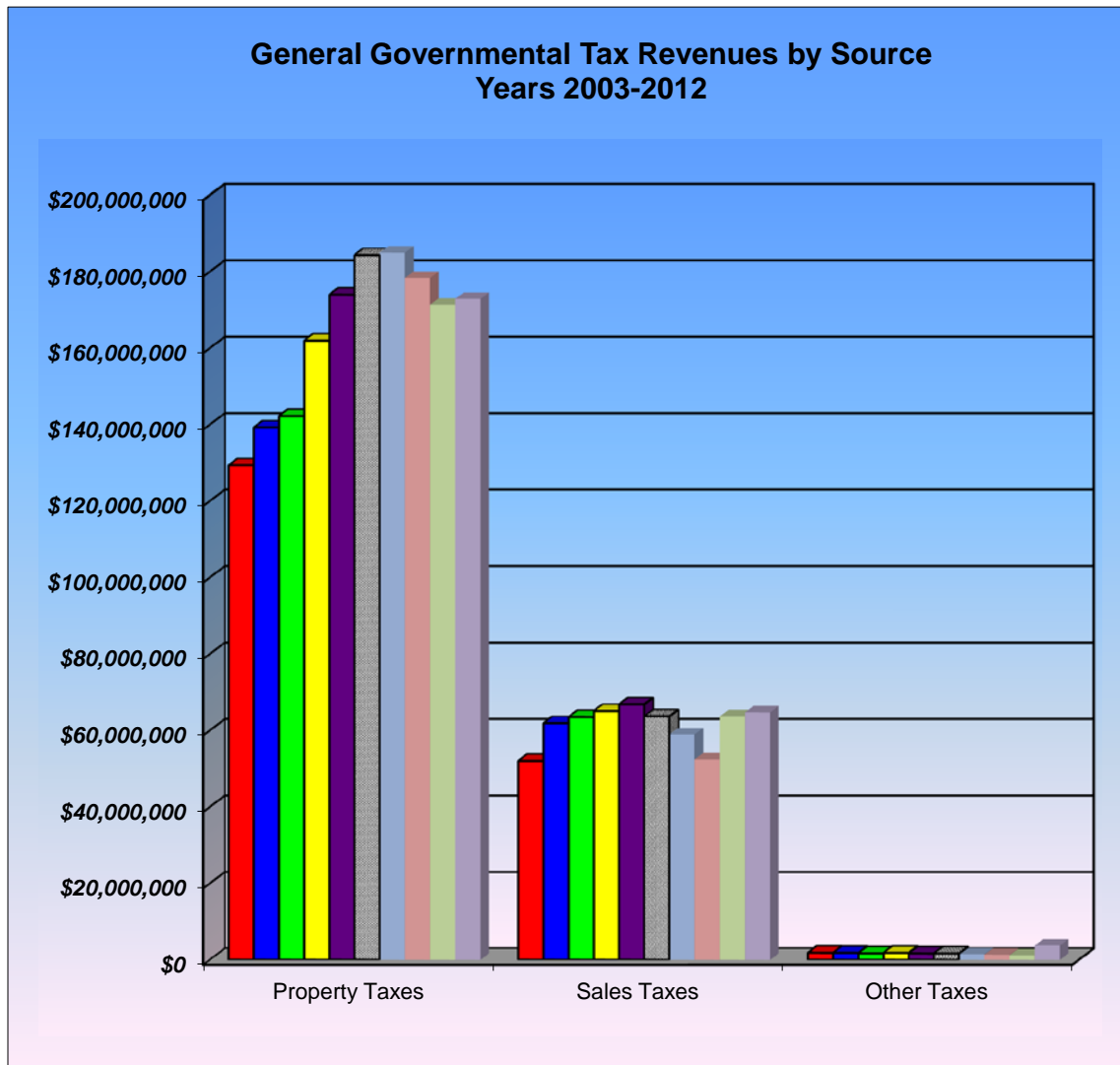
Fiscal Year	General Government	Public Works	Public Safety	Health and Human Services	Planning and Economic Development	Culture and Recreation	Interest on Long-Term Debt	Total
2012	\$ 121,428,691	\$ 56,201,387	\$ 115,395,790	\$ 79,336,842	\$ 4,101,588	\$ 21,970,790	\$ 372,224	\$ 398,807,312
2011	122,559,659	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
2008	73,360,726	46,845,970	127,137,837	82,910,854	23,110,110	23,033,442	1,092,150	377,491,089
2007	71,261,191	54,349,008	123,123,775	81,034,438	23,527,172	22,555,476	1,407,149	377,258,209
2006	65,528,919	48,494,629	113,339,836	78,104,338	23,774,305	21,322,091	1,515,485	352,079,603
2005	57,723,271	41,812,063	105,164,200	73,171,512	22,818,084	20,143,713	1,547,167	322,380,010
2004	46,402,188	46,987,125	107,125,841	73,812,912	23,006,309	19,321,971	1,568,926	318,225,272
2003	49,180,792	17,356,137	85,781,826	60,878,938	16,774,636	18,527,258	1,752,795	250,252,382

**Government-wide Expenses  
by Functions for 2012**



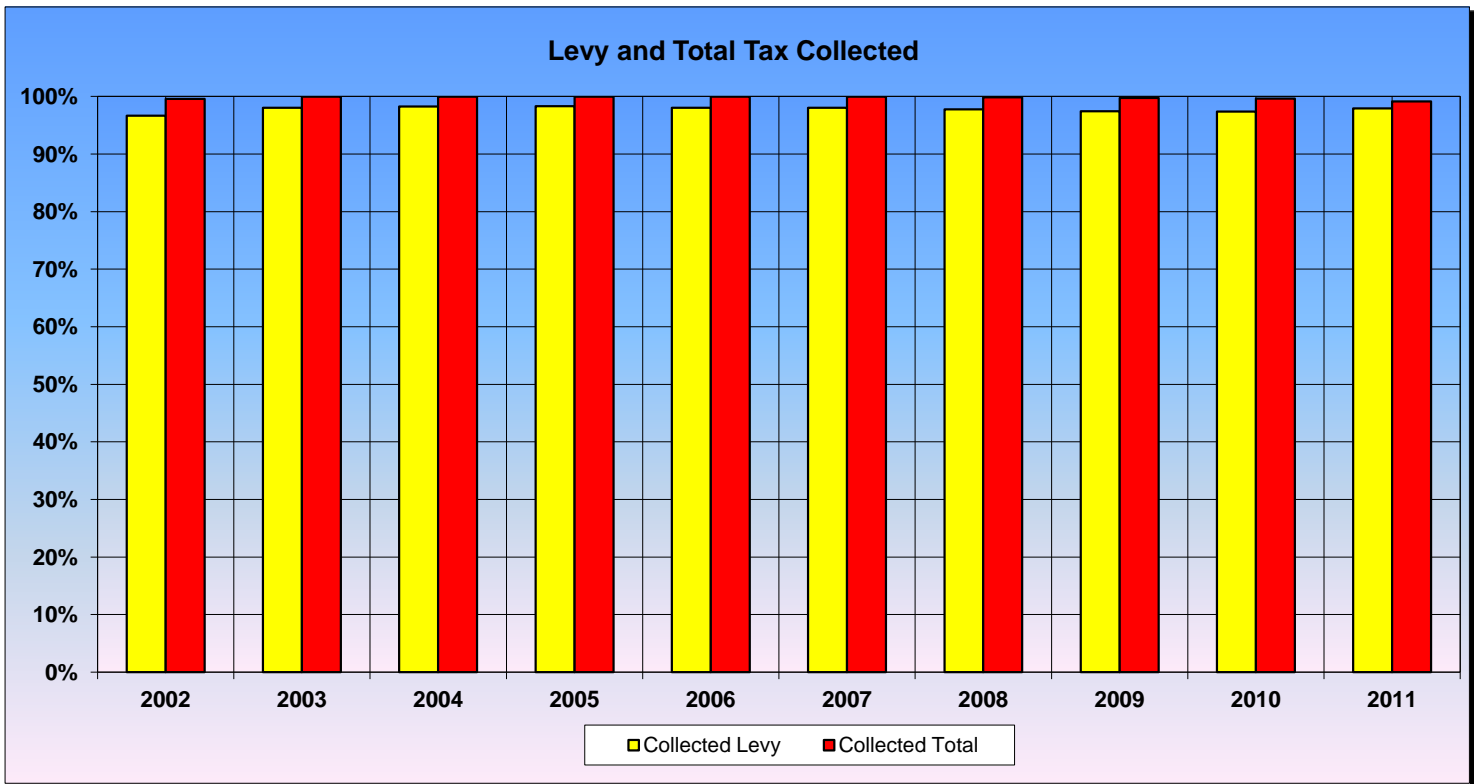
**Johnson County, Kansas**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2012	\$ 172,891,220	\$ 64,721,509	\$ 3,748,232	\$ 241,360,961
2011	171,345,442	63,692,635	1,192,532	236,230,609
2010	178,334,826	52,415,824	1,329,971	232,080,621
2009	184,948,778	58,948,208	1,472,563	245,369,549
2008	184,296,632	63,684,470	1,639,876	249,620,978
2007	173,966,160	66,816,061	1,646,312	242,428,533
2006	161,936,175	65,068,745	1,816,842	228,821,762
2005	142,220,163	63,507,087	1,680,152	207,407,402
2004	139,223,150	61,866,361	1,806,422	202,895,933
2003	129,336,256	52,022,478	1,840,375	183,199,109



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

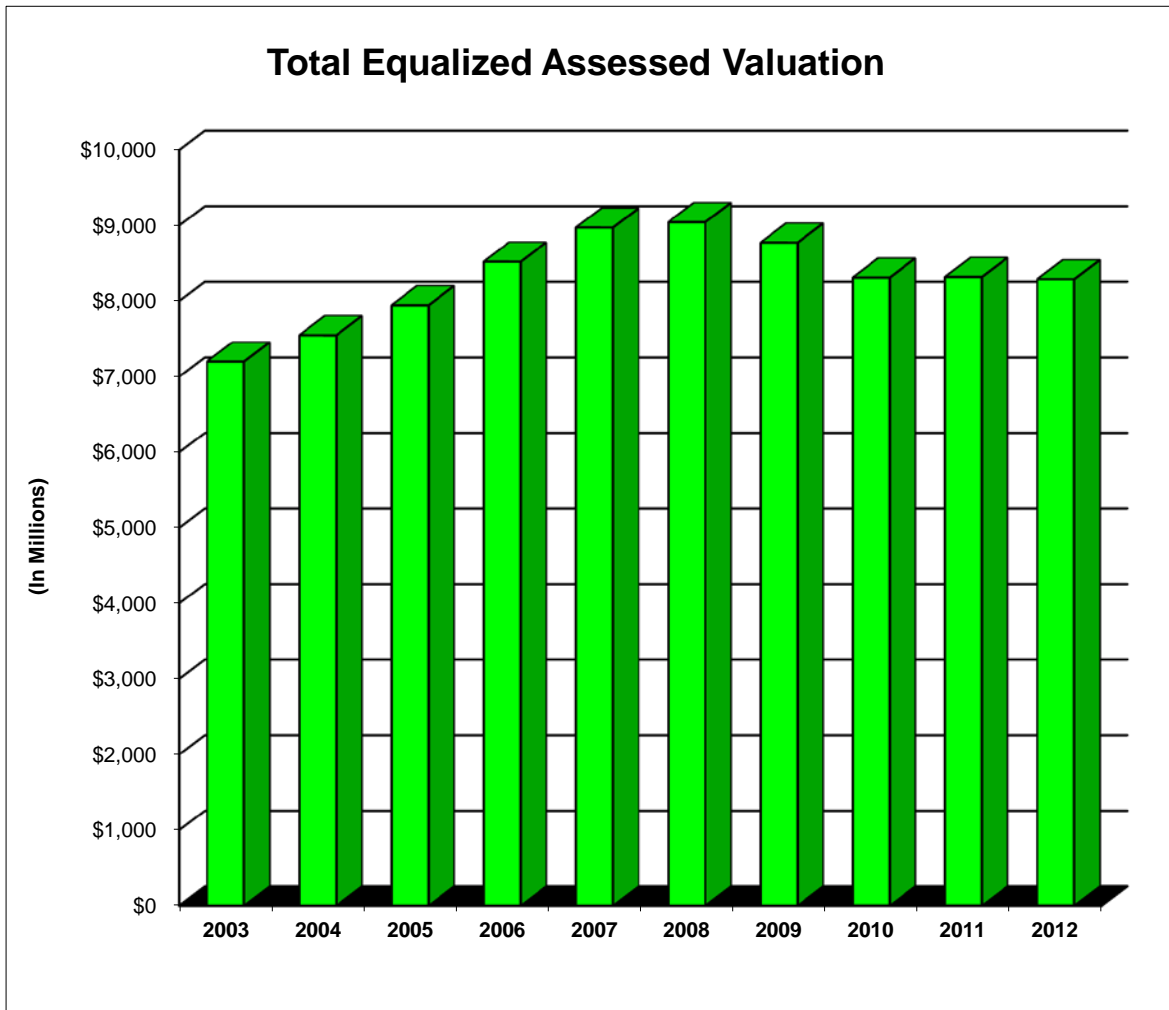
Levy Year (1)	Net Adjusted Tax Roll (2)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collected (3)	Outstanding Delinquent Taxes (4)	Delinquent Taxes to Net Adj. Tax
2011	\$ 153,797,752	\$ 150,587,044	97.91%	\$ 1,870,478	\$ 152,457,522	99.13%	\$ 5,230,293	3.40%
2010	154,756,215	150,745,216	97.41%	3,424,114	154,169,330	99.62%	3,890,063	2.51%
2009	162,459,457	158,295,398	97.44%	3,737,001	162,032,399	99.74%	3,303,178	2.03%
2008	167,255,988	163,529,885	97.77%	3,473,139	167,003,024	99.85%	2,876,120	1.72%
2007	166,932,690	163,624,647	98.02%	3,222,215	166,846,862	99.95%	2,623,156	1.57%
2006	157,591,699	154,517,817	98.05%	3,026,446	157,544,263	99.97%	2,537,328	1.61%
2005	146,517,134	144,019,261	98.30%	2,420,994	146,440,255	99.95%	2,489,892	1.70%
2004	126,263,059	124,054,258	98.25%	2,145,010	126,199,268	99.95%	2,413,013	1.91%
2003	123,297,760	120,854,885	98.02%	2,376,690	123,231,575	99.95%	2,349,222	1.91%
2002	116,505,672	112,620,405	96.67%	3,397,567	116,017,972	99.58%	2,283,037	1.96%



- (1) Taxes levied in 2011 are due December 20, 2011 but may be paid 50% by December 20, 2011 and 50% by May 10, 2012.
- (2) Net Adjusted Tax Roll is the County Clerk's Abstract of Taxes plus new taxes less abated taxes.
- (3) Year 2002 to 2010 have been restated to break out delinquent taxes by levy year.  
 Source County Treasurer.
- (4) K.S.A. 79-2401 et. seq. provides for the sale of property on which delinquent taxes are owed after three years of certified delinquency (approximately four years).

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

<b>Fiscal Year</b>	<b>Real Property Assessed Value(1)</b>	<b>Personal Property Assessed Value(1)</b>	<b>Utilities Assessed Value(1)</b>	<b>Total Assessed Value</b>
2012	\$ 7,122,134,472	\$ 186,979,120	\$ 211,389,795	\$ 7,520,503,387
2011	7,126,890,386	213,473,539	211,621,640	7,551,985,565
2010	7,076,189,727	239,657,283	219,870,931	7,535,717,941
2009	7,434,948,723	311,426,499	223,153,015	7,969,528,237
2008	7,613,700,757	385,599,146	232,006,803	8,231,306,706
2007	7,441,729,299	496,710,813	230,509,813	8,168,949,925
2006	6,952,936,327	546,237,913	233,922,217	7,733,096,457
2005	6,426,527,762	522,165,861	229,797,418	7,178,491,041
2004	6,022,937,223	504,092,012	276,184,790	6,803,214,025
2003	5,691,787,337	526,605,820	262,899,814	6,481,292,971



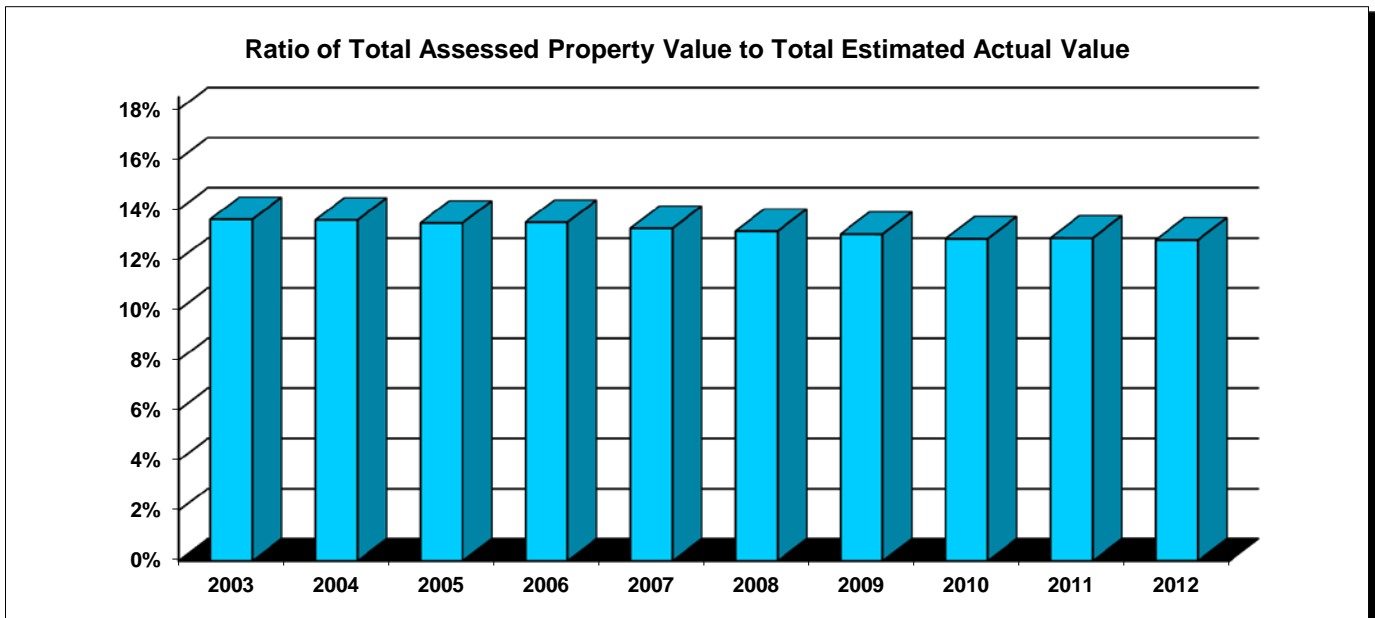
(1) Source: 2012 Annual Abstract of Taxes, County Clerk



**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
\$ 764,636,016	\$ 3,374,534	\$ 8,288,513,937	20.866	2012
763,748,689	3,504,557	8,319,238,811	20.845	2011
772,108,497	3,591,197	8,311,417,635	20.906	2010
798,765,258	3,590,529	8,771,884,024	20.867	2009
807,538,885	3,602,032	9,042,447,623	20.824	2008
798,621,975	3,700,267	8,971,272,167	20.947	2007
783,704,614	3,706,787	8,520,507,858	20.909	2006
761,555,444	3,553,249	7,943,599,734	20.877	2005
739,386,265	3,446,192	7,546,046,482	18.997	2004
713,163,335	3,320,568	7,197,776,874	19.335	2003

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
\$ 57,324,971,665	\$ 735,451,205	\$ 723,684,270	\$ 58,784,107,140	12.79%	2012
57,109,177,160	839,662,587	718,991,074	\$ 58,667,830,821	12.87%	2011
56,908,094,900	1,034,822,458	737,478,271	58,680,395,629	12.84%	2010
59,225,822,459	1,224,944,229	735,234,622	61,186,001,310	13.03%	2009
60,348,778,630	1,516,689,974	758,755,318	62,624,223,922	13.14%	2008
58,907,586,441	1,953,729,198	750,572,302	61,611,887,941	13.26%	2007
54,383,895,167	2,148,535,791	754,421,000	57,286,851,958	13.50%	2006
50,508,957,215	2,053,852,387	738,209,372	53,301,018,974	13.47%	2005
47,213,817,217	1,982,761,914	880,020,926	50,076,600,057	13.59%	2004
44,698,225,355	2,071,316,225	838,087,263	47,607,628,843	13.61%	2003



(1) Source: 2012 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

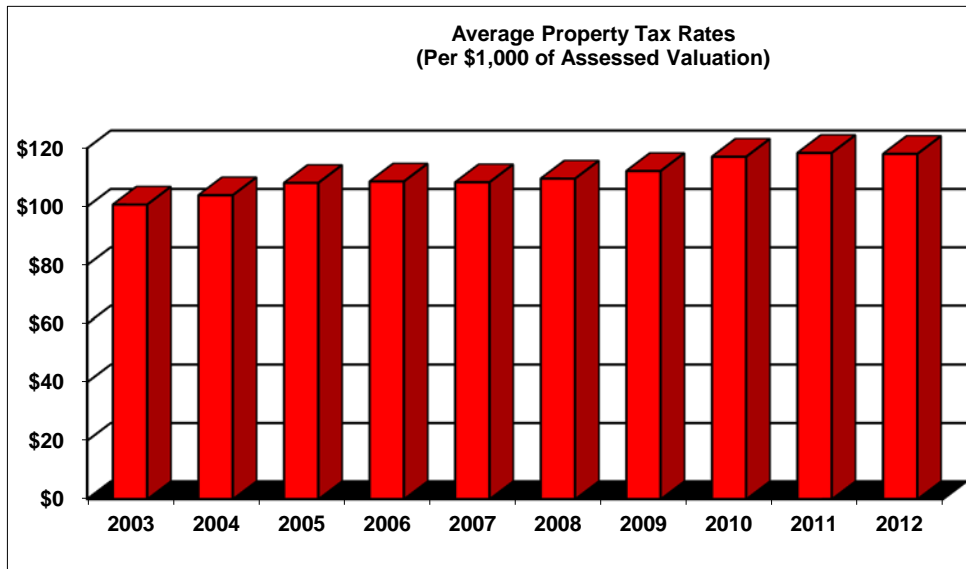
**Johnson County, Kansas**  
**Direct and Overlapping Property Tax Rates and Levies**  
**Last Ten Fiscal Years**

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

Year	State	County	County Library
2012	1.500	17.717	3.149
2011	1.500	17.700	3.145
2010	1.500	17.748	3.158
2009	1.500	17.716	3.151
2008	1.500	17.767	3.057
2007	1.500	17.985	2.962
2006	1.500	17.949	2.960
2005	1.500	17.922	2.955
2004	1.500	16.041	2.956
2003	1.500	16.381	2.954

**TAX LEVIES\***

Year	State	County	County Library
2012	\$ 11,280,755	\$ 133,240,925	\$ 19,745,810
2011	11,327,978	133,670,303	19,764,012
2010	11,303,577	133,744,112	19,811,187
2009	11,954,292	141,189,740	20,894,100
2008	12,346,960	146,245,832	20,959,107
2007	12,253,425	146,918,769	20,188,656
2006	11,599,645	138,801,516	19,223,756
2005	10,767,737	128,653,133	17,874,333
2004	10,204,821	109,130,544	17,024,889
2003	9,721,939	106,170,083	16,253,256



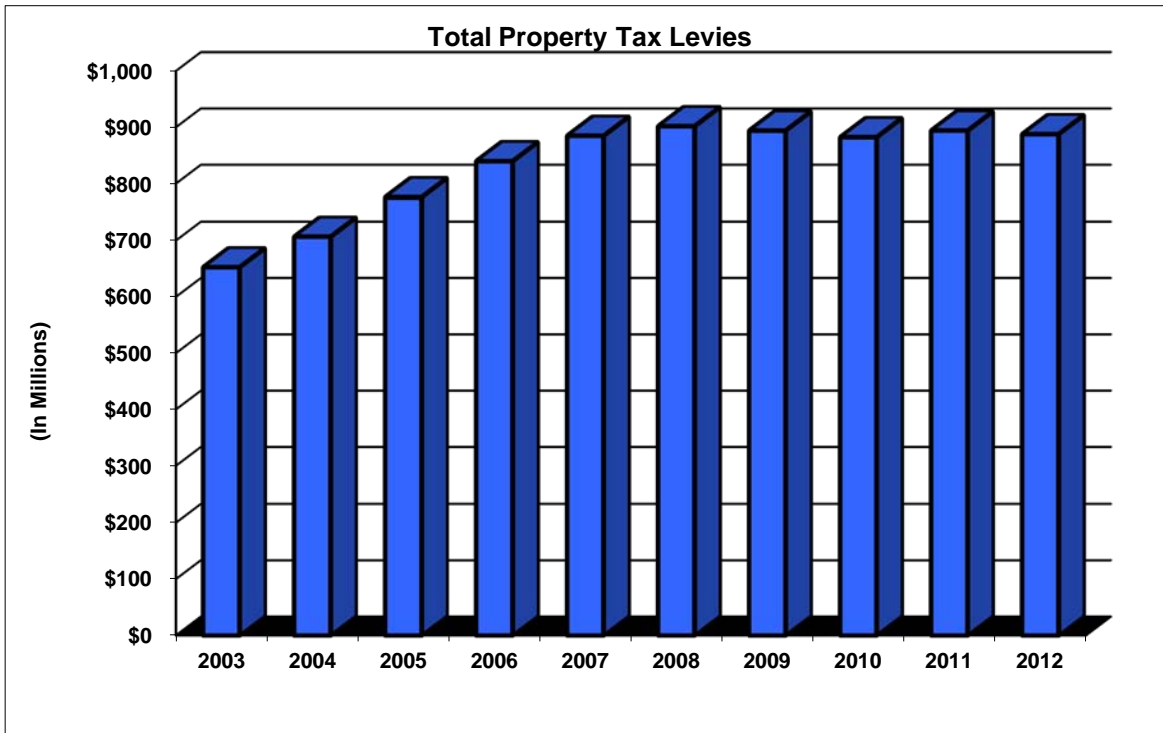
\* Excludes special assessments.

- (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**

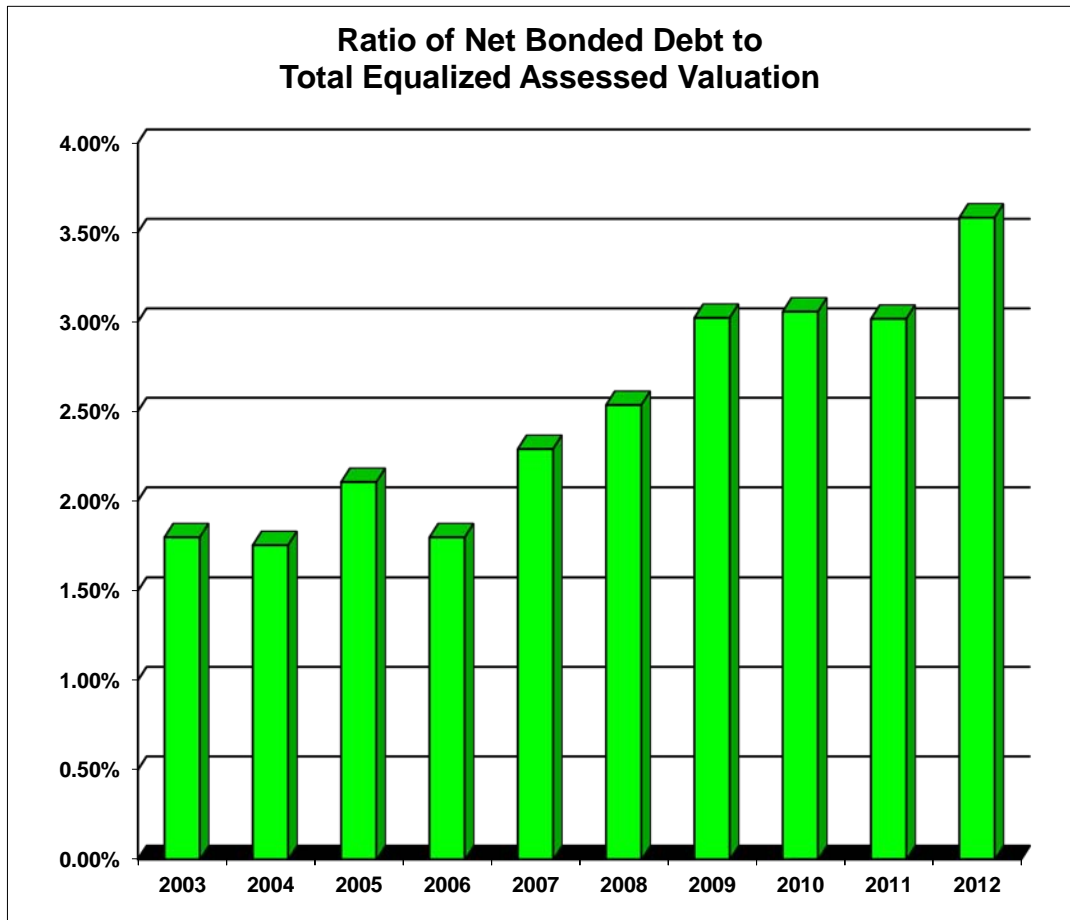
<b>Cities Weighted Average</b>	<b>Townships Weighted Average</b>	<b>Schools Weighted Average</b>	<b>Special Districts Weighted Average (1)</b>	<b>Grand Total Weighted Average (2)</b>	<b>Year</b>
20.623	0.198	73.736	3.308	118.044	2012
20.660	0.147	74.132	3.314	118.400	2011
18.898	0.149	74.716	2.998	117.085	2010
18.645	0.152	70.363	2.765	112.190	2009
18.580	0.152	67.899	2.748	109.579	2008
18.435	0.093	66.605	2.868	108.328	2007
18.329	0.103	66.960	2.983	108.600	2006
17.880	0.107	67.407	4.006	108.111	2005
17.765	0.105	65.191	4.171	103.890	2004
17.605	0.096	61.794	4.266	100.683	2003

<b>Cities Total</b>	<b>Townships Total</b>	<b>Schools Total</b>	<b>Special Districts Total (1)</b>	<b>Grand Total</b>	<b>Year</b>
\$ 150,460,843	\$ 68,005	\$ 554,525,615	\$ 18,424,598	\$ 887,746,551	2012
151,233,494	50,332	559,842,295	18,263,958	894,152,372	2011
137,949,627	51,732	563,036,197	16,422,068	882,318,500	2010
143,708,795	55,054	560,760,410	15,537,928	894,100,319	2009
147,788,587	57,648	558,896,054	15,688,068	901,982,256	2008
145,315,726	36,302	544,089,809	16,125,343	884,928,030	2007
136,757,256	38,114	517,806,857	15,584,677	839,811,821	2006
123,832,405	36,766	483,878,913	11,029,781	776,073,068	2005
116,199,467	35,727	443,511,220	10,678,098	706,784,766	2004
109,752,979	34,974	400,506,830	10,116,055	652,556,116	2003



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

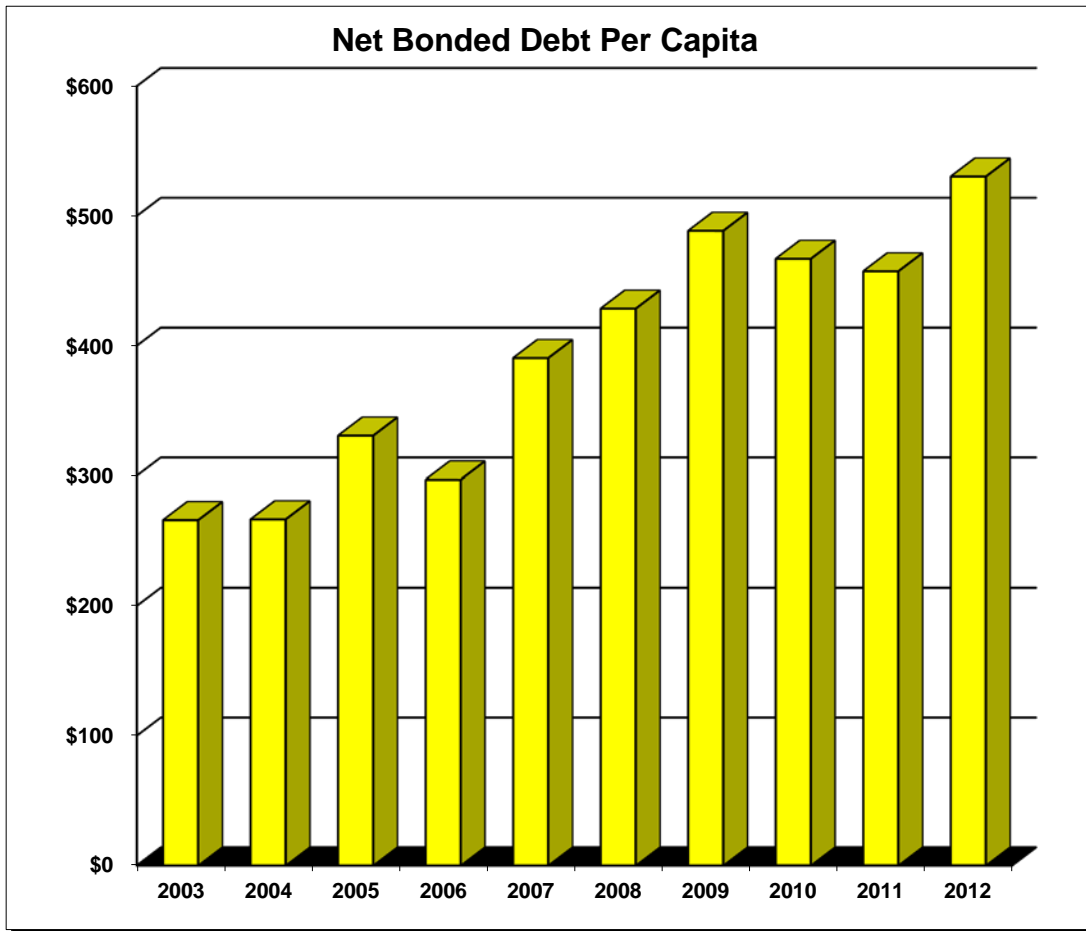
<b>Year</b>	<b>Population (1)</b>	<b>Equalized Assessed Valuation</b>	<b>Bonded Debt</b>	<b>Amount Set Aside for Repayment of G.O. Debt</b>
2012	559,913	\$ 8,288,513,937	\$ 298,517,717	\$ 1,589,392
2011	548,837	8,319,238,811	252,184,547	1,200,751
2010	544,179	8,311,417,635	255,538,880	1,452,174
2009	542,737	8,771,884,024	267,957,829	2,826,554
2008	535,000	9,042,447,623	229,550,443	283,994
2007	525,938	8,971,272,167	210,186,132	4,822,736
2006	516,285	8,520,507,858	158,334,179	5,013,455
2005	505,578	7,943,599,734	172,251,912	5,059,579
2004	496,892	7,546,046,482	137,659,756	5,170,446
2003	486,943	7,197,776,874	130,822,792	1,280,180



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

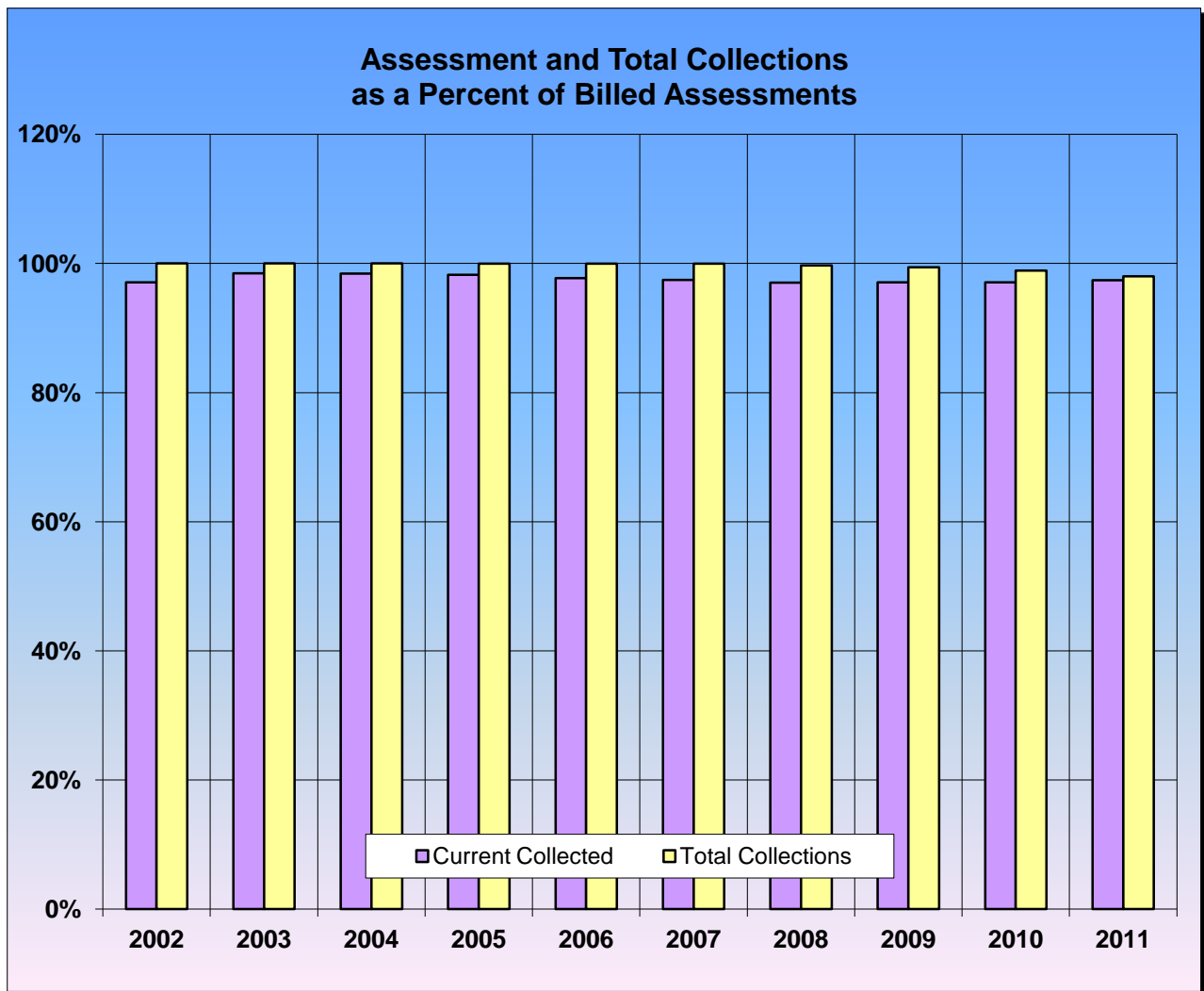
*Johnson County, Kansas*  
**Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years**

<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Equalized Valuation</b>	<b>Ratio of Net Bonded Debt Per Capita to Per Capita Income</b>	<b>Per Capita Income (1)</b>	<b>Net Bonded Debt Per Capita</b>	<b>Year</b>
\$ 296,928,325	3.58%	0.91%	\$ 58,131	\$ 530.31	2012
250,983,796	3.02%	0.81%	56,550	457.30	2011
254,086,706	3.06%	0.87%	53,821	466.92	2010
265,131,275	3.02%	0.93%	52,472	488.51	2009
229,266,449	2.54%	0.79%	54,395	428.54	2008
205,363,396	2.29%	0.72%	54,110	390.47	2007
153,320,724	1.80%	0.57%	51,797	296.97	2006
167,192,333	2.10%	0.69%	47,809	330.70	2005
132,489,310	1.76%	0.57%	46,443	266.64	2004
129,542,612	1.80%	0.60%	44,124	266.03	2003



**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 (3)	Total Assessments Collected	Percent of Total Collections to Billings (3)
2011	\$ 35,311,610	\$ 34,391,294	97.39%	\$ 219,140	\$ 34,610,434	98.01%
2010	33,926,042	32,931,476	97.07%	617,661	33,549,137	98.89%
2009	33,790,576	32,800,199	97.07%	784,110	33,584,309	99.39%
2008	31,380,798	30,450,044	97.03%	838,313	31,288,357	99.71%
2007	25,462,700	24,812,479	97.45%	639,455	25,451,934	99.96%
2006	23,929,454	23,387,496	97.74%	536,806	23,924,302	99.98%
2005	21,820,939	21,436,517	98.24%	379,660	21,816,177	99.98%
2004	20,550,691	20,222,923	98.41%	327,050	20,549,973	100.00%
2003	19,317,750	19,026,811	98.49%	290,464	19,317,275	100.00%
2002	18,217,570	17,683,463	97.07%	533,915	18,217,378	100.00%

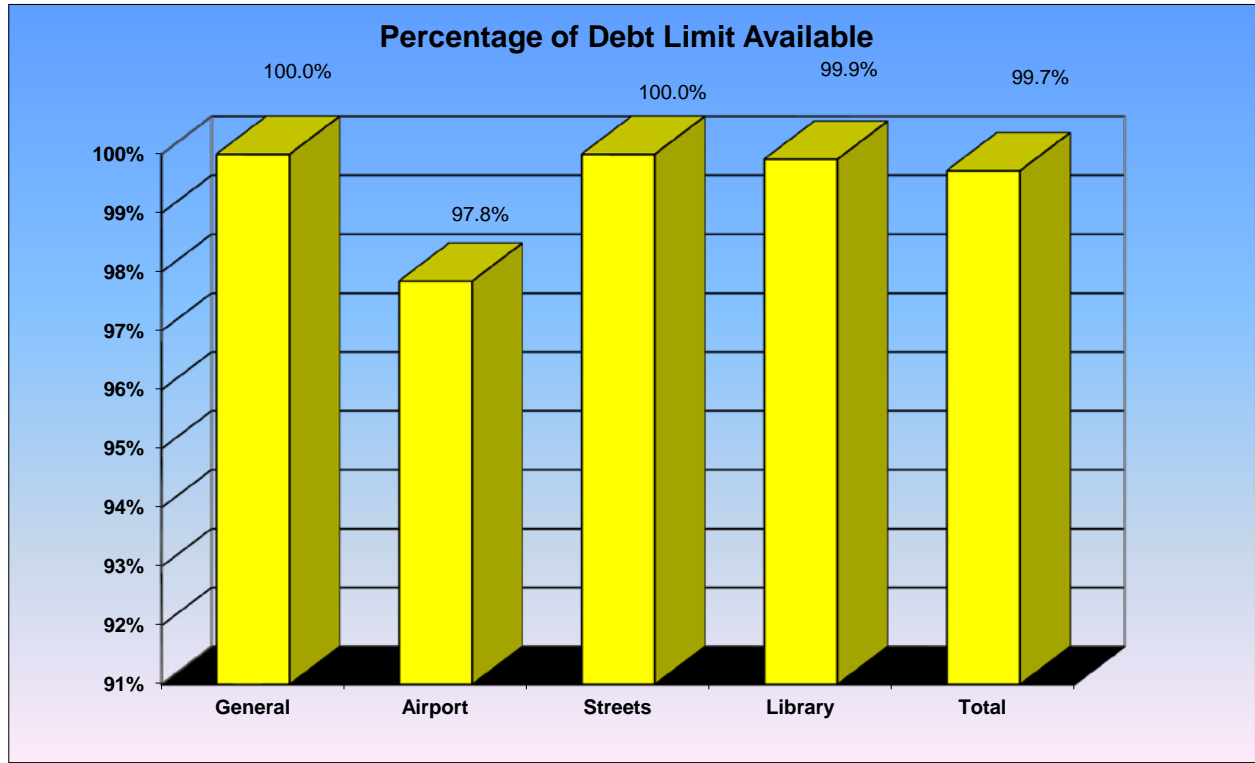


- (1) Taxes levied in 2011 are due December 20, 2011 but may be paid 50% by December 20, 2011 and 50% by May 10, 2012.
- (2) Billings and collections include Johnson County and all municipalities within Johnson County.
- (3) Year 2002 to 2010 have been restated to break out delinquent taxes by levy year.

Source County Treasurer.

**Johnson County, Kansas**  
**Legal General Obligation Debt Margin Computation**  
12/31/12

	General	Airport	Streets	Library (3)	Total
<b>Assessed Valuation for Debt Limitation Purposes</b>	\$ 8,288,513,937	\$ 8,288,513,937	\$ 8,288,513,937	\$ 6,883,326,978	\$ 31,748,868,789
<b>Percentage Limitation (1)</b>	3.0%	1.0%	2.0%	2.0%	
<b>Dollar Debt Limit</b>	248,655,418	82,885,139	165,770,279	137,666,540	634,977,376
<b>Outstanding Debt (2)</b>	975,000	1,786,090	-	600,000	3,361,090
<b>Amount Set Aside for Repayment of G.O. Debt</b>	1,106,865	-	-	482,527	1,589,392
<b>Net Outstanding Debt</b>	(131,865)	1,786,090	-	117,473	1,771,698
<b>Available Legal Debt Margin</b>	<u>\$ 248,787,283</u>	<u>\$ 81,099,049</u>	<u>\$ 165,770,279</u>	<u>\$ 137,549,067</u>	<u>\$ 633,205,678</u>



(1) Source: 2012 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**  
**12/31/12**

Entity	Total Debt (1)	Net Debt	Percent Applicable to Johnson County	Net Debt Applicable to Johnson County (2)	Total Assessed Valuation
Johnson County	\$ 11,958,678	\$ 10,369,286	100.00%	\$ 10,369,286	\$ 7,520,503,387
<b>Cities</b>					
Bonner Springs	22,395,000	22,068,387	3.94%	869,494	3,569,285
DeSoto	18,340,000	17,534,510	100.00%	17,534,510	56,173,145
Edgerton	10,945,106	10,945,106	100.00%	10,945,106	26,962,610
Fairway	7,675,000	7,590,571	100.00%	7,590,571	73,297,053
Gardner	52,570,000	52,076,857	100.00%	52,076,857	128,572,819
Lake Quivira	1,845,200	1,815,910	94.89%	1,723,117	22,983,649
Leawood	64,050,000	56,972,885	100.00%	56,972,885	740,612,210
Lenexa	107,090,000	101,468,762	100.00%	101,468,762	844,699,048
Merriam	10,525,000	10,415,296	100.00%	10,415,296	144,859,898
Mission	35,065,000	35,062,123	100.00%	35,062,123	114,151,182
Mission Hills	6,879,297	6,862,622	100.00%	6,862,622	158,693,262
Mission Woods	-	-	100.00%	-	6,588,053
Olathe	216,255,000	197,467,492	100.00%	197,467,492	1,246,432,907
Overland Park	162,605,000	162,355,000	100.00%	162,355,000	2,648,371,219
Prairie Village	9,055,000	9,051,521	100.00%	9,051,521	282,359,048
Roeland Park	21,153,940	20,693,111	100.00%	20,693,111	60,446,819
Shawnee	73,670,000	70,718,795	100.00%	70,718,795	672,722,899
Spring Hill	19,580,385	19,026,155	100.00%	19,026,155	36,116,188
Westwood	-	-	100.00%	-	21,413,039
Westwood Hills	-	-	100.00%	-	6,651,770
<b>Total</b>	<b>839,698,928</b>	<b>802,125,103</b>		<b>780,833,417</b>	<b>7,295,676,103</b>
<b>School Districts</b>					
Blue Valley U.S.D. 229	329,720,000	321,239,945	99.97%	321,143,573	2,295,545,501
Spring Hill U.S.D. 230	87,935,000	82,315,474	77.57%	63,852,113	91,043,123
Gardner U.S.D. 231	109,940,000	103,752,097	97.45%	101,106,419	220,191,781
DeSoto U.S.D. 232	167,640,000	157,364,455	100.00%	157,364,455	371,535,275
Olathe U.S.D. 233	297,506,339	283,020,872	100.00%	283,020,872	1,666,869,027
Wellsville U.S.D. 289	5,720,000	5,111,582	0.10%	5,112	18,515
Eudora U.S.D. 491	61,619,867	60,670,518	2.75%	1,668,439	882,800
Shawnee Mission U.S.D. 512	193,790,000	193,130,371	100.00%	193,130,371	2,874,355,272
<b>Total</b>	<b>1,253,871,206</b>	<b>1,206,605,314</b>		<b>1,121,291,354</b>	<b>7,520,441,294</b>
<b>Other Entities</b>					
Community College	-	-	100.00%	-	7,520,503,387
Park and Recreation	2,660,000	2,627,393	100.00%	2,627,393	7,520,503,387
Fire District #2	3,130,000	3,130,000	100.00%	3,130,000	148,277,121
<b>Total</b>	<b>5,790,000</b>	<b>5,757,393</b>		<b>5,757,393</b>	<b>15,189,283,895</b>
<b>Total of Overlapping Debt</b>				<b>1,907,882,164</b>	
<b>Grand Total</b>				<b>\$ 1,918,251,450</b>	

(1) Includes General and Special Obligation Bonds, Special Assessment Bonds with governmental commitment and General Obligation Notes.

Excludes Airport and Wastewater General Obligation and Special Assessment debt (which are supported by user charges).

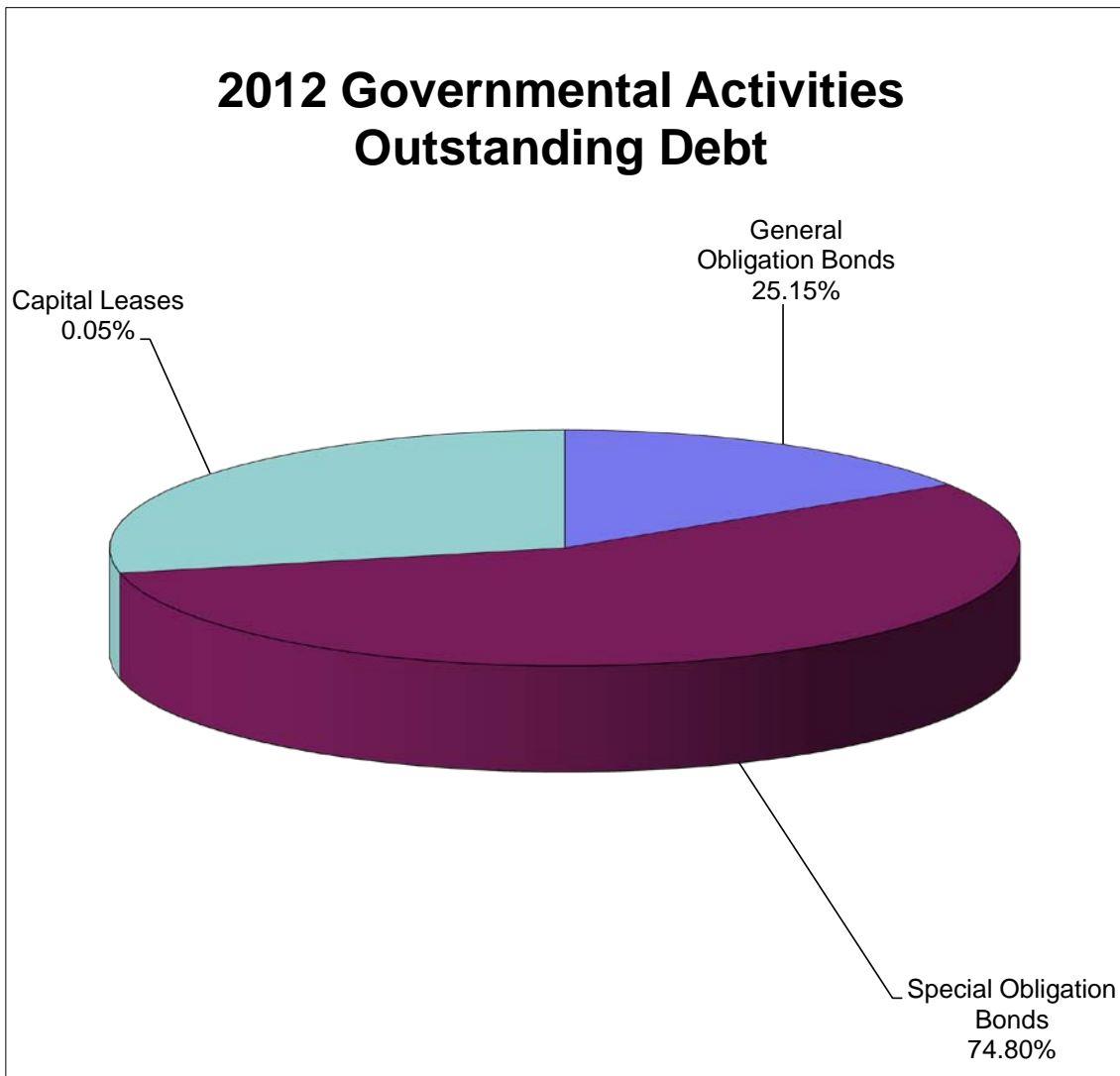
(2) Based upon assessed valuation within Johnson County as a percent of total assessed valuation.



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

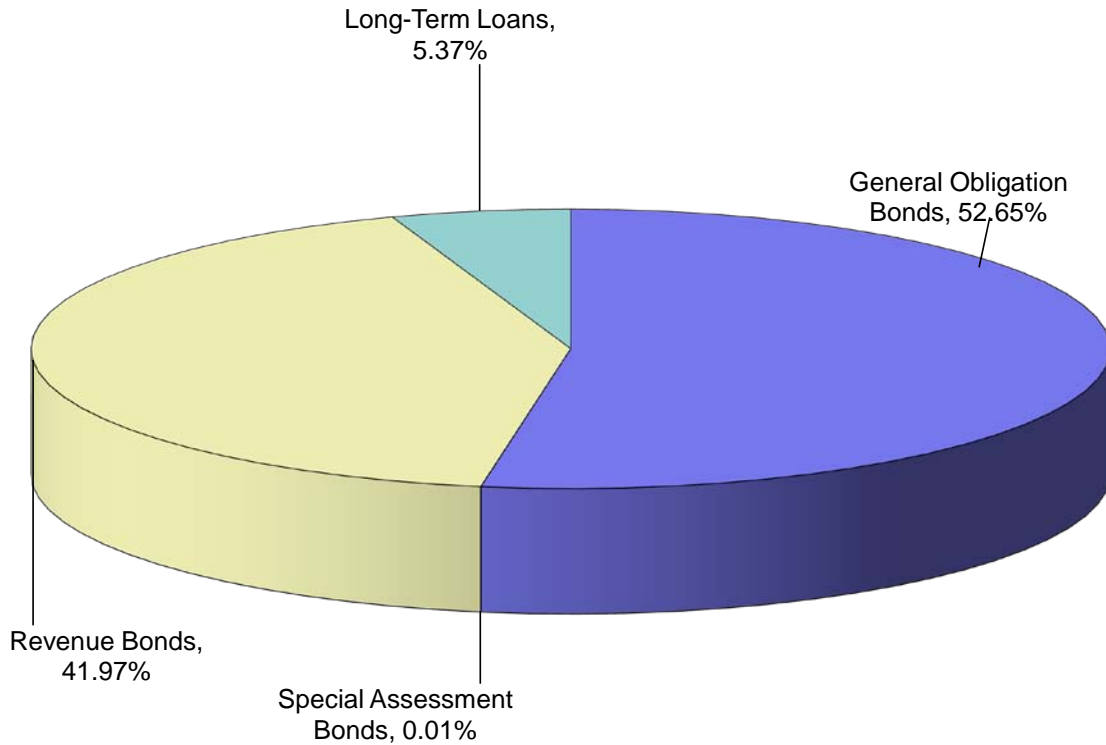
Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Special Obligation Bonds	Special Assessment Bonds	Capital Leases	General Obligation Bonds	Special Assessment Bonds
2012	\$ 1,908,678	\$ 6,650,000	\$ -	\$ 3,400,000	\$ 289,959,039	\$ 33,910
2011	2,784,129	8,280,000	-	5,499	241,120,418	38,755
2010	4,684,385	9,950,000	-	13,360	240,904,495	48,600
2009	8,644,298	10,835,000	10,600	20,790	248,478,531	139,887
2008	8,546,260	12,405,000	18,473	27,813	208,599,184	602,867
2007	10,773,156	18,160,000	26,346	49,377	181,206,249	689,993
2006	12,967,014	19,685,000	36,013	25,062	125,682,165	767,269
2005	15,173,626	21,270,000	47,680	29,405	135,808,286	833,696
2004	16,043,767	22,960,000	59,347	34,046	98,655,989	899,419
2003	18,416,222	20,200,000	71,014	64,144	92,206,570	1,036,398



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

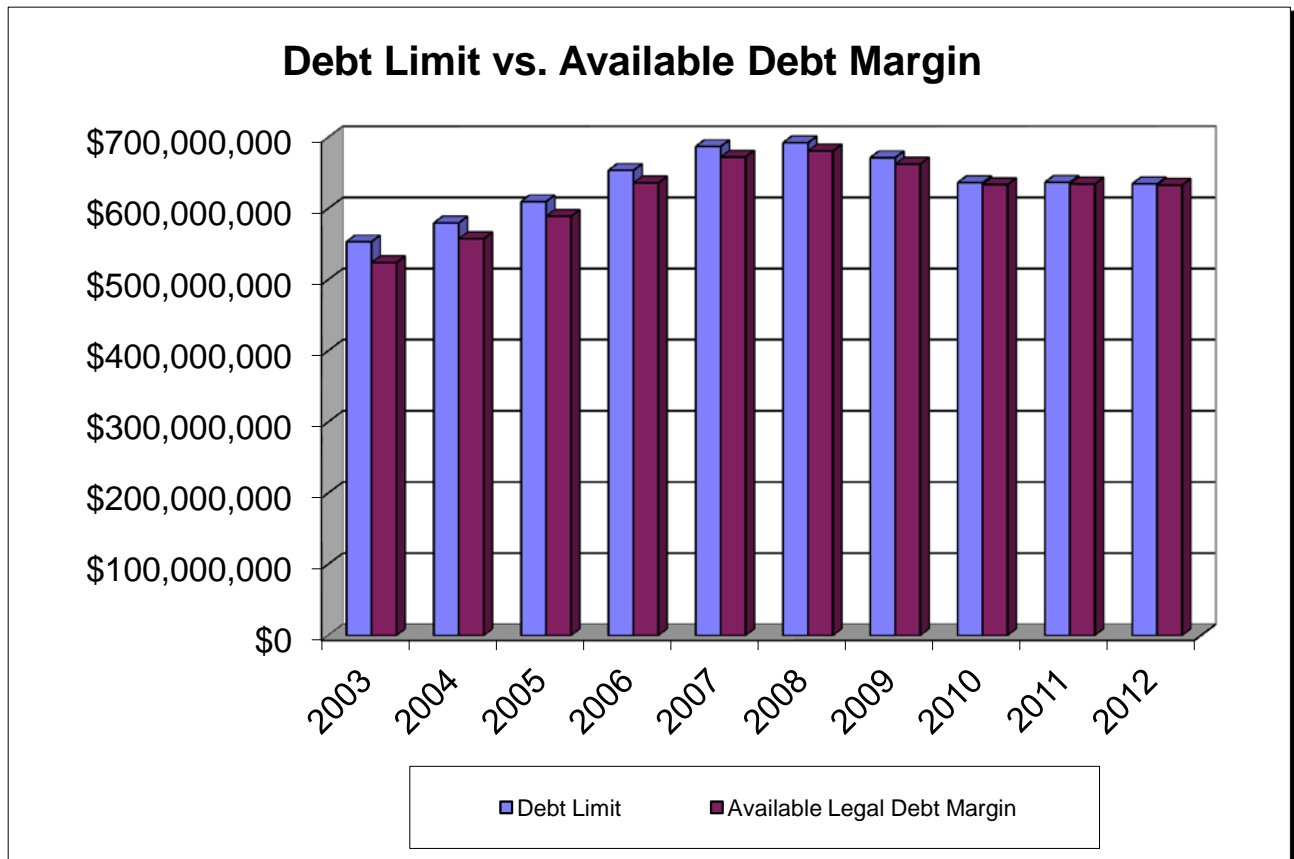
Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita	Year
Revenue Bonds	Loan Payable	Capital Leases	Long-Term Loans					
			Wastewater	Airport				
\$ 231,109,024	\$ -	\$ -	\$ 29,548,321	\$ 16,686	\$ 562,625,658	4.10%	\$ 1,004.84	2012
237,260,385	-	-	35,257,830	39,211	524,786,227	3.62%	956.18	2011
210,203,140	-	-	39,362,247	61,080	505,227,307	3.52%	928.42	2010
160,220,393	-	-	34,402,712	106,885	462,859,096	3.59%	852.82	2009
152,403,748	-	-	39,127,268	152,411	421,883,024	3.53%	788.57	2008
94,231,311	-	-	43,809,355	195,243	349,141,030	3.09%	663.84	2007
88,914,364	-	-	48,370,355	237,471	296,684,713	2.71%	574.65	2006
94,772,650	-	-	50,957,981	278,448	319,171,772	2.96%	639.01	2005
71,556,498	-	-	48,634,884	324,670	259,168,620	2.46%	530.84	2004
52,935,400	-	-	47,573,277	330,518	232,833,543	2.21%	494.13	2003

## 2012 Business-Type Activities Outstanding Debt



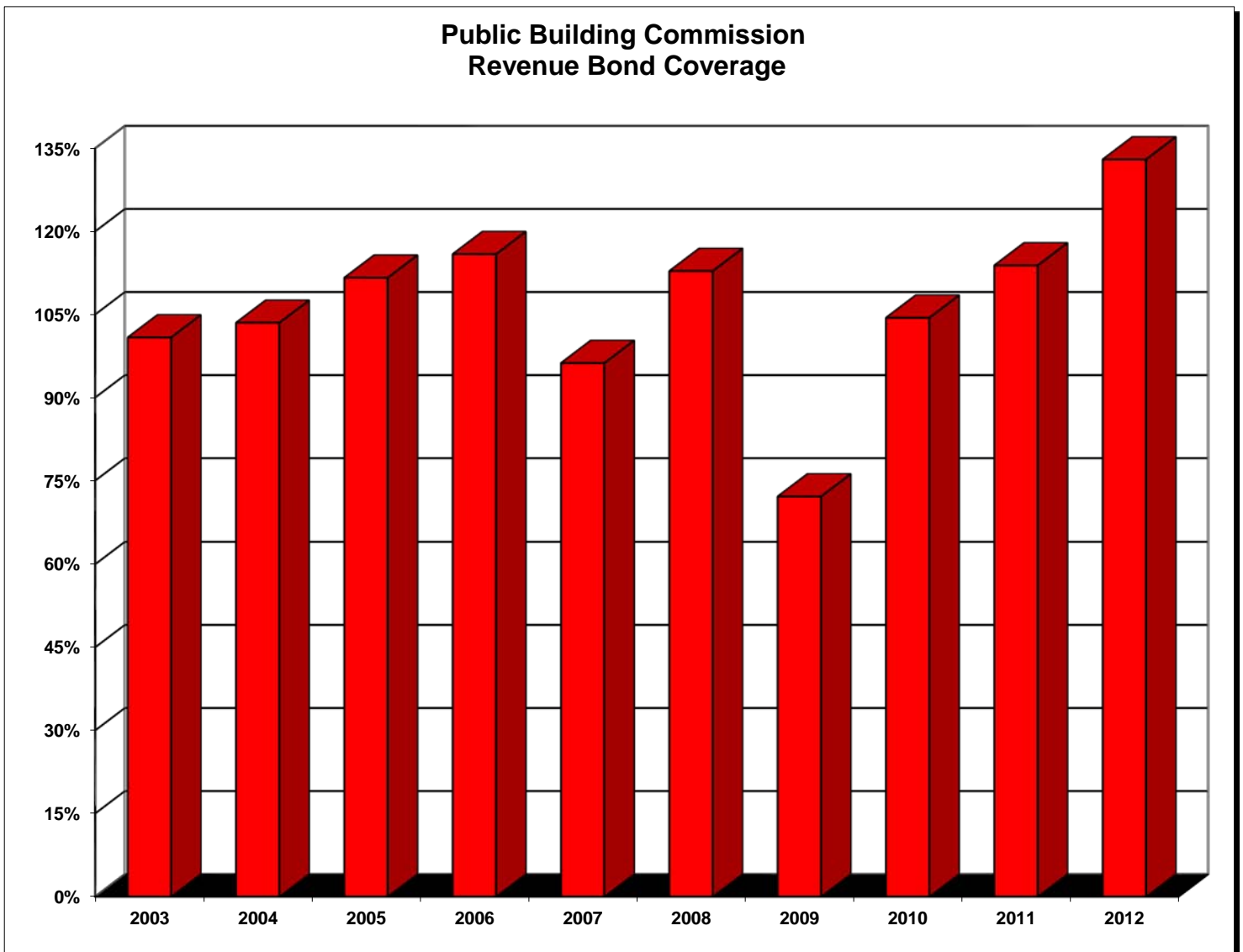
**Johnson County, Kansas  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Year	Debt Limit	Outstanding Debt	Amount Set Aside for Repayment of G.O. Debt	Net Outstanding Debt	Available Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	\$ 634,977,376	\$ 3,361,090	\$ 1,589,392	\$ 1,771,698	\$ 633,205,678	0.28%
2011	637,094,103	3,576,245	1,200,751	2,375,494	634,718,609	0.37%
2010	636,537,544	4,076,400	1,452,174	2,624,226	633,913,318	0.41%
2009	671,743,705	11,822,780	2,826,554	8,996,226	662,747,479	1.34%
2008	692,667,573	11,798,237	283,994	11,514,243	681,153,330	1.66%
2007	687,485,111	19,690,518	4,822,736	14,867,782	672,617,329	2.16%
2006	653,816,162	22,606,006	5,013,455	17,592,551	636,223,611	2.69%
2005	609,941,025	25,589,494	5,059,579	20,529,915	589,411,110	3.37%
2004	579,953,669	27,342,982	5,170,446	22,172,536	557,781,133	3.82%
2003	553,538,426	30,573,970	1,280,180	29,293,790	524,244,636	5.29%



**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	
2012	\$ 28,239,865	\$ -	\$ 28,239,865	\$ 11,445,000	\$ 9,790,327	\$ 21,235,327	133%
2011	21,005,623	-	21,005,623	9,455,000	8,993,865	18,448,865	114%
2010	16,437,670	-	16,437,670	8,725,000	7,018,786	15,743,786	104%
2009	10,627,731	-	10,627,731	7,430,000	7,303,112	14,733,112	72%
2008	11,422,827	-	11,422,827	6,200,000	3,923,101	10,123,101	113%
2007	10,209,731	-	10,209,731	6,615,000	3,994,571	10,609,571	96%
2006	11,086,909	-	11,086,909	5,940,000	3,626,645	9,566,645	116%
2005	8,519,430	-	8,519,430	4,900,000	2,731,474	7,631,474	112%
2004	6,298,763	-	6,298,763	4,205,000	1,880,574	6,085,574	104%
2003	8,004,802	-	8,004,802	6,555,000	1,382,913	7,937,913	101%

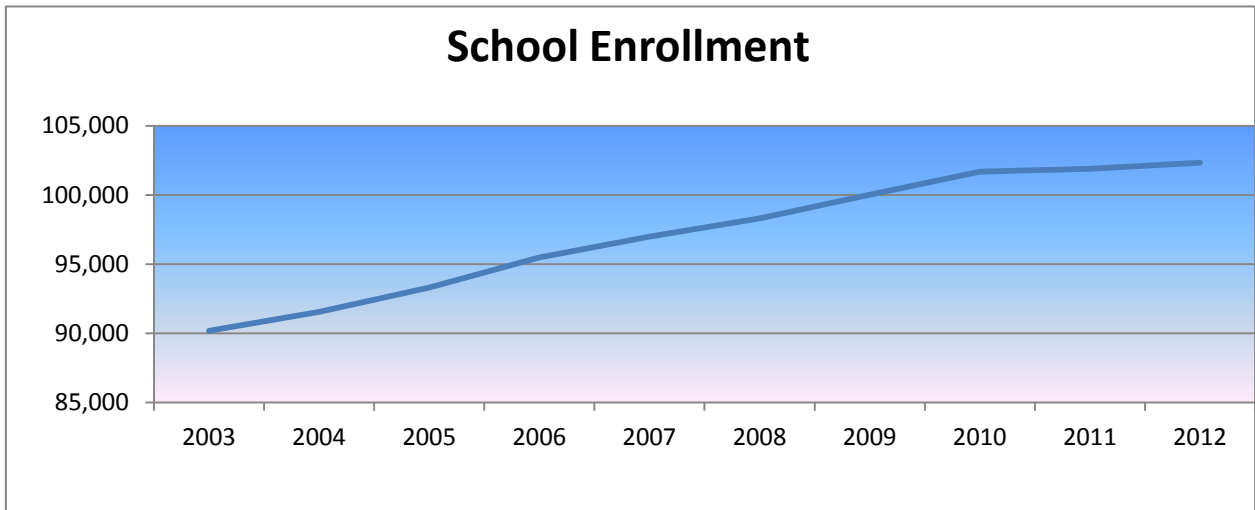
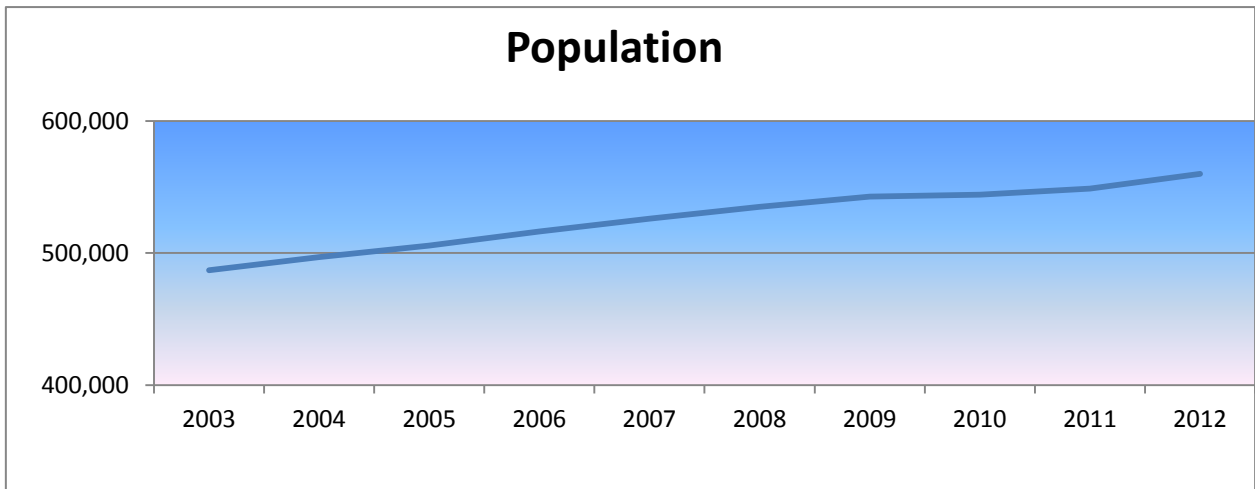


(1) Gross Revenue includes nonoperating investment earnings.

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

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

<b>Year</b>	<b>Population (1)</b>	<b>Per Capita Income (1)</b>	<b>Median Age (1)</b>	<b>Personal Income(1) **</b>	<b>K-12 School Enrollment (2)</b>
2012	559,913 *	\$ 58,131 *	36.60 *	\$ 28,919,343 *	102,331
2011	548,837 *	56,550	36.50	28,132,818 *	101,899
2010	544,179	53,821	36.40	26,775,180	101,684
2009	542,737	52,472	35.70	26,104,071	100,020
2008	535,000	54,395	36.20	27,060,737	98,311
2007	525,938	54,110	36.00	26,918,953	96,991
2006	516,285	51,797	36.30	25,768,269	95,483
2005	505,578	47,809	35.90	23,784,296	93,316
2004	496,892	46,443	36.20	23,104,730	91,539
2003	486,943	44,124	35.80	21,668,847	90,175



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

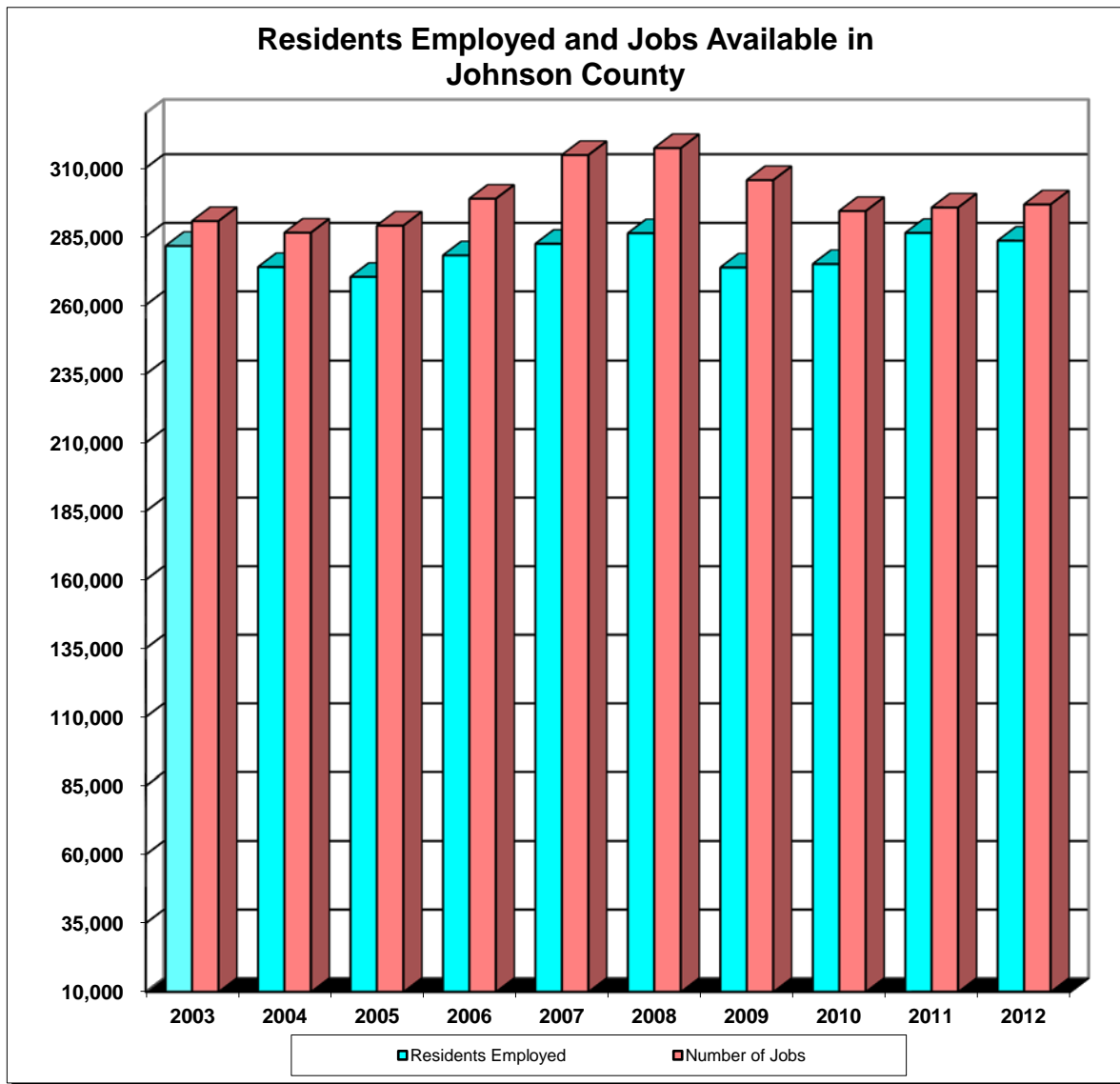
\*\* In Thousands

(1) Census Bureau

(2) Kansas Department of Education

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

<b>Year</b>	<b>Residents Employed (1)</b>	<b>Unemployment Rate (1)</b>	<b>Number of Employers (2)</b>	<b>Number of Jobs (2)</b>	<b>Gross Payroll (2)</b>
2012	283,455	5.20%	17,033 *	296,704 *	\$ 14,629,491,393 *
2011	286,295	5.90%	16,951 *	295,572 *	\$ 14,186,642,557 *
2010	274,963	6.50%	16,873	294,278	13,717,305,000
2009	273,682	6.80%	17,015	305,554	13,980,606,000
2008	286,187	4.40%	17,352	317,238	14,540,363,000
2007	282,346	3.90%	17,617	314,692	14,351,422,000
2006	278,108	4.10%	17,323	298,778	12,908,900,000
2005	270,262	4.60%	17,130	288,975	11,947,775,000
2004	273,859	5.00%	16,799	286,400	11,313,037,000
2003	281,561	5.20%	16,281	290,619	10,958,304,000



\* Estimated based upon prior years data.

(1) U.S. Department of Labor Bureau of Labor Statistics and KS Dept. of Human Resources & Kansas Statistical Abstract.

(2) County Business Patterns, Bureau of the Census and Kansas Statistical Abstract

**Johnson County, Kansas**  
**Principal Taxpayers and Employers**  
December 31, 2012

**Principal Taxpayers**

Taxpayer	Type of Business	2012			2003		
		Assessed	Rank	Percentage of	Assessed	Rank	Percentage of
		Valuation		Total Assessed	Valuation		Total Assessed
Kansas City Power and Light	Utility	\$ 78,859,768	1	1.05%	\$ 53,507,990	4	0.83%
UCM/SREP-Corporate Woods	Real Estate	53,123,999	2	0.71%			
Oak Park Mall, LLC	Real Estate	43,039,969	3	0.57%	33,477,062	5	0.52%
Southwestern Bell	Telecommunications	30,401,574	4	0.40%	73,153,127	2	1.13%
HRPT Lenexa Properties Trust	Real Estate	24,150,490	5	0.32%	21,847,088	6	0.34%
Leawood Town Center Plaza	Real Estate	23,008,252	6	0.31%	17,079,376	8	0.26%
Kansas Gas Service	Utility	20,757,832	7	0.28%			
Sprint Corporation	Telecommunications	20,713,801	8	0.28%	122,227,081	1	1.89%
Westar Energy	Utility	19,347,897	9	0.26%			
Perg Buildings, LLC	Shopping Center	17,848,470	10	0.24%	16,784,010	9	0.26%
Knickerbocker Properties	Real Estate				54,647,410	3	0.84%
Highwoods Realty Limited	Real Estate				19,463,100	7	0.30%
ASP Lighton, LLC	Office Building				14,819,402	10	0.23%
<b>Total</b>		<b>\$ 331,252,052</b>		<b>4.40%</b>	<b>\$ 427,005,646</b>		<b>6.58%</b>

Source: Johnson County Clerk and Appraiser's Office

**Principal Employers**

Employer	Type of Business	2012			2003		
		Employees in County	Rank	Percentage of Total Employment	Employees in County *	Rank	Percentage of Total Employment
Sprint/Nextel	Telecommunications	8,000	1	2.82%	10,000	1	3.55%
Olathe Unified School District	Public Education (K-12)	4,286	2	1.51%	3,200	6	1.18%
Johnson County Government	Local Government	4,013	3	1.42%	3,400	5	1.25%
Shawnee Mission School District	Public Education (K-12)	3,781	4	1.33%	3,900	4	1.43%
Blue Valley School District #229	Public Education (K-12)	3,257	5	1.15%	2,200	8	0.81%
Shawnee Mission Medical Center	Healthcare Services	3,013	6	1.06%	1,700	10	0.63%
Garmin International Inc	Communication Equip Mfg	3,000	7	1.06%			
Johnson Co Community College	Public Education (Junior College)	2,784	8	0.98%	3,100	7	1.14%
Black & Veatch	Engineering Services	2,381	9	0.84%	1,000	12	0.37%
Farmers Ins-Cust Svc Ctr/Svc.Point	Insurance	2,145	10	0.76%			
OptumRX	Healthcare Services	2,000	11	0.71%			
United Parcel Service	Parcel Post	1,900	12	0.67%			0.00%
Century Link	Telecommunications	1,800	13	0.64%			
Olathe Med Ctr	Healthcare Services	1,762	14	0.62%	1,000	18	0.37%
City of Overland Park	City Government	1,303	15	0.46%			
Quest Diagnostics	Testing Laboratories	1,286	16	0.45%			
Reece & Nichols	Real Estate Agents & Brokers	1,162	17	0.41%			
Overland Park Regional Med Center	Healthcare Services	1,100	18	0.39%	1,000	19	
Convergys	Collection Agencies	1,070	19	0.38%			
Freightquote	Transportation	1,006	20	0.35%			
Yellow Corporation	Transportation				10,000	2	3.68%
Leopoldstadt, Inc. (Favorite Nurses Inc.)	Healthcare Services				4,000	3	1.47%
Harris Chemical North America	Chemical Products Mfg				2,000	9	0.74%
Deffenbaugh Industries	Refuse Disposal				1,400	11	0.51%
Employers Reinsurance Corp	Reinsurance				1,000	13	0.37%
First Specialty Insurance	Insurance				1,000	14	0.37%
Honeywell	Electronic Aviation Equipment				1,000	15	0.37%
LabOne	Laboratory Testing				1,000	16	0.37%
Layne Christensen Co.	Drilling				1,000	17	0.37%
Universal Underwriters Group	Insurance				1,000	20	0.37%
<b>Total</b>		<b>51,049</b>		<b>18.01%</b>	<b>53,900</b>		<b>19.32%</b>

\* Only estimates are available for 2003

Source: Above company information verified in at least two of the following sources.

[Dun & Bradstreet Million Dollar Database](#)

[Reference USA Online Business Directory](#)

[Sorkins Online Directory of Business & Government](#)

[Directory of Major Johnson County Employers 2012](#), CERl, Overland Park, KS c. 2012



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

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012*
<b>GOVERNMENTAL ACTIVITIES:</b>											
<b>General Government</b>											
<i>Appraiser</i>											
	Number of parcels appraised per year	225,847	230,097	235,517	240,904	241,450	239,705	243,540	246,091	244,287	243,871
<i>Elections/Registration</i>											
	Number of voter registration applications processed	93,925	125,650	34,965	52,486	62,411	126,118	40,000	113,506	67,701	163,000
<b>Public Safety</b>											
<i>Public Safety Communication</i>											
	Calls dispatched for Fire and EMS units	37,744	40,659	41,512	41,629	44,240	45,745	44,445	48,959	51,906	52,425
<i>Sheriff</i>											
	Number of persons screened for entry into courthouse	686,468	650,121	630,423	652,126	671,690	631,588	601,155	631,731	589,377	601,160
	Inmates booked	15,386	16,281	16,851	17,831	19,079	17,637	17,732	16,616	15,660	15,970
	Number of calls for service (patrol)	37,338	33,534	41,753	49,972	45,934	41,814	56,642	46,098	43,635	44,510
	Number of calls for service (dispatch) (1)	129,488	133,803	156,157	173,732	231,049	226,385	247,855	312,548	316,444	322,770
	Number of 911 calls received (1)	35,370	38,362	64,396	38,339	43,492	41,352	50,793	90,677	92,823	94,680
<i>Emergency Management &amp; Homeland Security</i>											
	Number of households receiving information annually	18,000	22,000	28,000	28,000	28,000	28,000	30,000	28,000	30,000	30,000
	Number of persons trained	250	600	800	800	900	900	900	1,600	1,600	1,600
<b>Health and Human Services</b>											
<i>Health and Environmental</i>											
	Number of times public accesses the department's internet home page	82,490	105,319	125,492	175,758	193,333	86,000	86,860	78,905	67,511	69,846
	Number of County citizens accessing services	43,420	41,470	36,527	39,704	39,825	34,501	49,835	40,456	41,670	36,539
<i>Human Services</i>											
	Number of home-delivered meals	132,061	145,770	145,792	150,782	139,266	209,388	219,587	218,345	204,813	200,000
	Number of households provided rental assistance	1,344	1,367	1,370	1,387	1,403	1,456	1,533	1,756	1,696	1,750
<b>Culture and Recreation</b>											
<i>Library Operating</i>											
	Number of volunteer hours in support of Library	27,864	25,970	30,655	31,208	38,065	36,312	41,677	46,373	48,776	50,918
<i>Museum</i>											
	Number of Museum visitors (2)	24,599	28,051	85,959	98,852	113,679	97,792	92,774	85,707	99,656	109,642
<b>BUSINESS-TYPE ACTIVITIES:</b>											
<b>Transportation</b>											
	Total annual ridership (transit/paratransit)	405,000	368,249	392,402	400,188	491,123	625,753	578,818	577,965	624,101	687,489
	Number of total miles all vehicles travel per day	8,100	8,200	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300

Source: County Budget book and various department data

\* Some 2011 numbers estimated. All 2012 numbers are estimates.

Note: Indicators for Public Works, Planning and economic development, Airport, Unified Wastewater District, and Public Building Commission are not available.

(1) In mid-2010, the County took over Olathe dispatch calls causing the spike in the call volume.

(2) In 2005, the Museum added electronic visitors to this statistic.

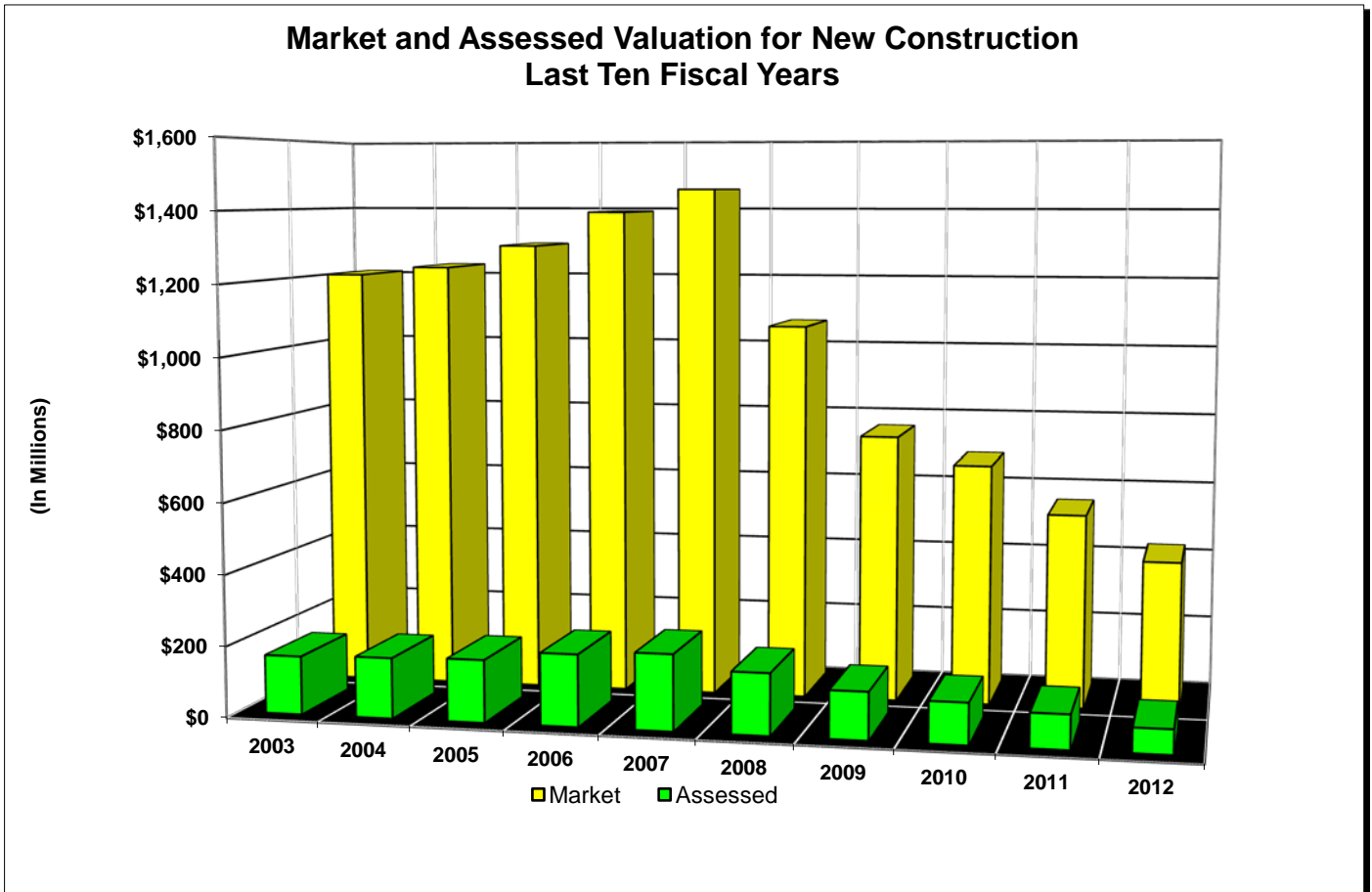
**Johnson County, Kansas**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>GOVERNMENTAL ACTIVITIES:</b>										
<b>General Government</b>										
Department of Motor Vehicle buildings	2	2	2	2	2	2	2	2	2	2
<b>Public Works</b>										
Miles of hard surface pavement	267	270	273	279	275	252	256	246	246	239
Miles of gravel surface	243	240	239	234	237	224	220	214	214	192
<b>Public Safety</b>										
Med-Act Stations	17	17	17	17	17	17	17	17	17	17
Jails	2	2	2	2	2	2	2	2	2	2
Courthouse	1	1	1	1	1	1	1	1	1	1
<b>Health and Human Services</b>										
Community Assistance Centers	6	6	6	6	6	6	6	6	6	6
<b>Culture and Recreation</b>										
Number of Libraries	13	13	13	13	13	13	13	13	13	13
Museums	3	3	3	3	3	3	3	3	3	3
Parks	19	19	19	20	20	20	20	20	20	19
<b>BUSINESS-TYPE ACTIVITIES:</b>										
<b>Airport</b>										
Number of Airports	2	2	2	2	2	2	2	2	2	2
<b>Unified Wastewater District</b>										
Total existing footage of sewer line	10,303,544	8,948,312	9,222,943	10,913,138	11,099,933	11,221,232	11,169,668	11,553,225	12,516,386	11,619,262
Total existing sewer permits	106,210	108,581	110,950	112,630	113,951	114,768	114,832	115,597	116,375	116,713
Water Treatment Plants	7	7	7	7	7	7	7	7	7	6
<b>Transportation</b>										
Approximate Total of County Public Transportation Vehicles	100	100	100	100	100	100	100	100	100	100

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**

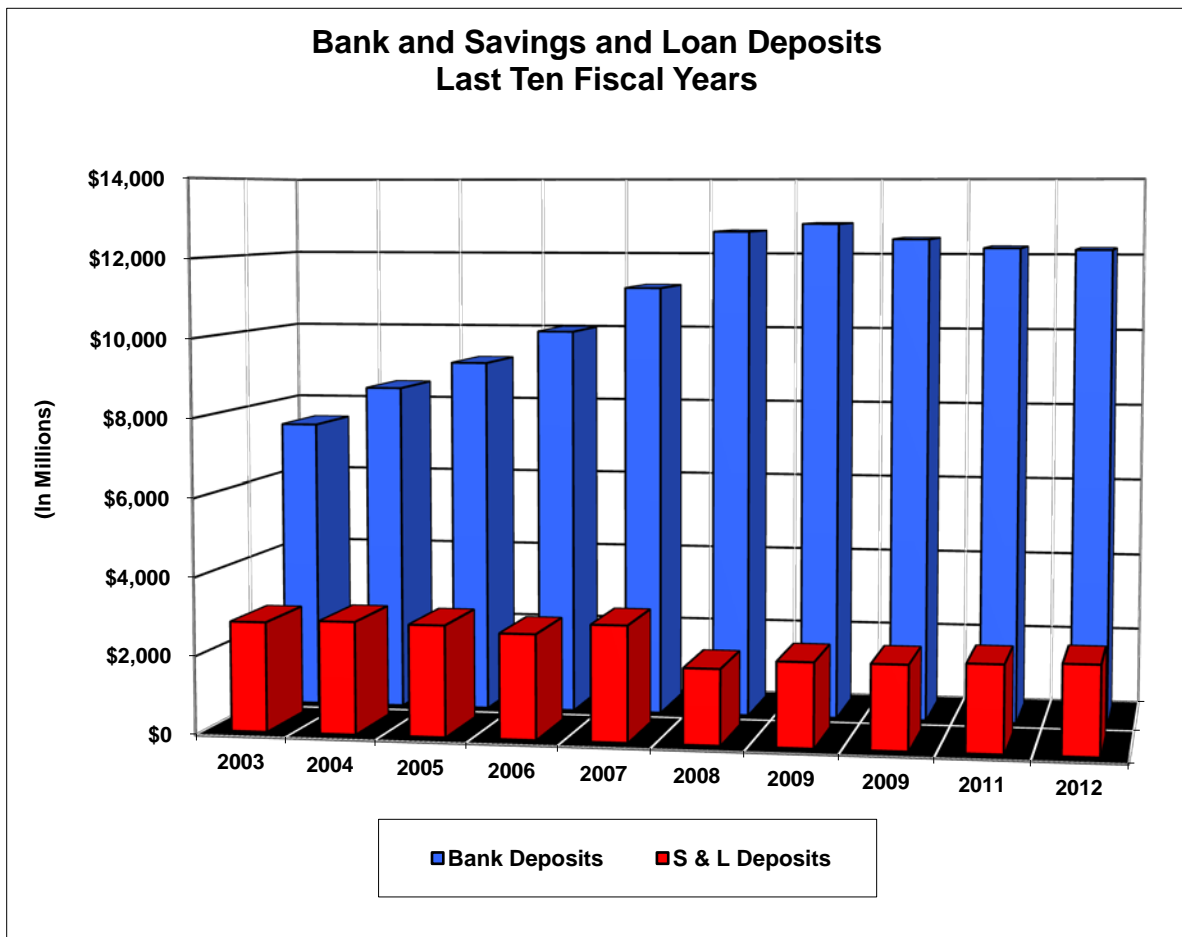
Year	Estimated Market Value Residential	Estimated Market Value Commercial	Assessed Value of New Residential Construction	Assessed Value of New Commercial Construction	Number of Residential Units	Number of Commercial Units
2012	\$ 279,751,350	\$ 143,985,280	\$ 32,171,408	\$ 35,996,347	971	105
2011	309,558,000	239,354,260	35,599,202	59,849,369	990	122
2010	412,014,980	269,793,410	47,381,751	67,475,931	1,635	186
2009	441,090,900	316,355,810	53,713,313	78,812,125	1,957	274
2008	704,475,030	363,696,740	81,014,717	90,737,363	3,394	296
2007	1,125,588,542	332,491,034	129,443,110	83,132,723	5,809	235
2006	1,085,036,091	307,003,462	124,795,223	76,542,333	6,626	243
2005	1,099,564,723	194,495,107	126,448,643	48,556,550	6,970	209
2004	1,021,300,272	208,472,500	117,449,841	52,118,145	6,956	192
2003	1,021,727,478	185,176,360	117,498,269	46,276,165	6,774	213



Source: Johnson County Appraiser

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

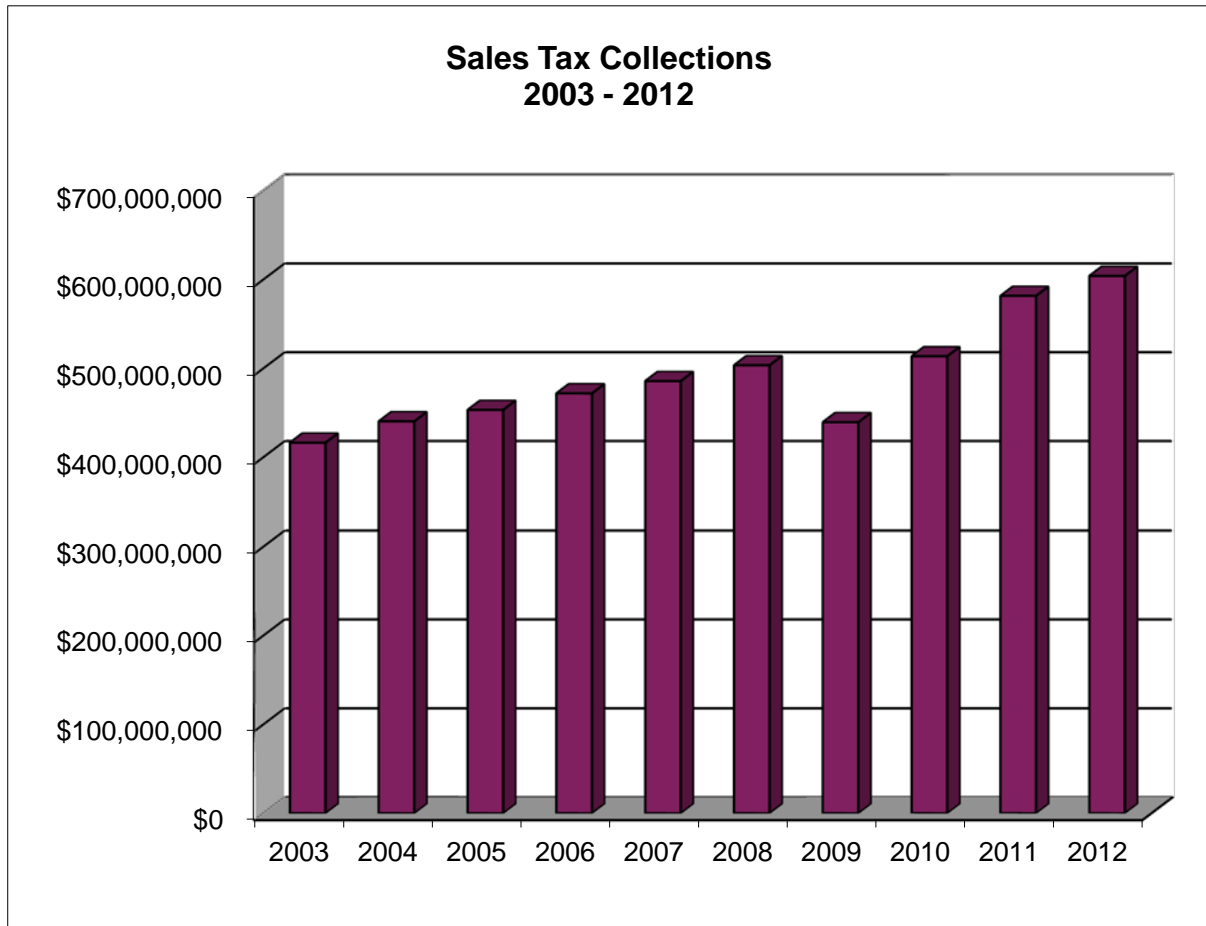
Year	Commercial Banks (1)		Savings & Loan Associations (1)	
	Number of Institutions	Deposits at June 30	Number of Offices	Deposits at June 30
2012	60	\$ 12,182,000,000	25	\$ 2,271,000,000
2011	62	12,221,000,000	28	2,217,000,000
2010	59	12,443,000,000	31	2,148,000,000
2009	59	12,831,000,000	32	2,147,000,000
2008	57	12,627,000,000	29	1,920,000,000
2007	55	11,158,000,000	33	2,947,000,000
2006	54	10,005,000,000	30	2,671,000,000
2005	50	9,162,000,000	39	2,836,000,000
2004	49	8,474,000,000	38	2,869,000,000
2003	48	7,478,000,000	36	2,805,000,000



(1) Federal Deposit Insurance Corporation.

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

Year	Gross Sales	Increase (Decrease) Over 2003 Base	Increase (Decrease) Over Previous Year	Sales Tax Collections	Increase (Decrease) Over 2003 Base	Increase (Decrease) Over Previous Year
2012	\$17,797,465,950	21.78%	0.69%	\$603,983,852	45.09%	3.85%
2011	17,676,256,038	20.95%	2.31%	581,574,152	39.71%	13.23%
2010	17,277,764,708	18.23%	5.36%	513,604,956	23.38%	16.90%
2009	16,398,273,736	12.21%	-12.99%	439,369,571	5.55%	-12.73%
2008	18,847,164,942	28.97%	1.76%	503,453,890	20.94%	3.67%
2007	18,521,838,590	26.74%	3.13%	485,638,096	16.66%	2.93%
2006	17,959,207,000	22.89%	7.70%	471,825,678	13.34%	4.11%
2005	16,675,407,614	14.11%	8.37%	453,186,261	8.87%	2.93%
2004	15,386,869,645	5.29%	5.29%	440,296,225	5.77%	5.77%
2003	14,614,024,833			416,276,770		



Source: Kansas Department of Revenue  
State Planning & Research

**Johnson County, Kansas**  
**Payroll By Industry**  
**and**  
**Tax Rates for Selected Kansas Counties**  
December 31, 2012

**Payroll By Industry**

Type of Industry	Number of Employees	Number of Firms	Gross Payroll
Manufacturing and Mining	20,624	516	\$ 1,066,964,000
Utilities	355	13	28,259,000
Contract Construction	12,964	1,435	687,965,000
Transportation and Warehousing	12,171	308	395,138,000
Wholesale Trade	21,656	1,291	1,256,010,000
Retail Trade	35,728	1,860	918,860,000
Finance, Insurance and Real Estate	30,370	2,579	1,892,565,000
Information	21,297	437	1,759,316,000
Professional, Scientific and Technical Services	27,436	2,681	1,753,120,000
Management and Administrative Support Services	32,799	1,322	1,573,693,000
Social Assistance and Educational Services	38,231	1,849	1,634,504,000
Accommodation and Food Services	23,906	1,108	355,287,000
Other Services	12,443	1,214	315,531,000
Arts, Entertainment and Recreation	4,282	235	79,609,000
Total	294,262	16,848	\$ 13,716,821,000

Source: U.S. Census Bureau

Excludes government employees and self-employed individuals.

**2012 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	17.717	96	Republic	104.656
2	Pottawatomie	25.975	97	Woodson	105.054
3	Sedgwick	29.447	98	Stanton	107.674
4	McPherson	31.255	99	Chautauqua	109.858
5	Harvey	31.449	100	Lincoln	110.425
6	Haskell	32.590	101	Phillips	115.701
7	Thomas	34.162	102	Elk	124.936
8	Saline	34.823	103	Greeley	126.020
9	Barton	34.865	104	Jewell	128.956
10	Seward	34.891	105	Smith	129.503

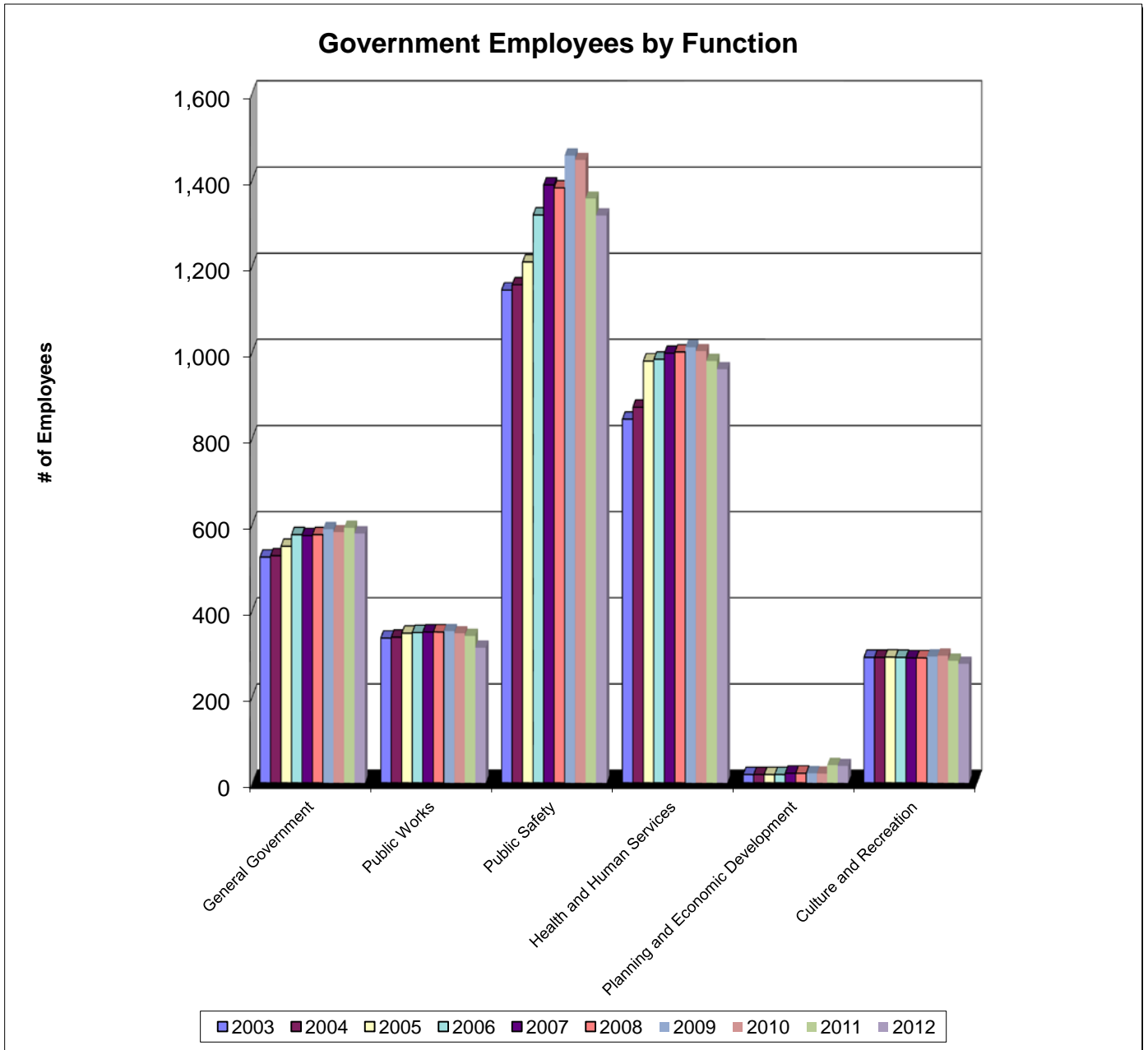
Source: League of Kansas Municipalities

\* Per \$1,000 assessed valuation

(1) Taxes levied in 2011 are due December 20, 2011 but may be paid 50% by December 20, 2011 and 50% by May 10, 2012.

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

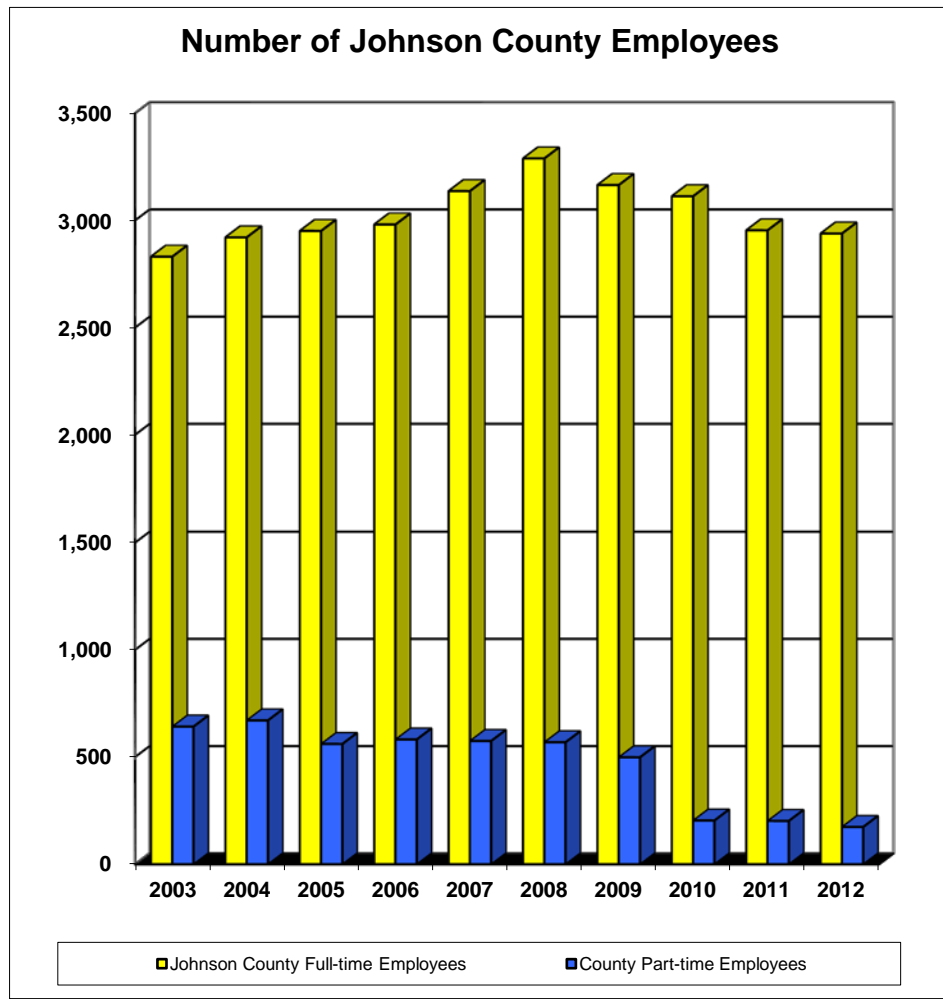
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Government</b>	524	527	549	576	574	576	589	582	592	579
<b>Public Works</b>	336	338	347	349	350	350	352	347	341	314
<b>Public Safety</b>	1,144	1,156	1,209	1,318	1,388	1,381	1,456	1,446	1,356	1,317
<b>Health and Human Services</b>	844	872	979	983	997	1,000	1,011	1,002	979	960
<b>Planning and Economic Development</b>	19	19	19	19	22	22	22	21	41	39
<b>Culture and Recreation</b>	291	291	292	291	290	290	293	295	283	276
<b>Total</b>	<b>3,158</b>	<b>3,203</b>	<b>3,395</b>	<b>3,536</b>	<b>3,621</b>	<b>3,619</b>	<b>3,723</b>	<b>3,693</b>	<b>3,592</b>	<b>3,485</b>



Source: County Budget Department

**Johnson County, Kansas  
Number of Employees  
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Johnson County Full-time Employees</u>	<u>Number of Johnson County Part-time Employees</u>
2012	2,939	174
2011	2,954	202
2010	3,113	204
2009	3,165	499
2008	3,289	569
2007	3,137	575
2006	2,981	582
2005	2,951	561
2004	2,921	671
2003	2,831	642



Source: Johnson County Payroll System.



**Johnson County, Kansas  
County Road System  
and  
Unified Wastewater District Statistics**  
December 31, 2012

**County Road System**

<b>Pavement</b>	<b>Area</b>
Hard surface                      239 miles	480 square miles
Gravel surface                    192 miles	
Total miles: <u>431</u> miles	

Source: Johnson County Public Works

**Unified Wastewater District**

<b>Sewer District</b>	<b>Footage of Sewer Line</b>		<b>Sewer Permits</b>	
	<b>Added in 2012</b>	<b>Total</b>	<b>Issued in 2012</b>	<b>Total</b>
Blue River Main	33,053	1,413,940	415	13,496
Douglas L Smith/Middle Basin	422	952,538	35	11,109
Kansas City, Missouri	2,376	2,144,763	48	1,383
Mill Creek Regional	11,774	2,760,205	433	19,097
Mission Main	581	1,391,649	24	18,658
New Century Air Center	2,746	117,686	7	399
Tomahawk	3,168	1,541,014	107	35,717
Turkey Creek	-	1,297,467	47	16,854
<b>TOTAL</b>	<b>54,120</b>	<b>11,619,262</b>	<b>1,116</b>	<b>116,713</b>

Source: Johnson County Unified Wastewater District

**Johnson County, Kansas**  
**Summary of Insurance in Force**  
December 31, 2012

Company	Term	Coverage	Liability
Factory Mutual Ins. Co.	01/01/12 - 01/01/13	Mobile Construction Equipment and Radio Equipment	\$ 22,958,694
Factory Mutual Ins. Co.	01/01/12 - 01/01/13	EDP Equipment incld Telephone Equipment	19,394,339
Factory Mutual Ins. Co.	01/01/12 - 01/01/13	Voting Machines	6,069,550
Factory Mutual Ins. Co.	01/01/12 - 01/01/13	Emergency Equipment	5,087,318
Factory Mutual Ins. Co.	01/01/12 - 01/01/13	Fine Art - Museum	2,938,930
Factory Mutual Ins. Co.	01/01/12 - 01/01/13	Real & Personal Property	737,926,904
Factory Mutual Ins. Co.	01/01/12 - 01/01/13	Boiler & Machinery	Included
Columbia Casualty Co.	01/01/12 - 01/01/13	Law Enforcement Professional Liability – Sheriff’s Operations (1)	1,000,000
Columbia Casualty Co.	01/01/12 - 01/01/13	Law Enforcement Professional Liability – Sheriff’s Operations (2)	2,000,000
Columbia Casualty Co.	04/12/12 - 04/12/13	Premises & Professional Liability - Community Corrections Adult Services (1)	500,000
Columbia Casualty Co.	04/12/12 - 04/12/13	Premises & Professional Liability - Community Corrections Adult Services (2)	1,000,000
Columbia Casualty Co.	07/01/12 - 07/01/13	Premises & Professional Liability – Community Corrections Juvenile Services (1)	1,000,000
Columbia Casualty Co.	07/01/12 - 07/01/13	Premises & Professional Liability – Community Corrections Juvenile Services (2)	2,000,000
Self-Insured	01/01/12 - 01/01/13	Workers’ Compensation & Employers Liability (4)	400,000/500,000
Safety National	01/01/12 - 01/01/13	Workers’ Compensation Specific Excess - Self-Insured Retention	Statutory Limit
Safety National	01/01/12 - 01/01/13	Employers’ Liability (4)	500,000
Hartford Ins. Group	08/26/12 - 08/26/13	Public Official Bond - County Treasurer	1,750,000
Hartford Ins. Group	01/01/12 - 01/01/13	Public Official Bond - Health Officer	1,000
Hartford Ins. Group	01/18/12 - 01/18/13	Public Official Bond – Mental Health Board Treasurer	10,000
Liberty Mutual Ins. Co.	11/15/12 - 11/15/13	Public Official Bond - County Engineer	2,500
Hartford	01/01/12 - 01/01/13	Public Employees Blanket Bond & Faithful Performance Bond (1)	1,750,000
Hartford	01/01/12 - 01/01/13	Theft Disappearance and Destruction (1)	1,750,000
Federal Ins. Co.	01/01/12 - 01/01/13	Fiduciary Liability (1)	1,000,000
Philadelphia Ins. Co.	01/01/12 - 01/01/13	Premises & Professional Liability - JCDS (1)	1,000,000
Philadelphia Ins. Co.	01/01/12 - 01/01/13	Premises & Professional Liability – JCDS (2)	3,000,000
Philadelphia Ins. Co.	01/01/12 - 01/01/13	Premises & Professional Liability - Adolescent Center for Treatment (1)	1,000,000
Philadelphia Ins. Co.	01/01/12 - 01/01/13	Premises & Professional Liability - Adolescent Center for Treatment (2)	3,000,000
Old Republic	01/01/12 - 01/01/13	Airport Liability (1),(2)	10,000,000
Genesis Ins. Co.	01/01/12 - 01/01/13	Excess Automobile Liability - Self-Insured Retention: \$350,000 (3),(4)	500,000
Genesis Ins. Co.	01/01/12 - 01/01/13	Excess General Liability - Self-Insured Retention: \$350,000 (1),(3)	500,000
Genesis Ins. Co.	01/01/12 - 01/01/13	Excess General Liability - Self-Insured Retention: \$350,000 (2)	1,000,000
Genesis Ins. Co.	01/01/12 - 01/01/13	Public Officials E&O incld – Employment Practices Liability Self-insured Retention: \$350,000 (1)	1,000,000
Genesis Ins. Co.	01/01/12 - 01/01/13	Public Officials E&O incld – Employment Practices Liability Self-insured Retention: \$350,000 (2)	2,000,000
Philadelphia Ins. Co.	01/01/12 - 01/01/13	Professional Liability - Mental Health (1)	1,000,000
Philadelphia Ins. Co.	01/01/12 - 01/01/13	Professional Liability - Mental Health (2)	3,000,000
Lexington Ins. Co.	01/01/12 - 01/01/13	Professional Liability - Public Health (1)	1,000,000
Lexington Ins. Co.	01/01/12 - 01/01/13	Professional Liability - Public Health (2)	3,000,000
Steadfast Ins. Co.	01/01/12 - 01/01/13	Switch Engine Physical Damage	480,000
Steadfast Ins. Co.	01/01/12 - 01/01/13	Switch Engine Liability (1)	1,000,000
Steadfast Ins. Co.	01/01/12 - 01/01/13	Switch Engine Liability (2)	3,000,000
Navigators Specialty Ins.	01/01/12 - 01/01/13	Data Security/Cyber Liability (1),(2)	1,000,000
Ace American Ins. Co.	04/04/12 - 04/04/13	Underground Storage Tanks	1,000,000
American Safety Risk	05/09/12 - 05/09/13	Contractor’s Pollution Liability – Weatherization Program (1),(2)	500,000
Lloyds of London	07/01/12 - 7/01/13	Student Volunteer Personal Liability	1,000,000
QBE (Cigna) Ins Corp	07/01/12 - 7/01/13	Student Volunteer Accident Insurance	50,000

(1) per occurrence, (2) aggregate, (3) combined single limit and (4) each accident

Source: Johnson County Risk Management