

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 28, 2023**

**NEW ISSUES  
NOT BANK-QUALIFIED  
BOOK ENTRY ONLY**

**MOODY'S RATING: Aaa  
S&P RATING: AAA  
FITCH RATING: AAA**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the County, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the interest on the County 2023A Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the County Bonds is exempt from income taxation by the State of Kansas; and (3) the County Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the County 2023A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. The interest on the County 2023B Bonds is included in gross income for federal income tax purposes. See "TAX MATTERS" in this Official Statement.

**JOHNSON COUNTY, KANSAS**

**\$11,730,000<sup>(1)</sup>  
General Obligation Internal  
Improvement Bonds, Series 2023A  
(the "County 2023A Bonds")**

**\$5,110,000<sup>(1)</sup>  
Taxable General Obligation Internal  
Improvement Bonds, Series 2023B  
(the "County 2023B Bonds")**

**(General Obligation Bonds Payable From Unlimited Ad Valorem Taxes)**

<b>Dated Date</b>	Date of Delivery (anticipated to be September 7, 2023)
<b>Sale Date/Time</b>	County 2023A Bonds: Wednesday, August 9, 2023 until 10:30 A.M., Central Time County 2023B Bonds: Wednesday, August 9, 2023 until 10:00 A.M., Central Time
<b>Consideration of Award</b>	Board meeting commencing at 9:30 A.M., Central Time on Thursday, August 10, 2023
<b>Security</b>	The County 2023A Bonds and the County 2023B Bonds (collectively, the "County Bonds") shall be general obligations of the County payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable, tangible property, real and personal, within the territorial limits of the County. The full faith, credit and resources of the County are irrevocably pledged for the prompt payment of the principal of and interest on the County Bonds as the same become due.
<b>Authorization</b>	The County Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, including K.S.A. 10-101 <i>et seq.</i> , inclusive, K.S.A 10-620 <i>et seq.</i> , and K.S.A. 3-301 <i>et seq.</i> , all as amended and supplemented from time to time, and resolutions adopted by the Governing Body of the County (respectively, the "Series 2023A Resolution" and the "Series 2023B Resolution", together, the "Resolution"). See "Authority and Security" herein.
<b>Purpose</b>	The proceeds of the County Bonds will be used for the purpose of: (i) financing the acquisition and construction of various internal improvements to the County's airport facilities, including land acquisition and Phase 1 improvements to the New Century Commerce Center; and (ii) paying the costs of issuance of the County Bonds.
<b>Principal and Interest Payments</b>	<u>The County 2023A Bonds:</u> Principal will be paid annually on September 1, beginning September 1, 2030. Interest will be payable semiannually on March 1 and September 1, beginning September 1, 2024.  <u>The County 2023B Bonds:</u> Principal will be paid annually on September 1, beginning September 1, 2034. Interest will be payable semiannually on March 1 and September 1, beginning September 1, 2024.

Further information may be obtained from Baker Tilly Municipal Advisors, LLC 30 East Seventh Street, Suite 3025, Saint Paul, MN 55101 (651) 223-3000 or bids@bakertilly.com.

(1) Preliminary, subject to change.

The information contained in this Preliminary Official Statement is deemed by the County to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**Redemption Provisions** Optional Redemption. At the option of the County, County Bonds maturing on September 1 in the years 2034, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2033, and any date thereafter, in whole or in part (selection of maturities and the amount of County Bonds of each maturity to be redeemed to be determined by the County in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Mandatory Redemption. The County Bonds may be issued as term bonds at the discretion of the Underwriter(s) (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.

**Book Entry** The County Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). See Appendix B for “Book Entry”.

**Denominations** The County Bonds are being issued in the denomination of \$5,000 or integral multiple thereof (the “Authorized Denominations”).

**Registrar and Paying Agent** Treasurer of the State of Kansas, located in Topeka, Kansas (“Registrar” and “Paying Agent”).

**Bidding Information** Interested bidders should review the Notice of Bond Sale for additional instructions. See Appendix H herein.

MATURITY SCHEDULE  
(Base CUSIP(1) \_\_\_\_\_)

The County 2023A Bonds

<u>Maturity</u> <u>(September 1)</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2030	\$ 40,000				
2031	\$ 50,000				
2032	\$ 60,000				
2033	\$ 75,000				
2034	\$ 160,000				
2035	\$ 200,000				
2036	\$ 300,000				
2037	\$ 330,000				
2038	\$ 360,000				
2039	\$ 395,000				
2040	\$ 430,000				
2041	\$ 460,000				
2042	\$ 495,000				
2043	\$ 535,000				
2044	\$ 570,000				
2045	\$ 615,000				
2046	\$ 655,000				
2047	\$ 705,000				
2048	\$ 750,000				
2049	\$ 800,000				
2050	\$ 855,000				
2051	\$ 915,000				
2052	\$ 975,000				
2053	\$1,000,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the County, the Municipal Advisor, the Underwriter(s) nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the County Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the County Bonds.

(2) Preliminary; subject to change. The County reserves the right to adjust individual maturity amounts to achieve its financial objectives.

MATURITY SCHEDULE  
(Base CUSIP(1) \_\_\_\_\_)

The County 2023B Bonds

<u>Maturity</u> <u>(September 1)</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2034	\$ 55,000				
2035	\$ 75,000				
2036	\$130,000				
2037	\$140,000				
2038	\$160,000				
2039	\$170,000				
2040	\$190,000				
2041	\$210,000				
2042	\$230,000				
2043	\$245,000				
2044	\$275,000				
2045	\$290,000				
2046	\$320,000				
2047	\$345,000				
2048	\$375,000				
2049	\$405,000				
2050	\$440,000				
2051	\$470,000				
2052	\$510,000				
2053	\$ 75,000				

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(2) Preliminary; subject to change. The County reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The County Bonds are being offered for delivery when, as and if issued and received by the Underwriter(s) (hereinafter defined) and subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the County. The County Bonds are expected to be available for delivery to DTC, in New York, New York on or about September 7, 2023.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the County Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the County Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the County since the respective date thereof. However, upon delivery of the securities, the County will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The County Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the County Bonds, the County and the merits and risks of the investment opportunity.

## **FORWARD-LOOKING STATEMENTS**

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The County does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

## **COUNTY CONTACT INFORMATION**

Additional information regarding the County may be obtained by contacting Ms. Leslie Friedel, Budget and Financial Planning, 111 South Cherry Street, Suite 2300, Olathe, Kansas 66061, phone (913) 715-0564, email: [leslie.friedel@jocgov.org](mailto:leslie.friedel@jocgov.org).

**JOHNSON COUNTY, KANSAS**

111 South Cherry Street, Suite 2300  
Olathe, Kansas 66061

**BOARD OF COUNTY COMMISSIONERS**

Mike Kelly	Chairman
Becky Fast	Commissioner, First District
Jeff Meyers	Commissioner, Second District
Charlotte O'Hara	Commissioner, Third District
Janeé Hanzlick	Commissioner, Fourth District
Michael Ashcraft	Commissioner, Fifth District
Shirley Allenbrand	Commissioner, Sixth District

**COUNTY STAFF**

Penny Postoak Ferguson, County Manager  
Robin Symes, Budget Director  
Brent Christensen, Finance Director  
Thomas Franzen, County Treasurer  
Amy Meeker-Berg, County Clerk  
Peggy Trent, Chief Counsel

**MUNICIPAL ADVISOR**

Baker Tilly Municipal Advisors, LLC  
Overland Park, Kansas and Saint Paul, Minnesota

**BOND COUNSEL**

Gilmore & Bell, P.C.  
Kansas City, Missouri

**INDEPENDENT AUDITOR**

Rubin Brown, LLP  
Kansas City, Missouri

**COUNTY 2023A BONDS UNDERWRITER**

\_\_\_\_\_  
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**COUNTY 2023B BONDS UNDERWRITER**

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**OFFICIAL STATEMENT**

**JOHNSON COUNTY, KANSAS  
\$11,730,000<sup>(1)</sup> GENERAL OBLIGATION INTERNAL  
IMPROVEMENT BONDS, SERIES 2023A**

**\$5,110,000<sup>(1)</sup> TAXABLE GENERAL OBLIGATION INTERNAL  
IMPROVEMENT BONDS, SERIES 2023B**

**(GENERAL OBLIGATION BONDS PAYABLE FROM UNLIMITED AD VALOREM TAXES)**

**PURPOSE OF THE ISSUE AND USE OF FUNDS**

**PURPOSE OF THE COUNTY BONDS**

The proceeds of the County Bonds will be used for the purpose of: (i) financing the construction of various internal improvements to the County's airport facilities, including land acquisition and Phase 1 improvements to the New Century Commerce Center; and (ii) paying the costs of issuance of the County Bonds.

**SOURCES AND USES OF FUNDS**

The County 2023A Bonds

The composition of the County 2023A Bonds is as follows:

Sources of Funds:	
Principal Amount	\$ _____
[Net] Reoffering Premium	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Improvement Fund	\$ _____
Costs of Issuance(2)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(2) Includes fees for bond counsel, municipal advisor, registrar and paying agent, ratings, and other miscellaneous expenses.

The County 2023B Bonds

The composition of the County 2023B Bonds is as follows:

Sources of Funds:	
Principal Amount	\$ _____
[Net] Reoffering Premium/Discount	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Improvement Fund	\$ _____
Costs of Issuance(2)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(2) Includes fees for bond counsel, municipal advisor, registrar and paying agent, ratings, and other miscellaneous expenses.

(1) Preliminary; subject to change.



## **DESCRIPTION OF THE COUNTY BONDS**

### **INTEREST CALCULATION**

Interest on the County Bonds is payable on March 1 and September 1, commencing September 1, 2024. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

### **DESIGNATION OF PAYING AGENT AND REGISTRAR**

The County will at all times maintain a paying agent and registrar meeting the qualifications set forth in the Resolution. The County reserves the right to appoint a successor paying agent or registrar. No resignation or removal of the paying agent or registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or registrar. Every paying agent or registrar appointed by the County shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas has been designated by the County as paying agent for the payment of principal of and interest on the County Bonds and bond registrar with respect to the registration, transfer and exchange of County Bonds.

### **METHOD AND PLACE OF PAYMENT OF THE COUNTY BONDS**

The principal of, or Redemption Price, and interest on the County Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each County Bond shall be paid at Maturity to the Person in whose name such County Bond is registered on the Register at the Maturity thereof, upon presentation and surrender of such County Bond at the principal office of the Paying Agent.

The interest payable on each County Bond on any Interest Payment Date shall be paid to the Owner of such County Bond as shown on the Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of County Bonds, by electronic transfer to such Owner upon written notice given to the Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, any Defaulted Interest with respect to any County Bond shall cease to be payable to the Owner of such County Bond on the relevant Record Date and shall be payable to the Owner in whose name such County Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The County shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each County Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the County of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a County Bond entitled to such notice not less than 10 days prior to such Special Record Date.

**SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE COUNTY BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See "DESCRIPTION OF THE COUNTY BONDS – Book-Entry Obligations; Securities Depository."**

## **BOOK-ENTRY OBLIGATIONS; SECURITIES DEPOSITORY**

The County Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the County Bonds, except in the event the Registrar issues Replacement Bonds. It is anticipated that during the term of the County Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the County Bonds to the Participants until and unless the Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The County may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the County determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any County Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the County Bonds; or

(b) if the Registrar receives written notice from Participants having interest in not less than 50% of the County Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any County Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the County Bonds, then the Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the County, with the consent of the Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one County Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the County, the Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the County Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the County.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the County may appoint a successor Securities Depository provided the Registrar receives written evidence satisfactory to the Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Registrar upon its receipt of a County Bond or County Bonds for cancellation shall cause the delivery of the County Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Resolution.

**PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS**

In any case where a Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Payment Date, and no interest shall accrue for the period after such Payment Date.

**REDEMPTION PROVISIONS**

Optional Redemption

At the option of the County, the County Bonds maturing on September 1, 2034 and thereafter will be subject to redemption and payment prior to their Stated Maturity on September 1, 2033, and any date thereafter, in whole or in part at any time (selection of maturities and the amount of County Bonds of each maturity to be redeemed will be determined by the County in such equitable manner as it may determine), at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

[Mandatory Redemption]

The Term Bonds maturing on September 1 in the years \_\_\_\_\_ (the "Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

_____	Term Bond		_____	Term Bond	
<u>Year</u>		<u>Amount</u>	<u>Year</u>		<u>Amount</u>
_____		\$ _____	_____		\$ _____
_____ (1)		\$ _____	_____ (1)		\$ _____

	_____	Term Bond	
	<u>Year</u>		<u>Amount</u>
	_____		\$ _____
	_____ (1)		\$ _____

(1) Final Maturity.

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the County shall determine.]

Selection of County Bonds to be Redeemed

County Bonds shall be redeemed only in an Authorized Denomination. When less than all of the County Bonds are to be redeemed and paid prior to their Stated Maturity, such County Bonds shall be redeemed in such manner as the County shall determine, County Bonds of less than a full Stated Maturity shall be selected by the Registrar in minimum Authorized Denomination in such equitable manner as the Registrar may determine. In the case of a partial redemption of County Bonds by lot when County Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate County Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any County Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such County Bond to the Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new County Bond or County Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such County Bond. If the Owner of any such County Bond fails to present such County Bond to the Paying Agent for payment and exchange

as aforesaid, such County Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

#### Notice and Effect of Call for Redemption

Unless waived by any Owner of County Bonds to be redeemed, if the County shall call any County Bonds for redemption and payment prior to the Stated Maturity thereof, the County shall give written notice of its intention to call and pay said County Bonds to the Registrar. In addition, the County shall cause the Registrar to give written notice of redemption to the Owners of said County Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding County Bonds are to be redeemed, the identification (and, in the case of partial redemption of any County Bonds, the respective principal amounts) of the County Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such County Bonds or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such County Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the County shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the County Bonds or portions of County Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the County Bonds or portions of County Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the County defaults in the payment of the Redemption Price) such County Bonds or portion of County Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the County Bonds, the Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a County Bond (having been mailed notice from the Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the County Bond so affected, shall not affect the validity of the redemption of such County Bond.

In addition to the foregoing notice, the County shall provide such notices of redemption as are required by the Continuing Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any County Bond.

#### **REGISTRATION, TRANSFER, AND EXCHANGE FEATURES**

As long as any of the County Bonds remains Outstanding, each County Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. County Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any County Bond at the principal office of the Registrar, the Registrar shall transfer or exchange such County Bond for a new County Bond in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the County Bond that was presented for transfer or exchange. County Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging County Bonds is exercised, the Registrar shall authenticate and deliver County Bonds in accordance with the provisions of the Resolution. The County shall pay the fees and expenses of the Registrar for the registration, transfer and exchange of County Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Registrar, are the responsibility of the Owners of the County Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The County and the Registrar shall not be required (a) to register the transfer or exchange of any County Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any County Bond during a period beginning at the opening of business on the day after receiving written notice from the County of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

## **AUTHORITY AND SECURITY**

### **AUTHORITY**

The County Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, including K.S.A. 10-101 *et seq.*, inclusive, K.S.A 10-620 *et seq.*, and K.S.A. 3-301 *et seq.*, all as amended and supplemented from time to time, and the Resolution adopted by the Governing Body of the County.

### **SECURITY AND SOURCES OF PAYMENT**

The County Bonds shall be general obligations of the County payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the County. The full faith, credit and resources of the County are irrevocably pledged for the prompt payment of the principal and interest on the County Bonds as the same become due.

### **INVESTMENT OF FUNDS**

The proceeds of the County Bonds are to be invested in accordance with the laws of the State of Kansas (the "State") relating to the depositing, holding, securing, or investing of public funds. The County shall direct the investment of County Bond proceeds.

## **RATINGS**

Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23<sup>rd</sup> Floor, New York, New York; S&P Global Ratings ("S&P"), 55 Water Street, New York, New York; and Fitch Ratings ("Fitch"), One State Street Plaza, New York, New York have assigned ratings of "Aaa", "AAA", and "AAA", respectively, to each series of the County Bonds. Such ratings reflect only the opinion of Moody's, S&P, and Fitch and any explanation of the significance of the rating may be obtained only from Moody's, S&P, and Fitch.

The ratings are not a recommendation to buy, sell or hold the County Bonds, and such ratings may be subject to revision or withdrawal at any time by Moody's, S&P, and Fitch. Any revision or withdrawal of a rating may have an adverse effect upon the market price of the County Bonds.

The County has not applied to any other rating service for a rating on the County Bonds.

## **RISK FACTORS AND INVESTOR CONSIDERATIONS**

Prospective purchasers of the County Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the County to meet the debt service requirements of the County Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain of such investment considerations are set forth below.

### **MAINTENANCE OF RATING**

The County Bonds have been rated as to their creditworthiness by Moody's, S&P, and Fitch. While the County does not anticipate any material changes in the future, no assurance can be given that the County Bonds will maintain their original ratings. If a rating on the County Bonds decreases or is withdrawn, the County Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Ratings" herein.

### **NO ADDITIONAL INTEREST OR MANDATORY REDEMPTION UPON EVENT OF TAXABILITY**

The Series 2023A Resolution does not provide for the payment of additional interest or penalty on the County 2023A Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Resolution does not provide for the payment of any additional interest or penalty on the County Bonds if the interest thereon becomes subject to income taxation by the State.

### **SECONDARY MARKET**

While the purchaser(s) of the County Bonds may expect, insofar as possible, to maintain a secondary market in the County Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the County Bonds should therefore be prepared, if necessary, to hold their County Bonds to maturity or prior redemption, if any.

### **KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The County participates in the Kansas Public Employees Retirement System ("KPERs"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERs administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The County participates in the Police and Firemen's Retirement System ("KP&F") and the Public Employees Retirement System – Local Group (the "Plan"). Under existing law, employees make contributions, and the County makes all employer contributions to the Plan; neither the employees nor the County are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERs' Valuation Reports, the Local Group had an UAAL of approximately \$1.783 billion in calendar year 2021 and KP&F had an UAAL of approximately \$1.140 billion.

### **FUTURE CHANGES IN LAW**

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the County Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the County Bonds. Prospective purchasers of the County Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal debt obligations is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the County Bonds. It is possible that legislation enacted after the date of issuance of the County Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the County Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the County Bonds.

Legislation affecting municipal debt obligations is considered from time to time by the Kansas legislature and Executive Branch. It is possible that legislation enacted after the date of the County Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the County Bonds.

The County cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the County Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the County.

#### **LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE COUNTY BONDS**

The enforceability of the rights and remedies of the owners of County Bonds, and the obligations incurred by the County in issuing the County Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the County Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

#### **PREMIUM ON COUNTY BONDS**

The initial offering prices of certain maturities of the County Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof. Any person who purchases a County Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the County Bonds are subject to redemption at par under the various circumstances described herein.

#### **POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS**

The County's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The County cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the local, State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the County, including but not limited to the payment of debt service on any of its outstanding debt obligations.

#### **NATURAL DISASTERS OR TERRORIST ATTACKS**

The occurrence of a terrorist attack in the County, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the County and its systems and infrastructure, and interrupt services or otherwise impair operations of the County.

## **CYBERSECURITY**

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the County and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the County may incur significant costs to remediate possible injury to the affected persons, and the County may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the County's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

The County relies on computer networks, data storage, collection, and transmission to conduct the operations of the County and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the County, its information technology, data stored by the County and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The County acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the County could have a material impact on the County. Further, as cybersecurity threats evolve, the County will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

## **PURCHASER/UNDERWRITING**

### The County 2023A Bonds

The County 2023A Bonds are being purchased by \_\_\_\_\_ (the "County 2023A Bond Underwriter") [and its syndicate] at a purchase price of \$\_\_\_\_\_, which is the par amount of the County 2023A Bonds of \$\_\_\_\_\_, less the County 2023A Bond Underwriter's discount of \$\_\_\_\_\_, plus the [net] original issue premium/discount of \$\_\_\_\_\_, [plus accrued interest \$\_\_\_\_\_].

The County 2023A Bond Underwriter intends to offer the County 2023A Bonds to the public at the offering price set forth in this Official Statement. The County 2023A Bond Underwriter may allow concessions to certain dealers (including dealers in a selling group of the County 2023A Bond Underwriter and other dealers depositing the County 2023A Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the County 2023A Bonds.

### The County 2023B Bonds

The County 2023B Bonds are being purchased by \_\_\_\_\_ (the "County 2023B Bond Underwriter" and, together with the County 2023A Bond Underwriter, the "Underwriters") [and its syndicate] at a purchase price of \$\_\_\_\_\_, which is the par amount of the County 2023B Bonds of \$\_\_\_\_\_, less the County 2023B Bond Underwriter's discount of \$\_\_\_\_\_, plus the [net] original issue premium/discount of \$\_\_\_\_\_, [plus accrued interest \$\_\_\_\_\_].

The County 2023B Bond Underwriter intends to offer the County 2023B Bonds to the public at the offering price set forth in this Official Statement. The County 2023B Bond Underwriter may allow concessions to certain dealers (including dealers in a selling group of the County 2023B Bond Underwriter and other dealers depositing the County 2023B Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the County 2023B Bonds.



## CONTINUING DISCLOSURE

In order to permit bidders for the County Bonds and other participating underwriters in the primary offering of the County Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the County will enter into a Continuing Disclosure Undertaking pursuant to which it will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding County Bonds, to provide annual reports of specified information and notice of the occurrence of certain events, if material. The information to be provided on an annual basis, the events as to which notice is to be given, if material, and other provisions of the Continuing Disclosure Undertaking, including termination, amendment and remedies, are set forth in Appendix D to this Official Statement.

In the past five years, the County has filed its Annual Comprehensive Financial Report (or a draft thereof) within the time period prescribed by all previous undertakings entered into pursuant to the Rule. The Annual Comprehensive Financial Reports contain the audited financial statements of, and statistical information regarding the County.

Breach of the Continuing Disclosure Undertaking will not constitute a default or an "Event of Default" under the County Bonds, or the Resolution. A broker or dealer is to consider a known breach of the Continuing Disclosure Undertaking, however, before recommending the purchase or sale of the County Bonds in the secondary market. Thus, a failure on the part of the County to observe the Continuing Disclosure Undertaking may adversely affect the transferability and liquidity of the County Bonds and their market price.

## CONCURRENT AND FUTURE FINANCING

The Public Building Commission of Johnson County, Kansas (the "PBC"), while not the issuer of the County Bonds, by means of separate Preliminary Official Statements, expects to offer for sale \$17,095,000(1) Lease Purchase Revenue Bonds, Series 2023A (the "PBC 2023A Bonds") and \$7,000,000(1) Lease Purchase Revenue Bonds (Library Project), Series 2023B (the "PBC 2023B Bonds" and, together with the PBC 2023A Bonds, the "PBC Bonds") on Wednesday, August 9, 2023.

The PBC 2023A Bonds are being issued for the purpose of: (i) financing a Household Hazardous Waste Facility to be located in the City of Overland Park, Kansas; (ii) financing an emergency medical services (Med-Act) Facility, including acquisition of the site therefor, to be located in the City of Lenexa, Kansas; (iii) financing an emergency medical services (Med-Act) Facility, including acquisition of the site therefor, to be located in the City of Olathe, Kansas; and (iv) paying the costs of issuance of the PBC 2023A Bonds.

The PBC 2023B Bonds are being issued for the purpose of: (i) financing the costs of constructing, equipping and furnishing a library and related improvements (the "Merriam Plaza Library") located near the Merriam Community Center; and (ii) paying the costs of issuance of the PBC 2023B Bonds.

The PBC Bonds are ultimately secured by lease payments from the County to the PBC. The lease payments are **not** subject to annual appropriation. Settlement of the PBC Bonds is expected to take place concurrently with the settlement of the County Bonds.

As of the date of this Official Statement, the County anticipates entering into a loan agreement with the Kansas Department of Health and Environment ("KDHE") pursuant to a state revolving fund program, under which KDHE will loan the County approximately \$102,522,358 in calendar year 2023 for improvements to the Nelson Wastewater Treatment Plant.

Other than the issues noted above, neither the County nor the PBC anticipates issuing any additional debt in calendar year 2023.

The County and the PBC periodically evaluate market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

## LITIGATION

There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the County or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the transcript evidencing the issuance of the County Bonds, or the constitutionality or validity of the indebtedness represented by the County Bonds shown to be authorized in said transcript, or the validity of the County Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof. In the ordinary course of business, the County does have tax appeals and tax protests, which, while not specifically challenging a tax or the particular tax for these County Bonds, do challenge the collection of the amount of tax from that taxpayer.

## LEGAL MATTERS

The County Bonds are subject to approval as to certain matters by Gilmore & Bell, P.C., Kansas City, Missouri, as Bond Counsel to the County. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. Legal opinions in substantially the forms set out in Appendix C herein will be delivered at closing.

## TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the County Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the County Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the County Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the County Bonds.

### OPINION OF BOND COUNSEL – COUNTY 2023A BONDS

In the opinion of Bond Counsel, under the law existing as of the issue date of the County 2023A Bonds:

Federal Tax Exemption. The interest on the County 2023A Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The interest on the County 2023A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The County 2023A Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3).

Kansas Tax Exemption. The interest on the County 2023A Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel's opinions are provided as of the date of the original issue of the County 2023A Bonds, subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the County 2023A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of

interest on the County 2023A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the County 2023A Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the County 2023A Bonds.

#### **OTHER TAX CONSEQUENCES – COUNTY 2023A BONDS**

*Original Issue Discount.* For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a County 2023A Bond over its issue price. The stated redemption price at maturity of a County 2023A Bond is the sum of all payments on the County 2023A Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a County 2023A Bond is generally the first price at which a substantial amount of the County 2023A Bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a County 2023A Bond during any accrual period generally equals (1) the issue price of that County 2023A Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that County 2023A Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that County 2023A Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that County 2023A Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

*Original Issue Premium.* For federal income tax purposes, premium is the excess of the issue price of a County 2023A Bond over its stated redemption price at maturity. The stated redemption price at maturity of a County 2023A Bond is the sum of all payments on the County 2023A Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a County 2023A Bond is generally the first price at which a substantial amount of the County 2023A Bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the County 2023A Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the County 2023A Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the County 2023A Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.]

*Sale, Exchange or Retirement of County 2023A Bonds.* Upon the sale, exchange or retirement (including redemption) of a County 2023A Bond, an owner of the County 2023A Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the County 2023A Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the County 2023A Bond. To the extent a County 2023A Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the County 2023A Bond has been held for more than 12 months at the time of sale, exchange or retirement.

*Reporting Requirements.* In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on County 2023A Bonds, and to the proceeds paid on the sale of County 2023A Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

*Collateral Federal Income Tax Consequences.* Prospective purchasers of the County 2023A Bonds should be aware that ownership of the County 2023A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess

net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the County 2023A Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of County 2023A Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the County 2023A Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that for tax years beginning after December 31, 2022, the interest on the County 2023A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

#### **OPINION OF BOND COUNSEL – COUNTY 2023B BONDS**

Kansas Tax Exemption. In the opinion of Bond Counsel, under the law existing as of the issue date of the County 2023B Bonds, the interest on the County 2023B Bonds is exempt from income taxation by the State of Kansas.

No Federal Tax Exemption. The interest on the County 2023B Bonds [(including any original issue discount properly allocable to an owner thereof)] is included in gross income for federal income tax purposes, in accordance with an owner’s normal method of accounting.

No Other Opinions. Bond Counsel expresses no opinion regarding other federal, state, or local tax consequences arising with respect to the County 2023B Bonds, except as expressly provided herein. Purchasers of the County 2023B Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the County 2023B Bonds, including the possible application of state, local, foreign and other tax laws.

#### **OTHER TAX CONSEQUENCES – COUNTY 2023B BONDS**

Original Issue Discount. For Federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a County 2023B Bond over its issue price. The stated redemption price at maturity of a County 2023B Bond is the sum of all payments on the County 2023B Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a County 2023B Bond is the first price at which a substantial amount of the County 2023B Bonds of that maturity have been sold to the public. If the original issue discount on a County 2023B Bond is more than a de minimis amount (generally  $\frac{1}{4}$  of 1% of the stated redemption price at maturity of the County 2023B Bond multiplied by either (a) the number of complete years to the maturity date of the County 2023B Bond, or (b) the weighted average maturity of the County 2023B Bond, in the case of a County 2023B Bond providing for the mandatory, or in certain cases optional, payment prior to its maturity date), then that County 2023B Bond will be treated as issued with original issue discount. The amount of original issue discount that accrues to an owner of a County 2023B Bond during any accrual period generally equals (1) the issue price of that County 2023B Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that County 2023B Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that County 2023B Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be included in gross income for federal income tax purposes, and will increase the owner’s tax basis in that County 2023B Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a County 2023B Bond over its stated redemption price at maturity. The stated redemption price at maturity of a County 2023B Bond is the sum of all payments on the County 2023B Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a County 2023B Bond is generally the first price at which a substantial amount of the County 2023B Bonds of that maturity have been sold to the public. Under Section 171 of the Code, the owner of a County 2023B Bond having bond premium may elect to amortize the premium over the term of the County 2023B Bond

using constant yield principles, based on the purchaser's yield to maturity. An owner of a County 2023B Bond amortizes bond premium by offsetting the qualified stated interest allocable to an accrual period with the bond premium allocable to that accrual period. This offset occurs when the owner takes the qualified stated interest into income under the owner's regular method of accounting. If the premium allocable to an accrual period exceeds the qualified stated interest for that period, the excess is treated by the owner as a deduction under Section 171(a)(1) of the Code. As premium is amortized, the owner's basis in the County 2023B Bond will be reduced by the amount of amortizable bond premium properly allocable to the owner. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

*Sale, Exchange, Legal Defeasance or Retirement of County 2023B Bonds.* Upon the sale, exchange, legal defeasance or retirement (including redemption) of a County 2023B Bond, an owner of the County 2023B Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, legal defeasance or retirement of the County 2023B Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the County 2023B Bond. To the extent a County 2023B Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the County 2023B Bond has been held for more than 12 months at the time of sale, exchange or retirement.

*Reporting Requirements.* In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the County 2023B Bonds, and to the proceeds paid on the sale of the County 2023B Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

*Collateral Federal Income Tax Consequences.* Prospective purchasers of the County 2023B Bonds should be aware that ownership of the County 2023B Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of County 2023B Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the County 2023B Bonds, including the possible application of state, local, foreign and other tax laws.

## **MUNICIPAL ADVISOR**

The County has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of County Bonds (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the County to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by County officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the County and they have no secondary obligations or other responsibility.

## **MUNICIPAL ADVISOR REGISTRATION**

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the County, but is neither a placement agent to the County nor a broker/dealer and cannot participate in the underwriting of the County Bonds.

The offer and sale of the County Bonds shall be made by the County, in the sole discretion of the County, and under its control and supervision. The County has agreed that BTMA does not undertake to sell or attempt to sell the County Bonds, and will take no part in the sale thereof.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms.

Baker Tilly Wealth Management, LLC ("BTWM"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser under the Federal Investment Advisers Act of 1940. Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"). Baker Tilly Financial, LLC ("BTF"), is a wholly owned subsidiary of BTUS, registered with the SEC as an investment advisor.

BTUS, BTWM and subsidiaries of BTUS may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

#### **MISCELLANEOUS**

The information contained in this Official Statement has been compiled from the County officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the County Bonds, the security for the payment of the County Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the County Bonds.

#### **CERTIFICATION**

The County has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the County Bonds and a Final Official Statement following award of the County Bonds. The County certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the County and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

**GENERAL INFORMATION OF THE COUNTY**

**COUNTY PROPERTY VALUES**

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is conducted by Kansas counties. The Johnson County Appraiser's offices determine annually the assessed valuation that is used as a basis for the mill levy on property located in the County. The County Appraiser's determination is based on criteria established by Kansas Statute.

The market valuation of every property is updated every year, with physical inspection required once every four years. Valuations as of January 1 are made available in September of each year for taxes payable during the next calendar year. The State Constitution provides that, for ad valorem taxation purposes, real and personal property are divided into classes and assessed at percentages of market value. See Appendix F for a discussion of property classes and assessment ratios.

**Trend of Values**

<u>Year(1)</u>	<u>Johnson County Sales Ratio</u>	<u>Appraised Valuation</u>	<u>Taxable Assessed Valuation(2)</u>	<u>Motor and Recreational Vehicles</u>	<u>Equalized Assessed Tangible Valuation</u>
2022/23	80.9%(3)	\$107,955,235,818	\$13,477,229,751	\$1,072,356,628	\$14,549,586,379
2021/22	75.3	96,882,118,155	12,260,371,273	1,027,558,236	13,287,929,509
2020/21	76.6	92,188,412,119	11,733,829,400	1,032,750,282	12,766,579,682
2019/20	78.5	87,246,710,186	11,150,320,050	1,007,364,243	12,157,684,293
2018/19	69.2	82,057,372,161	10,558,374,635	972,795,535	11,531,170,170

- (1) As valued in the first year for the purpose of computing the rates of taxes collectible in the following year.
- (2) The value of motor and recreational vehicles is not included in total property valuation for determining the property tax levy. It is, however, included in total property valuation for determining the County's debt limit.
- (3) Preliminary sales ratio.

Sources: Johnson County Clerk's Office and the Kansas Department of Revenue, <http://www.ksrevenue.org>. For an explanation of Kansas property taxes, see Appendix F.

**2022/23 Equalized Assessed Tangible Valuation: \$14,549,586,379**

Real Property	\$13,098,549,174	97.2%
Personal Property	62,980,060	0.5
State Assessed Utilities	<u>315,700,517</u>	<u>2.3</u>
Total Taxable Assessed Valuation	\$13,477,229,751	100.0%
Motor and Recreational Vehicles	<u>1,072,356,628</u>	
Total Equalized Assessed Tangible Valuation	\$14,549,586,379	

Source: Johnson County Clerk's Office, June 2023.

The appraiser's determination is based on a number of criteria established by Kansas statute. All property, with the exception of agricultural land, is appraised based on estimated fair market value. Agricultural property is appraised based on productivity value. Kansas statutes require that each parcel of real property be reviewed and inspected by the county appraiser once every four years for taxation purposes. Once appraised valuations have been determined, they are multiplied by the applicable statutory assessment rates to arrive at the assessed valuations. The total assessed valuation is then used to establish property tax rates.

Taxpayers may challenge the appraised value of their property by paying property taxes under protest. Such challenges are subject to administrative and judicial review. Taxes paid under protest are distributed to taxing jurisdictions in the same manner as all other property tax collections. If a taxpayer's challenge to the appraiser's valuation is successful, the County is liable to refund the amount of property taxes attributable to the protested value that was previously paid under protest. The County will then withhold from future property tax distributions to itself and other taxing jurisdictions an amount equal to the jurisdiction's pro rata share of such refund. Any such withholdings from future property tax distributions may have a material adverse effect on the County's financial situation.

### Ten of the Largest Taxpayers in the County

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2022/23 Taxable Assessed Value</u>
Evergy Inc.	Utility	\$184,229,436
Corporate Woods Kansas Realty LP	Real Estate	67,313,333
OPS-KS LLC	Real Estate	63,648,548
Oak Park Mall LLC	Real Estate	60,355,690
Kansas Gas Service	Utility	34,684,806
Tower Properties Company	Real Estate	32,673,000
Wal-Mart Real Estate Business Trust	Real Estate	29,127,789
Garmin Realty Inc.	Real Estate	28,297,111
Leawood Town Center Plaza	Real Estate	27,437,001
Burlington Northern Santa Fe Railroad	Utility	<u>27,417,766</u>
Total		\$555,184,480(1)

(1) Evergy Inc. represents 1.3% of the County's 2022/23 equalized assessed tangible valuation. The remaining nine taxpayers represent 2.5% of the County's 2022/23 equalized assessed tangible valuation.



## COUNTY INDEBTEDNESS

### Legal Debt Limit and Margin

All Kansas statutory debt limitations are expressed as a percentage of the assessed valuation determined for the year previous to the date of the issued debt. Kansas counties are limited in the issuance of general obligation debt (that is not otherwise exempt by statute) to three percent (3%) of the assessed valuation of County real property, personal property, utilities, motor vehicles and recreational vehicles. The County's specific debt limitation statutes, as amended, are as follows with the percentage limitation set out in the chart below: Airport Bonds, K.S.A. 3-304; Street Bonds, K.S.A 68-584; Library Bonds, K.S.A. 12-1257; and Park and Recreation Bonds, K.S.A. 19-2874.

The following schedule presents the County's available debt margin computation based on the County's 2022/23 assessed valuation, outstanding debt, and debt service funds as of September 7, 2023.

	<u>General</u>	<u>Airport</u>	<u>Streets</u>	<u>Library(1)</u>
Assessed Valuation For				
Debt Limitation Purposes	\$14,549,586,379	\$14,549,586,379	\$14,549,586,379	\$11,893,072,205
Percentage Limitation(2)	<u>3.0%</u>	<u>1.0%</u>	<u>2.0%</u>	<u>2.0%</u>
Dollar Debt Limit	<u>\$ 436,487,591</u>	<u>\$ 145,495,864</u>	<u>\$ 290,991,728</u>	<u>\$ 237,861,444</u>
Outstanding Debt(3)	<u>(2,705,000)</u>	<u>(18,945,000)</u>	<u>--</u>	<u>--</u>
Available Debt Margin	<u>\$ 433,782,591</u>	<u>\$ 126,550,864</u>	<u>\$ 290,991,728</u>	<u>\$ 237,861,444</u>

- (1) 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.
- (2) Source: 2022 Annual Abstract of Taxes as published by the County Clerk's office of Johnson County, Kansas and Kansas Statutes, General K.S.A 10-306, Airport K.S.A. 3-304, Streets K.S.A. 68-584, Library K.S.A. 12-1257, Park and Recreation K.S.A. 19-2874.
- (3) Includes all general obligation bonds and notes except bonds that have been refunded, wastewater bonds, and other bonds which are not subject to debt limitation as per General K.S.A. 10-306, 10-307, 10-427a, Airport K.S.A. 3-304, Street K.S.A. 68-728.

### General Obligation Debt

#### Improvement

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 9-7-23</u>
8-15-12	\$ 730,000	Mental Health Refunding	9-1-2025	\$ 165,000
10-27-16	1,580,000	County Radio	9-1-2026	555,000
11-2-17	975,000	EMC Station Alerting	9-1-2027	445,000
8-22-18	9,205,000	Voting Machines	9-1-2028	5,155,000
12-11-19	2,670,000	Sheriff Radio	9-1-2029	<u>1,705,000</u>
Total				\$8,025,000

Special Assessment

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 9-7-23</u>
10-27-16	\$106,900	Benefit Districts	9-1-2026	\$37,400
8-20-20	65,000	Benefit Districts	9-1-2030	<u>50,000</u>
Total				\$87,400

**Wastewater Debt**General Obligation

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 9-7-23</u>
8-15-12	\$ 26,275,000	Wastewater Refunding	9-1-2025	\$ 5,765,000
11-25-14	20,205,000	Wastewater Improvements	9-1-2034	13,145,000
11-25-14	38,480,000	Wastewater Refunding	9-1-2027	15,915,000
12-17-15	28,605,000	Wastewater	9-1-2035	19,670,000
12-17-15	24,415,000	Wastewater Refunding	9-1-2028	13,775,000
10-27-16	32,758,100	Wastewater Improvements	9-1-2036	26,757,600
10-27-16	10,570,000	Wastewater Refunding	9-1-2029	6,825,000
11-2-17	14,805,000	Wastewater Improvements	9-1-2037	11,515,000
8-22-18	207,930,000	Tomahawk Wastewater Treatment Plant	9-1-2040	203,930,000
8-22-18	15,655,000	Wastewater Improvements	9-1-2040	15,080,000
12-11-19	19,495,000	Wastewater Improvements	9-1-2039	16,475,000
8-20-20	95,650,000	Wastewater Improvements & Refunding	9-1-2040	87,005,000
8-20-20	9,415,000	Taxable Wastewater Refunding	9-1-2024	7,760,000
11-10-20	4,760,000	Wastewater Refunding	9-1-2030	3,440,000
11-10-20	49,660,000	Taxable Wastewater Refunding	9-1-2033	<u>44,565,000</u>
Total				\$529,062,600

On May 2, 2022, the County entered into a Water Infrastructure and Innovation Act (“WIFIA”) Credit Agreement with the United States Environmental Protection Agency (“EPA”) and, to enable the County’s participation in the WIFIA program, on May 24, 2022, the County issued to the EPA, as purchaser, its not to exceed \$281,260,000 Taxable General Obligation Internal Improvement Bonds, Series 2022A (WIFIA) (the “WIFIA Bond”) to fund a portion of the County’s Nelson Wastewater Treatment Plant Improvements Project. The WIFIA Bond is a draw down bond and will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date expected to be approximately 30 years and 7 months following substantial completion of the project. As of the date of this Official Statement, the County has not drawn down any funds on the WIFIA Bond and expects the Nelson Wastewater Treatment Plant Improvements Project to be completed by December 2029. The WIFIA Bond is a general obligation of the County payable as to both principal and interest from ad valorem taxes. However, similar to other outstanding bonds financing wastewater improvements, the County intends to repay the WIFIA Bond from certain charges assessed to users of the County’s wastewater system.

State Loans

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 9-7-23</u>
12-1-04	\$12,519,392	Mill Creek	3-1-2026	\$ 1,912,511
11-16-09	9,914,190	Middle Basin Green Project	3-1-2031	4,337,022(1)
9-15-13	6,116,035	Gardner Lake	9-1-2034	3,587,786(2)
9-22-13	677,380	Lone Elm	9-1-2033	<u>401,215(3)</u>
Total				\$10,238,534

- (1) The total amount authorized and received for this loan is \$18,307,269. Of the total amount, \$8,393,079 is eligible for principal forgiveness. The total amount to be repaid is \$9,914,190.
- (2) The total amount authorized for this loan is \$10,193,392. Of the total authorized amount, \$4,077,357 is eligible for principal forgiveness. The total amount to be repaid is \$6,116,035.
- (3) The total amount authorized for this loan is \$1,128,967. Of the total authorized amount, \$581,168 is eligible for principal forgiveness. The total amount to be repaid is \$677,380.

As set forth in the "CONCURRENT AND FUTURE FINANCING" section herein, the County expects to enter into a loan agreement with KDHE in calendar year 2023 for approximately \$102,522,358 to finance a portion of the Nelson Wastewater Treatment Plant Improvements Project described herein.

**Airport Debt**

General Obligation

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 9-7-23</u>
12-17-15	\$1,910,000	Airport Land	9-1-2035	\$ 1,315,000
12-17-15	1,125,000	Airport Refunding	9-1-2028	630,000
11-18-21	855,000	Airport Road	9-1-2041	790,000
9-7-23	11,730,000	Airport (the County 2023A Bonds)	9-1-2053	11,730,000
9-7-23	5,110,000	Airport (the County 2023B Bonds)	9-1-2053	<u>5,110,000</u>
Total				\$19,575,000

## Public Building Commission (PBC) Debt

These PBC bonds are secured primarily by basic rent payments made by the County to the PBC pursuant to various leases.

### General County Facilities

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 9-7-23</u>
8-15-12	\$16,635,000	Refunding	9-1-2025	\$ 3,570,000
11-25-14	1,995,000	County Courthouse	9-1-2024	235,000
6-30-15	21,460,000	Arts & Heritage Center	9-1-2035	14,610,000
12-17-15	41,725,000	Refunding	9-1-2028	21,640,000
10-27-16	9,175,000	Juvenile Services/Crime Lab Refunding	9-1-2029	5,825,000
11-2-17	23,125,000	Adult Detention/Olathe Adult Detention/ Refunding	9-1-2031	17,395,000
9-5-18	148,595,000	Courthouse and Medical Examiner's Facility	9-1-2027	92,750,000
12-11-19	1,390,000	Adult Residential Center 3/Sheriff Op Bldg/Century Adult Detention	9-1-2039	1,110,000
8-27-20	16,995,000	Refunding	9-1-2030	7,185,000
8-27-20	10,585,000	Taxable Refunding	9-1-2031	8,305,000
11-10-20	6,845,000	Public Works Building Refunding	9-1-2030	5,480,000
11-18-21	6,745,000	County Administration/Century Adult Detention/Med-Act/Central Booking	9-1-2031	5,690,000
9-7-23	17,095,000	Household Hazardous Waste Facility/ Med-Act (the PBC 2023A Bonds)	9-1-2043	<u>17,095,000</u>
Total				\$200,890,000

### Library Facilities

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 9-7-23</u>
11-25-14	\$ 4,000,000	Library (Central Resource Library and Monticello Library)	9-1-2024	\$ 455,000
10-27-16	16,365,000	Library (Monticello Library and Leawood Pioneer Library)	9-1-2036	11,140,000
11-2-17	15,060,000	Library (Lenexa City Center Library)	9-1-2037	11,245,000
11-10-20	5,840,000	Library (Central Resource Library)	9-1-2040	5,130,000
9-7-23	7,000,000	Library (Merriam Plaza Library) (the PBC 2023B Bonds)	9-1-2043	<u>7,000,000</u>
Total				\$34,970,000

Note: The County has entered into various subleases with the Board of Directors of the Johnson County Library (the "Library Board"), wherein the County has subleased each of the facilities to the Library Board for sublease payments sufficient to provide funds to the County to pay the County's payments of Basic Rent under their respective leases. The sublease payments are not pledged to repayment of these bonds.

### Estimated Calendar Year Debt Service Payments

Year	General Obligation Improvement Debt		General Obligation Special Assessment Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2023 (at 9-7)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$1,560,000	\$1,940,900	\$16,800	\$20,170
2025	1,620,000	1,927,050	17,500	20,130
2026	1,615,000	1,845,400	18,100	19,955
2027	1,485,000	1,637,450	5,000	6,050
2028	1,430,000	1,511,100	10,000	10,900
2029	315,000	327,600	10,000	10,600
2030			10,000	10,300
Total	\$8,025,000	\$9,189,500	\$87,400	\$98,105

Year	Wastewater General Obligation Debt		Wastewater State Loans	
	Principal	Principal & Interest	Principal	Principal & Interest
2023 (at 9-7)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$ 37,938,200	\$ 55,758,805	\$ 1,598,136	\$ 1,831,916
2025	38,617,500	54,903,745	1,641,990	1,835,938
2026	37,121,900	51,925,070	1,287,984	1,441,004
2027	35,615,000	49,036,875	918,019	1,044,680
2028	34,855,000	46,953,150	942,111	1,046,990
2029	32,965,000	43,868,939	966,838	1,049,361
2030	31,440,000	41,115,430	992,216	1,051,794
2031	31,825,000	40,576,230	696,679	732,707
2032	31,870,000	39,536,770	388,648	412,474
2033	30,280,000	37,077,458	398,110	413,452
2034	28,430,000	34,385,931	407,803	414,453
2035	27,900,000	32,924,650		
2036	26,750,000	30,854,825		
2037	25,125,000	28,352,400		
2038	24,930,000	27,324,338		
2039	25,685,000	27,327,406		
2040	25,185,000	26,029,044		
2041	2,530,000	2,586,925		
Total	\$529,062,600(1)	\$670,537,991	\$10,238,534(2)	\$11,274,769

(1) 64.7% of this debt will be retired within ten years.

(2) 96.0% of this debt will be retired within ten years.

## Estimated Calendar Year Debt Service Payments

Year	Airport General Obligation Debt	
	<u>Principal</u>	<u>Principal &amp; Interest(1)</u>
2023 (at 9-7)	(Paid)	(Paid)
2024	\$ 240,000	\$ 1,129,088
2025	255,000	1,145,918
2026	260,000	1,138,518
2027	265,000	1,135,368
2028	280,000	1,142,068
2029	145,000	996,918
2030	190,000	1,037,168
2031	210,000	1,049,993
2032	225,000	1,056,955
2033	240,000	1,063,968
2034	385,000	1,200,230
2035	450,000	1,248,976
2036	480,000	1,259,451
2037	520,000	1,276,821
2038	570,000	1,302,111
2039	615,000	1,319,729
2040	670,000	1,344,991
2041	725,000	1,371,659
2042	725,000	1,340,211
2043	780,000	1,362,373
2044	845,000	1,391,283
2045	905,000	1,411,933
2046	975,000	1,439,700
2047	1,050,000	1,468,124
2048	1,125,000	1,492,788
2049	1,205,000	1,518,675
2050	1,295,000	1,549,590
2051	1,385,000	1,575,903
2052	1,485,000	1,607,703
2053	<u>1,075,000</u>	<u>1,124,350</u>
Total	\$19,575,000(2)	\$38,502,563

(1) Includes estimated debt service on the County Bonds.

(2) 11.8% of this debt will be retired within ten years.

### Estimated Calendar Year Debt Service Payments

Year	Public Building Commission Debt General Facilities		Public Building Commission Debt Library Facilities	
	Principal	Principal & Interest(1)	Principal	Principal & Interest(2)
2023 (at 9-7)	(Paid)	(Paid)	(Paid)	(Paid)
2024	\$ 36,855,000	\$ 44,919,392	\$ 2,510,000	\$ 3,614,626
2025	36,705,000	43,127,696	2,125,000	3,141,743
2026	36,535,000	41,272,901	2,215,000	3,148,153
2027	37,410,000	40,555,082	2,310,000	3,156,188
2028	12,660,000	14,419,442	2,390,000	3,151,737
2029	8,715,000	10,085,251	2,040,000	2,740,559
2030	7,915,000	9,022,185	2,100,000	2,745,144
2031	6,400,000	7,269,906	2,155,000	2,742,246
2032	2,175,000	2,849,518	2,215,000	2,741,875
2033	2,240,000	2,842,428	2,280,000	2,743,905
2034	2,320,000	2,846,032	2,345,000	2,746,118
2035	2,400,000	2,844,945	2,410,000	2,744,726
2036	965,000	1,322,204	2,480,000	2,743,581
2037	1,000,000	1,321,178	1,685,000	1,873,370
2038	1,035,000	1,317,053	740,000	876,213
2039	1,075,000	1,315,204	770,000	883,000
2040	1,050,000	1,245,916	790,000	878,026
2041	1,095,000	1,246,081	450,000	512,015
2042	1,145,000	1,248,558	470,000	512,485
2043	<u>1,195,000</u>	<u>1,248,178</u>	<u>490,000</u>	<u>511,805</u>
Total	\$200,890,000(3)	\$232,319,150	\$34,970,000(4)	\$44,207,515

(1) Includes estimated debt service on the PBC 2023A Bonds.

(2) Includes estimated debt service on the PBC 2023B Bonds.

(3) 93.4% of this debt will be retired within ten years.

(4) 63.9% of this debt will be retired within ten years.

## Other Debt Obligations

The County has entered into various capital leases for assets. Please reference the County's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022 for additional information, a copy of which has been included as Appendix G to this Official Statement.

## Overlapping Debt

Taxing Unit(1)	Est. G.O. Debt As of 9-7-23(2)	Debt Applicable to Value in County	
		Percent	Amount(3)
Cities:			
City of Bonner Springs	\$ 17,855,000	5.48%	\$ 978,454
City of DeSoto	32,505,000	99.94	32,485,497
City of Edgerton	9,030,000	100.00	9,030,000
City of Fairway	5,880,000	100.00	5,880,000
City of Gardner	71,480,000	100.00	71,480,000
City of Lake Quivira	1,986,771(4)	93.87	1,864,982
City of Leawood	39,870,000	100.00	39,870,000
City of Lenexa	135,780,000	100.00	135,780,000
City of Merriam	12,110,000	100.00	12,110,000
City of Mission	18,850,000	100.00	18,850,000
City of Mission Hills	1,055,000	100.00	1,055,000
City of Olathe	242,850,000	100.00	242,850,000
City of Overland Park	92,655,000	100.00	92,655,000
City of Prairie Village	19,210,000	100.00	19,210,000
City of Roeland Park	535,000	100.00	535,000
City of Shawnee	103,010,000	100.00	103,010,000
City of Spring Hill	20,783,113	71.40	14,839,143
City of Westwood	3,110,000	100.00	3,110,000
City of Westwood Hills	231,906(4)	100.00	231,906
School Districts:			
Blue Valley USD 229	485,275,000	100.00	485,275,000
Spring Hill USD 230	204,870,000	83.24	170,533,788
Gardner Edgerton USD 231	110,350,000	98.05	108,198,175
DeSoto USD 232	146,705,000	100.00	146,705,000
Olathe USD 233	493,259,589	100.00	493,259,589
Wellsville USD 289	17,085,000	0.10	17,085
Eudora USD 491	43,885,000	2.25	987,413
Shawnee Mission USD 512	535,335,000	100.00	535,335,000
Other Entities:			
Community College	43,865,000	100.00	43,865,000
Park and Recreation	35,755,000	100.00	35,755,000
Consolidated Fire District No. 2	5,090,000	100.00	5,090,000
Fire District No. 1	10,635,000	100.00	10,635,000
Fire District No. 2	4,130,000	100.00	<u>4,130,000</u>
Total			\$2,845,611,031

(1) Only those taxing units that have general obligation debt outstanding are shown here.

(2) Includes general obligation bonds and special assessment bonds with governmental commitment. Excludes general obligation debt supported by revenues and temporary notes.

(3) Based upon assessed valuation within Johnson County as a percentage of total assessed valuation.

(4) Debt as of December 31, 2022; most recent information available.



**Debt Ratios(1)**

	<u>G.O. Direct Debt</u>	<u>G.O. Direct &amp; Overlapping Debt</u>
To 2022/23 Appraised Valuation (\$107,955,235,818)	0.24%	2.88%
To 2022/23 Equalized Assessed Tangible Valuation (\$14,549,586,379)	1.81%	21.37%
Per Capita (624,930 – County Estimate)	\$422	\$4,975

(1) Includes general obligation debt supported by taxes and assessments, lease obligations, and general obligation airport and library debt. Excludes wastewater debt.

**COUNTY TAX RATES, LEVIES AND COLLECTIONS**

**Tax Rates Per \$1,000 of Assessed Value**

	<u>Levy Year</u>	<u>Budget Year</u>	<u>County</u>	<u>County Library</u>	<u>County Park &amp; Rec.</u>	<u>Total</u>
	2022	2023	17.772	3.815	3.021	24.608
	2021	2022	18.564	3.908	3.096	25.568
	2020	2021	18.799	3.905	3.093	25.797
	2019	2020	19.036	3.904	3.090	26.030
	2018	2019	19.024	3.901	3.088	26.013

Source: Kansas Department of Administration, <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/county-tax-levy-sheets/>.

**Property Tax Levies and Collections**

<u>Levy Year/ Budget Year</u>	<u>Net Adjusted Tax Roll(1)</u>	<u>Current Tax Collections</u>	<u>% Current Tax Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio Collection Versus Levy</u>
2022/23(2)	\$275,090,504	\$269,781,185	98.07%	\$ 0	\$269,781,185	98.07%
2021/22	260,309,039	259,565,035	99.71	(101,821)(3)	259,463,214	99.68
2020/21	251,522,213	250,495,571	99.59	566,537	251,062,108	99.82
2019/20	241,882,491	241,572,533	99.87	37,371	241,609,904	99.89
2018/19	229,477,435	229,163,345	99.86	147,720	229,311,065	99.93

(1) Net Adjusted Tax Roll is the County Clerk’s Abstract of Taxes, plus new taxes, less abated taxes.

(2) Taxes levied in 2022 for the 2023 fiscal year were due by December 20, 2022. However 50% may be paid by December 20, 2022 and the remaining 50% paid by May 10, 2023. Collections are as of May 31, 2023.

(3) Delinquent tax collections are negative for 2021/22 due to the valuation adjustments and refunds on large commercial real estate properties.

Source: Johnson County.

## Retail Sales and Tax Collections

Kansas law imposes retail sales tax based on where purchases are made. Retail sales tax is charged on the retail sale, rental or lease of tangible personal property; labor services to install, apply, repair, service, alter or maintain tangible personal property; and admissions to entertainment, amusement or recreation places in Kansas. Compensating use tax is paid on merchandise purchased from other states and used, stored or consumed in Kansas on which no sales tax was paid. Compensating use tax is also due if the other state's rate is less than the Kansas rate of 6.5% paid at the time of purchase. Compensating use tax only applies to tangible personal property; labor services are not subject to use tax. The compensating use tax rate is the same as the sales tax rate.

Sales tax rates within the County vary depending on where purchases are made. Sales tax rates range from 7.975% to 9.975%, with higher sales tax rates within special taxing districts, such as transportation development district and community improvement districts. The State of Kansas levies a 6.5% sales tax. Cities in Kansas are permitted to levy up to 3% local city sales tax.

The County is currently authorized to levy a 1.475% sales tax on retail sales within the County (the "Countywide Sales Tax"). Revenues from the Countywide Sales Tax are distributed to the County and each of the cities in the County according to a state mandated formula based on population, ad valorem tax and tax type. All countywide sales taxes are required to be approved by voters. The existing sales taxes comprising the 1.475% rate have been authorized as follows:

<u>Purpose</u>	<u>Sales Tax</u>	<u>Effective Date</u>	<u>Sunset</u>
Local	0.500%	October 1, 1975	No Sunset
Stormwater	0.100	July 1, 1990	No Sunset
Public Safety	0.250	July 1, 1995	No Sunset
Public Safety II	0.250	January 1, 2009	No Sunset
Public Safety III	0.250	April 1, 2017	10-Year Sunset
Research Triangle Tax	<u>0.125</u>	April 1, 2009	No Sunset
Total	1.475%		

Source: Johnson County.

Revenues from the Local 0.50% sales tax may be used for any permissible County purpose. Revenues from the Stormwater 0.10% sales tax may only be used for stormwater purposes. Revenues from the Public Safety sales taxes may only be used for Public Safety purposes. The County does not retain any portion of the Research Triangle Tax and distributes it to the Johnson County Education Research Triangle Authority.

The following chart represents the level of retail sales and total sales and use tax collections in the County, attributable to State, County and local city sales taxes over the last ten years.

<u>Fiscal Year</u>	<u>Gross Retail Sales</u>	<u>Total Sales Tax Collections - All Taxing Jurisdictions in the County</u>	<u>Sales Tax Collections Annual Percent Increase (Decrease)</u>	<u>County Share of Countywide Sales and Use Tax Collections(1)</u>
2022	\$24,280,999,491	\$900,377,692	10.10%	\$135,039,271
2021	22,063,476,313	817,749,811	13.72	122,973,681
2020	20,118,761,124	719,104,931	(3.01)	103,657,930
2019	20,917,422,529	741,411,569	1.23	102,651,800
2018	21,069,978,069	732,390,863	1.07	101,676,666
2017	20,164,576,414	724,610,436	1.55	93,904,750
2016	20,084,092,444	713,544,502	4.70	75,600,644
2015	20,344,258,077	681,485,916	6.40	71,633,771
2014	19,554,559,954	640,502,450	3.46	70,202,538
2013	18,291,596,707	619,060,573	2.50	67,223,139

(1) Excludes revenues from Research Triangle Tax.

Source: Kansas Department of Revenue State Planning and Research.

NOTE: The gross sales and sales tax collection amounts listed above are subject to change as the Kansas Department of Revenue tests the accuracy of these numbers with new software.

A comparison of the County's share of 2023, 2022 and 2021 monthly sales and compensating use tax receipts from January 1 through May 31, attributable to the countywide retailers' sales tax of 1.35%, is shown below:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
January	\$11,082,233	\$10,646,785	\$ 9,153,613
February	13,275,892	12,382,166	9,123,117
March	10,881,874	9,963,950	9,257,305
April	10,208,772	9,078,329	8,124,373
May	<u>12,034,656</u>	<u>11,082,550</u>	<u>9,904,372</u>
Total	\$57,483,427	\$53,153,780	\$45,562,780

## Special Assessment Billings and Collections

Levy Year/ Budget Year	Special Assessment Billings(1)	Special Assessment Collections	% of Billings Collected	Delinquent Assessments Collected	Total Assessments Collected	% of Total Collections to Billings
2022/23(2)	\$520,695	\$501,021	96.22%	\$ 0	\$521,021	96.22%
2021/22	534,689	530,026	99.13	947	530,973	99.31
2020/21	520,481	505,965	97.21	14,344	520,309	99.97
2019/20	631,234	621,289	98.42	9,340	630,629	99.90
2018/19	647,186	639,965	98.88	7,221	647,186	100.00

(1) Billings and collections include Johnson County and all municipalities within Johnson County.

(2) Taxes levied in 2022 for the 2023 fiscal year were due by December 20, 2022. However 50% may be paid by December 20, 2022 and the remaining 50% paid by May 10, 2023. Collections are as of May 31, 2023.

Source: Johnson County.

### Sources of County Revenue

The following chart presents the breakdown of governmental fund revenue, as of December 31 each year.

<u>Program Revenues</u>	<u>2018</u>	<u>2019</u>	<u>2020(1)</u>	<u>2021(1)</u>	<u>2022</u>
Charges for Services	\$ 77,880,783	\$ 81,248,092	\$ 88,846,980	\$ 85,553,403	\$ 97,235,621
Operating Grants and Contributions	46,857,340	45,105,093	162,041,038	79,757,228	139,450,657
Capital Grants and Contributions	421,666	2,621,561	4,747,074	2,389,094	2,354,507
<u>General Revenues</u>					
Property Taxes	\$245,651,928	\$257,906,932	\$268,732,804	\$277,664,772	\$291,330,456
Sales Taxes	101,676,666	102,651,800	103,583,860	122,898,017	134,948,330
Other Taxes	5,309,275	5,497,132	5,730,801	5,678,943	5,982,580
Unrestricted Investment Earnings	9,471,385	12,284,224	3,774,888	(1,042,907)	(7,221,845)
Miscellaneous	7,387,805	6,235,235	6,875,680	6,397,763	6,694,850
Transfers	<u>(6,841,572)</u>	<u>(5,543,037)</u>	<u>76,445,293</u>	<u>(7,091,721)</u>	<u>(11,216,915)</u>
Total	\$487,815,276	\$508,007,032	\$720,778,418	\$572,204,592	\$659,558,241

(1) Operating Grants and contributions for 2020 and 2021 were up significantly from prior years due to the receipt of federal and state grant assistance related to the Coronavirus (COVID-19). The County received \$116,311,034 from the Federal Coronavirus Aid Relief and Economic Security (CARES) Act funding and \$7,977,835 from the State of Kansas Coronavirus Relief Fund in 2020; and \$117,009,332 from the Federal State and Local Fiscal Recovery Fund (allocated 50% for 2021 and 2022, respectively) and \$18,609,765 for Emergency Housing Assistance in 2021. While the first allocation was received in 2021, the majority of the funds (\$85 million) was recognized through lost revenue in 2022. It is anticipated that the balance will be spent for community purposes in 2023 and 2024.

Sources: Johnson County Annual Comprehensive Financial Reports for years ended December 31, 2018 through December 31, 2022.

**FUNDS ON HAND  
As of May 31, 2023**

General Fund	\$ 277,319,579
Special Revenue Funds	69,386,171
Debt Service Fund	5,966,225
Capital Projects Fund	166,470,844
Enterprise Funds	252,039,182
Internal Service Funds	38,854,744
Agency Funds	<u>729,690,593</u>
 Total Cash and Investments	 \$1,539,727,338

**COUNTY INVESTMENTS**

The County's investment policy seeks to ensure the preservation of capital in the overall portfolio. Safety of principal is the foremost objective and all investments are made in accordance with K.S.A. 12-1675 to 12-1677b and amendments thereto. Treasury, Taxation and Vehicles staff is charged with organizing and establishing procedures for effective cash management. An investment committee consisting of the Director of Treasury, Taxation and Vehicles, the Chief Deputy Treasurer, a County Commissioner, and two members of the private sector meet quarterly, or as necessary to determine specific strategies and to monitor investment results. As of May 31, 2023, approximately 80% of the County's total investment portfolio was invested in securities with maturities of one year or less and approximately 20% was invested in securities with maturities greater than one year, with the latest maturity being May 19, 2026. The total portfolio as of May 31, 2023 was approximately \$1.512 billion.

**GENERAL INFORMATION CONCERNING THE COUNTY**

The County is one of 15 Kansas and Missouri counties that comprise the Kansas City Metropolitan Statistical Area (the "KCMSA"). With a 2022 County population estimate of 624,930, it is the largest county in the State of Kansas. The County encompasses approximately 477 square miles (305,280 acres). Within the County, there are nine townships and 20 incorporated cities, of which eight have populations in excess of 10,000. The County's largest city, Overland Park, with a 2022 estimated population of 197,726, is located only 12 miles from both downtown Kansas City, Missouri, and Kansas City, Kansas. Approximately one-half of the County's area is located outside the corporate limits of any city.

The County's per capita personal income ranks first among the counties in the KCMSA and first in the seven-state West North Central Region. Johnson County's 2022 per capita income is \$87,612.

**Population**

The County's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2022 County Estimate	624,930	2.5%
2020 U.S. Census	609,863	12.1
2010 U.S. Census	544,179	20.6
2000 U.S. Census	451,086	27.0
1990 U.S. Census	355,054	31.4
1980 U.S. Census	270,269	--

Sources: United States Census Bureau, <http://www.census.gov/> and the County.

The County's approximate population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2022/23	143,753	133,662	241,652	102,477
2021/22	145,738	133,486	242,655	99,363
2020/21	145,305	130,975	239,750	94,632
2019/20	146,093	129,335	239,862	91,404
2018/19	145,223	127,899	239,305	88,201

Source: Claritas, LLC.

### **Transportation**

Residents of the County have access to all transportation and communication systems serving the Kansas City Metropolitan Area, including the Kansas City International Airport, located 30 miles from the City of Overland Park. The County owns and operates two airports: Johnson County Executive Airport and New Century AirCenter. Interstate highways I-35, I-435, and I-635 pass through the County and provide access to I-70 and I-29, just north of the County. Four major federal highways and four state highways serve the County. A number of certified motor freight carriers serve the County, and public transportation management for the County is provided by the Transit Division of Public Works. The Kansas City Metropolitan Area is generally regarded to be the second largest rail center in the United States. Four of seven Class I rail carriers serve the area, as well as two regional and local switching carriers. Amtrak passenger trains serve the Kansas City Metropolitan Area. Rail service is provided by Amtrak, Burlington Northern Santa Fe (BNSF), Kansas City Southern, Kansas City Terminal, Missouri & Northern Arkansas, Norfolk Southern, Iowa, Chicago & Eastern, and Union Pacific. The Logistics Park-KC is a 1,700-acre master-planned distribution and warehouse development in the southwestern portion of the County and served by the BNSF Intermodal Facility. The Intermodal Facility will provide businesses with a connection to a global supply chain and provide multi-modal transportation to receive imported goods and to export goods by rail or truck. The New Century Commerce Center, an industrial development located on approximately 488 acres at New Century AirCenter, is being developed by private developers in response to increased demand from the Intermodal Facility. Phase I, which includes approximately \$20,800,000 of land, site work, infrastructure, and utility improvements, is approximately 90% complete, and two industrial facilities aggregating approximately 1.1 million square feet have been constructed. Proceeds of the County Bonds will be used to finance a portion of the related infrastructure required to support this development.

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## Major Employers in Johnson County

The principal employers within the County are set out below:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Olathe USD 233	Public Education (K-12)	4,900
T-Mobile	Telecommunications	4,600
Garmin Ltd.	GPS Navigation Systems	4,600
Johnson County Government	Local Government	3,600
Wal-Mart	Retail & E-commerce	3,000
UnitedHealth Group	Health/Pharmacy Plans	3,000
Blue Valley USD 229	Public Education (K-12)	2,950
Black & Veatch	Engineering Services	2,600
Advent Health Shawnee Mission	Hospital/Medical Services	2,600
Overland Park Regional Med Ctr	Hospital/Medical Services	2,600
Shawnee Mission USD 512	Public Education (K-12)	2,550
HCA Midwest	Healthcare Services	2,500
Amazon	E-Commerce/Packaging services	2,350
Hy-Vee Food Stores	Supermarkets & Other Grocery	2,300
Olathe Health System(1)	Hospital/Medical Services	2,300
University of Kansas Health System	Hospital/Medical Services	1,900
Farmers Insurance Company	Insurance Carrier	1,900
Shamrock Trading Corp	Transportation Services	1,850
Quest Diagnostics	Testing laboratories	1,830
UPS International, Inc.	Delivery Services	1,800

(1) Merged with the University of Kansas Health System in 2023.

Source: County Economic Research Institute (CERI).

## Labor Force Data

	<u>Annual Average</u>				<u>May</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Labor Force:					
Johnson County	343,289	343,574	345,753	349,503	355,590
State of Kansas	1,504,552	1,503,022	1,500,677	1,504,932	1,518,343
Unemployment Rate:					
Johnson County	2.9%	5.0%	2.7%	2.3%	2.5%
State of Kansas	3.3	5.8	3.3	2.7	2.7

Source: Kansas Labor Information Center, <http://www.klic.dol.ks.gov>. 2023 data are preliminary.

## Retail Sales and Effective Buying Income (EBI)

### Johnson County

<u>Data Year/ Report Year</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>	<u>Total Retail Sales (\$000)</u>	<u>Retail Sales Per Household</u>
2022/23	\$28,837,840	\$87,205	\$15,791,673	\$64,662
2021/22	28,294,590	85,331	13,500,115	55,085
2020/21	24,379,387	74,713	12,897,337	53,577
2019/20	23,475,083	73,274	15,323,478	64,116
2018/19	22,401,783	70,744	15,064,483	63,709

The 2022/23 Median Household EBI for the State of Kansas was \$61,887. The 2022/23 Median Household EBI for the United States was \$64,600.

Source: Claritas, LLC.

## Construction Valuations

### Building Permits Issued by Municipalities within the County

<u>Calendar Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u># of Permits</u>	<u>Value</u>	<u># of Permits</u>	<u>Value</u>
2023 (to 5-31)	189	\$120,952,414	38	\$298,162,013
2022	897	504,326,693	63	231,779,472
2021	1,902	869,835,014	102	161,042,182
2020	1,836	749,686,450	183	724,517,375
2019	1,273	523,960,847	210	717,055,582
2018	1,494	597,053,924	266	1,128,087,159
2017	1,678	596,576,461	284	690,164,050
2016	1,455	498,215,675	129	703,371,576
2015	1,355	466,171,921	171	889,054,903
2014	1,306	429,512,394	146	442,510,260
2013	1,361	500,300,872	239	550,604,731

### Assessed Value of New Construction in the County(1)

<u>Assessed Year</u>	<u>Residential</u>		<u>Commercial/Industrial</u>	
	<u># of Units</u>	<u>Value</u>	<u># of Units</u>	<u>Value</u>
2023	2,271	\$ 97,339,942	126	\$ 69,122,676
2022	2,525	79,449,910	138	53,145,735
2021	1,650	65,873,806	169	98,126,029
2020	1,615	70,562,515	183	130,694,071
2019	1,896	72,926,310	228	105,499,638
2018	2,218	81,383,106	189	88,580,051
2017	2,824	103,698,432	188	68,108,336
2016	1,754	74,273,124	139	64,956,766
2015	1,835	80,200,429	148	75,684,760
2014	1,722	78,892,015	154	83,116,545
2013	1,356	46,553,915	115	34,717,223

(1) Values are annually certified as of June 1.

Source: Johnson County Appraiser.



## **Public Utilities**

Two or more suppliers provide most utility services. Electrical power is primarily supplied by Evergy, Inc., the entity resulting from the merger of Westar Energy and Kansas City Power and Light Company. The City of Gardner provides its own electrical service.

Local phone service is provided by AT&T for most of the County. Lumen (formerly Century Link) services the southwestern section of the County. Cell phone service is provided by a number of providers, including AT&T, T-Mobile, and Verizon.

Water District No. 1, a quasi-municipal corporation, services the eastern half of the County. The cities of Olathe, Gardner, and De Soto service their own communities. There are six other water districts that provide service to the remainder of the County.

Atmos Energy and Kansas Gas Service provide natural gas services throughout the County.

Various cities receive sewerage service in the County, which is supplied by the Johnson County Wastewater District, a County Department organized and governed by the BOCC. The cities of Olathe, Gardner, De Soto, and Edgerton provide their own sewerage services.

## **Medical and Health Facilities**

There are eleven general and specialty hospitals within the County with a combined total of over 1,500 licensed beds. Johnson County Med-Act units provide emergency medical services. The County Department of Health and Environment provides registered nurses and supports a variety of health services. The County also operates a mental health center and a developmental supports center.

## **Recreational and Cultural Facilities**

The Johnson County Park and Recreation District (the "District") operates and maintains 14 developed park areas, a streamway park system, and a series of trail developments and access points on several streams throughout the County. The District comprises over 10,000 acres and generates more than 6.7 million visitations annually. The District is a discretely presented component unit of the County. The District is governed by a seven-member board appointed by the Board of County Commissioners (BOCC). The County approves the District's annual operating budget and levies taxes to fund the District. During the 2016 budget process, the BOCC approved a 0.75 mill levy increase for the District to fund implementation of its Legacy Plan. This number was slightly reduced in 2018 and 2023. The District's 15-year strategic plan called for an investment of approximately \$220 million, including capital improvements to existing parks and facilities, the opening of five new parks, and adding 38 miles of trail to its streamway trail system. Since then, three new parks have been opened with two opening soon. In 2017, the District was awarded the prestigious Gold Medal of Excellence in Park and Recreation Management by the National Recreation and Park Association for communities serving a population greater than 400,000. The District was recently accredited for a fourth time through the Commission for Accreditation of Park and Recreation Agencies. Accreditation must be renewed every five years to ensure compliance with the 151 standards that have been established by the Commission.

Major recreation facilities owned and/or managed by the District include: The Theatre in the Park, an outdoor community theater in Shawnee Mission Park as well as a black box indoor theatre at the Johnson County Arts and Heritage Center; two beaches and two marinas; several sports complexes with fields for youth soccer, football, baseball, and softball; several multi-use facilities or field houses that are used for indoor soccer, basketball and volleyball; two 18-hole golf courses; an aquatics facility; two early childhood development centers and, in cooperation with four school districts, 66 Out of School Time program sites; two 50-plus senior centers in cooperation with two area municipalities; a nature center and outdoor amphitheater in Ernie Miller Park; the TimberRidge Adventure Center at Kill Creek Park; Meadowbrook Park Clubhouse and the 22-acre Mildale Farm meeting and event facilities; and the White Fox Manor Stables. The District offered over 4,000 fee-supported recreation and interpretive programs that generated over 2.8 million program participations in 2022.

The District oversees the Johnson County Museum, which is committed to sharing the history and heritage of Johnson County through its collections, exhibits and programs. The department operates the main museum and 1950s All-Electric House in the Johnson County Arts and Heritage Center, and the Lanesfield Historic Site in the City of Edgerton. Since 1987, its efforts have garnered 28 regional and national awards of excellence. In addition to the District, 12 city historical societies and nine other museums provide the citizens of Johnson County with a broad array of educational and cultural programs.

In addition to the services offered by the District, two recreation commissions and several municipalities and school districts provide recreational services in the County. The additional recreational facilities used in providing these services include public parks, community centers, athletic fields, swimming pools, and tennis courts.

The mission of the Johnson County Public Library is to provide access to ideas, information, experiences and materials that support and enrich people’s lives. In 2015, the BOCC approved a 0.75 of one mill levy increase for the Comprehensive Library Master Plan, which is projected to invest an additional \$175 million over the subsequent twenty years to allow facility expansion, replacement, and renovation of the current library facilities as well as provide additional funding for programming needs.

The Johnson County Library system is comprised of 14 branch libraries serving approximately 473,579 residents in a taxing district that is made up of 18 of Johnson County’s 20 cities. The Johnson County Library system also partners with the Olathe Library System of Olathe, Kansas, also in Johnson County, to provide a seamless library experience to all Johnson County residents.

The Johnson County Library is the largest library system in the State of Kansas with 655,548 holdings consisting of books, eBooks, audiobooks, magazines and periodicals, newspapers, special reference materials, DVDs and CDs, and federal and state government documents. In 2022, the Johnson County Library supported more than 165,634 personal computer sessions on 343 public computers. There were 571,818 connections to the Library’s fast and free wireless network and over 8.4 million electronic content resources examined, viewed, or downloaded. Johnson County Library facilities received almost 1.6 million physical site visitors, supported approximately 6.5 million website views, and circulated almost 6 million books, DVDs, music CDs, and audiobooks. The Library also provides an expanding suite of programs and materials in Spanish for the growing Latino populations in the County.

**Education**

Six public school districts serve County residents, along with numerous private and parochial schools. In addition, post-secondary education is provided by eight colleges in the County.

K-12 school enrollments for the past five years have been as follows:

<u>School Year</u>	<u>Total Enrollment</u>
2022/23	105,241
2021/22	105,317
2020/21	104,198
2019/20	106,740
2018/19	106,157

Source: Kansas K-12 Reports, [http://datacentral.ksde.org/report\\_gen.aspx](http://datacentral.ksde.org/report_gen.aspx).

## GOVERNMENTAL ORGANIZATION AND SERVICES

### Organization

The County's form of government is a seven-member Commission with a County Manager. The County has nine officials elected by citizens to four-year overlapping terms to carry out State-mandated services and to provide other local programs as necessary.

The BOCC sets the County's annual strategic goals, operating budget, and capital improvement plan and selects a County Manager to oversee daily operations. The BOCC also appoints citizen volunteers to committees, agency governing bodies and advisory panels.

Following are the elected officials of the current BOCC and the County.

### Elected Officials

<u>Board of County Commissioners</u>	<u>Position</u>	<u>Expiration of Term</u>
Mike Kelly	Chairman	2027
Becky Fast	Commissioner, First District	2027
Jeff Meyers	Commissioner, Second District	2025
Charlotte O'Hara	Commissioner, Third District	2025
Janeé Hanzlick	Commissioner, Fourth District	2027
Michael Ashcraft	Commissioner, Fifth District	2027
Shirley Allenbrand	Commissioner, Sixth District	2025

<u>Elected Officials</u>	<u>Position</u>	<u>Expiration of Term</u>
Calvin Hayden	Sheriff	2025
Stephen M. Howe	District Attorney	2025

The County has employed a professional County Manager since 1983 to administer the operations of the County. The County Manager appoints the directors of the operating divisions. The County's current appointed officials are shown below.

<u>Appointed Officials</u>	
<u>Name</u>	<u>Title</u>
Penny Postoak Ferguson	County Manager
Julie Karins	Deputy County Manager
J. Joseph Waters	Assistant County Manager
Joseph M. Connor	Assistant County Manager
Aaron Otto	Assistant County Manager

### Home Rule Charter

In November of 2000, a Home Rule Charter was approved by voters. After the election in November of 2002, an additional district commissioner and a commission chairperson elected on a countywide basis were added. In January 2005, the elected positions of County Clerk and Register of Deeds became appointive offices. The two offices were combined into one appointed office, which is now part of the Treasury, Taxation and Vehicles department. In addition, the position of County Treasurer became an appointed office in October 2005.

The Home Rule Charter became effective on January 11, 2001 and includes the following timeline and action items:

- Redistricting for the six (6) commissioner districts was completed by April 1, 2002.
- Reorganization of the BOCC with six (6) district commissioners and the elected chairperson occurred on January 16, 2003.
- The Home Rule Charter contains seven (7) separate articles. In addition to the items discussed above, the Charter:
- Establishes four-year terms for all commissioners, including the chairperson, with no term limitations.
- Makes each election non-partisan. Primary elections will be held if there are more than two (2) candidates for the position. The two candidates who receive the most votes in the primary election are placed on the ballot for the November election. If there are two or less candidates who file for a position, then no primary election will be held.
- Requires the BOCC to appoint a Charter Review Commission.
- Requires the BOCC to establish a Charter Commission every ten years.

As required by the Home Rule Charter, a Charter Commission is required to be convened every ten years. In 2011, a Charter Commission was established and submitted a final report of its findings and recommendations to the BOCC on February 9, 2012. The consensus of the 2011 Charter Commission is that the County operates well under the existing Charter adopted in 2000 by its voters.

A Charter Commission was established as of February 11, 2021. There were twenty-five members to the Charter Commission, eight of them appointed by the BOCC. The other seventeen members were appointed by organizations representing state legislators, political parties, chambers of commerce, council of mayors, and rural areas of the County. The 2021 Charter Commission delivered its report to the BOCC on February 24, 2022. The consensus of the 2021 Charter Commission is that the County continues to operate well under the existing charter.

## **Services of the County**

Public Safety, Judicial, and Emergency Services: The County provides police protection for rural areas of the County and professional support services to local municipalities through the Sheriff's Department. The New Century Adult Detention Center is intended for the housing of persons placed in custody of the Sheriff. The Olathe Adult Detention Center has been remodeled as a Central Booking Facility as well as providing space to house inmates. The Adult Residential Center is a structured living environment for high risk offenders provided as an alternative to incarceration in State and County detention facilities. The Juvenile Detention Center is provided as a medium security detention and correction facility for juvenile offenders. The Youth and Family Services Center allows for expanded services and capacity to serve juvenile offenders in an environment that is more therapeutic than a traditional detention center setting. Additionally, the Youth and Family Services Center houses the Juvenile Intake and Assessment Center unit that is responsible for conducting intakes on all youth who are designated as a child in need of care. The Department of Emergency Services includes Med-Act, which provides ambulance services and pre-hospital emergency medical care within the County and the Emergency Management and Communication Department which coordinates planning to ensure a normalized civilian government will maintain jurisdiction during a disaster emergency, and ensures efficient response of fire and emergency medical services provided to all residents throughout the County and part of Miami County to the south.

Infrastructure: The County provides construction and maintenance of all streets, bridges and culverts in the rural areas of the County. Assistance is provided to municipalities for upgrading and widening of primary arterial roadways within the County. A transportation system provides a fixed route busing system within the boundaries of the County and to certain locations in the metropolitan area. RideKC Micro Transit is an affordable ride-hailing transportation option, which is now available in parts of Johnson County. It additionally provides service for County residents who are economically or physically disadvantaged. The County operates and maintains two airports. The Executive Airport provides transportation service to private and small corporate aircraft, while New Century AirCenter accommodates business traffic at the

industrial park. Johnson County Wastewater (JWC) operates sanitary sewer systems in various sections of the County. The Planning Department provides zoning administration, code enforcement in the unincorporated areas of the County, planning and research on a county-wide basis in cooperation with local municipalities, housing and Community Development Block Grants management.

Health and Human Services: The Aging and Human Services Department coordinates and monitors human services available to County residents through county, public, and not-for-profit agencies. The Department of Health and Environment is the County's official public health agency, and as such, is dedicated to protect and promote the health, welfare and environment of the community and to prevent, contain and control communicable diseases. The Developmental Supports Agency provides services and support to County residents with developmental disabilities and their families. The County provides referrals, clinical and residential counseling, and treatment to residents with mental illness at the Mental Health Center.

Culture and Recreation: The Library System has fourteen libraries facilities throughout the County. The Park and Recreation District provides locations and programs for leisure activity of County residents. The Museum collects, preserves, and exhibits items relevant to the history of the County.

Economic Development: Three non-profit economic development institutions established by the County promote economic development within in the County: the County Economic Research Institute (CERI), the Certified Development Company (CDC) and the Enterprise Center of Johnson County. CERI participates in partnerships with chambers of commerce, local and regional economic development organizations and units of government in order to create and sustain jobs, expand the tax base, and promote Johnson County through the provision of basic and applied research. The CDC supports and facilitates local economic development by providing credit-worthy small businesses with a source of long-term, low-interest financing and fixed assets. The Enterprise Center provides high-quality and value added consulting service, administrative support and facilities to start-up, growth-oriented companies that are capable of stimulating overall business activity and employment growth in the County.

Support of State Operations: The County is statutorily required to provide sufficient space, equipment, and materials to support the District Courts. This includes providing indigent defense, probation, and paying agent services. The District Attorney's office is statutorily responsible for prosecuting violators of state law.

### **Existing County Facilities**

The County owns and operates numerous facilities. At a general election held on November 8, 2016, the voters of Johnson County approved a new one-fourth (1/4) of a cent countywide sales tax to acquire, design, construct, equip and furnish (1) a new Johnson County Courthouse facility on the site located in the downtown area of the City of Olathe at the northeast corner of the intersection of Kansas Avenue and Santa Fe in Olathe; and (2) a new Johnson County Medical Examiner facility on the site located at the southwest corner of 118th Street and Sunset Drive in Olathe; and demolish the existing courthouse complex. The County used sales tax revenue and proceeds from the PBC's Lease Purchase Revenue Bonds (Courthouse and Medical Examiner Projects), Series 2018A, to fund the projects. These buildings have been completed and occupied since the beginning of 2021. The County leases these facilities from the PBC. The County Administration Building is leased from the PBC and houses all administration departments. The Northeast Office facility is located in the City of Mission, approximately 20 miles northeast of the County Courthouse, and houses the Mental Health, Health and Environment, and Motor Vehicles Departments. The Northeast Office building recently underwent renovations to allow the County to better serve the public. The Election Commission building and the Operations Center are located in the City of Olathe. The Sunset Drive Office Building, which houses seven County departments, is leased from the PBC.

The Olathe Adult Detention Center is located in the downtown area and the Juvenile Detention Center is located in the northwest portion of the City of Olathe. The New Century Adult Detention, the Adult Residential Center, and the Sheriff's Operations Center are located at the New Century AirCenter. The Sheriff's Dispatch and Emergency Communications staff operations are located in the Communications Center. PBC bonds were used to expand the New Century Adult Detention Center. The Olathe Detention Center was remodeled and reopened as a Central Booking Facility/Adult Detention Center. Both facilities are currently being utilized to provide housing for inmates. The Sheriff's Criminalistics Laboratory was

funded by PBC bonds. Revenues from the Public Safety Sales Tax 2 will be the primary funding source for the debt service for the bonds issued to finance improvements to the Adult Detention Center, Central Booking Facility, Criminalistics Laboratory, and the Youth and Family Services Center. The County purchased a building in 2011 to provide additional space for Courthouse occupants. The building renovations for this building, now known as the Justice Annex, were completed as of July 2013.

Proceeds of the PBC's Lease Purchase Revenue Bonds (8788 Metcalf Project), Series 2015A, dated June 30, 2015 were used to acquire, renovate, construct, equip and furnish a building now known as the Johnson County Arts and Heritage Center. This building was completed and opened in June 2017. It provides space for the Park and Recreation District, the Museum of History, and community gatherings and advance voting. The building also provides improved space for museum exhibit displays and storage and increases efficiencies in collection processing. The Park and Recreation District offers recreational classes in arts, crafts, music, and theater. The building includes a theater allowing the Theater in the Park to expand its offerings from the summer to year around activities.

The Public Works Offices, Shop and Garage complex is located in the southwest portion of the City of Olathe. The Transportation Maintenance facility is also located in the southwest portion of the City of Olathe. The Developmental Supports Agency is located in the City of Lenexa, and the Developmental Supports building, also known as the Elmore Center, has been recently remodeled with proceeds of PBC bonds for expanded, renovated space for its operations.

Johnson County Wastewater (JCW) operates numerous pumping stations, lift stations and treatment plants throughout the County. JCW's Tomahawk Treatment Plant expansion was recently completed and has enabled Wastewater to extend its service area and reduce the volume of flow being sent to Kansas City, Missouri for treatment. JCW is currently in the process of a substantial upgrade to the oldest treatment facility, the Nelson Wastewater Treatment Plant. This project is anticipated to cost approximately \$574 million and is being financed through a combination of general obligation bonds, financing from the Federal Water Infrastructure Finance and Innovation Act (the WIFIA Bond), and state revolving loans through the KDHE.

The Airport Commission operates two facilities. The New Century AirCenter, located at the edge of the City of Gardner, was previously a U.S. Navy Air Base. The County now operates it as an industrial park. In 2020, the BOCC approved a master development agreement with VTRE Development, LLC, which set the preliminary framework for the potential development of hundreds of acres of vacant ground abutting New Century AirCenter for industrial uses to be known as New Century Commerce Center. The County Bonds are being issued to provide funding for a portion of the public infrastructure related to this master development agreement. Additionally, there are some facilities leased to New Century AirCenter tenants. The Executive Airport, acquired in 1967 and located in the City of Overland Park, has numerous rental hangars and an office building.

The Human Services Building is occupied by the Health and Environment Department and the Friends of the Johnson County Nursing Center, Inc.

### **Employee Pensions**

The County and the Johnson County Park & Recreation 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. The Kansas Public Employees Retirement System is a fiduciary providing retirement benefits, disability income benefits, survivor benefits to plan members and their beneficiaries. It is governed by a 9-member Board of Trustees for over 295,000 members across 1,500 employers with assets over \$16 billion. 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.

A detailed description of these plans, along with the County's required contributions to each plan, are represented in the County's Annual Comprehensive Financial Reports. The County's Annual Comprehensive Financial Report for fiscal year ended December 31, 2022 is included as Appendix G of this Official Statement.

**Other Postemployment Benefits**

The County has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The County's OPEB liabilities and associated contributions are represented in the County's Annual Comprehensive Financial Reports. The County's Annual Comprehensive Financial Report for fiscal year ended December 31, 2022 is included as Appendix G of this Official Statement.

**Supplemental Retirement Plans**

In 2001, the BOCC 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. 105-01 and may be amended by the BOCC (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.

A detailed description of these plans, along with the County's required contributions to each plan, are represented in the County's Annual Comprehensive Financial Reports. The County's Annual Comprehensive Financial Report for fiscal year ended December 31, 2022 is included as Appendix G of this Official Statement.

**Employee Benefit Liabilities**

The County permits 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 services, employees are entitled to payment for all accrued vacation earned prior to termination or resignation.

All full-time and certain part-time employees accrue sick leave at the rates shown on the table below except for 1) the third pay date of any month with three pay dates. or 2) when an employee is on unpaid leave or 3) when the accrued leave balance is at or above the maximum accrual cap. Upon separation from service, employees are compensated for 20% of unused sick leave.

Employee Classification	Accrued Per Pay Period (24 Pay Periods)	Maximum Annual Accrual	Maximum Accrual Cap
Part-time Partial	2 hours	48 hours	320 hours
Part-time Partial-Plus	3 hours	72 hours	480 hours
Full-time Regular (40 hr/wk or 12-hr shifts)	4 hours	96 hours	640 hours
Full-time (24-hour shift)	6 hours	144 hours	850 hours

**Med-Act Full-time Regular Employees (Non-Exempt 24/7) - Accelerated**

Benefit Type	Accrued Per Pay Period (24 Pay Periods)	Maximum Annual Accrual	Maximum Accrual Cap
Full-time (24-hour shift) Med-Act 2829 Schedule	6.75 hours	162 hours	850 hours

Amended Resolution 067-19; Adopted 12/12/2019

## **Budgetary Information**

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the County prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted by a majority vote of the governing body of the County prior to August 25 of each year (or September 20 if the County must conduct a public hearing to levy taxes in excess of its revenue neutral rate described below). Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

The County may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the County and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79 2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the County) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body. The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer can be combined into a single notice. The taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a resolution or ordinance, and thereafter the taxing subdivisions will hold the public hearing and adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

The County cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the County Bonds, or the general rating of the County. A change in the rating on the County Bonds or a change in the general rating of the County may adversely impact the market price of the County Bonds in the secondary market.



## Johnson County Budget – All Funds

Total Budget by Category	Budget 2022	Actual 2022	Budget 2023	Estimate 2023	Proposed 2024
<b>Beginning Balance, January 1</b>	<b>\$475,184,679</b>	<b>\$537,962,725</b>	<b>\$527,677,234</b>	<b>\$646,717,337</b>	<b>\$574,465,416</b>
<b>REVENUES:</b>					
Ad Valorem Taxes	\$298,329,281	\$296,706,884	\$315,620,314	\$315,620,314	\$346,996,080
Other Taxes	152,183,918	171,699,069	175,626,729	179,929,691	187,249,156
Intergovernmental	129,884,932	246,790,232	139,137,362	95,209,532	101,841,534
Licenses & Permits	3,573,884	3,738,612	3,735,344	4,116,930	4,147,885
Charges for Service	256,504,979	260,110,808	272,555,828	279,206,107	295,392,885
Use of Assets	5,531,704	12,448,516	17,354,569	31,761,124	39,074,949
Miscellaneous	45,067,474	9,422,227	104,121,656	90,506,800	143,625,391
Transfers	81,831,396	85,875,270	95,820,147	105,430,562	98,688,586
<b>Total Revenues</b>	<b>\$972,907,568</b>	<b>\$1,086,791,618</b>	<b>\$1,123,971,949</b>	<b>\$1,101,781,060</b>	<b>\$1,217,016,467</b>
<b>Total Revenues &amp; Beginning Balance</b>	<b>\$1,448,092,247</b>	<b>\$1,624,754,343</b>	<b>\$1,651,649,184</b>	<b>\$1,748,498,397</b>	<b>\$1,791,481,883</b>
<b>EXPENDITURES:</b>					
Personal Services	\$359,855,829	\$349,559,939	\$384,458,820	\$402,085,706	\$437,110,791
Contractual Services	116,966,096	106,442,828	124,548,341	125,804,045	144,722,397
Commodities	37,513,994	34,645,919	38,093,123	37,975,812	40,119,025
Capital Outlay	12,756,150	4,592,066	17,698,248	17,157,901	26,236,438
Miscellaneous	19,640,021	11,012,400	19,240,230	20,293,891	16,797,556
Debt Service Payments	47,601,810	48,252,357	70,384,679	55,958,520	64,908,989
Lease Payments to the PBC	48,901,619	48,413,961	49,563,374	48,532,344	48,659,198
Interfund Transfers	17,920,175	24,255,012	16,216,278	16,469,531	17,000,236
Intrafund Transfers	53,665,331	72,824,520	63,643,229	59,687,651	69,602,966
Transfers to Equipment Reserve Fund	3,472,649	6,412,954	3,831,665	3,834,665	2,766,214
Transfers to Capital Projects	129,620,757	72,011,919	212,061,440	267,058,388	265,148,425
Cost Allocation Expenditures	23,646,973	22,715,715	24,508,342	23,963,521	26,493,658
Fee-based Expenditures	14,584,647	11,762,812	12,901,610	13,322,755	15,267,204
Grant Expenditures	116,888,858	165,134,604	125,732,355	81,888,251	88,009,631
<b>Total Expenditures</b>	<b>\$1,003,034,908</b>	<b>\$978,037,006</b>	<b>\$1,162,881,733</b>	<b>\$1,174,032,981</b>	<b>\$1,262,842,727</b>
<b>Ending Balance, December 31</b>	<b>\$445,057,339</b>	<b>\$646,717,337</b>	<b>\$488,767,450</b>	<b>\$574,465,416</b>	<b>\$528,639,155</b>
<b>Annual Change in Balance</b>	<b>(\$30,127,340)</b>	<b>\$108,754,614</b>	<b>(\$38,909,784)</b>	<b>(\$72,251,921)</b>	<b>(\$45,826,261)</b>

<b>Total Budget by Fund</b>	<b>Budget 2022</b>	<b>Actual 2022</b>	<b>Budget 2023</b>	<b>Estimate 2023</b>	<b>Proposed 2024</b>
<b>Beginning Balance, January 1</b>	<b>\$475,184,679</b>	<b>\$537,962,725</b>	<b>\$527,677,234</b>	<b>\$646,717,339</b>	<b>\$574,465,418</b>
<b>REVENUES:</b>					
Ad Valorem Taxes	\$298,329,281	\$296,706,884	\$315,620,314	\$315,620,314	\$346,996,080
Other Taxes	152,183,918	171,699,069	175,626,729	179,929,691	187,249,156
Intergovernmental	129,884,932	246,790,232	139,137,362	95,209,532	101,841,534
Licenses & Permits	3,573,884	3,738,612	3,735,344	4,116,930	4,147,885
Charges for Service	256,504,979	260,110,808	272,555,828	279,206,107	295,392,885
Use of Assets	5,531,704	12,448,516	17,354,569	31,761,124	39,074,949
Miscellaneous	45,067,474	9,422,227	104,121,656	90,506,800	143,625,391
Transfers	81,831,396	85,875,270	95,820,147	105,430,562	98,688,586
<b>Total Revenues</b>	<b>\$972,907,568</b>	<b>\$1,086,791,618</b>	<b>\$1,123,971,949</b>	<b>\$1,101,781,060</b>	<b>\$1,217,016,467</b>
<b>Total Revenues &amp; Beginning Balance</b>	<b>\$1,448,092,247</b>	<b>\$1,624,754,343</b>	<b>\$1,651,649,184</b>	<b>\$1,748,498,399</b>	<b>\$1,791,481,884</b>
<b>EXPENDITURES:</b>					
General Fund	\$497,625,593	\$542,912,669	\$548,804,233	\$568,779,377	\$550,592,657
Public Works Fund	33,306,554	33,172,579	32,398,884	32,605,801	34,200,850
Stormwater Fund	16,172,182	16,162,142	25,151,037	25,136,367	23,407,175
Transportation Fund	17,964,400	19,534,825	20,048,327	20,087,137	24,619,041
County Building Fund	1,851,134	1,841,134	1,759,334	1,759,334	1,759,384
Fleet Services Fund	3,577,472	3,245,562	3,626,258	3,626,258	3,697,492
Risk Management Fund	10,173,855	6,207,909	9,258,356	5,242,364	5,097,049
Stream Maintenance Fund	5,000	0	5,000	5,000	5,000
9-1-1 Fund	6,281,043	6,007,328	7,056,947	7,986,947	9,011,265
Alcohol Tax Fund	140,559	140,560	142,527	155,055	221,318
Prosecutor Training & Assistance Fund	29,000	11,213	29,000	29,000	29,000
Opioid Litigation Settlement Fund	0	0	0	0	5,000,000
Developmental Supports Fund	28,260,545	29,051,686	29,700,924	30,105,137	33,628,408
Mental Health Fund	39,770,412	40,780,238	49,751,640	54,652,374	59,594,059
Airport Fund	8,633,932	9,101,507	9,594,890	11,234,484	11,139,608
Park & Recreation Fund	49,031,378	46,265,119	52,947,553	53,597,466	56,162,317
Park & Recreation Enterprise Fund	30,123,322	32,082,428	30,815,157	30,815,157	33,968,478
Public Health Fund	23,545,882	22,147,082	24,504,358	25,361,086	26,710,991
Library Operating Fund	39,961,904	37,140,340	44,164,720	43,887,606	53,935,481
Library Special Use Fund	3,922,125	3,218,202	3,920,175	3,398,017	3,920,125
Developer Fees for Parks Fund	9,800	0	9,800	9,800	9,800
Sheriff Forfeited Property Fund	1,204,480	375,073	1,760,558	1,785,116	1,861,394
Controlled Substance Fund	115,235	22,600	211,089	213,575	179,154
District Attorney Forfeited Property Fund	25,301	24,848	26,878	28,756	29,695
Debt Service Fund	1,968,250	1,958,250	1,970,960	1,970,960	1,971,070
Wastewater SRCFP Fund	125,412,250	65,096,928	199,888,811	185,888,811	252,244,380
Wastewater O & M Fund	63,923,300	61,536,782	65,334,318	65,671,996	69,847,537
<b>Total Expenditures</b>	<b>\$1,003,034,908</b>	<b>\$978,037,004</b>	<b>\$1,162,881,733</b>	<b>\$1,174,032,981</b>	<b>\$1,262,842,728</b>
<b>Ending Balance, December 31</b>	<b>\$445,057,339</b>	<b>\$646,717,339</b>	<b>\$488,767,450</b>	<b>\$574,465,418</b>	<b>\$528,639,157</b>
<b>Annual Change in Balance</b>	<b>(\$30,127,340)</b>	<b>\$108,754,614</b>	<b>(\$38,909,784)</b>	<b>(\$72,251,921)</b>	<b>(\$45,826,261)</b>

## Johnson County Budget – General Fund

Total Budget by Category	Budget	Actual	Budget	Estimate	Proposed
	2022	2022	2023	2023	2024
<b>Beginning Balance, January 1</b>	<b>\$201,582,614</b>	<b>\$218,021,968</b>	<b>\$218,157,148</b>	<b>\$291,197,048</b>	<b>\$234,330,815</b>
<b>REVENUES:</b>					
Ad Valorem Taxes	\$158,788,501	\$158,040,170	\$165,761,711	\$165,761,711	\$178,726,461
Other Taxes	115,320,272	132,777,624	135,209,065	139,695,569	145,178,549
Intergovernmental	91,111,772	198,574,480	95,385,167	51,371,731	52,543,502
Licenses & Permits	1,819,745	1,908,109	1,853,624	2,235,210	2,261,689
Charges for Service	46,091,535	50,635,692	43,099,249	44,599,456	48,001,956
Use of Assets	766,836	4,448,311	8,449,950	17,223,090	21,528,863
Miscellaneous	3,194,222	2,685,437	2,972,877	3,197,234	4,156,437
Transfers	63,404,629	67,017,926	75,042,269	87,829,142	84,221,605
<b>Total Revenues</b>	<b>\$480,497,511</b>	<b>\$616,087,749</b>	<b>\$527,773,913</b>	<b>\$511,913,144</b>	<b>\$536,619,062</b>
<b>Total Revenues &amp; Beginning Balance</b>	<b>\$682,080,126</b>	<b>\$834,109,717</b>	<b>\$745,931,061</b>	<b>\$803,110,192</b>	<b>\$770,949,877</b>
<b>EXPENDITURES:</b>					
Personal Services	\$214,295,351	\$211,288,086	\$227,530,315	\$237,080,981	\$253,596,320
Contractual Services	47,923,342	46,333,475	49,813,405	49,733,051	58,879,928
Commodities	8,202,073	8,719,319	8,224,096	8,239,950	8,404,741
Capital Outlay	887,179	3,129,610	5,223,159	5,219,659	10,820,352
Miscellaneous	273,989	279,252	358,579	358,579	358,529
Lease Payments to the PBC - Other Facilities	43,469,665	43,460,660	44,194,570	43,678,540	43,269,194
Interfund Transfers	9,568,107	17,513,204	10,930,611	10,930,611	11,499,457
Intrafund Transfers	48,412,460	48,694,592	59,060,951	59,125,951	68,287,101
Transfers to Equipment Reserve Fund	3,365,375	6,305,680	3,724,391	3,727,391	2,658,940
Transfers to Capital Projects	11,202,995	14,498,024	26,670,409	81,748,029	20,413,408
Cost Allocation Expenditures	3,982,286	3,277,610	4,440,617	3,895,796	4,247,628
Fee-based Expenditures	14,584,647	11,762,812	12,901,610	13,322,755	15,267,204
Grant Expenditures	91,458,125	127,650,345	95,731,520	51,718,084	52,889,855
<b>Total Expenditures</b>	<b>\$497,625,593</b>	<b>\$542,912,669</b>	<b>\$548,804,233</b>	<b>\$568,779,377</b>	<b>\$550,592,657</b>
<b>Ending Balance, December 31</b>	<b>\$184,454,532</b>	<b>\$291,197,048</b>	<b>\$197,126,828</b>	<b>\$234,330,815</b>	<b>\$220,357,220</b>
<b>Annual Change in Balance</b>	<b>(\$17,128,082)</b>	<b>\$73,175,080</b>	<b>(\$21,030,320)</b>	<b>(\$56,866,233)</b>	<b>(\$13,973,595)</b>
<b>Maximum Policy Target for Ending Balance(1)</b>	<b>\$86,858,753</b>	<b>\$113,287,750</b>	<b>\$94,142,044</b>	<b>\$91,078,855</b>	<b>\$94,578,396</b>
<b>Amount Over (Under) Policy Target</b>	<b>\$97,595,779</b>	<b>\$177,909,298</b>	<b>\$102,984,784</b>	<b>\$143,251,960</b>	<b>\$125,778,824</b>
<b>Ending Balance %</b>	<b>42.5%</b>	<b>51.4%</b>	<b>41.9%</b>	<b>51.5%</b>	<b>46.6%</b>

(1) The policy target for the General Fund ending balance is: 20% to 25% of total revenues, excluding intrafund transfers and General Fund cost allocation.

**BOOK ENTRY**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the County Bonds. The County Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the County Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of County Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the County Bonds on DTC’s records. The ownership interest of each actual purchaser of each County Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the County Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the County Bonds, except in the event that use of the book-entry system for the County Bonds is discontinued.

To facilitate subsequent transfers, all County Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of County Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the County Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such County Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of County Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the County Bonds, such as redemptions, tenders, defaults, and proposed amendments to the County Bond documents. For example, Beneficial Owners of the County Bonds may wish to ascertain that the nominee holding the County Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the County Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the County Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the County Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the County Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the County Bonds at any time by giving reasonable notice to County or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

## PROPOSED FORMS OF BOND COUNSEL OPINION

## County 2023A Bonds

[September 7, 2023]

Governing Body  
Johnson County, Kansas

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Re:     \$[PRINCIPAL AMOUNT] General Obligation Internal Improvement Bonds,  
Series 2023A, of Johnson County, Kansas, Dated September 7, 2023

We have acted as Bond Counsel in connection with the issuance by Johnson County, Kansas (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1.     The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.
  
2.     The Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.
  
3.     The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] (a) is excludable from gross income for federal income tax purposes; and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

**Gilmore & Bell, P.C.**

## County 2023B Bonds

[September 7, 2023]

Governing Body  
Johnson County, Kansas

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Re:     \$[PRINCIPAL AMOUNT] Taxable General Obligation Internal Improvement  
       Bonds, Series 2023B, of Johnson County, Kansas, Dated September 7, 2023

We have acted as Bond Counsel in connection with the issuance by Johnson County, Kansas (the “Issuer”), of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1.     The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.
2.     The Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.
3.     The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

**Gilmore & Bell, P.C.**



## FORM OF THE DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of September 7, 2023 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by **Johnson County, Kansas** (the “**Issuer**”).

## RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **[\$[PRINCIPAL AMOUNT] General Obligation Internal Improvement Bonds, Series 2023A, and \$[PRINCIPAL AMOUNT] Taxable General Obligation Internal Improvement Bonds, Series 2023B** (together, the “**Bonds**”), pursuant to resolutions adopted by the governing body of the Issuer (together, the “**Resolution**”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

**Section 1. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the **12**-month period beginning on **January 1** and ending on **December 31** or any other **12**-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

## **Section 2. Provision of Annual Reports.**

- (a) The Issuer shall, not later than June 30 immediately following the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending December 31, 2023, file with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):
- (1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the summary unaudited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
  - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be

submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become the last day of the sixth month after the end of the Issuer's new fiscal year.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

**Section 3. Reporting of Material Events.** Not later than **10** Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

**Section 4. Termination of Reporting Obligation.** The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment

in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

**Section 5. Dissemination Agents.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Additional Information.** Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Section 8. Default.** If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the

Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

**Section 9. Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 10. Severability.** If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 11. Electronic Transactions.** The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12. Governing Law.** This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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**IN WITNESS WHEREOF**, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

(SEAL)

By: \_\_\_\_\_  
Mike Kelly  
Chair

ATTEST:

By: \_\_\_\_\_  
Lynda Sader  
Deputy County Clerk

***EXHIBIT A***

**FINANCIAL INFORMATION AND OPERATING DATA TO BE  
INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in the following sections and tables contained in the final Official Statement relating to the Bonds:

- COUNTY PROPERTY VALUES
- COUNTY INDEBTEDNESS (*except* COUNTY INDEBTEDNESS – Estimated Calendar Year Debt Service Payments)
- COUNTY TAX RATES, LEVIES AND COLLECTIONS (*except* COUNTY TAX RATES, LEVIES AND COLLECTIONS – Special Assessment Billings and Collections)
- GENERAL INFORMATION CONCERNING THE COUNTY – Population (table regarding County’s population growth only)

## SUMMARY OF FINANCING DOCUMENTS RELATED TO THE COUNTY BONDS

The following is a summary of certain provisions contained in the Bond Resolution authorizing the issuance of the County Bonds. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing documents.

### THE SERIES 2023A BOND RESOLUTION

#### DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth for purposes of the Bond Resolution. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

**“Act”** means the Constitution and statutes of the State, including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 3-301 *et seq.*, all as amended and supplemented from time to time.

**“Authorized Denomination”** means \$5,000 or any integral multiples thereof.

**“Beneficial Owner”** of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

**“Bond and Interest Fund”** means the Bond and Interest Fund of the Issuer for its general obligation bonds.

**“Bond Counsel”** means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

**“Bond Payment Date”** means any date on which principal of or interest on any Bond is payable.

**“Bond Register”** means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

**“Bond Registrar”** means the State Treasurer, and any successors and assigns.

**“Bond Resolution”** means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

**“Bonds” or “Bond”** means the General Obligation Internal Improvement Bonds, Series 2023A, authorized and issued by the Issuer pursuant to the Bond Resolution.

**“Business Day”** means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

**“Cede & Co.”** means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Bonds.

**“Chair”** means the duly elected and acting Chair, or in the Chair’s absence, the duly appointed and/or elected Vice Chair or Acting Chair of the Issuer.

**“Clerk”** means the duly appointed and/or elected Clerk or, in the Clerk’s absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.



“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

“**Costs of Issuance**” means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“**County**” means Johnson County, Kansas.

“**Dated Date**” means September 7, 2023.

“**Debt Service Account**” means the account by that name created within the Bond and Interest Fund by the Bond Resolution.

“**Defaulted Interest**” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“**Defeasance Obligations**” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody’s or Standard & Poor’s that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“**Derivative**” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“**Disclosure Undertaking**” means the Issuer’s Continuing Disclosure Undertaking relating to certain obligations contained in the SEC Rule.

“**DTC**” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“**Event of Default**” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

**“Federal Tax Certificate”** means the Issuer’s Federal Tax Certificate for the Bonds, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

**“Financeable Costs”** means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

**“Fiscal Year”** means the twelve month period ending on December 31.

**“Fitch”** means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Funds and Accounts”** means funds and accounts created by or referred to in the Bond Resolution.

**“Improvement Fund”** means the fund by that name created in the Bond Resolution.

**“Improvements”** means the improvements referred to in the preamble to the Bond Resolution and any Substitute Improvements.

**“Independent Accountant”** means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

**“Interest Payment Date(s)”** means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing September 1, 2024.

**“Issue Date”** means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

**“Issuer”** means the County and any successors or assigns.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

**“Moody’s”** means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Official Statement”** means the Issuer’s Official Statement relating to the Bonds.

**“Outstanding”** means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

**“Owner”** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Paying Agent”** means the State Treasurer, and any successors and assigns.

**“Permitted Investments”** shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer’s temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the Issuer which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody’s or Standard & Poor’s; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

**“Person”** means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Purchaser”** means the financial institution or investment banking firm that is the original purchaser of the Bonds.

**“Rating Agency”** means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

**“Rebate Fund”** means the fund by that name created by the Bond Resolution.

**“Record Dates”** for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of the Bond Resolution.

**“Redemption Price”** means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Replacement Bonds”** means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

**“SEC Rule”** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

**“Securities Depository”** means, initially, DTC, and its successors and assigns.

**“Special Record Date”** means the date fixed by the Paying Agent for the payment of Defaulted Interest.

**“Standard & Poor’s” or “S&P”** means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“State”** means the state of Kansas.

**“State Treasurer”** means the duly elected Treasurer of the State or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

**“Stated Maturity”** when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

**“Substitute Improvements”** means the substitute or additional improvements of the Issuer described in the Bond Resolution.

**“Treasurer”** means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

**“United States Government Obligations”** means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

## **ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS**

*Creation of Funds and Accounts.* Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund.
- (b) Debt Service Account (within the Bond and Interest Fund).
- (c) Rebate Fund.

The above Funds and Accounts shall be administered in accordance with the provisions of the Bond Resolution so long as the Bonds are Outstanding.

***Deposit of Bond Proceeds.*** The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Account.

(b) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

***Application of Moneys in the Improvement Fund.*** Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Bonds during construction of the Improvements; (c) paying Costs of Issuance; and (d) transferring any amounts to the Rebate Fund.

***Substitution of Improvements; Reallocation of Proceeds.*** The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Bonds provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section; (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Bonds to include the Substitute Improvements; and (d) the use of the proceeds of the Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Bonds under State or federal law.

The Issuer may reallocate expenditure of Bond proceeds among all Improvements financed by the Bonds; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Bonds allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax-exempt status of the Bonds under State or federal law.

***Application of Moneys in the Debt Service Account.*** All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

***Payments Due on Saturdays, Sundays and Holidays.*** In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

***Application of Moneys in the Rebate Fund.*** There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money.

## DEPOSIT AND INVESTMENT OF MONEYS

**Deposits.** Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States which has a main or branch office located in the Issuer. All such depositaries shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

**Investments.** Moneys held in any Fund or Account may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

## DEFAULT AND REMEDIES

**Remedies.** The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

**Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained in the Bond Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

**Remedies Cumulative.** No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

## DEFEASANCE

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of

said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption.

## **TAX COVENANTS**

**General Covenants.** The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will take such actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**Survival of Covenants.** The covenants contained in the Bond Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds or any other provision of the Bond Resolution until such time as is set forth in the Federal Tax Certificate.

## **CONTINUING DISCLOSURE REQUIREMENTS**

**Disclosure Requirements.** The Issuer covenants in the Bond Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

**Failure to Comply with Continuing Disclosure Requirements.** In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

## **MISCELLANEOUS PROVISIONS**

**Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. After the completion of each such audit, a copy thereof shall be filed in the office of the Clerk. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner.

**Levy and Collection of Annual Tax.** The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer, shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer

is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

**Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to provide for Substitute Improvements, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

**Notices, Consents and Other Instruments by Owners.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

**Electronic Transactions.** The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Severability.** If any section or other part of the Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Bond Resolution.

**Governing Law.** The Bonds and the Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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## THE SERIES 2023B BOND RESOLUTION

### DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth for purposes of the Bond Resolution. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

**“Act”** means the Constitution and statutes of the State, including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-620 *et seq.*, and K.S.A. 3-301 *et seq.*, all as amended and supplemented from time to time.

**“Authorized Denomination”** means \$5,000 or any integral multiples thereof.

**“Beneficial Owner”** of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

**“Bond and Interest Fund”** means the Bond and Interest Fund of the Issuer for its general obligation bonds.

**“Bond Counsel”** means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

**“Bond Payment Date”** means any date on which principal of or interest on any Bond is payable.

**“Bond Register”** means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

**“Bond Registrar”** means the State Treasurer, and any successors and assigns.

**“Bond Resolution”** means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

**“Bonds” or “Bond”** means the Taxable General Obligation Internal Improvement Bonds, Series 2023B, authorized and issued by the Issuer pursuant to the Bond Resolution.

**“Business Day”** means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

**“Cede & Co.”** means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Bonds.

**“Chair”** means the duly elected and acting Chair, or in the Chair’s absence, the duly appointed and/or elected Vice Chair or Acting Chair of the Issuer.

**“Clerk”** means the duly appointed and/or elected Clerk or, in the Clerk’s absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.

**“Code”** means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

**“Costs of Issuance”** means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“**County**” means Johnson County, Kansas.

“**Dated Date**” means September 7, 2023.

“**Debt Service Account**” means the account by that name created within the Bond and Interest Fund by the Bond Resolution.

“**Defaulted Interest**” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“**Defeasance Obligations**” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody’s or Standard & Poor’s that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“**Derivative**” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“**Disclosure Undertaking**” means the Issuer’s Continuing Disclosure Undertaking relating to certain obligations contained in the SEC Rule.

“**DTC**” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“**Event of Default**” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

**“Financeable Costs”** means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

**“Fiscal Year”** means the twelve month period ending on December 31.

**“Fitch”** means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Funds and Accounts”** means funds and accounts created by or referred to in the Bond Resolution.

**“Improvement Fund”** means the fund by that name created in the Bond Resolution.

**“Improvements”** means the improvements referred to in the preamble to the Bond Resolution and any Substitute Improvements.

**“Independent Accountant”** means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

**“Interest Payment Date(s)”** means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing September 1, 2024.

**“Issue Date”** means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

**“Issuer”** means the County and any successors or assigns.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

**“Moody’s”** means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Official Statement”** means the Issuer’s Official Statement relating to the Bonds.

**“Outstanding”** means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

**“Owner”** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Paying Agent”** means the State Treasurer, and any successors and assigns.

**“Permitted Investments”** shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer’s temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the Issuer which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody’s or Standard & Poor’s; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

**“Person”** means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Purchaser”** means the financial institution or investment banking firm that is the original purchaser of the Bonds.

**“Rating Agency”** means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

**“Record Dates”** for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of the Bond Resolution.

**“Redemption Price”** means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Replacement Bonds”** means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

**“SEC Rule”** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

**“Securities Depository”** means, initially, DTC, and its successors and assigns.

**“Special Record Date”** means the date fixed by the Paying Agent for the payment of Defaulted Interest.

**“Standard & Poor’s” or “S&P”** means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“State”** means the state of Kansas.

**“State Treasurer”** means the duly elected Treasurer of the State or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

**“Stated Maturity”** when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

**“Substitute Improvements”** means the substitute or additional improvements of the Issuer described in the Bond Resolution.

**“Treasurer”** means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer’s absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

**“United States Government Obligations”** means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

**ESTABLISHMENT OF FUNDS AND ACCOUNTS;  
DEPOSIT AND APPLICATION OF BOND PROCEEDS**

*Creation of Funds and Accounts.* Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund.
- (b) Debt Service Account (within the Bond and Interest Fund).

The above Funds and Accounts shall be administered in accordance with the provisions of the Bond Resolution so long as the Bonds are Outstanding.

*Deposit of Bond Proceeds.* The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Account.
- (b) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

*Application of Moneys in the Improvement Fund.* Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Bonds during construction of the Improvements; and (c) paying Costs of Issuance.

***Substitution of Improvements; Reallocation of Proceeds.*** The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Bonds provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section; (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Bonds to include the Substitute Improvements; and (d) the use of the proceeds of the Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Bonds under State or federal law.

The Issuer may reallocate expenditure of Bond proceeds among all Improvements financed by the Bonds; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Bonds allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax-exempt status of the Bonds under State or federal law.

***Application of Moneys in the Debt Service Account.*** All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

***Payments Due on Saturdays, Sundays and Holidays.*** In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

## **DEPOSIT AND INVESTMENT OF MONEYS**

***Deposits.*** Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States which has a main or branch office located in the Issuer. All such depositories shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

***Investments.*** Moneys held in any Fund or Account may be invested in accordance with the Bond Resolution in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

## **DEFAULT AND REMEDIES**

**Remedies.** The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

**Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained in the Bond Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

**Remedies Cumulative.** No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

## **DEFEASANCE**

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption.

## **CONTINUING DISCLOSURE REQUIREMENTS**

**Disclosure Requirements.** The Issuer covenants in the Bond Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

***Failure to Comply with Continuing Disclosure Requirements.*** In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

## **MISCELLANEOUS PROVISIONS**

***Annual Audit.*** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. After the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk. Such audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner.

***Levy and Collection of Annual Tax.*** The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

***Amendments.*** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to provide for Substitute Improvements, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.



**Notices, Consents and Other Instruments by Owners.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

**Electronic Transactions.** The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

**Severability.** If any section or other part of the Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Bond Resolution.

**Governing Law.** The Bonds and the Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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**SUMMARY OF PROPERTY VALUATION, TAX LEVIES,  
PAYMENT PROVISIONS AND THE CASH-BASIS LAW**

Following is a summary of certain statutory and constitutional provisions relative to the mechanisms of real property valuation, tax levy procedures, tax payment and distribution procedures, and the cash-basis laws of the state. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes and articles of the State Constitution. This summary reflects changes to Kansas property tax laws following amendment of the State Constitution in 1986 and 1992 relating to reappraisal and classification of real property for the purpose of property taxation.

**Property Valuations (Chapter 79, Article 14, Kansas Statutes Annotated, and Article 11, Kansas Constitution)**

Assessor's Estimated Fair Market Value

The valuation of each parcel of real property subject to taxation must, by law, be updated each year, as of each January 1, and must be physically inspected by the appraiser at least once every six years. With the exception of agricultural land, all property is valued at its market value in money which is the value the appraiser determines to be the price the appraiser believes the property to be fairly worth, and which is referred to as the "Fair Market Value." Land devoted to agricultural use is appraised on the basis of the income-generating capabilities of such land for agricultural purposes at median levels of production.

Assessed Value and Property Classification

For taxable years commencing January 1, 1993, and thereafter, property is classified and assessed at the percentages of value as follows:

Class 1

This class consists of real property. Real property is further classified into seven subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

- (1) Real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located ..... 11½%
- (2) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to Section 12 of Article 11 of the Constitution ... 30%
- (3) Vacant lots ..... 12%
- (4) Real property which is owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to Section 501 of the federal Internal Revenue Code, and which is included in this subclass by law ..... 12%
- (5) Public utility real property, except railroad real property which shall be assessed at the average rate that all other commercial and industrial property is assessed ..... 33%
- (6) Real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use ..... 25%
- (7) All other urban and rural real property not otherwise specifically subclassified ..... 30%

Class 2

This class consists of tangible personal property. Such tangible personal property is further classified into six subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

- (1) Mobile homes used for residential purposes ..... 11½%
- (2) Mineral leasehold interests, except oil leasehold interests, the average daily production from which is five barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25% ..... 30%
- (3) Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed ..... 33%
- (4) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985 ..... 30%
- (5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property ..... 25%
- (6) All other tangible personal property not otherwise specifically classified ..... 30%

All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories (other than public utility inventories included in Subclass (3) of Class 2), livestock, and all household goods and personal effects not used for the production of income is exempted from property taxation.

The 2006 Kansas Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

**Property Tax Payments and Delinquencies (Chapter 79, Articles 18, 20, 23, 24, 28 and 29, Kansas Statutes Annotated)**

The amount of ad valorem taxes to be levied against property within a taxing jurisdiction is determined by the governing body of the jurisdiction as part of the annual budget approval process and certified, along with special assessments, to the county clerk not later than August 25 of each year. The county clerk assembles the tax levies and assessments from the various jurisdictions located within the county, together with any State property tax levies, into a tax roll specifying the tax on each taxable parcel of land in the county. The county treasurer receives the certified tax roll not later than September 1 each year and mails tax statements to taxpayers not later than December 15. Taxpayers have the option of paying the entire amount of taxes owed not later than December 20, or paying half at that time and the other half by the following May 10.

Property taxes not paid when and in the amounts due are considered delinquent and are subject to an interest penalty at a rate set by law. If delinquent taxes, plus accrued interest, have not been paid by July 10, the county treasurer will convey ownership of the property to the county, pursuant to statute. Delinquent taxpayers then have three years (or two years if both property taxes and special assessments are owed) to redeem their property by paying all unpaid taxes, fees, accrued interest and costs thereon. If not redeemed, the real estate will be disposed of by sheriff's sale at public auction to the highest bidder

following judicial foreclosure proceedings. The net proceeds of the sheriff's sale are apportioned on a pro rata basis to the various taxing units having jurisdiction over the property.

### **Property Tax Distributions (Section 12-1678a, Kansas Statutes Annotated)**

Property taxes and special assessments collected by the county treasurer on December 20 and May 10 are distributed to the various taxing units on January 20 and June 5, respectively, in the actual amount collected as of not more than 20 days prior to the distribution date. In addition, distributions of interim collections are made on March 20 and September 20, in an amount equal to 95% of the estimated amount collected but not less than the actual amount collected as of not more than 20 days prior to such distribution dates. A final distribution is made on October 31, just prior to the receipt by the treasurer of the following year's tax roll.

### **The Kansas Cash-Basis Law (Chapter 10, Article 11, Kansas Statutes Annotated)**

All municipalities and taxing subdivisions of the State are required by law to administer their financial operations on a cash basis, except in specific instances. Simply stated, a municipality may not incur a financial obligation in an amount which exceeds the amount of funds actually on hand at the time the obligation is incurred. The most notable exceptions to the cash-basis law are bonds, notes and warrants issued in accordance with State law, contracts approved by referenda and teacher contracts.

In order to operate efficiently on a cash basis, municipalities must adhere to certain statutory budgeting and accounting requirements which segregate financial resources into various operating funds, such as the general fund and the debt service fund, and limit the expenditure of such resources to the amounts identified in the duly adopted budget for each fund. Budgeted expenditures must be balanced with budgeted revenue for each fund, and moneys cannot be transferred between funds to cover excessive spending. Likewise, surplus revenue must be carried forward and used to reduce tax levies in the following year, with allowance for reasonable reserves.

According to the Kansas Supreme Court, the purpose of the cash-basis and budget laws is to provide for "the systematical, intelligent and economical administration of the financial affairs of municipalities and other taxing subdivisions of the state, so as to avoid waste and extravagance and yet permit such units of government to function so as to supply the governmental wants and needs of the people." (State, ex rel., v. Republic County Commissioners, 148 Kan. 376, 383.) It has the collateral effect of ensuring that financial obligations legally entered into will be paid.

**2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

*Rubin Brown, LLP, independent auditor for the County, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Rubin Brown, LLP also has not performed any procedures relating to this official statement.*

The County is audited annually by an independent certified public accounting firm. The following pages contain the County's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022.

The County's Annual Comprehensive Financial Reports for the years ending 1987 through 2021 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The County has submitted its Annual Comprehensive Financial Report for the 2022 fiscal year to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.



JOHNSON COUNTY  
KANSAS

Annual  
Comprehensive  
Financial Report



for the fiscal year ended Dec. 31, 2022



## ABOUT THE COVER

### Antioch Library Replacement **A**

A new branch within the Johnson County Library system will replace the current Antioch Library, which has operated in Merriam since 1956. The goal of the project is to provide the residents of Merriam a welcoming space complete with a drive-thru, dedicated kids' space, and a covered "front porch" just steps from the Merriam Community Center. Substantial completion is anticipated in the first half of 2024.

### Women, Infant, & Children (WIC) Community Garden **B**

Tucked next to the Johnson County Health Services Building, is a small but mighty garden, dedicated to providing fresh produce to clients in the Women, Infants, and Children (WIC) program and other residents experiencing food insecurity.

Established in May 2013 the Johnson County WIC Community Garden and Orchard is located on a quarter-acre green space as a program of the Johnson County Department of Health and Environment. The WIC Community Garden educates, empowers, and feeds the clients in the Kansas WIC program, thereby creating a healthier community.

With technical assistant from Johnson County Kansas State Extension Office, county employees, community members and WIC recipients volunteer their time weekly to seed, hoe, prune, stake, mulch, harvest and more depending on the season.

### Quicker Suicide Prevention Support **C**

On July 16, 2022, the National Suicide Prevention Line transitioned to new three-digit code (988), an easy-to-remember number that will make interventions and resources more accessible for individuals in mental health or substance abuse crisis. The Lifeline network has over 200 local crisis centers across the United States. This includes Johnson County Mental Health Center, which joined the network in 2021.

When a person calls 988 and connects with a local call center, trained mental health professionals are available 24/7 to provide support, listen and provide guidance on next steps to keep yourself and others safe. If on-site support is needed, they may activate mobile crisis responders or 911 first responders.

### "Gateway" by Amie Jacobsen at Meadowbrook Park **D**

Based on the Kansas sunflower, "Gateway" is designed to be not only a striking and dynamic form, but also engaging and interactive. Located within the Johnson County Parks & Recreation District, the art structure stands nearly 12 feet tall, multiple brightly colored and shaped petals made of cast glass and steel will glow in the sunlight as well as with lighting at night. Inside the arch, illustrated panels stretch from the floor up the interior sides, creating a tapestry that represents the history of the area of Meadowbrook Park and Prairie Village as a whole.

[www.jcprd.com/1826/Gateway-by-Amie-Jacobsen](http://www.jcprd.com/1826/Gateway-by-Amie-Jacobsen)

### Treasury, Taxation, and Vehicles **E**

The Department of Treasury, Taxation, and Vehicles consolidated physical space to offer a one-stop front counter for recording of deeds and other documents, accepting property tax payments, and responding to land record and taxation questions. The goal of this new consolidated approach is to create efficiencies and improve effectiveness that leads to better customer service. The consolidation also led to a reduction of operating costs of having two separate front counter locations for these services.

### Catch-a-Ride **F**

Catch-a-Ride is a social service program of the Johnson County Department of Aging & Human Services that provides volunteer transportation to medical appointments, food pantries and social service agencies within Johnson County. Volunteer driver Lisa Vaughn pictured with Joan Wissbaum.





# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended: December 31, 2022

## PREPARED BY:

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Kansas ([jocogov.org](http://jocogov.org))



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Johnson County, Kansas For the year ended December 31, 2022

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# **INTRODUCTORY SECTION**

June 23, 2023

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

We are pleased to present the Annual Comprehensive Financial Report of Johnson County, Kansas (the County), for the fiscal year ended December 31, 2022. 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 report 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 RubinBrown, LLP, an independent firm of licensed certified public accountants that has issued an unmodified opinion that the financial statements of the County for the fiscal year ended December 31, 2022, 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 Annual Comprehensive Financial Report.

## **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 478 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. The six district commissioners are elected by residents in specific geographical areas, or districts, of the County. The Board meets in regular business session once each week. The Chairman and Commissioners serve staggered, four-year terms with no term limitations.

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

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

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

The County provides services in the areas of general government, public works, public safety, health and human services, planning and economic development, culture and recreation, airport, wastewater, and transportation.

## **THE FINANCIAL REPORTING ENTITY**

This Annual Comprehensive Financial Report includes the financial activities of the primary government, which also encompasses several enterprise activities, and the financial activities of the County's component units. Component units are legally separate entities for which the primary government is financially accountable, and/or legally separate organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the County's financial statements to be misleading or incomplete.

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

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

Johnson County Fire District No. 2 became a blended component unit of the County in 2022 and reports to the Johnson County Board of Commissioners. The other three Fire Districts are combined into one component unit of the County, and each have their own independent boards, ranging from three-to-five members. The County is financially accountable for the Fire Districts, because the County's Board approves each of the Fire Districts' operating budget and levies taxes to fund the Fire Districts. For financial reporting purposes, Fire District No. 2 is now a special revenue fund of the County and the three other combined Fire Districts are 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 619,195 in 2022. 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 1,295 residents per square mile.

Between 2013 and 2022, the number of full and part-time jobs increased from 314,916 to 344,639 - a 9% increase. At the end of 2022, Johnson County's civilian labor force totaled 349,503 members and the unemployment rate was 2.3%, as compared to the national unemployment rate of 3.6%.

The number of businesses with payroll employment in the County grew from 17,242 establishments in 2013 to 18,808 in 2022 - an increase of 1,566 businesses. Numerous Fortune 1,000 companies have located offices in the greater Kansas City area, with a few headquartered in Johnson County, including Black & Veatch, Garmin and YRC Worldwide.

Over \$900 million dollars in Kansas State sales tax was collected in Johnson County. This amounted to approximately 27% of the state's total revenue from this source.

In 2022, Johnson County had the highest assessed valuation in the State of Kansas. The assessed valuation for Johnson County, the basis for ad valorem taxes and the County's largest revenue source, increased 9.9% from the previous year. The upturn in assessed valuations marks the tenth straight year of increase.

Johnson County has the lowest mill levy rate of all 105 counties in Kansas. The second lowest county in terms of mill levy rate is 65% higher than the 17.772 mills levied in Johnson County, which decreased from 18.564 at the end of 2022.

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

The adopted budget carefully considers the needs of our community and organization as well as our financial position and outlook as we look forward toward 2023 and beyond. It reflects a well thought out plan to serve our residents, be good stewards, and position our organization for the future.

The fiscal year 2023 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 2023 budget was developed in accordance with the Board of County Commissioner's strategic goals, which align financial decisions to the services provided to the community.

The Board's first goal is to "complete or advance existing projects approved by voters and the BOCC with efficiency and effectiveness." The 2023 budget was adopted with a total mill levy of 24.608. The mill levy broken down by taxing district is 17.772 for Johnson County, 3.815 for the Library, and 3.021 for the Park and Recreation District. The Board is committed to ensuring construction projects such as the Tomahawk and Nelson wastewater projects are completed on schedule and within budget.

The second goal for the Board is to "develop and implement a comprehensive plan to protect, support, integrate, and use county government data systems." Delivering innovative and reliable technology solutions and services to advance the objectives of County staff, elected officials and the community is a

priority of the Board. Part of the comprehensive plan involves consolidation, streamlining, and efficiency of technology resources, which is reflected in the 2023 budget.

The Board's third goal is to "develop a vision and finance plan for transportation to increase the economic health of Johnson County, State of Kansas, and the Kansas City Metropolitan Area."

The fourth goal for the Board is to "advance the self-sufficiency of vulnerable populations including those with I/DD, those with mental health needs, those who are aging, and those who are housing insecure."

The County's tax base is forecasted to increase slightly in each of the next five years. The mill levy decreased to 17.772 in FY 2023. Multi-year projections show no future changes through FY 2027. The projections are based on maintaining the County's service levels as well as the General Fund reserves.

### **Relevant Financial Policies**

The County's policy is to fund on-going expenditures with on-going revenues. For 2023, the adopted General Fund budget includes the use of reserves for one-time capital and operating expenditures. Through carefully controlling expenditures in tandem with modest revenue increases, the projected fund balance for the year ending December 31, 2023 is anticipated to be approximately \$197.1 million, or 41.9% of the General Fund revenues (excluding intra-fund transfers and the General Fund cost allocations.) In keeping with past Board direction, the multi-year budget projection gradually draws down the General Fund balance reserve to maintain the minimums of 20-25% revenues annually.

The revised Reserves Policy approved by the Board of County Commissioners took effect in 2013. In keeping with that policy, reserves are projected to decrease from 37.1% in FY 2024 to 26.7% in FY 2026.

### **Awards and Acknowledgments:**

The Government Finance Officers Association (GFOA) awarded its *Certificate of Achievement for Excellence in Financial Reporting* to the County for its Annual Comprehensive Financial Report for the year ended December 31, 2021. This was the 35th 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 Annual Comprehensive Financial Report. A *Certificate of Achievement* is valid for a period of one year only. We believe that the 2022 Annual Comprehensive 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, 2023. The County has received this award thirty two 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 Financial Management & Administration staff for their contributions to this year's Annual Comprehensive Financial Report. Special gratitude is due to the Accounting staff of Financial Management & Administration: Deputy Director Becky Jones, Accounting and Financial Reporting Manager Julie Highfill, Senior

Accountants Jim Longmire, Joe Wichman, and Billy Weaver, Accountants Kathleen McCormick, and Cindy Fecht, and Countywide Grants Manager Mark Johnson for their hours of commitment to excellence. We would also like to acknowledge the accounting firm of RubinBrown LLP for their review and comments in the preparation of this report.

Brent Christensen MA, CPM  
Director of Financial Management &  
Administration

Penny Postoak Ferguson, ICMA-CM  
County Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

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**Johnson County  
Kansas**

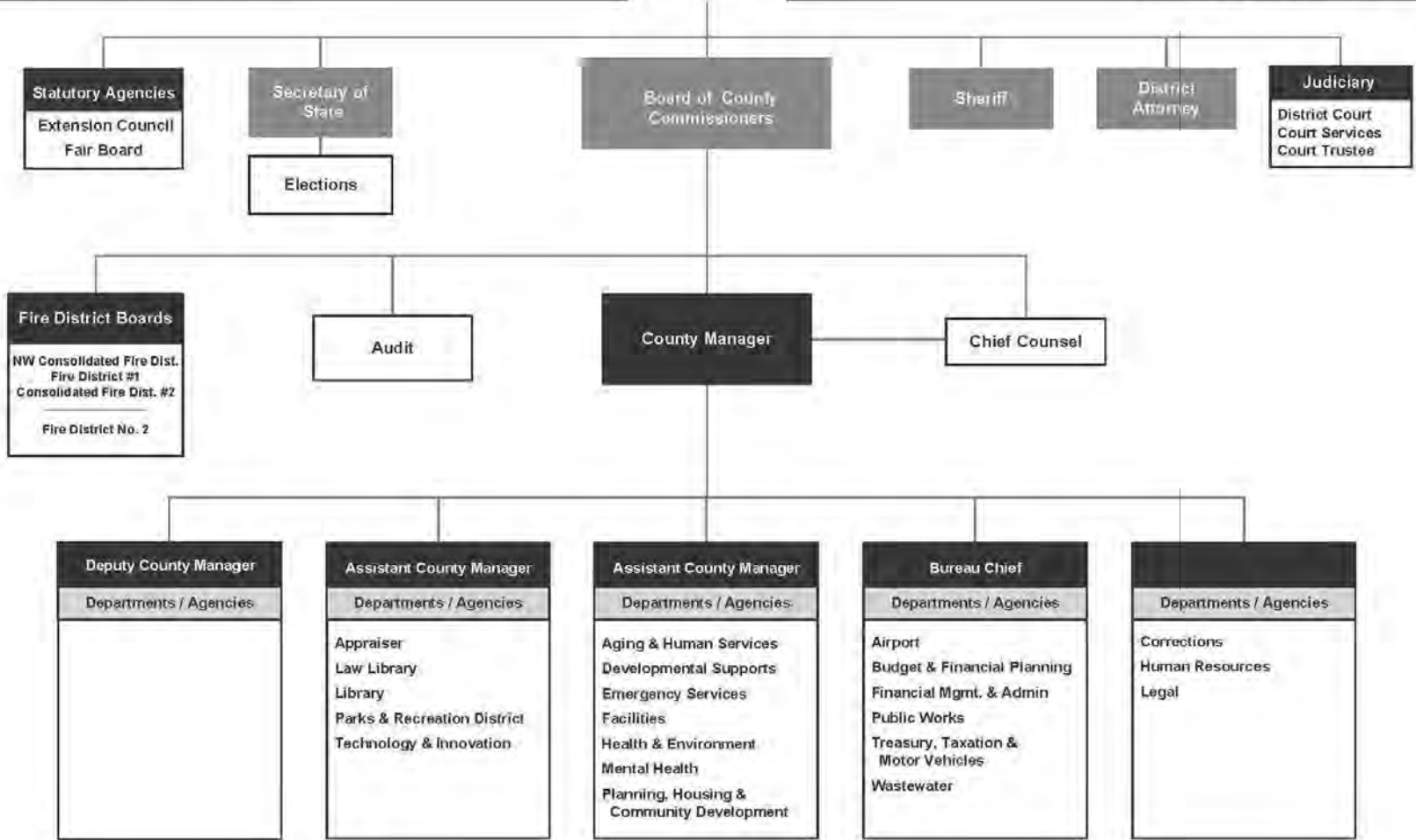
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

**ORGANIZATIONAL CHART**      **CITIZENS**      **JOHNSON COUNTY, KS**



Elected Officials     
 County Entities     
 State & Regional Entities

# Elected Officials

As of December 31, 2022

<u>Board of County Commissioners</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Position</u>
Ed Eilert	16 years	2023	Chairman
Becky Fast	4 years	2023	1st District
Jeff Meyers	2 years	2025	2nd District
Charlotte O'Hara	2 years	2025	3rd District
Janeé Hanzlick	4 years	2023	4th District
Michael L. Ashcraft	12 years	2023	5th District
Shirley Allenbrand	2 years	2025	6th District
 <u>Elected Officials</u>			
Cal Hayden	6 years	2025	Sheriff
Stephen M. Howe	14 years	2025	District Attorney

## County Executives

as of December 31, 2022

County Executives	Position	Length of Service to Johnson County	Other Government Service
Penny Postoak Ferguson	County Manager	13 years	14 years
Vacant	Deputy County Manager		
Joe Waters	Assistant County Manager	28 years	6 years
Joseph Connor	Assistant County Manager	4 years	33 years
Peg Trent	Chief Counsel/Director of Legal Services	1.5 years	22 years
David Boisvert	County Appraiser	3 years	25 years
Harry Heflin	County Auditor	7 years	32 years
Patricia Suellentrop	County Librarian	24.5 years	N/A
Timothy Wholf	Director of Aging and Human Services	.75 years	32 years
Scott Neufeld	Director of Budget and Financial Planning/Bureau Chief	28 years	8 years
Robert Sullivan	Director of Corrections	8 years	21 years
Paul Davis	Director of Emergency Services	6 years	25.5 years
Brian Pietig	Director of Facilities (Interim)	23 years	2.5 years
Brent Christensen	Director of Financial Management and Administration	25.5 years	N/A
Charlie Hunt	Director of Health and Environmental (Interim)	1.5 years	19 years
William Coy	Director of Human Resources	1 month	20 years
Jeff Stewart	Director of Park and Recreation	7 years	22 years
Jay Leipzig	Director of Planning, Housing and Community Development	5.5 years	24 years
Brian Pietig	Director of Public Works & Infrastructure/County Engineer	23 years	2.5 years
Bill Nixon	Director of Technology & Innovation	3.5 years	N/A
Tom Franzen	Director of Treasury, Taxation and Vehicles/County Treasurer	24 years	N/A
Fred Sherman	Election Commissioner	3 years	26 years
Aaron Otto	Executive Director of Airports	8 years	15.5 years
Chad VonAhnen	Executive Director of Developmental Supports	10 years	17 years
Tim DeWeese	Executive Director of Mental Health	22 years	5 years
Susan Pekarek	Wastewater General Manager	21 years	N/A

# **FINANCIAL SECTION**

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





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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## Independent Auditors' Report

Board of County Commissioners  
Johnson County, Kansas

### Report On The Audit Of The Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Kansas (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

We did not audit the financial statements of the Johnson County Fire District No. 1, Johnson County Consolidated Fire District No. 2, or Northwest Consolidated Fire District, which represent 20% of assets and deferred outflows of resources and 26% of revenues of aggregate discretely presented component units. The statements of Johnson County Fire District No. 1 and Johnson County Consolidated Fire District No. 2, which were prepared in accordance with the special purpose framework included in the *Kansas Municipal Audit and Accounting Guide*, have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the Johnson County Fire District No. 1 and Johnson County Consolidated Fire District No. 2, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Johnson County Fire District No. 1 and Johnson County Consolidated Fire District No. 2, prior to those conversion adjustments, is based solely on the report of the other auditors. The financial statements of Northwest Consolidated Fire District were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northwest Consolidated Fire District, is based solely on the report of the other auditors.

### ***Basis For Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. The financial statements of Johnson County Fire District No. 1, Johnson County Consolidated Fire District No. 2, and Northwest Consolidated Fire District were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Emphasis Of Matters***

As discussed in Note 17 to the financial statements, the County restated balances to change the component unit of Fire District No. 2 from discrete presentation to blended presentation. Our opinion is not modified with respect to this matter.

### ***Responsibilities Of Management For The Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities For The Audit Of The Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- a. Exercise professional judgment and maintain professional skepticism throughout the audit.
- b. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- c. Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- d. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- e. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

GAAP requires that the Management's Discussion and Analysis and other Required Supplementary Information listed in the table of contents to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 fund financial statements and schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023 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 the County's internal control over financial reporting and compliance.

*RubinBrown LLP*

June 23, 2023

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Johnson County, Kansas (the County) Annual Comprehensive Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2022. 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 \$1,028,960,489 (net position). Of this amount, \$374,889,077 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- As of December 31, 2022, the County's governmental funds reported combined ending fund balances of \$496,468,271. Approximately 74% of this total amount, \$365,452,995, 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 \$306,110,129 or 86% of total general fund expenditures of \$354,692,062. Approximately 76% of this total amount, \$231,790,445 is available to meet the County's current and future needs.
- The County's total bonded debt decreased by \$58,260,000 (7%) during the current fiscal year. This was the result of regular debt payments on current debt issues. No new debt was issued in 2022.

### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is measured as the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

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

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Park and Recreation District and legally separate Fire Districts for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize their status as legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Park and Recreation District and Fire Districts are reported as discretely presented component units. A fourth Fire District (Fire District #2) is a blended component unit of the primary government, presented as a special revenue fund.

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

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

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements (i.e., most of the County's basic services are reported in governmental funds). However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

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

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

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

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

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

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

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

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



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

<b>Johnson County's Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Assets:</b>						
Current and other assets	\$ 906,763,046	\$ 807,473,508	\$ 285,018,387	\$ 322,415,173	\$ 1,191,781,433	\$ 1,129,888,681
Capital assets	222,119,347	212,235,784	1,214,099,360	1,190,256,672	1,436,218,707	1,402,492,456
<b>Total assets</b>	<b>1,128,882,393</b>	<b>1,019,709,292</b>	<b>1,499,117,747</b>	<b>1,512,671,845</b>	<b>2,628,000,140</b>	<b>2,532,381,137</b>
Deferred Outflows	96,838,580	57,886,414	3,619,743	2,752,965	100,458,323	60,639,379
<b>Liabilities:</b>						
Long-term liabilities outstanding	345,239,911	235,290,155	898,624,866	980,351,276	1,243,864,777	1,215,641,431
Other liabilities	110,155,781	130,086,902	25,326,434	26,337,005	135,482,215	156,423,907
<b>Total liabilities</b>	<b>455,395,692</b>	<b>365,377,057</b>	<b>923,951,300</b>	<b>1,006,688,281</b>	<b>1,379,346,992</b>	<b>1,372,065,338</b>
Deferred Inflows	289,360,765	326,995,992	30,790,217	33,215,206	320,150,982	360,211,198
<b>Net position:</b>						
Net investment in capital assets	199,588,665	192,221,788	336,679,294	259,250,351	536,267,959	451,472,139
Restricted	117,775,307	93,761,539	28,146	254,754	117,803,453	94,016,293
Unrestricted	163,600,544	99,239,330	211,288,533	216,016,218	374,889,077	315,255,548
<b>Total net position</b>	<b>\$ 480,964,516</b>	<b>\$ 385,222,657</b>	<b>\$ 547,995,973</b>	<b>\$ 475,521,323</b>	<b>\$ 1,028,960,489</b>	<b>\$ 860,743,980</b>

**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 \$1,028,960,489 at the close of the current fiscal year.

The largest portion of the County's net position (52%) reflects its investment of \$536,267,959 in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net position is unrestricted net position, \$374,889,077 may be used to meet the government's ongoing obligations to citizens and creditors.

The following table reflects the revenues and expenses for the County's activities for the year ended December 31, 2022, and illustrates the comparison between 2022 and the prior year:

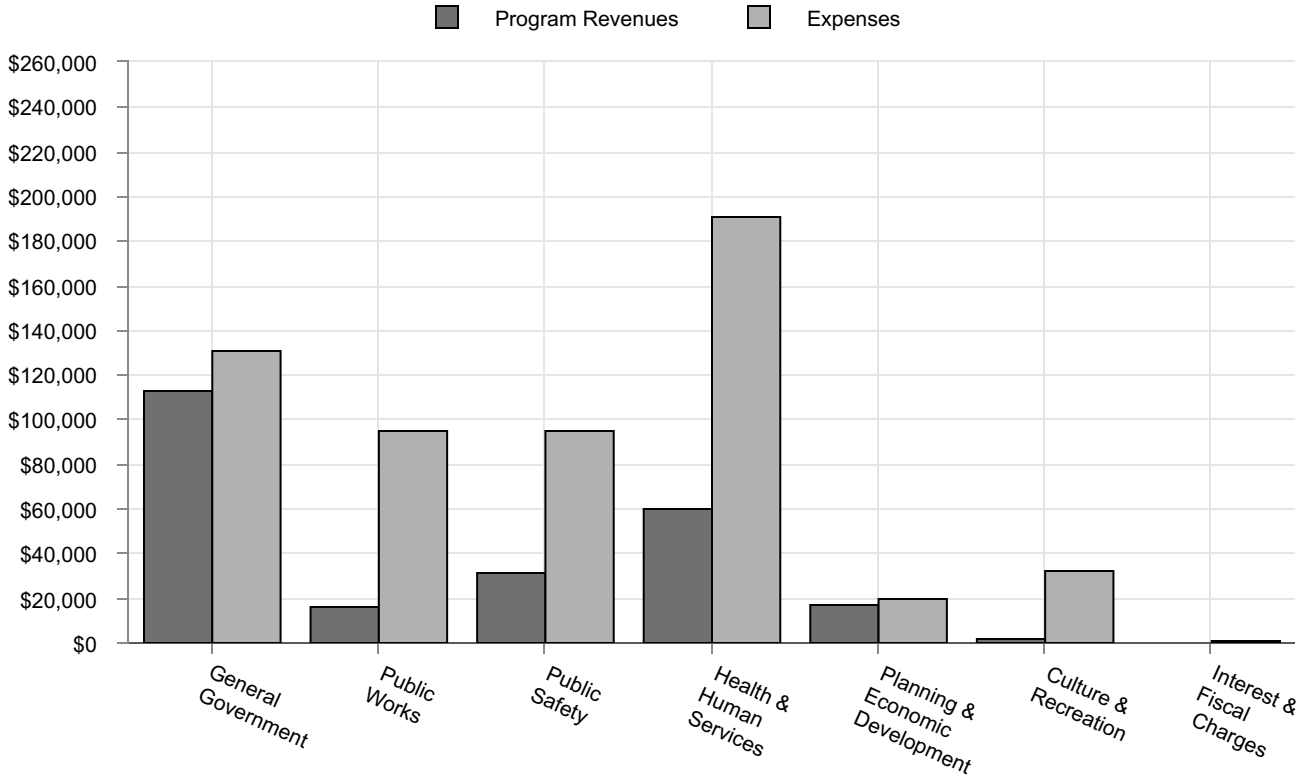
<b>Johnson County's Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenues:						
Program revenues:						
Charges for services	\$ 97,235,621	\$ 85,553,406	\$ 210,358,957	\$ 185,230,000	\$ 307,594,578	\$ 270,783,406
Operating grants and contributions	139,450,657	79,757,228	2,477,665	1,389,803	141,928,322	81,147,031
Capital grants and contributions	2,354,507	2,389,094	8,918,476	4,717,686	11,272,983	7,106,780
General revenues:						
Property taxes	291,330,456	277,664,772	74	54	291,330,530	277,664,826
Sales taxes	134,948,330	122,898,017	90,941	75,664	135,039,271	122,973,681
Other taxes	5,982,580	5,678,943	—	—	5,982,580	5,678,943
Lease interest	15,037	15,037	446,237	430,662	461,274	445,699
Unrestricted investment earnings	(7,221,845)	(1,042,907)	(5,437,576)	(1,788,952)	(12,659,421)	(2,831,859)
Miscellaneous	6,679,813	6,382,726	—	—	6,679,813	6,382,726
Total revenues	670,775,156	579,296,316	216,854,774	190,054,917	887,629,930	769,351,233
Expenses, net of indirect cost allocation:						
General government	130,705,579	111,052,320	—	—	130,705,579	111,052,320
Public works	95,065,259	99,158,736	—	—	95,065,259	99,158,736
Public safety	95,029,526	179,854,580	—	—	95,029,526	179,854,580
Health and human services	190,957,946	111,592,749	—	—	190,957,946	111,592,749
Planning and economic development	19,945,758	18,925,717	—	—	19,945,758	18,925,717
Culture and recreation	32,377,924	32,144,948	—	—	32,377,924	32,144,948
Interest on long term debt	665,785	643,914	—	—	665,785	643,914
Airport	—	—	11,840,071	8,989,850	11,840,071	8,989,850
Johnson County Wastewater	—	—	103,092,910	124,610,566	103,092,910	124,610,566
Transportation	—	—	19,540,363	9,636,696	19,540,363	9,636,696
Public Building Commission	—	—	21,123,695	21,051,588	21,123,695	21,051,588
Total expenses	564,747,777	553,372,964	155,597,039	164,288,700	720,344,816	717,661,664
Increase (decrease) in net position before transfers	106,027,379	25,923,352	61,257,735	25,766,217	167,285,114	51,689,569
Transfers	(11,216,915)	(7,091,721)	11,216,915	7,091,721	—	—
Change in net position	94,810,464	18,831,631	72,474,650	32,857,938	167,285,114	51,689,569
Net position	\$ 480,964,516	\$ 385,222,657	\$ 547,995,973	\$ 475,521,323	\$1,028,960,489	\$ 860,743,980

## Analysis of Changes in Net Position

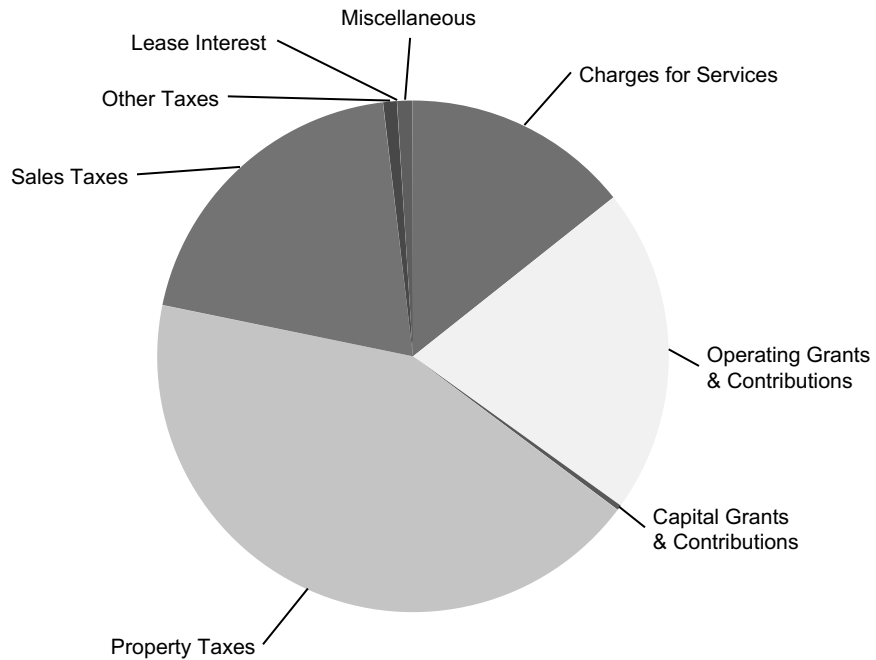
### Governmental Activities

During the current fiscal year, the County's net position related to governmental activities increased \$95,741,859 when compared to 2021. This was due to a variety of increases/decreases in revenues and expenses as shown in the table above. The majority of this increase is due to delay in spending the State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan Act of 2021.

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



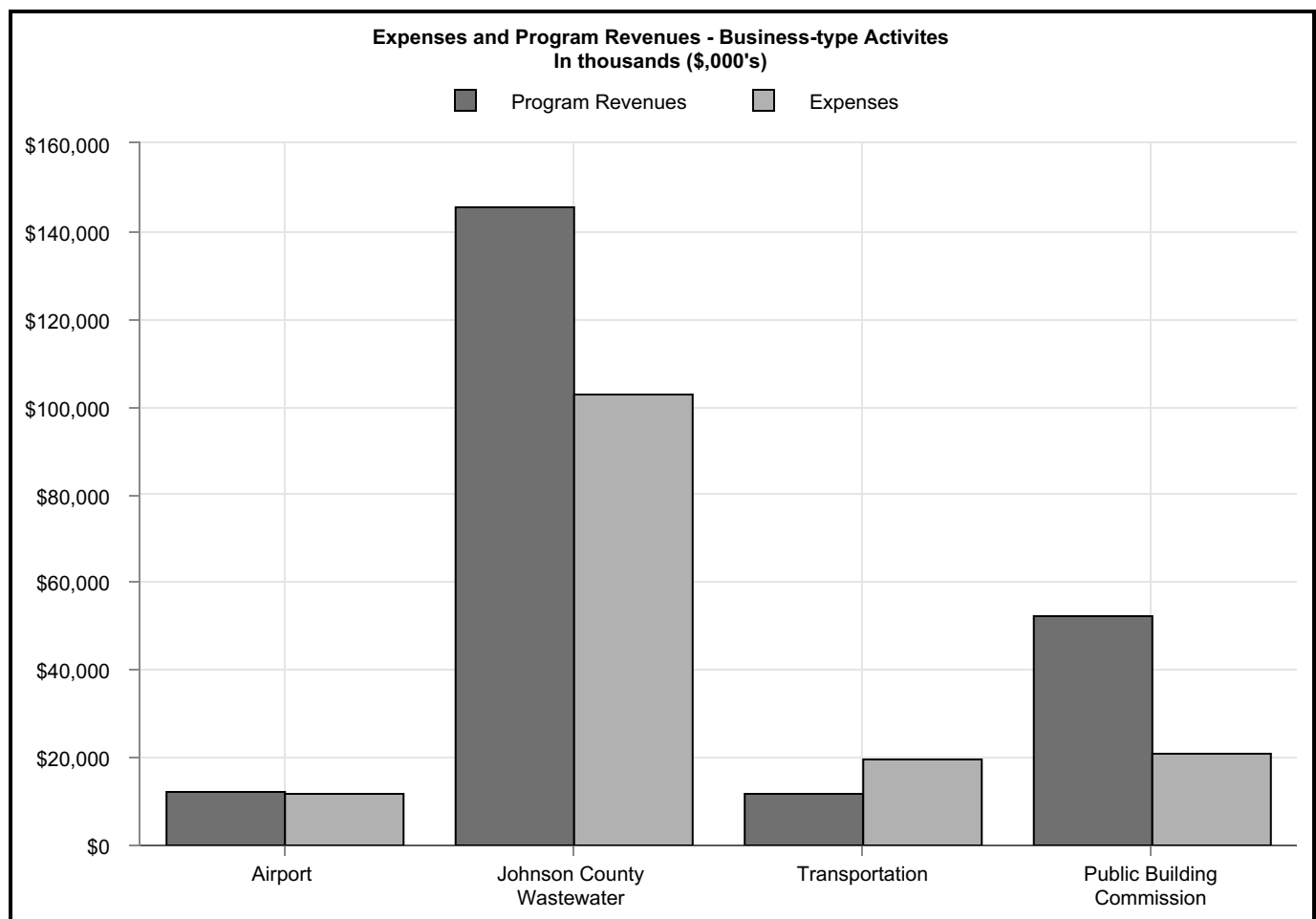
**Revenues by Source - Governmental Activities**

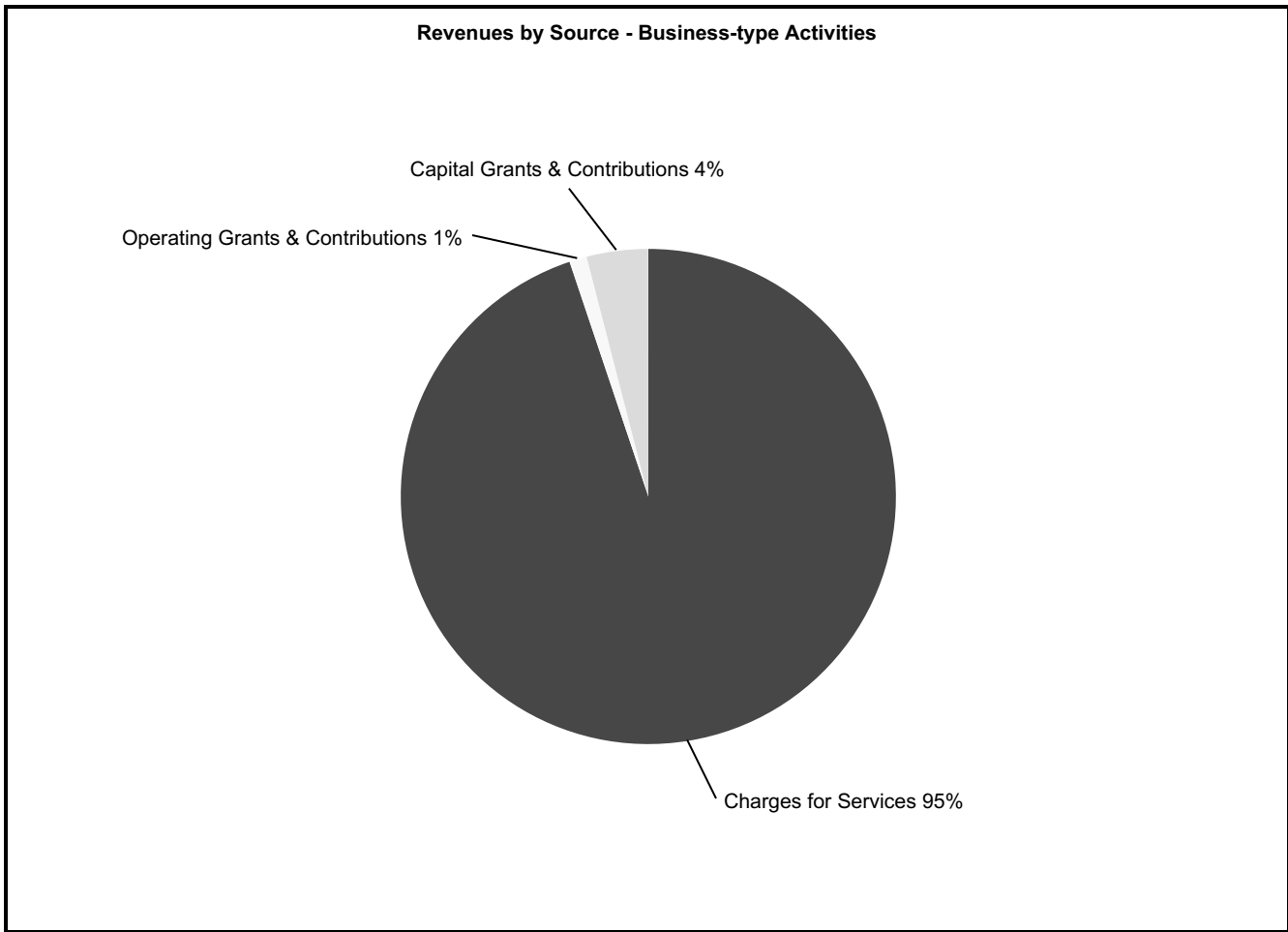


The charts above illustrate the County’s governmental expenses and revenues by function, and revenues by source. As shown, health and human services is the largest function in expense (34%), followed by general government (23%), and public safety and public works (each at 17%). General revenues such 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%), followed by operating grants and contributions (21%), sales taxes (20%), and charges for services (15%).

**Business-type Activities**

During the current fiscal year, the County’s net position related to business-type activities increased \$72,474,650. Johnson County Wastewater operations contributed \$36M (half) of the increase due to rate increases and slight increases in billable flow, coupled with reduced expenses when the new Tomahawk facility went online and treated received flow that had previously been sent to Kansas City, Missouri for treatment.





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 \$496,468,271, an increase of \$100,688,566 from the prior year. (\$6,658,254 of that is a restatement for a change in the presentation of a component unit). Approximately 74% of this total amount, or \$365,452,995 constitutes fund balance that is available to meet the County’s current and future needs. The remainder of the fund balance totaling \$131,015,276 is either non-spendable or restricted for specific spending; including \$13,239,969 “not in spendable form” for items that are not expected to be converted to cash such as inventories and prepaid items, and \$117,775,307 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 \$231,790,445, while total fund balance was \$306,110,129. 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 65% of total general fund expenditures of \$354,692,062, while total fund balance represents 86% of that same amount.

The fund balance in the County's general fund has increased by \$73,229,873 during the current fiscal year. Total revenue in the general fund was \$460,918,068, a increase of \$68,277,919. Most of this is attributed to State and Local Fiscal Recovery Funds (SLFRF) repurposed through the United States Treasury's lost revenue calculation committed as the Countywide Support Fund (CSF).

**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 \$211,288,533. The total change in net position for Johnson County Wastewater was an increase of \$35,930,186. The total change in net position for Public Building Commission was an increase of \$31,690,993, which was mostly due to a reduction in revenue bond balances.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The original and final budgets for the General Fund were the same, and revenues were above the final budget by \$43,988,017. Due to the County's effective budget controls expenditures were \$249,808,951 less than budgeted, which resulted in a positive variance of \$273,577,348 in the General Fund. A summary of the significant differences between budgetary estimates for revenues and expenditures is as follows:

- Intergovernmental revenues were \$21,809,990 more than expected as the County received more federal and state grant funds.
- General fund reserves of \$184,454,532 remain available at the end of 2022.

## 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, 2022 amounted to \$1,432,892,181 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, bridges and intangible assets.

Johnson County's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 30,615,359	\$ 30,057,723	\$ 17,201,042	\$ 15,653,985	\$ 47,816,401	\$ 45,711,708
Buildings	97,153,933	96,134,049	486,207,782	493,545,324	583,361,715	589,679,373
Improvements other than buildings	4,842,135	3,598,644	552,958,486	244,548,400	557,800,621	248,147,044
Machinery and equipment	23,299,463	21,893,906	24,708,270	31,089,247	48,007,733	52,983,153
Infrastructure	40,454,356	41,995,245	1,551,532	1,601,929	42,005,888	43,597,174
Construction in progress	22,593,206	17,950,517	131,306,617	403,596,945	153,899,823	421,547,462
Total	\$ 218,958,452	\$ 211,630,084	\$ 1,213,933,729	\$ 1,190,035,830	\$ 1,432,892,181	\$ 1,401,665,914

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

**Long-Term Debt.** At the end of the current fiscal year, the County had total long-term bonded debt outstanding of \$827,925,000. The \$577,411,300 of general obligation debt is backed by the full faith and credit of the County. Special Assessment debt in the amount of \$103,700 is debt for which the County is liable in the event of default by the property owners subject to the assessment. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Johnson County's Outstanding Debt General Obligation and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 14,120,000	\$ 10,925,000	\$ 563,291,300	\$ 587,760,500	\$ 577,411,300	\$ 598,685,500
Special assessment debt	103,700	119,500	—	—	103,700	119,500
Revenue bonds	—	—	250,410,000	287,380,000	250,410,000	287,380,000
<b>Total</b>	<b>\$ 14,223,700</b>	<b>\$ 11,044,500</b>	<b>\$ 813,701,300</b>	<b>\$ 875,140,500</b>	<b>\$ 827,925,000</b>	<b>\$ 886,185,000</b>

The County's total long-term debt decreased by \$58,260,000 during the fiscal year due to regular debt payments on current debt issues. No new debt was issued in 2022.

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

Statutes limit the amount of general obligation debt a governmental entity may issue to 3% of its total assessed valuation. The current debt limitation for the County is \$1,107,835,353, which is significantly in excess of the County's outstanding general obligation debt. Detailed information on the County's debt limit can be found in the Statistical Section of this report.

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

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

Johnson County continues to be an attractive location for both families and businesses. According to the Bureau of Economic Analysis, the County's population increased from 566,933 in 2013 to 619,195 in 2022 (an increase of 52,262 or 9%). On average, the County's population grows by approximately 5,226 persons per year, or 436 per month. Unemployment rates are currently at 2.3% compared to a national level of 3.6% and a state level of 2.9%.

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 2023. At the end of 2022, the unrestricted fund balance in the general fund is \$111,472,962.

## **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: Financial Management and Administration, 111 South Cherry Street, Suite 2400, Olathe, Kansas 66061. The County's Annual Comprehensive Financial Report and financial publications can be found on the internet at [www.jocogov.org](http://www.jocogov.org). Separately issued financial statements for the discretely presented component unit, the Park and Recreation District, may be obtained at 7900 Renner Road, Lenexa, Kansas 66218.



# **BASIC FINANCIAL STATEMENTS**

**Johnson County, Kansas**  
**Statement of Net Position**  
**December 31, 2022**

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Total	Park and Recreation	Fire Districts (non-blended)
<b>ASSETS</b>					
Deposits including investments	\$ 545,585,664	\$ 235,315,387	\$ 780,901,051	\$ 74,378,511	\$ 16,477,188
Receivables (net of allowance for uncollectibles):	326,366,041	23,574,701	349,940,742	40,904,969	23,156,928
Lease receivables	1,010,992	29,289,849	30,300,841	2,568,839	3,237,450
Internal balances	20,249,339	(20,249,339)	—	—	—
Inventories	6,505,663	697,461	7,203,124	91,980	—
Prepays	7,045,347	385,554	7,430,901	575,577	10,025
Restricted cash and investments	—	16,004,774	16,004,774	14,785,345	218,720
Capital assets (net of accumulated depreciation):					
Land	30,615,359	17,201,042	47,816,401	67,216,996	1,678,461
Buildings	97,153,933	486,207,782	583,361,715	46,368,731	16,802,497
Improvements other than buildings	4,842,135	552,958,486	557,800,621	40,086,089	—
Machinery and equipment	23,299,463	24,708,270	48,007,733	17,399,781	8,706,914
Infrastructure	40,454,356	1,551,532	42,005,888	1,173,029	—
Construction in progress	22,593,206	131,306,617	153,899,823	8,995,931	—
Right to use assets- leases (net of accumulated amortization):					
Land	—	165,631	165,631	—	390,211
Buildings	2,831,778	—	2,831,778	—	—
Machinery and equipment	260,112	—	260,112	176,419	—
Vehicles	69,005	—	69,005	—	—
<b>TOTAL ASSETS</b>	<b>1,128,882,393</b>	<b>1,499,117,747</b>	<b>2,628,000,140</b>	<b>314,722,197</b>	<b>70,678,394</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferred outflow	94,001,497	2,546,199	96,547,696	7,499,244	11,786,685
OPEB deferred outflow	2,837,083	213,544	3,050,627	285,327	239,415
Asset retirement obligation	—	860,000	860,000	—	—
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>96,838,580</b>	<b>3,619,743</b>	<b>100,458,323</b>	<b>7,784,571</b>	<b>12,026,100</b>

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

**Johnson County, Kansas**  
**Statement of Net Position (Continued)**  
**December 31, 2022**

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Total	Park and Recreation	Fire Districts (non-blended)
<b>LIABILITIES</b>					
Accounts payable	29,788,053	14,126,458	43,914,511	2,699,886	447,430
Salaries and wages payable	5,882,641	424,138	6,306,779	—	126,083
Accrued liabilities	15,190,208	124,343	15,314,551	1,197,406	121,001
Interest payable	151,553	9,758,997	9,910,550	410,136	156,883
Unearned revenue - other	10,762,768	726,892	11,489,660	4,104,287	—
Unearned revenue - grants revenue	48,380,558	—	48,380,558	—	—
Customer deposits payable	—	—	—	68,550	—
Lease liability	—	165,606	165,606	176,444	392,965
<b>Noncurrent liabilities</b>					
Due within one year	4,919,860	73,280,878	78,200,738	6,316,209	1,626,733
Due in more than one year	340,320,051	825,343,988	1,165,664,039	60,280,479	54,138,740
<b>TOTAL LIABILITIES</b>	<b>455,395,692</b>	<b>923,951,300</b>	<b>1,379,346,992</b>	<b>75,253,397</b>	<b>57,009,835</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property tax receivable	273,758,815	—	273,758,815	39,864,625	23,092,356
Capital finance charges receivable	—	726,821	726,821	—	—
Pension deferred inflow	5,730,454	132,037	5,862,491	99,773	792,419
OPEB deferred inflow	8,883,667	668,662	9,552,329	1,664,653	1,605,233
Unamortized portion of refunding	1,314	869,649	870,963	—	143,427
Leases deferred inflow	986,515	28,393,048	29,379,563	2,490,692	4,092,500
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>289,360,765</b>	<b>30,790,217</b>	<b>320,150,982</b>	<b>44,119,743</b>	<b>29,725,935</b>
<b>NET POSITION</b>					
Net investment in capital assets	199,588,665	336,679,294	536,267,959	151,010,500	7,411,037
<b>Restricted for:</b>					
Technology Management	9,158,363	—	9,158,363	—	—
Public works	6,618,113	—	6,618,113	—	—
Law Enforcement	68,292,068	—	68,292,068	—	—
Community Support Services	21,424,425	—	21,424,425	—	—
Planning and Economic Development	2,626,620	—	2,626,620	—	—
Libraries, Recreation, and Education	6,529,232	—	6,529,232	3,431,423	—
Capital projects	—	28,146	28,146	252,669	217,720
Debt service	3,126,486	—	3,126,486	—	—
Unrestricted	163,600,544	211,288,533	374,889,077	48,439,036	(11,660,033)
<b>TOTAL NET POSITION</b>	<b>\$ 480,964,516</b>	<b>\$ 547,995,973</b>	<b>\$1,028,960,489</b>	<b>\$ 203,133,628</b>	<b>\$ (4,031,276)</b>

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

**Johnson County, Kansas  
Statement of Activities  
For the Year Ended December 31, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Indirect Expenses Allocation	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	
						Governmental Activities	Business-Type Activities	Park and Recreation	Fire Districts (non-blended)	
<b>Primary Government:</b>										
<b>Governmental Activities:</b>										
General government	\$146,910,264	\$ (16,204,685)	\$ 27,625,420	\$ 85,556,716	\$ —	\$ (17,523,443)	\$ —	\$ (17,523,443)	\$ —	\$ —
Public works	93,924,752	1,140,507	1,429,012	12,541,365	2,251,919	(78,842,963)	—	(78,842,963)	—	—
Public safety	94,944,526	85,000	25,790,206	5,223,450	102,588	(63,913,282)	—	(63,913,282)	—	—
Health and human services	180,825,660	10,132,286	38,940,189	21,091,269	—	(130,926,488)	—	(130,926,488)	—	—
Planning and economic development	19,845,758	100,000	1,930,747	14,904,189	—	(3,110,822)	—	(3,110,822)	—	—
Culture and recreation	32,377,924	—	1,520,047	133,668	—	(30,724,209)	—	(30,724,209)	—	—
Interest on long term debt	665,785	—	—	—	—	(665,785)	—	(665,785)	—	—
<b>Total governmental activities</b>	<b>569,494,669</b>	<b>(4,746,892)</b>	<b>97,235,621</b>	<b>139,450,657</b>	<b>2,354,507</b>	<b>(325,706,992)</b>	<b>—</b>	<b>(325,706,992)</b>	<b>—</b>	<b>—</b>
<b>Business Type activities:</b>										
<b>Airport</b>	11,467,467	372,604	7,735,992	4,914	4,420,658	—	321,493	321,493	—	—
Johnson County Wastewater	99,177,720	3,915,190	145,556,182	—	—	—	42,463,272	42,463,272	—	—
Transportation	19,081,265	459,098	4,642,117	2,472,751	4,497,818	—	(7,927,677)	(7,927,677)	—	—
Public Building Commission	21,123,695	—	52,424,666	—	—	—	31,300,971	31,300,971	—	—
<b>Total business type activities</b>	<b>150,850,147</b>	<b>4,746,892</b>	<b>210,358,957</b>	<b>2,477,665</b>	<b>8,918,476</b>	<b>—</b>	<b>66,158,059</b>	<b>66,158,059</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government</b>	<b>\$720,344,816</b>	<b>\$ —</b>	<b>\$307,594,578</b>	<b>\$ 141,928,322</b>	<b>\$ 11,272,983</b>	<b>(325,706,992)</b>	<b>66,158,059</b>	<b>(259,548,933)</b>	<b>—</b>	<b>—</b>
<b>Component unit:</b>										
<b>Park and Recreation</b>	\$ 56,668,348	\$ —	\$ 24,778,765	\$ 10,873,249	\$ 2,742,920	—	—	(18,273,414)	—	(25,044,965)
<b>Fire Districts (non-blended)</b>	\$ 28,135,425	\$ —	\$ 314,700	\$ 2,775,760	\$ —	—	—	—	—	—
<b>General revenues:</b>										
Property taxes						291,330,456	74	291,330,530	40,394,632	23,434,182
Sales taxes						134,948,330	90,941	135,039,271	—	—
Other taxes						5,982,580	—	5,982,580	25,227	—
Unrestricted investment earnings (loss)						(7,221,845)	(5,437,576)	(12,659,421)	963,623	652,951
Lease Interest						15,037	446,237	461,274	7,256	57,474
Miscellaneous						6,679,813	—	6,679,813	588,408	509,988
Transfers						(11,216,915)	11,216,915	—	—	—
Total general revenue and transfers						420,517,456	6,316,591	426,834,047	41,979,146	24,654,595
Change in net position						94,810,464	72,474,650	167,285,114	23,705,732	(390,370)
Net position - beginning						385,222,657	475,521,323	860,743,980	179,427,896	(2,709,511)
Change from discrete to blended presentation						931,395	—	931,395	—	(931,395)
Net position - beginning of year restated						386,154,052	475,521,323	861,675,375	179,427,896	(3,640,906)
Net position - ending						\$ 480,964,516	\$ 547,995,973	\$1,028,960,489	\$ 203,133,628	\$ (4,031,276)

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

**Johnson County, Kansas**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Deposits including investments	\$ 298,751,221	\$ 124,425,719	\$ 82,171,859	\$ 505,348,799
Receivables (net of allowance for uncollectibles):	202,901,893	38,535	123,397,012	326,337,440
Lease receivable	468,527	—	542,465	1,010,992
Due from other funds	20,249,339	—	—	20,249,339
Inventories	5,814,963	—	437,496	6,252,459
Prepays	3,230,223	—	3,757,287	6,987,510
<b>Total assets</b>	<u>\$ 531,416,166</u>	<u>\$ 124,464,254</u>	<u>\$ 210,306,119</u>	<u>\$ 866,186,539</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,400,035	\$ 11,267,720	\$ 3,317,222	\$ 22,984,977
Salaries and wages payable	4,136,081	—	1,724,854	5,860,935
Due to others	6,958,494	34,020	2,987	6,995,501
Unearned revenue - other	3,837,323	—	6,913,644	10,750,967
Unearned revenue - grants revenue	35,750,113	8,680,655	—	44,430,768
<b>Total liabilities</b>	<u>59,082,046</u>	<u>19,982,395</u>	<u>11,958,707</u>	<u>91,023,148</u>
<b>Deferred Inflows of Resources:</b>				
Property tax receivable	165,761,710	—	107,997,105	273,758,815
Leases deferred inflow	462,281	—	524,234	986,515
<b>Total deferred inflows of resources</b>	<u>166,223,991</u>	<u>—</u>	<u>108,521,339</u>	<u>274,745,330</u>
<b>Fund Balances:</b>				
Nonspendable	9,045,186	—	4,194,783	13,239,969
Restricted	65,274,498	—	52,500,809	117,775,307
Committed	117,840,260	104,481,859	245,125	222,567,244
Assigned	2,477,223	—	28,935,566	31,412,789
Unassigned	111,472,962	—	—	111,472,962
<b>Total fund balances</b>	<u>306,110,129</u>	<u>104,481,859</u>	<u>85,876,283</u>	<u>496,468,271</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 531,416,166</u>	<u>\$ 124,464,254</u>	<u>\$ 206,356,329</u>	<u>\$ 862,236,749</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, 2022**

Total fund balance - all governmental funds	\$ 496,468,271
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.	218,958,452
Less Internal Services Fund Capital Assets	(5,586,796)
Right to use lease assets used in governmental activities are not financial resources	3,160,895
Other deferred outflows of resources in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Deferred outflows - pensions	94,001,497
Deferred outflows - OPEB	2,837,083
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:	
Interest Payable	\$ (151,553)
Bonds:	
General obligation, including unamortized premium of \$1,450,078	(15,570,077)
Special assessment	(103,700)
Compensated absences	(23,163,855)
Total OPEB liability	(18,808,221)
Capital purchase obligations	(697,760)
Net pension liability	(286,556,209)
Right to use lease liability	(340,089)
Total	(345,391,464)
Less Internal Services Fund Long Term Debt	136,253
Other deferred inflows of resources does not increase net position until a future period and therefore are not reported in the funds:	
Deferred inflows - pensions	(5,730,454)
Deferred inflows - OPEB	(8,883,667)
Unamortized portion of refunding	(1,314)
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.	30,995,760
Net position of governmental activities	<u>\$ 480,964,516</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, 2022**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 290,798,371	\$ —	\$ 141,462,995	\$ 432,261,366
Intergovernmental	110,303,956	2,271,663	29,229,545	141,805,164
Charges for services	59,566,387	—	30,636,624	90,203,011
Investment earnings (loss)	(5,496,042)	31,897	(1,905,313)	(7,369,458)
Licenses and permits	1,932,139	—	1,938,414	3,870,553
Other	3,813,257	59,838	2,806,718	6,679,813
<b>Total revenues</b>	<b>460,918,068</b>	<b>2,363,398</b>	<b>204,168,983</b>	<b>667,450,449</b>
<b>EXPENDITURES</b>				
Current:				
General government	111,151,539	—	850,601	112,002,140
Public works	—	—	12,919,754	12,919,754
Public safety	77,383,878	—	12,712,396	90,096,274
Health and human services	98,535,082	—	91,814,441	190,349,523
Planning and economic development	19,943,451	—	—	19,943,451
Culture and recreation	969,424	—	30,481,417	31,450,841
Debt service:				
Principal retirement	—	651,520	1,935,800	2,587,320
Interest and fiscal charges	—	—	688,643	688,643
Capital outlay	46,708,688	46,068,333	5,600,886	98,377,907
<b>Total expenditures</b>	<b>354,692,062</b>	<b>46,719,853</b>	<b>157,003,938</b>	<b>558,415,853</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>106,226,006</b>	<b>(44,356,455)</b>	<b>47,165,045</b>	<b>109,034,596</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,007,200	62,466,113	5,080,928	71,554,241
Transfers out	(37,010,669)	(3,839,374)	(45,724,142)	(86,574,185)
Lease interest	7,336	—	8,324	15,660
<b>Total other financing sources and uses</b>	<b>(32,996,133)</b>	<b>58,626,739</b>	<b>(40,634,890)</b>	<b>(15,004,284)</b>
<b>Net change in fund balances</b>	<b>73,229,873</b>	<b>14,270,284</b>	<b>6,530,155</b>	<b>94,030,312</b>
<b>Fund balances - beginning</b>	<b>232,880,256</b>	<b>90,211,575</b>	<b>72,687,874</b>	<b>395,779,705</b>
<b>Change from discrete to blended presentation</b>	<b>—</b>	<b>—</b>	<b>6,658,254</b>	<b>6,658,254</b>
<b>Fund balances - beginning as restated</b>	<b>232,880,256</b>	<b>90,211,575</b>	<b>79,346,128</b>	<b>402,437,959</b>
<b>Fund balances - ending</b>	<b>\$ 306,110,129</b>	<b>\$ 104,481,859</b>	<b>\$ 85,876,283</b>	<b>\$ 496,468,271</b>

*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, 2022**

Net change in fund balances - all governmental funds \$ 94,030,312

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 outlay exceeded depreciation in the current period.

	Capital Outlay	\$ 19,600,740	
	Lease Amortization Expense	(537,016)	
	Depreciation Expense	<u>(14,926,027)</u>	
	Net change		4,137,697

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

Principal Retirement 3,724,694

Net gain (loss) on disposal of capital assets and infrastructure. (1,379,470)

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. 22,858

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. (1,187,977)

OPEB expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 1,708,018

Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for the pensions are only recorded in the statement of activities. (13,336,720)

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. 7,091,052

Changes in net position of governmental activities \$ 94,810,464

*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 - Budget Basis**  
**General Fund**  
**For the Year Ended December 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 274,038,786	\$ 274,038,786	\$ 290,798,372	\$ 16,759,586
Intergovernmental	88,493,966	88,493,966	110,303,956	21,809,990
Charges for services	58,308,641	58,308,641	59,566,387	1,257,746
Investment earnings	767,036	767,036	5,753,562	4,986,526
Licenses and permits	1,819,746	1,819,746	1,932,139	112,393
Other	4,745,281	4,745,281	3,807,057	(938,224)
<b>Total revenues</b>	<u>428,173,456</u>	<u>428,173,456</u>	<u>472,161,473</u>	<u>43,988,017</u>
<b>EXPENDITURES</b>				
Current:				
General government	117,094,239	117,094,239	111,005,526	6,088,713
Public safety	169,914,925	169,914,925	79,699,902	90,215,023
Health and human services	68,537,225	68,537,225	99,044,721	(30,507,496)
Planning and economic development	22,965,261	22,965,261	21,621,665	1,343,596
Culture and recreation	1,709,589	1,709,589	969,424	740,165
Capital outlay	44,316,417	44,316,417	46,841,999	(2,525,582)
Reserves	184,454,532	184,454,532	—	184,454,532
<b>Total expenditures</b>	<u>608,992,188</u>	<u>608,992,188</u>	<u>359,183,237</u>	<u>249,808,951</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(180,818,732)</u>	<u>(180,818,732)</u>	<u>112,978,236</u>	<u>293,796,968</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,693,595	3,693,595	4,007,200	313,605
Transfers out	(24,457,477)	(24,457,477)	(44,990,702)	(20,533,225)
<b>Total other financing sources and uses</b>	<u>(20,763,882)</u>	<u>(20,763,882)</u>	<u>(40,983,502)</u>	<u>(20,219,620)</u>
<b>Net change in fund balances</b>	<u>(201,582,614)</u>	<u>(201,582,614)</u>	<u>71,994,734</u>	<u>\$ 273,577,348</u>
<b>Fund balances - beginning</b>	<u>201,582,614</u>	<u>201,582,614</u>	<u>218,180,863</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 290,175,597</u>	

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

**Johnson County, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Wastewater	Public Building Commission	Non-Major Total		
	Total		Total		
<b>ASSETS</b>					
<b>Current assets:</b>					
Deposits including investments	\$ 192,135,525	\$ 23,010,958	\$ 20,168,904	\$ 235,315,387	\$ 40,236,865
Receivables (net of allowance for uncollectibles):	21,148,222	80,015	2,346,464	23,574,701	28,601
Due from other funds	—	—	—	—	—
Inventories	697,461	—	—	697,461	253,204
Prepaid items	385,554	—	—	385,554	57,837
<b>Total current assets</b>	<b>214,366,762</b>	<b>23,090,973</b>	<b>22,515,368</b>	<b>259,973,103</b>	<b>40,576,507</b>
<b>Noncurrent assets:</b>					
Restricted cash and investments	9,633,259	6,343,369	28,146	16,004,774	—
Lease receivable	—	—	29,289,849	29,289,849	—
<b>Capital assets:</b>					
Land	2,018,135	1,645,446	13,537,461	17,201,042	—
Buildings	139,149,267	507,521,136	20,043,093	666,713,496	—
Improvements other than buildings	820,575,591	7,559,461	40,438,676	868,573,728	102,861
Machinery and equipment	284,048,125	3,151,951	32,511,792	319,711,868	14,392,158
Construction in progress	103,256,025	14,488,199	13,562,393	131,306,617	—
Infrastructure	—	—	2,280,695	2,280,695	—
Less accumulated depreciation	(615,663,680)	(108,717,855)	(67,472,182)	(791,853,717)	(8,908,222)
<b>Total capital assets</b>	<b>733,383,463</b>	<b>425,648,338</b>	<b>54,901,928</b>	<b>1,213,933,729</b>	<b>5,586,797</b>
<b>Right to use assets- leases:</b>					
Land	276,052	—	—	276,052	—
Less accumulated amortization	(110,421)	—	—	(110,421)	—
<b>Total right to use assets- leases</b>	<b>165,631</b>	<b>—</b>	<b>—</b>	<b>165,631</b>	<b>—</b>
<b>Total noncurrent assets</b>	<b>743,182,353</b>	<b>431,991,707</b>	<b>84,219,923</b>	<b>1,259,393,983</b>	<b>5,586,797</b>
<b>TOTAL ASSETS</b>	<b>957,549,115</b>	<b>455,082,680</b>	<b>106,735,291</b>	<b>1,519,367,086</b>	<b>46,163,304</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferred outflow	2,367,575	—	178,624	2,546,199	—
OPEB deferred outflow	183,037	—	30,507	213,544	—
ARO deferred outflow	860,000	—	—	860,000	—
	3,410,612	—	209,131	3,619,743	—

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

**Johnson County, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major			Total	
	Wastewater	Public Building Commission	Non-Major Total		
			Total		
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	10,250,783	732,581	3,143,094	14,126,458	6,803,076
Salaries and wages payable	387,978	—	36,160	424,138	21,706
Interest payable	6,438,544	3,285,447	35,006	9,758,997	—
Loans payable	1,555,458	—	—	1,555,458	—
Due to other funds	—	5,626,000	14,623,339	20,249,339	—
Due to others	963	—	123,380	124,343	1,200
Unearned revenue	726,892	—	—	726,892	11,801
Compensated absences	147,435	—	12,466	159,901	12,674
Insurance claims payable	—	—	—	—	8,193,507
Lease Liability	54,371	—	—	54,371	—
Bonds and other payables	32,229,143	38,705,308	631,068	71,565,519	—
Total current liabilities	<u>51,791,567</u>	<u>48,349,336</u>	<u>18,604,513</u>	<u>118,745,416</u>	<u>15,043,964</u>
<b>Noncurrent liabilities:</b>					
Compensated absences	1,437,526	—	121,550	1,559,076	123,579
Loans payable	10,238,535	—	—	10,238,535	—
Net pension liability	7,635,787	—	569,998	8,205,785	—
Total OPEB liability	1,213,428	—	202,243	1,415,671	—
Lease liability	111,235	—	—	111,235	—
Asset retirement obligation	860,000	—	—	860,000	—
Bonds and other payables	567,772,421	232,311,424	2,981,076	803,064,921	—
Total noncurrent liabilities	<u>589,268,932</u>	<u>232,311,424</u>	<u>3,874,867</u>	<u>825,455,223</u>	<u>123,579</u>
<b>TOTAL LIABILITIES</b>	<u>641,060,499</u>	<u>280,660,760</u>	<u>22,479,380</u>	<u>944,200,639</u>	<u>15,167,543</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Capital Finance Charges Receivable	726,821	—	—	726,821	—
Pension deferred inflow	125,946	—	6,091	132,037	—
OPEB deferred inflow	573,141	—	95,521	668,662	—
Unamortized portion of refunding	469,101	397,138	3,410	869,649	—
Leases deferred inflow	—	—	28,393,048	28,393,048	—
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,895,009</u>	<u>397,138</u>	<u>28,498,070</u>	<u>30,790,217</u>	<u>—</u>
<b>NET POSITION</b>					
Net investment in capital assets	126,194,525	160,067,841	50,416,928	336,679,294	5,586,797
Restricted for capital projects	—	—	28,146	28,146	—
Unrestricted	191,809,694	13,956,941	5,521,898	211,288,533	25,408,964
<b>TOTAL NET POSITION</b>	<u>\$ 318,004,219</u>	<u>\$ 174,024,782</u>	<u>\$ 55,966,972</u>	<u>\$ 547,995,973</u>	<u>\$ 30,995,761</u>

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

**Johnson County, Kansas**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major		Non-Major		
	Wastewater	Public Building Commission	Total	Total	
<b>Operating revenues:</b>					
Charges for services	\$ 144,913,519	\$ 52,397,860	\$ 4,588,738	\$ 201,900,117	\$ 71,618,395
Other	642,663	26,806	7,789,371	8,458,840	598,241
<b>Total operating revenues</b>	<b>145,556,182</b>	<b>52,424,666</b>	<b>12,378,109</b>	<b>210,358,957</b>	<b>72,216,636</b>
<b>Operating expenses:</b>					
Public works	54,716,526	—	—	54,716,526	—
Transportation	—	—	28,333,578	28,333,578	—
Fleet	—	—	—	—	3,316,283
Risk management	—	—	—	—	3,651,289
Self-insured health care	—	—	—	—	59,510,053
Workers compensation	—	—	—	—	1,265,446
Depreciation	31,621,214	13,935,599	3,052,696	48,609,509	1,333,155
Lease amortization	55,210	—	—	55,210	—
<b>Total operating expenses</b>	<b>86,392,950</b>	<b>13,935,599</b>	<b>31,386,274</b>	<b>131,714,823</b>	<b>69,076,226</b>
<b>Operating income (loss)</b>	<b>59,163,232</b>	<b>38,489,067</b>	<b>(19,008,165)</b>	<b>78,644,134</b>	<b>3,140,410</b>
<b>Nonoperating revenues (expenses):</b>					
Taxes	54	—	90,961	91,015	—
Investment earnings	(5,906,282)	390,022	78,684	(5,437,576)	147,613
Intergovernmental	—	—	2,477,665	2,477,665	—
Interest expense	(16,637,946)	(7,310,778)	(87,993)	(24,036,717)	—
Lease interest	—	—	446,237	446,237	—
Other	(62,014)	122,682	93,833	154,501	—
<b>Total nonoperating revenues (expenses)</b>	<b>(22,606,188)</b>	<b>(6,798,074)</b>	<b>3,099,387</b>	<b>(26,304,875)</b>	<b>147,613</b>
<b>Income (loss) before contributions and transfers</b>	<b>36,557,044</b>	<b>31,690,993</b>	<b>(15,908,778)</b>	<b>52,339,259</b>	<b>3,288,023</b>
<b>Capital Contributions</b>					
Transfers in	—	—	8,918,476	8,918,476	—
Transfers out	75,263	—	11,992,026	12,067,289	3,806,229
	(702,121)	—	(148,253)	(850,374)	(3,200)
<b>Change in net position</b>	<b>35,930,186</b>	<b>31,690,993</b>	<b>4,853,471</b>	<b>72,474,650</b>	<b>7,091,052</b>
<b>Total net position - beginning</b>	<b>282,074,033</b>	<b>142,333,789</b>	<b>51,113,501</b>	<b>475,521,323</b>	<b>23,904,709</b>
<b>Total net position - ending</b>	<b>\$ 318,004,219</b>	<b>\$ 174,024,782</b>	<b>\$ 55,966,972</b>	<b>\$ 547,995,973</b>	<b>\$ 30,995,761</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, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds				
	Major		Public Building Commission	Non-Major			Total			
	Wastewater			Total	Total					
	\$	142,585,977	\$	53,614,047	\$	4,201,998	\$	200,402,022	\$	—
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>										
Cash received from customers		—		—		—		—		65,569,322
Cash received from interfund services provided		(38,504,453)		—		(25,125,531)		(63,629,984)		(66,043,862)
Cash payments for goods and services		(19,212,195)		—		(886,344)		(20,098,539)		(1,409,643)
Cash payments to employees for services		642,663		26,806		14,769,404		15,438,873		6,649,202
Other operating cash receipts		85,511,992		53,640,853		(7,040,473)		132,112,372		4,765,019
<b>Net cash provided by (used for) operating activities</b>										
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>										
Taxes		54		—		90,961		91,015		—
Intergovernmental		—		—		2,477,665		2,477,665		—
Transfers from other funds		75,263		—		11,992,026		12,067,289		3,806,229
Transfers to other funds		(702,121)		—		(148,253)		(850,374)		(3,200)
<b>Net cash provided by (used for) noncapital financing activities</b>										
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>										
Acquisition and construction of capital assets		(79,792,349)		(10,726,021)		(1,417,319)		(91,935,689)		(2,428,587)
Proceeds from bonds, leases, and loans		—		—		—		—		—
Principal paid on bonds, notes, leases and loans		(25,688,364)		(36,970,000)		(215,000)		(62,873,364)		—
Interest paid on bonds, notes, leases and loans		(16,609,894)		(7,759,070)		(83,279)		(24,452,243)		—
<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		1,713,993		390,022		78,684		2,182,699		147,613
Net cash provided by investing activities		1,713,993		390,022		78,684		2,182,699		147,613
<b>Net increase (decrease) in cash and cash equivalents</b>										
<b>Cash and cash equivalents at beginning of year</b>										
		237,260,210		30,778,543		14,462,038		282,500,791		33,949,791
<b>Cash and cash equivalents at end of year</b>										
		<b>\$ 201,768,784</b>		<b>\$ 29,354,327</b>		<b>\$ 20,197,050</b>		<b>\$ 251,320,161</b>		<b>\$ 40,236,865</b>

(Continued)

**Johnson County, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds (Continued)**  
**For the Year Ended December 31, 2022**

	Business-type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Major			Non-Major			
	Wastewater	Public Building Commission	Total	Total	Total	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>							
<b>Operating income (loss)</b>	\$ 59,163,232	\$ 38,489,067	\$ (19,008,165)	\$ 78,644,134	\$ 3,140,410		
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>							
Depreciation	31,621,214	13,935,599	3,052,696	48,609,509	1,333,155		
Lease Amortization	55,210	—	—	55,210	—		
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(2,327,542)	(76,524)	(163,350)	(2,567,416)	(18,688)		
(Increase) decrease in inventory	(214,289)	—	—	(214,289)	(29,454)		
(Increase) decrease in prepaid expenses	(132,050)	—	—	(132,050)	(7,765)		
Increase (decrease) in accounts payable	(2,970,491)	292,711	2,274,506	(403,274)	482,033		
Increase (decrease) in salaries and wages payable	72,485	—	12,075	84,560	(856)		
Increase (decrease) in due to other funds	—	1,000,000	6,980,033	7,980,033	—		
Increase (decrease) in unearned revenue	—	—	(223,390)	(223,390)	1,888		
Increase (decrease) in compensated absences payable	99,563	—	38,304	137,887	4,379		
Increase (decrease) in insurance claims payable	—	—	—	—	(140,083)		
Increase (decrease) in net pension liability	2,180,568	—	113,017	2,293,585	—		
Increase (decrease) in pension deferred outflows	(796,819)	—	(41,298)	(838,117)	—		
Increase (decrease) in pension deferred inflows	(1,146,121)	—	(59,403)	(1,205,524)	—		
Increase (decrease) in total OPEB liability	(299,348)	—	(49,891)	(349,239)	—		
Increase (decrease) in OPEB deferred inflows	(24,566)	—	(4,095)	(28,661)	—		
Increase (decrease) in OPEB deferred outflows	230,926	—	38,488	269,414	—		
<b>Total adjustments</b>	<b>26,348,760</b>	<b>15,151,786</b>	<b>11,967,692</b>	<b>53,468,238</b>	<b>1,624,609</b>		
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 85,511,992</b>	<b>\$ 53,640,853</b>	<b>\$ (7,040,473)</b>	<b>\$ 132,112,372</b>	<b>\$ 4,765,019</b>		
<b>Deposits including investments</b>	<b>\$ 192,135,525</b>	<b>\$ 23,010,958</b>	<b>\$ 20,168,904</b>	<b>\$ 235,315,387</b>	<b>\$ 40,236,865</b>		
<b>Restricted cash and investments</b>	<b>9,633,259</b>	<b>6,343,369</b>	<b>28,146</b>	<b>16,004,774</b>	<b>—</b>		
<b>Cash and cash equivalents at the end of year</b>	<b>\$ 201,768,784</b>	<b>\$ 29,354,327</b>	<b>\$ 20,197,050</b>	<b>\$ 251,320,161</b>	<b>\$ 40,236,865</b>		

**Supplemental cash flow information: Noncash capital and related financing activities: Capital contributions of \$4,420,658 and \$4,497,818 in the nonmajor Airport and Transportation funds, respectively, and capital assets acquired through accounts payable and retainage payable of \$5,523,005 in the Wastewater fund, \$570,304 in the Public Building fund, and \$1,305,502 in the Airport fund. The accompanying notes are an integral part of these financial statements**

**Johnson County, Kansas**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2022**

		<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	886,801,756
Receivables (net of allowance for uncollectibles):		
Taxes Receivable		655,680,497
<b>Total assets</b>		<u>1,542,482,253</u>
<b>LIABILITIES</b>		
Accounts payable		37,483
Due to other governments		886,365,939
<b>Total liabilities</b>		<u>886,403,422</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows		655,680,497
<b>Total deferred inflows of resources</b>		<u>655,680,497</u>
<b>NET POSITION</b>		
Restricted For:		
Individuals, Organizations, and Other Governments		398,334
<b>Total net position</b>	\$	<u>398,334</u>

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

**Johnson County, Kansas**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2022**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employee Contributions	1,352,501
Foreclosure Proceeds	6,710,321
Inmate Welfare Deposits	1,857,105
Tax Receipts	2,391,463,897
<b>Employee Contributions</b>	<b>2,401,383,824</b>
<b>DEDUCTIONS</b>	
Benefits	1,389,155
Foreclosure Proceeds Distributions	6,710,321
Inmate Welfare Withdrawals	1,820,294
Tax Distributions	2,391,463,897
<b>Total deductions</b>	<b>2,401,383,667</b>
<b>Net change in fiduciary net position</b>	<b>157</b>
Net position - beginning	398,177
Net position - ending	<b>\$ 398,334</b>

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



# Notes to the Financial Statements

## 1. Summary of Significant Accounting Policies

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

### A. The Reporting Entity

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A separate column is presented for each discretely presented major component unit, with a single column for all nonmajor component units in the aggregate (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 Units

**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.

**Fire District No. 2 (FD2):** The Board of County Commissioners serves as the governing body of the FD2. Although a separate legal entity, the FD2 is accounted for as a special revenue fund within the County's financial statements. The special revenue funds account for and report proceeds of the special revenue sources that are restricted or committed to expenditures for specified purposes (FD2 operations). The County performs administrative and accounting services for the FD2.

#### Discretely Presented Component Units

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

through the formation of a Park and Recreation District. Such legislation required that a valid petition be submitted to a vote by the Board of County Commissioners. Once the petition was approved by the Commissioners the District was then mandated to provide park and recreational services as outlined in the Kansas Statute 19-2863. Separately issued financial statements are prepared for the Park District. The Park District has governmental and enterprise funds.

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

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

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

Park and Recreation District  
7900 Renner Road  
Lenexa, Kansas 66218

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

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 recorded as a receivable and deferred inflow of resources. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

The County reports the following major governmental funds:

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

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

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

#### **Governmental Fund Types:**

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

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

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

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

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

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

**Custodial Funds** are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. An example of a Custodial 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, the Fire Districts, and proceeds from the sale of bonds and general obligation notes, is pooled for the purpose of increasing income through investment activities. Investments, which have a remaining maturity at time of purchase of one year or less, are stated at fair value, which approximates amortized cost. All other investments are stated at fair value as determined by quoted market prices. Investments principally consist of United States Treasury and Agency securities, certificates of deposit, and cash held in money market funds.

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

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

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

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

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

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year. Taxes are assessed on a calendar year basis, and are levied and become a lien on the property on November 1st in the year of assessment. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. On December 31, 2022, such taxes are a lien on the property and are recorded as taxes receivable, net of 2.10% uncollected taxes for the current year tax roll, with a corresponding amount recorded as deferred inflows of resources.

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

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

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

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

**G. Inventories**

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

**H. Prepaid Items**

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

**I. Restricted Assets**

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

**J. Capital Assets**

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

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

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

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

Buildings and structures	15 to 50 years
Machinery and equipment	5 to 15 years

Infrastructure:	
Roads	15 to 50 years
Bridges	25 to 50 years
Other	5 to 50 years

**K. Leasing Arrangements**

During 2021, the County implemented GASB Statement No. 87, *Leases*. The implementation of this Statement had no impact on the County’s beginning of year net position.

For arrangements where the County is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the County’s right to use underlying assets for the lease term and lease liabilities represent the County’s obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

For fund statements, an expenditure and other financing source will be reported in the period the lease is initially recognized. The expenditure and other financing source should be measured as noted in the previous paragraph. Subsequent governmental fund lease payments are accounted for consistent with principles of debt service payments on long-term debt.

For government-wide and fund statements, for arrangements in which the County is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods. At the end of the year, the County's lease receivable for governmental activities was \$1,010,991 and for business-type activities was \$29,289,849. The County's deferred inflows of resources at the end of the year for governmental funds was \$986,515 and for business-type activities was \$28,393,048.

The County uses the average interest rate from the most recent bond issuance with similar terms to the lease to calculate the present value of lease payments when the rate implicit in the lease is not known. The County includes lease extension and termination options in the lease term, if after considering relevant economic factors, it is reasonably certain the County will exercise the option. The County has elected to combine lease and non-lease components for all lease contracts and also has not recognized RTU assets and lease liabilities for lease terms for 12 months or less.

**L. Special Assessments**

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

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

**M. Compensated Absences**

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

All full-time and certain part-time employees of the County, Park District, and Fire Districts accrue vacation leave at various rates based on tenure and employee classification except 1) on the third pay date of any month with three pay dates, 2) when an employee is on unpaid leave, 3) when the employee's accrued leave balance is at or above the maximum accrual cap, subject to exceptions for certain employees hired prior to January 1, 2020. Upon separation from service, employees are compensated for 100% of unused vacation pay at the base rate of pay at the time of payment.

All full-time and certain part-time employees of the County, Park District, and Fire Districts accrue sick leave at the rate listed in the table below except 1) on the third pay date of any month with three pay dates, 2) when an employee is on unpaid leave, 3) when the employee's accrued leave balance is at or above the maximum accrual cap, subject to exceptions for certain employees hired prior to January 1, 2020. Upon separation from service, employees are compensated for 20% of unused sick pay.

Employee Classification	Accrued Per Pay Period (24 Pay Periods)	Maximum Annual Accrual	Maximum Accrual Cap
Part-time Partial	2 hours	48 hours	320 hours
Part-time Partial-Plus	3 hours	72 hours	480 hours
Full-time Regular (40 hr/wk or 12-hr shifts)	4 hours	96 hours	640 hours
Full-time (24-hour shift)	6 hours	144 hours	850 hours

**Med-Act Full-time Regular Employees (Non-Exempt 24/7) - Accelerated**

Benefit Type	Accrued Per Pay Period (24 Pay Periods)	Maximum Annual Accrual	Maximum Accrual Cap
Full-time (24-hour shift) Med-Act 2829 Schedule	6.75 hours	162 hours	850 hours

Amended Resolution 067-19; Adopted 12/12/2019

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

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

**N. 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.

### **O. 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, 2022, fund balances for governmental funds are made up of the following:

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

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

### **P. 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.

#### **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**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has seven types of items that qualify for reporting in this category: Property Tax Receivable, Capital Finance Charges Receivable, Deferred Portion on Refunding, Unavailable Revenue, Deferred Inflows for Pensions, Deferred Inflows for Other Post Employment Benefits (OPEB) and Deferred Inflows for Leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. Property taxes are not recognized as revenue until the period for which they are levied. Lease revenue is recognized over the term of the lease. The County has received resources before time requirements are met, but after all other eligibility requirements have been met, and reports them as deferred inflows of resources. Deferred Inflows for Pensions, OPEB, and Leases are reported on the government-wide statement of net position. See Note 1.R, 14, and 7 respectively for more information on deferred inflows for pensions, OPEB and leases.

#### **S. Pensions**

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

recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

### **A. Budgetary Information**

The County is required by state statutes to adopt annual budgets for most funds. All Governmental funds, with the exception of the Library Gift, the main Capital Projects fund, the County Clerk Technology, and the County Treasurer Technology are budgeted funds. Three of the four Nonmajor Governmental Capital Project funds - Stormwater, Public Works, County Building - are budgeted. The fourth, Register of Deeds Technology Fund, is not budgeted. All Enterprise funds (except PBC) and Internal Service funds (except Self-Insured Health Care) are also budgeted funds.

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

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

1. Preparation of the preliminary budget for the succeeding calendar year on or before August 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 (or September 20 if the County must conduct a public hearing to levy taxes in excess of its revenue neutral rate described below).

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

The County and the Park District may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the County and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79 2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the County) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body. The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of

a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision:

1. the revenue neutral rate,
2. the proposed property tax revenue needed to fund the proposed budget,
3. the proposed tax rate based on the proposed budget,
4. the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement,
5. the appraised value and assessed value of the taxpayer's property,
6. estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates,
7. the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate.

The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer can be combined into a single notice. The taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a resolution or ordinance, and thereafter the taxing subdivisions will hold the public hearing and adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

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

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 General Fund is as follows:

<b>Reconciliation of Fund Balance Budgetary Basis to GAAP Basis for the General Fund</b>	
Fund balance, budgetary basis	\$ 290,175,597
Investments change in fair value	(14,143,229)
Encumbrances	3,602,687
Inventory	5,814,963
GAAP Leases	(89,228)
GAAP Contributions	500,000
GAAP Due From Other Funds	20,249,339
Fund balance, GAAP basis	<u>\$ 306,110,129</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 and Fire Districts to invest in United States Treasury and Agency securities, collateralized public deposits, and the State of Kansas Municipal Investment Pool, certain money market securities and funds, and investment agreements with financial institutions. The County's cash manager will apply the "prudent investor" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

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

The following is a breakdown of the County's cash and investments by activities is below:

<b>Reconciliation of Cash and Investments</b>			
	<b>Deposits Including Investments</b>	<b>Restricted Cash and Investments</b>	<b>Total</b>
Government-type activities	\$ 545,585,664	\$ —	\$ 545,585,664
Business-type activities	235,315,387	16,004,774	251,320,161
Fiduciary activities	886,801,756	—	886,801,756
<b>Total</b>	<b>\$ 1,667,702,807</b>	<b>\$ 16,004,774</b>	<b>\$ 1,683,707,581</b>

All cash and investments listed above are held by the County Treasurer in a pool at December 31, 2022.

A breakdown of the Park and Recreation District's cash and investments by activity is below:

<b>Reconciliation of Park and Recreation Cash and Investments</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Deposits including investments	\$ 53,057,908	\$ 21,320,603	\$ 74,378,511
Restricted cash and investments	14,183,179	602,166	14,785,345
<b>Total</b>	<b>\$ 67,241,087</b>	<b>\$ 21,922,769</b>	<b>\$ 89,163,856</b>

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

<b>Reconciliation of Fire Districts Cash and Investments</b>	
	<b>Governmental Activities</b>
Deposits and investments	\$ 16,477,188
Restricted deposits and investments	218,720
<b>Total</b>	<b>\$ 16,695,908</b>

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

<b>Reconciliation of Deposits and Investments</b>			
	<b>Primary Government</b>	<b>Park and Recreation</b>	<b>Fire Districts</b>
Cash on hand	\$ 51,002	\$ —	\$ —
Carrying amount of deposits	124,825,187	3,814,161	16,695,908
Carrying amount of investments	1,558,831,392	85,349,695	—
<b>Total deposits and investments</b>	<b>\$ 1,683,707,581</b>	<b>\$ 89,163,856</b>	<b>\$ 16,695,908</b>
Deposits including investments	\$ 1,667,702,807	\$ 74,378,511	\$ 16,477,188
Restricted cash and investments	16,004,774	14,785,345	218,720
<b>Total deposits and investments</b>	<b>\$ 1,683,707,581</b>	<b>\$ 89,163,856</b>	<b>\$ 16,695,908</b>

As of December 31, 2022, the County had the following investments:

<b>Johnson County's Schedule of Investments at December 31, 2022</b>				
	Interest Rates	Maturities	Par Value	Fair Value
County Investments:				
Money Market Mutual Funds	3.860%	On demand	\$ 15,014,828	\$ 15,014,828
Kansas Municipal Investment Pool	2.758%	N/A	7,348	7,348
Kansas Municipal Investment Pool	2.758%	N/A	2,011,905	2,011,905
Repurchase Agreement	2.985%	N/A	17,800,000	17,800,000
Treasury Securities - ST Coupon	0.143%-2.248%	3/31/2023-9/15/2023	185,000,000	181,363,286
Treasury Securities - LT Coupon	0.227-0.363%	1/15/2024-4/15/2024	115,000,000	109,451,567
Treasury Securities - Discount	3.628%-3.651%	1/19-1/26/2023	50,000,000	49,906,577
Federal Agency Discount Notes:				
Federal Home Loan Bank	3.765-4.748%	1/12/2023-8/31/2023	650,000,000	647,554,889
Federal Farm Credit Bank	4.05%	1/17/2023	30,000,000	29,953,470
Federal National Mtge Association	3.916%-3.97%	1/20/2023	90,000,000	89,828,730
Federal Agency Issues:				
Federal Farm Credit Bank	.157%-2.00%	5/18/2023-8/10/2023	70,000,000	68,618,380
Federal Home Loan Bank	.330%-3.716%	2/28/2024-1/27/2026	274,750,000	260,540,905
Federal Home Loan Bank	.20%-0.750%	9/15/2023-12/29/2023	25,000,000	24,118,675
Federal Home Loan Mtge Corp	0.227%-2.010%	8/24/2023-9/25/2024	45,000,000	43,464,615
Federal National Mtge Association	0.003	10/27/2023-12/29/2023	20,000,000	19,193,727
Total County Investments			\$ 1,589,584,081	\$ 1,558,828,902
Funds held with Trustee (Restricted for Refunded Debt):				
Debt securities				2,490
Total Investments				<u>\$ 1,558,831,392</u>

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

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

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

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

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

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

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

## Mutual Funds and Investment Pool Funds

These investments are valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

The fair value hierarchy levels of the County's investments as of December 31, 2022, were classified as shown below:

<b>Johnson County's</b>				
<b>Cash Equivalents and Investments by fair value level at December 31, 2022</b>				
Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments subject to fair value hierarchy:				
U.S. Government Agency Securities	\$1,183,273,391	\$ —	\$ 1,183,273,391	\$ —
Repurchase Agreement	17,800,000	—	17,800,000	—
Fidelity Govt Money Market Mutual Funds	15,014,828	15,014,828	—	—
U.S. Treasury Securities	340,721,430	340,721,430	—	—
<b>Total Investments subject to fair value hierarchy</b>	<b>\$1,556,809,649</b>	<b>\$ 355,736,258</b>	<b>\$ 1,201,073,391</b>	<b>\$ —</b>
Investments not subject to fair value hierarchy:				
Kansas Municipal Investment Pool	2,019,253			
<b>Total Investments not subject to fair value hierarchy</b>	<b>\$ 2,019,253</b>			
<b>Total Investments</b>	<b>\$1,558,828,902</b>			

The maturities of the County's investments as of December 31, 2022, were classified as shown below:

<b>Johnson County's</b>			
<b>Schedule of Investments at December 31, 2022</b>			
	Investment Maturities in Years		
	Fair Value	Less than 1	1-5
Money Market Mutual Funds	\$ 15,014,828	\$ 15,014,828	\$ —
Repurchase Agreements	17,800,000	17,800,000	—
Kansas Municipal Investment Pool	2,019,253	2,019,253	—
Treasury Securities - Coupon	290,814,853	181,363,286	109,451,567
Treasury Securities - Discount	49,906,577	49,906,577	—
Federal Agency Discount Notes:			
Federal Home Loan Bank	647,554,889	647,554,889	—
Federal Farm Credit Bank	29,953,470	29,953,470	—
Federal National Mtge Association	89,828,730	89,828,730	—
Federal Agency Issues:			
Federal Farm Credit Bank	68,618,380	68,618,380	—
Federal Home Loan Bank	284,659,580	24,118,675	260,540,905
Federal Home Loan Mtge Corp	43,464,615	29,132,430	14,332,185
Federal National Mtge Association	19,193,727	19,193,727	—
<b>Total County Investments</b>	<b>\$ 1,558,828,902</b>	<b>\$ 1,174,504,245</b>	<b>\$ 384,324,657</b>



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

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

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

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

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

Restricted Investments for the Park District are held by the Trustee in various money market investments for bond reserves and future capital expenditures. These investments are authorized by the bond covenants. The Park District had the following investments as of December 31, 2022:

Investment Type	Fair Value	Maturities	Moody's Rating	Standard & Poor's Rating	Fair Value Hierarchy
Kansas Municipal Investment Pool	71,060,616	Current	N/A	AAAf/S1+	N/A
Government Obligations Fund	12,683,179	Current	Aaa-mf	AAAam	N/A
SBKC Money Market Investment	1,500,000	Current	N/A	AAAam	N/A
Community Foundation Pool	112	Current	N/A	N/A	N/A
Community Foundation - Money Market	5,076	Current	N/A	N/A	Level 1
Community Foundation - Fixed Income Funds	24,211	Current	N/A	N/A	Level 1
Community Foundation - Equity Funds	76,501	Current	N/A	N/A	Level 1
	<u>\$ 85,349,695</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, 2022, the County's combined weighted average of all investments is 197 days. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the government. Investments are exposed to custodial credit risk if the securities are uninsured or not collateralized, are not registered in the name of the government, or are held by the counterparty or the counterparty's trust department but not in the government's name. All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the County and Fire District or their agents in the County's and Fire District's names. 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, 2022 the County has \$354,500,000 exposed to custodial credit risk.

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

December 31, 2022, none of the Park District's bank balances with financial institutions were exposed to custodial credit risk. The Park District requires all banks to pledge to the Park District an aggregate market value investment in U.S. Treasury obligations and other U.S. agency obligations to provide a minimum of 100 percent collateralization for all deposits. As of December 31, 2022, cash and money market funds in the amount \$967,423 were held at the Foundation's brokerage firm, were exposed to custodial credit risk. The District does not have a policy regarding investment custodial credit risk.

Credit Risk. As of December 31, 2022, County funds not held in depository accounts had been invested in certificates of deposits, Government money market funds, the state municipal investment pool, U.S. Treasury notes, U.S. Treasury Bills, Repurchase Agreements, and the following Government Sponsored Enterprise (GSE) Notes: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Notes. The GSE Notes are rated Aaa by Moody's Investor Service. Government money market mutual funds are primarily invested in the above mentioned GSE's.

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

Concentration of Credit Risk. At December 31, 2022, of total cash and investments, the County invested 7% in coupons, 2% in step-ups, 15% in callable notes, and 46% in discount notes. The County's investment policy permits up to 80% to be invested in coupons, 50% in callables, 50% in discount notes, and 25% for step-ups, money markets and the Kansas Municipal Investment Pool at any given point in time. These limits are adjusted during tax collection periods which run from ten days prior to the due date for taxes to be remitted through the distribution dates set by Kansas Statute. The Discount Obligation percent increases to 65% and the limit on the MIP may be increased to 50%. Additionally, the policy permits 100% in demand deposits, certificates of deposits and treasury notes.

The County's investments are held in Federal Farm Credit Bank (6.32%), Federal Home Loan Bank (59.80%), and the Federal National Mortgage Association (6.99%).

The Park and Recreation District places no limit on the amount the District may invest in one issuer. More than 5% of the District's investments are in the Kansas Municipal Investment Pool (83%) and Government Obligations Fund (15%).

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

Issuer	Par value	Fair Value	% of Portfolio
Fidelity	\$ 15,014,828	\$ 15,014,828	0.97 %
OMIP 16	2,019,253	2,019,253	0.13 %
Repurchase Agreement	17,800,000	17,800,000	1.14 %
Treasury Securities - Coupon	300,000,000	290,814,853	18.66 %
Treasury Securities - Discount	50,000,000	49,906,577	3.20 %
Federal Farm Credit Bank	100,000,000	98,571,850	6.32 %
Federal Home Loan Bank	949,750,000	932,214,469	59.80 %
Federal Home Loan Mortgage Corporation	45,000,000	43,464,615	2.79 %
Federal National Mortgage Association	110,000,000	109,022,457	6.99 %
<b>Total</b>	<b>\$ 1,589,584,081</b>	<b>\$ 1,558,828,902</b>	<b>100.00 %</b>

#### 4. Receivables

Receivables are comprised of the following as of December 31, 2022:

<b>Accounts Receivable Fiscal Year 2022</b>						
	<b>Taxes</b>	<b>Accounts</b>	<b>Grant</b>	<b>Interest</b>	<b>Special</b>	
	<b>Receivable</b>	<b>Receivable</b>	<b>Receivable</b>	<b>Receivable</b>	<b>Assessment</b>	<b>Total</b>
	<b>Receivable</b>	<b>Receivable</b>	<b>Receivable</b>	<b>Receivable</b>	<b>Receivable</b>	<b>Total</b>
<b>Governmental Activities</b>	\$305,165,436	\$13,163,369	\$ 5,387,583	\$ 2,628,006	\$ 21,647	\$326,366,041
<b>Business Type Activities</b>	—	18,126,899	1,440,638	853,935	3,153,229	23,574,701
	\$305,165,436	\$31,290,268	\$ 6,828,221	\$ 3,481,941	\$ 3,174,876	\$349,940,742

## 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.

### Primary Government

	*As Restated December 31, 2021	Increases	Decreases	December 31, 2022
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 30,057,723	\$ 557,636	\$ —	\$ 30,615,359
Construction in progress	17,950,517	4,642,689	—	22,593,206
Total capital assets, not being depreciated	48,008,240	5,200,325	—	53,208,565
Capital assets, being depreciated				
Buildings	194,017,304	2,307,898	(949,984)	195,375,218
Improvements other than buildings	6,826,306	1,288,331	—	8,114,637
Machinery and Equipment	85,852,144	8,891,330	(2,127,882)	92,615,592
Infrastructure	109,327,178	1,912,856	(391,630)	110,848,404
Total capital assets, being depreciated	396,022,932	14,400,415	(3,469,496)	406,953,851
Less accumulated depreciation for:				
Buildings	(94,138,032)	(4,785,845)	702,592	(98,221,285)
Improvements other than buildings	(2,956,675)	(315,827)	—	(3,272,502)
Machinery and Equipment	(62,616,837)	(8,086,490)	1,387,198	(69,316,129)
Infrastructure	(67,323,264)	(3,071,020)	236	(70,394,048)
Total accumulated depreciation	(227,034,808)	(16,259,182)	2,090,026	(241,203,964)
Total capital assets, being depreciated, net	168,988,124	(1,858,767)	(1,379,470)	165,749,887
Governmental activities capital assets, net				
	216,996,364	3,341,558	(1,379,470)	218,958,452
Right to use leases being amortized				
Buildings	537,327	2,944,254	—	3,481,581
Machinery and Equipment	271,805	147,957	—	419,762
Vehicles	175,329	—	—	175,329
Total right to use leases, being amortized	984,461	3,092,211	—	4,076,672
Less accumulated amortization for:				
Buildings	(253,824)	(395,979)	—	(649,803)
Machinery and Equipment	(76,763)	(82,887)	—	(159,650)
Vehicles	(48,174)	(58,150)	—	(106,324)
Total accumulated amortization	(378,761)	(537,016)	—	(915,777)
Total right to use leases, being amortized, net	605,700	2,555,195	—	3,160,895
Governmental activities capital assets & right to use leases, net				
	\$ 217,602,064	\$ 5,896,753	\$ (1,379,470)	\$ 222,119,347

	*As Restated			
	December 31, 2021	Increases	Decreases	December 31, 2022
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 15,653,985	\$ 1,547,057	\$ —	\$ 17,201,042
Construction in progress	403,596,945	64,823,726	(337,114,054)	131,306,617
Total capital assets, not being depreciated	419,250,930	66,370,783	(337,114,054)	148,507,659
Capital assets, being depreciated				
Buildings	657,189,510	9,523,987	—	666,713,497
Improvements other than buildings	537,954,947	330,618,781	—	868,573,728
Machinery and Equipment	316,809,885	3,107,913	(205,929)	319,711,869
Infrastructure	2,280,695	—	—	2,280,695
Total capital assets, being depreciated	1,514,235,037	343,250,681	(205,929)	1,857,279,789
Less accumulated depreciation for:				
Buildings	(163,644,188)	(16,861,529)	—	(180,505,717)
Improvements other than buildings	(293,406,545)	(22,208,695)	—	(315,615,240)
Machinery and Equipment	(285,720,638)	(9,488,888)	205,929	(295,003,597)
Infrastructure	(678,766)	(50,397)	—	(729,163)
Total accumulated depreciation	(743,450,137)	(48,609,509)	205,929	(791,853,717)
Total capital assets, being depreciated, net	770,784,900	294,641,172	—	1,065,426,072
Business-type activities capital assets, net	1,190,035,830	361,011,955	(337,114,054)	1,213,933,731
Right to use leases being amortized				
Land	276,052	—	—	276,052
Less accumulated amortization for:				
Land	(55,211)	(55,210)	—	(110,421)
Total right to use leases being amortized, net	220,841	(55,210)	—	165,631
Business-type activities capital assets & right to use leases, net	\$ 1,190,256,671	\$ 360,956,745	\$ (337,114,054)	\$ 1,214,099,362

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

<b>Governmental activities</b>	
Depreciation Expense	
General Government	\$ 6,092,977
Public Works	3,145,089
Public Safety	5,625,224
Health and Human Services	456,334
Planning and Economic Development	7,327
Culture and Recreation	932,231
Total depreciation expense	16,259,182
Lease Amortization Expense	
General Government	220,742
Public Works	32,343
Health and Human Services	118,390
Culture and Recreation	7,286
Total lease amortization expense	537,016
Total depreciation and lease amortization expense for governmental activities	\$ 16,796,198
<b>Business-type activities</b>	
Depreciation Expense	
Airport Fund	\$ 1,279,218
Public Building Commission Fund	13,935,599
Transportation Fund	1,773,478
Johnson County Wastewater	31,621,214
Total depreciation expense	48,609,509
Lease Amortization Expense	
Johnson County Wastewater	55,210
Total lease amortization expense	55,210
Total depreciation & lease amortization expense for business-type activities	\$ 48,664,719

**Discretely presented component unit**

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

	*As Restated December 31, 2021	Increases	Decreases	December 31, 2022
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 62,770,788	\$ 215,669		\$ 62,986,457
Construction in progress	18,532,597	15,443,658	(24,980,324)	8,995,931
Total capital assets, not being depreciated	81,303,385	15,659,327	(24,980,324)	71,982,388
Right to use leased assets, being amortized:				
Buildings	9,595		(9,595)	—
Equipment	352,839	—	—	352,839
Total amortized assets	362,434	—	(9,595)	352,839
Less accumulated amortization for:				
Buildings	(9,595)		9,595	—
Equipment	(88,210)	(88,210)	—	(176,420)
Total accumulated amortization	(97,805)	(88,210)	9,595	(176,420)
Total intangible assets being amortized, net	264,629	(88,210)	—	176,419
Capital assets, being depreciated				
Buildings	46,617,849	9,900,148	(527,966)	55,990,031
Improvements other than buildings	61,017,095	12,047,839	(2,431,193)	70,633,741
Machinery and Equipment	24,212,298	2,819,054	(551,412)	26,479,940
Infrastructure	1,616,523		—	1,616,523
Total capital assets being depreciated	133,463,765	24,767,041	(3,510,571)	154,720,235
Less: accumulated depreciation for:				
Buildings	(10,811,132)	(1,365,931)	447,619	(11,729,444)
Improvements other than buildings	(29,751,002)	(2,626,796)	1,815,204	(30,562,594)
Machinery and Equipment	(7,617,591)	(1,997,353)	525,491	(9,089,453)
Infrastructure	(361,441)	(82,053)	—	(443,494)
Total accumulated depreciation	(48,541,166)	(6,072,133)	2,788,314	(51,824,985)
Total capital assets, being depreciated, net	84,922,599	18,694,908	(722,257)	102,895,250
Governmental activities capital assets, net	\$ 166,490,613	\$ 34,266,025	\$ (25,702,581)	\$ 175,054,057

	*As Restated December 31, 2021	Increases	Decreases	December 31, 2022
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 4,240,976		\$ (10,437)	\$ 4,230,539
Total capital assets, not being depreciated	4,240,976	—	(10,437)	4,230,539
Right to use leased assets, being amortized				
Buildings	496,071		(496,071)	—
Vehicles	283,505		(283,505)	—
Total amortized assets	779,576	—	(779,576)	—
Less accumulated amortization for:				
Buildings	(313,308)	(182,763)	496,071	—
Vehicles	(141,752)	(141,753)	283,505	—
Total accumulated amortization	(455,060)	(324,516)	779,576	—
Total intangible assets being amortized, net	324,516	(324,516)	—	—
Capital assets, being depreciated				
Buildings	5,163,783	—	(188,002)	4,975,781
Improvements other than buildings	6,155,651	—	(1,925,765)	4,229,886
Machinery and Equipment	1,155,352	—	(285,613)	869,739
Total capital assets being depreciated	12,474,786	—	(2,399,380)	10,075,406
Less accumulated depreciation for:				
Buildings	(2,890,225)	(124,472)	147,060	(2,867,637)
Improvements other than buildings	(6,138,028)	(2,681)	1,925,765	(4,214,944)
Machinery and Equipment	(1,131,593)	(14,465)	285,613	(860,445)
Total accumulated depreciation	(10,159,846)	(141,618)	2,358,438	(7,943,026)
Total capital assets being depreciated, net	2,314,940	(141,618)	(40,942)	2,132,380
Business-type activities capital assets, net	\$ 6,880,432	\$ (466,134)	\$ (51,379)	\$ 6,362,919



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

	*As Restated December 31, 2021	Increases	Decreases	December 31, 2022
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 1,260,798	\$ —	\$ —	\$ 1,260,798
Ownership rights	444,042	—	(26,379)	417,663
Construction in progress	7,790,969		(7,790,969)	—
Total capital assets, not being depreciated	9,495,809		(7,817,348)	1,678,461
Capital assets, being depreciated				
Buildings	12,855,139	8,599,614	—	21,454,753
Improvements other than buildings			—	—
Machinery and Equipment	17,557,018	454,378	(331,823)	17,679,573
Infrastructure			—	—
Total capital assets being depreciated	30,412,157	9,053,992	(331,823)	39,134,326
Less accumulated depreciation for:				
Buildings	(4,145,810)	(506,446)		(4,652,256)
Improvements other than buildings			—	—
Machinery and Equipment	(7,853,676)	(1,480,398)	361,415	(8,972,659)
Infrastructure			—	—
Total accumulated depreciation	(11,999,486)	(1,986,844)	361,415	(13,624,915)
Total capital assets, being depreciated, net	18,412,671	7,067,148	29,592	25,509,411
Governmental activities capital assets, net	27,908,480	7,067,148	(7,787,756)	27,187,872
Right to use assets being amortized				
Land	420,917	—	—	420,917
Less accumulated amortization for:				
Land	(15,353)	—	(15,353)	(30,706)
Total right to use assets, being amortized, net	405,564	—	(15,353)	390,211
Governmental activities capital assets & right to use assets, net	\$ 28,314,044	\$ 7,067,148	\$ (7,803,109)	\$ 27,578,083

## 6. Interfund Balances and Transfers

Interfund balances occur when one fund incurs expenses for another fund. For Public Building Commission, the \$5.6M represents \$3M in funding advanced from the General Fund to construct a Household Hazardous Waste Facility and \$2.6M to fund a real estate purchase for a Med-Act Facility. For Airport, the \$14.6M represents funding advanced from the General Fund to purchase real estate and New Century Commerce Center . Amounts due to and from other funds as of December 31, 2022 are as follows:

<b>Interfund Balances at December 31, 2022</b>			
		Due to Other Funds	Due from Other Funds
<b>Major Funds</b>			
General Fund	\$	—	\$ 20,249,339
Public Building Commission	\$	5,626,000	—
Airport	\$	14,623,339	\$ —
Total	\$	20,249,339	\$ 20,249,339

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

Interfund transfers for the year ended December 31, 2022 are as follows:

<b>Interfund Transfers:</b>							
	General Fund	Capital Projects Fund	Wastewater	Non-Major Governmental Funds	Non-Major Enterprise Funds	Non-Major Internal Svc Funds	Total Transfers Out
<b>Transfer From</b>							
General Fund	\$ —	\$ 22,753,703	\$ 2,010	\$ 986,849	\$ 11,992,026	\$ 1,276,081	\$ 37,010,669
Capital Projects Fund	97,082	—	—	3,710,395	—	—	3,807,477
Wastewater	702,121	—	—	—	—	—	702,121
Non-Major Governmental Funds	3,207,997	39,712,410	—	308,684	—	2,526,948	45,756,039
Non-Major Enterprise Funds	—	—	73,253	75,000	—	—	148,253
Non-Major Internal Svc Funds	—	—	—	—	—	3,200	3,200
<b>Total Transfers In</b>	\$ 4,007,200	\$ 62,466,113	\$ 75,263	\$ 5,080,928	\$ 11,992,026	\$ 3,806,229	\$ 87,427,759

Transfers from the General Fund and non-major governmental funds were primarily to the Capital Projects Fund. The General Fund also transferred subsidies to the Transportation and Airport ( non-major enterprise) funds. Funds were also transferred from the General fund to the Capital Projects fund for equipment reserves.

Transfers from a major enterprise fund, Johnson County Wastewater, were for annual operating subsidies.

Transfers for the government-wide Statement of Activities for the year ended December 31, 2022 have been summarized below.

	<b>Transfers</b>
<b>Transfer From</b>	
Governmental activities to Business-type activities	
General to Non-Major Enterprise	\$ 11,992,026
General to Wastewater	\$ 2,010
Capital Projects to Non-Major Enterprise	—
Business-type activities to Governmental activities	
Wastewater to General	(702,121)
Non-Major Enterprise Funds to Non-Major Governmental	(75,000)
<b>Total Transfers - Statement of Activities</b>	<b>\$ 11,216,915</b>

## 7. Leases

### Primary Government

#### Lessee

The County has entered into lease arrangements for twelve buildings, one for land, six for equipment, and eleven for vehicles. The lease contracts expire at various dates through 2030, assuming that all renewal options are exercised by the County. The right to use assets are intangible assets and are recorded in capital assets as building, land, equipment, and vehicle leases as noted in Footnote 5. During 2022, the County paid \$443,615 in lease payments.

The following represents the future minimum lease payments for governmental and business-type required under the lease arrangements as of December 31:

Year	Principal	Interest	Total
2023	\$ 191,504	\$ 8,639	\$ 200,143
2024	129,115	5,774	134,889
2025	119,068	3,500	122,568
2026	37,192	1,383	38,575
2027	28,816	435	29,251
	<u>\$ 505,695</u>	<u>\$ 19,731</u>	<u>\$ 525,426</u>

#### Lessor

The County has entered into 84 arrangements to lease buildings, land, equipment, or vehicles owned by the County to others. The lease contracts expire at various dates through 2072, assuming that all of the renewal options are exercised by the County and the lessee. During 2021, the County received \$3,196,652 in lease revenue which represents the total amount of inflows of resources recognized in the reporting period from leases.

The following represents the future minimum lease revenue due for governmental and business-type under the lease arrangements as of December 31:

Year	Principal	Interest	Total
2023	\$ 2,471,270	\$ 434,277	\$ 2,905,547
2024	2,102,421	427,831	2,530,252
2025	1,951,213	396,897	2,348,110
2026	1,842,137	367,716	2,209,853
2027	1,614,146	340,582	1,954,728
2028-2032	4,314,896	1,449,399	5,764,295
2033-2037	2,905,824	1,190,658	4,096,482
2038-2042	3,367,104	934,966	4,302,070
2043-2047	3,680,066	640,999	4,321,065
2048-2052	3,070,805	338,802	3,409,607
2053-2057	1,639,442	155,920	1,795,362
2058-2062	468,208	85,225	553,433
2063-2067	600,323	44,851	645,174
2068-2072	272,986	4,169	277,155
	<u>\$ 30,300,841</u>	<u>\$ 6,812,292</u>	<u>\$ 37,113,133</u>

**Discretely presented component unit**

Lessee

The Park and Recreation District has entered into lease agreements for space usage and equipment. The lease contracts expire at various dates through 2024, assuming that all renewal options are exercised by the District. The right to use assets are intangible assets and are recorded in capital assets as buildings and equipment. During 2022, the District paid \$410,815 in lease payments.

The following represents future minimum lease payments for governmental and business-type required under the lease arrangements as of December 31:

Year	Principal	Interest	Total
2023	\$ 87,545	\$ 2,682	\$ 90,227
2024	88,899	1,351	90250
	<u>\$ 176,444</u>	<u>\$ 4,033</u>	<u>\$ 180,477</u>

Lessor

The Park and Recreation District has entered into arrangements to lease houses and cell towers owned by the District to others. The lease contracts expire at various dates through 2045, assuming that all renewal options are exercised by the lessee. During 2022, the District received \$239,125 in lease revenue which represents the total amount of inflows of resources recognized in the reporting period from leases.

The following represents the future minimum lease revenue due for governmental and business-type under the lease arrangements as of December 31:

Year	Principal	Interest	Total
2023	\$ 177,088	\$ 48,742	\$ 225,830
2024	186,139	45,670	231809
2025	195,591	42,436	238027
2026	183,282	39,094	222376
2027	119,960	36,381	156341
2028-2032	605,412	148,859	754271
2033-2037	631,546	86,381	717927
2038-2042	469,821	22,465	492286
	<u>\$ 2,568,839</u>	<u>\$ 470,028</u>	<u>\$ 3,038,867</u>

Lessee

The Fire Districts have entered into a lease agreement for land rental. The lease contract expires in 2048, assuming that all renewal options are exercised by the District. The right to use asset is an intangible asset and is recorded in capital assets as land. During 2022, the District paid \$18,690 in lease payments.

The following represents future minimum lease payments required under the lease arrangements as of December 31:

Year	Principal	Interest	Total
2023	\$ 12,792	\$ 5,897	\$ 18,690
2024	12,988	5,701	18,690
2025	13,187	5,503	18,690
2026	13,389	5,301	18,690
2027	13,594	5,096	18,690
2028-2032	71,154	22,294	93,448
2033-2037	76,769	16,679	93,448
2038-2042	82,827	10,621	93,448
2043-2047	89,363	4,085	93,448
2048-2052	6,903	30	6,933
	<u>\$ 392,965</u>	<u>\$ 87,295</u>	<u>\$ 474,170</u>

**Lessor**

The Fire Districts have entered into arrangements to lease cell towers owned by the District to others. The lease contracts expire at various dates through 2047, assuming that all renewal options are exercised by the lessee. During 2022, the Fire Districts received \$187,246 in lease revenue which represents the total amount of inflows of resources recognized in the reporting period from leases.

The following represents the future minimum lease revenue due under the lease arrangements as of December 31:

Year	Principal	Interest	Total
2023	\$ 135,158	\$ 59,028	\$ 194,186
2024	117,461	56,877	174,338
2025	106,576	55,082	161,658
2026	113,274	53,233	166,507
2027	120,242	51,261	171,503
2028-2032	715,855	221,990	937,845
2033-2037	936,435	150,783	1,087,218
2038-2042	769,023	63,636	832,659
2043-2047	223,426	14,572	237,998
	<u>\$ 3,237,450</u>	<u>\$ 726,462</u>	<u>\$ 3,963,912</u>

**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, 2022:

	Outstanding			Outstanding	Due Within
	January 1	Additions	Reductions	December 31	One Year
<b>Primary Government</b>					
Bonds:					
General obligation	\$ 16,040,000	\$ —	\$ 1,920,000	\$ 14,120,000	\$ 1,965,000
Plus: bond premium	1,692,944	—	242,866	1,450,078	—
Special assessment	119,500	—	15,800	103,700	16,300
Compensated absences	22,023,914	2,876,434	1,736,493	23,163,855	2,103,678
Total OPEB liability	23,477,325	776,728	5,445,832	18,808,221	
Net pension liability	181,834,875	153,574,476	48,853,142	286,556,209	
Lease obligations	572,182	662,852	894,945	340,089	137,132
Purchase Agreements	1,349,280		651,521	697,759	697,750
Total	\$ 247,110,020	\$157,890,490	\$ 59,760,599	\$ 345,239,911	\$ 4,919,860

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

## 2. Governmental Activities General and Special Obligation Bonds

At December 31, 2022, governmental activities general and special obligation bonds consist of the following:

<b>Outstanding Governmental Activities General and Special Obligation Bonds as of December 31, 2022</b>				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
<b>Primary Government</b>				
2012B	730,000	240,000	2.000-3.000%	13
2015A (Fire District 2)	2,585,000	1,795,000	1.500-3.000%	15
2016A	1,580,000	720,000	2.000-5.000%	20
2017A	975,000	540,000	5.000%	10
2018A	9,205,000	6,055,000	5.000%	10
2019A	2,670,000	1,950,000	5.000%	10
2021A (Fire District 2)	3,115,000	2,820,000	2.000-3.000%	10
Total	\$ 20,860,000	\$ 14,120,000		

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>
2023	\$ 1,965,000	\$ 573,588	\$ 2,538,588
2024	2,055,000	490,900	2,545,900
2025	2,130,000	403,775	2,533,775
2026	2,140,000	312,900	2,452,900
2027	2,025,000	220,300	2,245,300
2028-2031	3,805,000	199,150	4,004,150
<b>Total</b>	<b>\$ 14,120,000</b>	<b>\$ 2,200,613</b>	<b>\$ 16,320,613</b>

### 3. Governmental Activities Special Assessment Bonds

As explained in Note 1.L., Summary of Significant Accounting Policies, the County has made a commitment to pay special assessment bonds in the event less than sufficient revenues are collected for the required debt service. Bonds were issued in 2016 in the amount of \$106,900 as part of Series 2016A. In 2020, additional bonds were issued in the amount of \$65,000 as part of Series 2020A. These funds will be used for the construction of improvements in special benefit districts within the County.

<b>Outstanding Governmental Activities Outstanding Special Assessment Bonds as of December 31, 2022</b>				
	<b>Original Issue Amount</b>	<b>Current Bonds Outstanding</b>	<b>Interest Rates</b>	<b>Original Term in Years</b>
2016A	\$ 106,900	\$ 48,700	2.000-5.000%	10
2020A	65,000	55,000	3.000%	10
<b>Total</b>	<b>171,900</b>	<b>103,700</b>		

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

<b>Debt Service Requirements Governmental Activities for Special Assessment Bonds</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 16,300	\$ 4,085	\$ 20,385
2024	16,800	3,370	20,170
2025	17,500	2,630	20,130
2026	18,100	1,855	19,955
2027	5,000	1,050	6,050
2028-2030	30,000	1,800	31,800
<b>Total</b>	<b>\$ 103,700</b>	<b>\$ 14,790</b>	<b>\$ 118,490</b>

#### 4. Purchase Agreements

The County has entered into various purchase agreements for assets. The future minimum payment obligations and the net present value of these minimum payments as of December 31, 2022 were as follows:

<b>Future Minimum Payments</b>	
Year Ending December 31:	Governmental Activities
2023	725,672
Total minimum payments	725,672
Less amounts representing interest	(27,912)
Present value of minimum payments	\$ 697,760

#### 5. Debt Margin

The County has an available debt margin of \$1,107,835,353 as of December 31, 2022.

### 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, 2022:

<b>Summary of Business-Type Activities Debt for the year ended December 31, 2022</b>					
	Restated			Outstanding December 31, 2022	Due Within One Year
	Outstanding December 31, 2021	Additions	Reductions		
<b>Primary Government</b>					
General obligation bonds:					
Wastewater	\$ 584,580,500	\$ —	\$ 24,254,200	\$ 560,326,300	\$ 31,263,700
Plus: bond premium	42,209,815	—	3,450,546	38,759,269	
Less:					
Issuance discounts	(56,535)	—	(7,089)	(49,446)	
Airport	3,180,000	—	215,000	2,965,000	230,000
Plus: bond premium	272,393	—	26,318	246,075	
Revenue bonds:					
PBC	287,380,000	—	36,970,000	250,410,000	38,645,000
Plus: bond premium	24,307,621	—	3,615,788	20,691,833	
Less:					
Issuance discounts	(174,674)		(29,265)	(145,409)	
Compensated absences	1,581,090	201,455	63,568	1,718,977	159,902
Net pension liability	5,912,200	3,094,509	800,924	8,205,785	—
Total OPEB liability	1,764,910	—	349,239	1,415,671	
Retainages payable	15,226,040	1,172,546.25	14,971,768	1,426,818.25	1,426,818.25
Asset retirement obligation	860,000			860,000	—
Lease obligations	219,164		53,557	165,607	54,371
Long-term loans:					
Wastewater	13,307,915	—	1,513,923	11,793,992	1,555,458
<b>Total</b>	<b>\$ 980,570,439</b>	<b>\$ 4,468,510.25</b>	<b>\$ 86,248,477</b>	<b>\$ 898,790,472.25</b>	<b>\$ 73,335,249.25</b>



## 2. Business-Type Activities General Obligation Bonds

At December 31, 2022, Business-Type Activities General Obligation Bonds consist of the following:

<b>Outstanding Business-Type Activities General Obligation Bonds</b>				
<b>as of December 31, 2022</b>				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2012B Wastewater	26,275,000	8,565,000	2.000-3.000%	13
2014A Wastewater	20,205,000	14,065,000	3.500-5.000%	20
2014B Wastewater	21,465,000	10,690,000	3.000-5.000%	13
2014B Wastewater	17,015,000	9,455,000	3.000-5.000%	13
2015A Wastewater	28,605,000	20,940,000	3.000-5.000%	20
2015B Wastewater	17,490,000	11,550,000	3.000-5.000%	13
2015B Wastewater	6,925,000	4,570,000	3.000-5.000%	13
2016A Wastewater	32,758,100	28,306,300	2.000-5.000%	20
2016B Wastewater	10,570,000	7,825,000	2.000-4.000%	10
2017A Wastewater	14,805,000	12,115,000	2.500-5.000%	20
2018A Wastewater	223,585,000	223,585,000	3.125-5.000%	22
2019A Wastewater	19,495,000	17,230,000	2.375-4.000%	20
2020A Wastewater	80,360,000	80,360,000	2.000-3.000%	20
2020A Wastewater	11,090,000	8,905,000	3.000%	9
2020A Wastewater	4,200,000	1,990,000	3.000%	4
2020B Wastewater	9,415,000	8,600,000	1.100-4.000%	11
2020C Wastewater	4,760,000	3,875,000	3.000%	10
2020D Wastewater	22,420,000	22,045,000	1.600-2.000%	12
2020D Wastewater	27,240,000	26,725,000	1.600-2.000%	13
2021A Wastewater	40,600,000	38,930,000	1.750-4.000%	20
2015A Airport	1,910,000	1,400,000	3.000-5.000%	20
2015B Airport	1,125,000	745,000	3.000-5.000%	13
2021A Airport	855,000	820,000	1.750-4.000%	20
Total	\$ 643,168,100	\$ 563,291,300		

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, 2022, the balance of the bond premium is \$552,195.

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

The issuance of the Series 2012B General Obligation Internal Improvement Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue)

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

On November 25, 2014, the County also issued \$20,205,000 of General Obligation Internal Improvement Bonds, Series 2014A, to finance certain wastewater improvements to Johnson County Wastewater. These bonds mature in 2034 and have interest rates ranging from 3.5% to 5.0%. The bond premium for the Series 2014A issue was recorded in the amount of \$2,113,384 and is being amortized to interest expense through 2034. As of December 31, 2022, the balance of the bond premium is \$1,261,777.

On November 25, 2014, the County also issued \$38,480,000 of Internal Improvement Refunding Bonds, Series 2014B, to crossover refund the series 2007A and 2007B bonds. These bonds mature in 2027 and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2014B issue was recorded in the amount of \$6,207,700 and is being amortized to interest expense through 2027. As of December 31, 2022, the balance of the bond premium is \$2,369,462.

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

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

On December 17, 2015, the County also issued \$30,515,000 of Internal Improvement Bonds, Series 2015A, to finance certain wastewater improvements to Johnson County Wastewater and to purchase land for the Airport. These bonds mature in 2035 and have interest rates ranging from 3.0% to 5.0%. The bond premium for the Series 2015A issue was recorded in the amount of \$2,485,699 and is being amortized to interest expense through 2035. As of December 31, 2022, the balance of the bond premium is \$1,612,606.

On December 17, 2015, the County also issued \$25,540,000 of Internal Improvement Refunding Bonds, Series 2015B, to crossover refund the series 2008A and 2008D bonds. These bonds mature in 2028 and have interest rates ranging from 3.0% to 5.0%. The bond premium for the Series 2015B issue was recorded in the amount of \$4,126,740 and is being amortized to interest expense through 2028. As of December 31, 2022, the balance of the bond premium is \$1,899,030.

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

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

On October 27, 2016, the County issued \$32,758,100 of General Obligation Internal Improvement Bonds, Series 2016A, to finance certain wastewater improvements to Johnson County Wastewater. These bonds mature in 2036 and have interest rates ranging from 2.0% to 5.0%. The bond premium for the 2016A issue was recorded in the amount of \$3,525,290 and is being amortized to interest expense through 2036. As of December 31, 2022, the balance of the bond premium is \$2,445,730.

On October 27, 2016, the County also issued \$10,570,000 of General Obligation Refunding Bonds, Series 2016B, to crossover refund the Series 2009A bonds. These bonds mature in 2029 and have interest rates ranging from 2.0% to 4.0%. The bond premium for the Series 2016B issue was recorded in the amount of \$1,082,433 and is being amortized to interest expense through 2029. As of December 31, 2022, the balance of the bond premium is \$574,864.

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

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

On November 2, 2017, the County issued \$14,805,000 of General Obligation Internal Improvement Bonds, Series 2017A, to finance certain wastewater improvements to Johnson County Wastewater. These bonds mature in 2037 and have interest rates ranging from 2.5% to 5.0%. The bond premium for the 2017A issue was recorded in the amount of \$1,127,697 and is being amortized to interest expense through 2037. As of December 31, 2022, the balance of the bond premium is \$838,937.

On August 22, 2018, the County issued \$223,585,000 of General Obligation Internal Improvement Bonds, Series 2018A, to finance the Tomahawk wastewater project and other smaller wastewater improvements to Johnson County Wastewater. These bonds mature in 2040 and have interest rates ranging from 3.1% to 5.0%. The bond premium for the 2018A issue was recorded in the amount of \$17,439,744 and is being amortized to interest expense through 2040. As of December 31, 2022, the balance of the bond premium is \$14,034,324.

On December 11, 2019, the County issued \$19,495,000 of General Obligation Internal Improvement Bonds, Series 2019A, to finance wastewater improvements to Johnson County Wastewater. These bonds mature in 2039 and have interest rates ranging from 2.375% to 4.0%. The bond premium for the 2019A issue was recorded in the amount of \$1,158,895 and is being amortized to interest expense through 2039. As of December 31, 2022, the balance of the bond premium is \$982,362.

On August 20, 2020, the County issued \$80,360,000 of General Obligation Internal Improvement Bonds, Series 2020A, to finance wastewater improvements to Johnson County Wastewater. These bonds mature in 2040 and have interest rates ranging from 2.0% to 3.0%. Another component of 2020A is the refunding of Series 2009B and Series 2010D. This part of the issuance is \$15,290,000 - \$11,090,000 for 2009B, and \$4,200,000 for 2010D. The portion of the Series 2020A related to the refunding of Series 2009B bonds matures in 2029, and has an interest rate of 3.0%. The refunding portion related to Series 2010D bonds matures in 2024. The bond premium for the non-refunding component of the 2020A issue was recorded in the amount of \$5,791,876 and is being amortized to interest expense through 2040. As of December 31, 2022, the balance of the bond premium is \$5,109,970. The bond premium for the refunding component of the 2020A issue was recorded in the amount of \$1,623,148 and is being amortized to interest expense through 2029. As of December 31, 2022, the balance of the bond premium is \$1,211,336.

The refunding portion of Series 2020A resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$2,123,044. and a reduction of \$3,012,632 in the net future value debt service payments for the County over the next 10 years.

On August 20, 2020, the County also issued \$9,415,000 of General Obligation Refunding Bonds, Series 2020B, to crossover refund the Series 2011A bonds. This is a taxable advance refunding debt issue. The Escrow Agent and holder of these funds was BOK Financial.

The Series 2020B bonds mature in 2031 and have interest rates ranging from 1.1% to 4.0%. The bond premium for the Series 2020B issue was recorded in the amount of \$782,093 and is being amortized to interest expense through 2031. As of December 31, 2022, the balance of the bond premium is \$618,697.

For proprietary funds, the Series 2020B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$1,399,426 and a reduction of \$1,303,065 in the net future value debt service payments for the County over the next 11 years.

The issuance of the Series 2020B General Obligation Internal Improvement Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of 2020B Bonds allocable to the Series 2011A on the call date of the Refunded Bonds. On the call date, the escrow account paid the entire remaining principal of the Refunded Bonds. The County paid the originally scheduled debt service payments on the Series 2011A until the call

date. After the call date, the County began making debt service payments on the 2020B Bonds, taking advantage of the lower interest rates.

On November 10, 2020, the County issued \$4,760,000 of General Obligation Refunding Bonds, Series 2020C, to refund the Series 2010C bonds. These bonds mature in 2030, and have an interest rate of 3.0%. The bond premium for the Series 2020C issue was recorded in the amount of \$579,949 and is being amortized to interest expense through 2030. As of December 31, 2022, the balance of the bond premium is \$457,477.

For proprietary funds, the Series 2020C Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$596,240 and a reduction of \$987,268 in the net future value debt service payments for the County over the next 10 years.

On November 10, 2020, the County also issued \$49,660,000 of General Obligation Refunding Bonds, Series 2020D, to refund the Series 2012A and Series 2013A bonds. This is a taxable advance refunding debt issue. The Escrow Agent and holder of these funds is Security Bank of Kansas City. Per the bond transcripts, the Escrow Agent may resign and, subject to bond holder consent and under special provisions, the County can select a new Escrow Agent. Similarly, subject to bond holder consent, the County may appoint a new Escrow Agent for any reason. If the County and bond holders cannot agree on the new Escrow Agent, there are provisions for a court to appoint a successor Escrow Agent.

A total of \$48,185,000 principal amount of the Series 2020D Bonds were used to refund \$21,900,000 of the outstanding portion of Series 2012A Bonds and \$26,285,000 of the outstanding portion of Series 2013A Bonds. These funds are held in an irrevocable trust with the Escrow Agent to provide for future debt payments beginning with the year 2023 on the 2012A and 2013A bonds. These amounts are the principal balance totals due as of the beginning of the year 2023. The County will pay the principal payments due for the years of 2021 and 2022. As a result, the portions of the 2012A and 2013A Bonds past year 2022 are considered defeased and the related liability for these bonds has been removed from the long-term debt. The bond premium for the 2012A portion of the Series 2020D issue was recorded in the amount of \$1,025,650 and is being amortized to interest expense through 2032. As of December 31, 2022, the balance of this bond premium is \$844,756. The bond premium for the 2013A portion of the Series 2020D issue was recorded in the amount of \$1,122,606 and is being amortized to interest expense through 2033. As of December 31, 2022, the balance of this bond premium is \$939,687.

For proprietary funds, the Series 2020D Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$5,513,777 and a reduction of \$5,085,322 in the net future value debt service payments for the County over the next 13 years.

On November 18, 2021, the County issued \$41,455,000 of General Obligation Internal Improvement Bonds, Series 2021A, to finance wastewater improvements to Johnson County Wastewater and to finance Airport road improvements. These bonds mature in 2041 and have interest rates ranging from 1.75% to 4.0%. The bond premium for the 2021A issue was recorded in the amount of \$2,594,964 and is being amortized to interest expense through 2041. As of December 31, 2022, the balance of the bond premium is \$2,450,694.

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

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

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

<b>Debt Service Requirements for Business-Type Activities General Obligation Bonds</b>					
	Principal		Interest		Total
2023	\$	31,493,700	\$	19,148,109	\$ 50,641,809
2024		38,178,200		17,914,424	56,092,624
2025		38,872,500		16,368,414	55,240,914
2026		37,381,900		14,872,939	52,254,839
2027		35,880,000		13,483,494	49,363,494
2028-2032		163,855,000		49,291,375	213,146,375
2033-2037		139,095,000		25,174,764	164,269,764
2038-2041		78,535,000		4,949,038	83,484,038
Total	\$	563,291,300	\$	161,202,557	\$ 724,493,857

### 3. 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, 2022, business-type activities revenue bonds for PBC consist of the following:

<b>Business-Type Activities Outstanding Revenue Bonds as of December 31, 2022</b>				
	Original Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
<b>Primary Government</b>				
PBC, 2012A	16,635,000	5,325,000	3.000-4.000%	13
PBC, 2014A	1,995,000	460,000	2.000-3.000%	10
PBC, 2014B	4,000,000	890,000	2.000-4.000%	10
PBC, 2015A	21,460,000	15,565,000	2.000-4.000%	20
PBC, 2015B	41,725,000	25,795,000	2.000-5.000%	13
PBC, 2016A	16,365,000	11,990,000	2.000-5.000%	20
PBC, 2016B	9,175,000	6,695,000	2.000-3.000%	10
PBC, 2017A	15,060,000	11,900,000	2.000-3.125%	20
PBC, 2017B	23,125,000	19,240,000	4.000-5.000%	14
PBC, 2018A	148,595,000	113,250,000	4.000-5.000%	9
PBC, 2019A	1,390,000	1,180,000	4.000-5.000%	14
PBC, 2020A	9,930,000	4,620,000	3.000%	4
PBC, 2020A	7,065,000	6,390,000	2.000-3.000%	10
PBC, 2020B	10,585,000	9,300,000	1.000-1.350%	11
PBC, 2020C	5,840,000	5,365,000	2.000-3.000%	20
PBC, 2020D	6,845,000	6,175,000	3.000%	10
PBC, 2021A	6,745,000	6,270,000	2.000-4.500%	10
Total	\$ 346,535,000	\$ 250,410,000		

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, 2022, the balance of the bond premium is \$414,688.

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

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

On November 25, 2014, the County issued \$1,995,000 of Lease Purchase Improvement Revenue Bonds, Series 2014A, to finance capital improvement projects on behalf of the County to construct County buildings. These bonds mature in 2024, and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2014A Lease Purchase Improvement Revenue Bonds issue was recorded in the amount of \$72,859, and is being amortized to interest expense through 2024. As of December 31, 2022, the remaining balance of the bond premium is \$14,428.

On November 25, 2014, the County issued \$4,000,000 of Lease Purchase Improvement Revenue Bonds, Series 2014B, to finance capital improvement projects on behalf of the County to construct County buildings. These bonds mature in 2024, and have interest rates ranging from 2.0% to 4.0%. The bond premium for the Series 2014B Lease Purchase Improvement Revenue Bonds issue was recorded in the amount of \$285,702, and is being amortized to interest expense through 2024. As of December 31, 2022, the remaining balance of the bond premium is \$56,577.

On June 30, 2015 the County issued \$21,460,000 of Lease Purchase Improvement Revenue Bonds, Series 2015A, to finance capital improvement projects on behalf of the County to construct County buildings. These bonds mature in 2035, and have interest rates ranging from 2.0% to 4.0%. The bond premium for the Series 2015A Lease Purchase Improvement Revenue Bonds issue was recorded in the amount of \$564,610, and is being amortized to interest expense through 2035. As of December 31, 2022, the remaining balance of the bond premium is \$357,747.

On December 17, 2015, the County issued \$41,725,000 of Lease Purchase Revenue Refunding Bonds, Series 2015B, to crossover refund the Series 2007A, 2008A, and 2008C bonds. These bonds mature in 2028 and have interest rates ranging from 2.0% to 5.0%. The bond premium for the Series 2015B issue was recorded in the amount of \$3,201,280 and is being amortized to interest expense through 2028. As of December 31, 2022, the balance of the bond premium is \$1,473,154.

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

The issuance of the Series 2015B Lease Purchase Revenue Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in

an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of the 2015B PBC Bonds allocable to the Series 2007A, 2008A, and 2008C Bonds until September 1, 2018, (the call date of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The PBC continued to pay the originally scheduled debt service payments on the Series 2007A, 2008A, and 2008C Bonds until September 1, 2018. After the call date, the PBC crossed over and began making debt service payments on the 2015B PBC Bonds, taking advantage of the lower interest rates.

On October 27, 2016, the County issued \$12,720,000 of Lease Purchase Improvement Revenue Bonds, Series 2016A to finance capital improvement projects on behalf of the County to construct the Monticello library building. Another component of 2016A is the refunding of Series 2008B. This part of the issuance is \$3,645,000. Series 2016A bonds mature in 2036, and have interest rates ranging from 2.0% to 5.0%. The bond premium for the Series 2016A issue was recorded in the amount of \$1,891,146 and is being amortized to interest expense through 2036. As of December 31, 2022, the remaining balance of the bond premium is \$1,312,015.

On October 27, 2016, the County issued \$9,175,000 of Lease Purchase Revenue Refunding Bonds, Series 2016B, to crossover refund the Series 2009A bonds. These bonds mature in 2029 and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2016B issue was recorded in the amount of \$364,229 and is being amortized to interest expense through 2029. As of December 31, 2022, the balance of the bond premium is \$193,437.

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

The issuance of the Series 2016B Lease Purchase Revenue Refunding Bonds was conducted as a “crossover” advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of the 2016B PBC Bonds allocable to the Series 2009A Bonds until September 1, 2020, (the call date of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The PBC continued to pay the originally scheduled debt service payments on the Series 2009A Bonds until September 1, 2020. After the call date, the PBC crossed over and began making debt service payments on the 2016B PBC Bonds, taking advantage of the lower interest rates.

On November 2, 2017, the County issued \$15,060,000 of Lease Purchase Revenue Bonds, Series 2017A to finance capital improvement projects on behalf of the County to construct the Lenexa City Center library building. These bonds mature in 2037, and have interest rates ranging from 2.0% to 3.125%. The bond premium for the Series 2017A bonds issue was recorded in the amount of \$187,498 and is being amortized to interest expense through 2037. As of December 31, 2022, the remaining balance of the bond premium is \$139,487.

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



amount of \$3,634,477 and is being amortized to interest expense through 2031. As of December 31, 2022, the remaining balance of the bond premium is \$2,309,473.

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

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

On September 5, 2018, the County issued \$148,595,000 of Lease Purchase Revenue Bonds, Series 2018A to finance the building of the new county courthouse and medical examiner facility. These bonds mature in 2027, and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2018A bonds issue was recorded in the amount of \$20,222,601 and is being amortized to interest expense through 2027. As of December 31, 2022, the remaining balance of the bond premium is \$10,831,215.

On December 11, 2019, the County issued \$1,390,000 of Lease Purchase Revenue Bonds, Series 2019A to finance various asset replacement projects. These bonds mature in 2039, and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2019A bonds issue was recorded in the amount of \$44,614 and is being amortized to interest expense through 2039. As of December 31, 2022, the remaining balance of the bond premium is \$37,818.

On August 27, 2020, the County issued \$16,995,000 of Lease Purchase Revenue Refunding Bonds, Series 2020A, to refund Series 2010C and Series 2010D bonds. The bonds related to the refunding of 2010C mature in 2024 and have an interest rate of 3.0%. The bonds related to the refunding of 2010D have interest rates ranging from 2.0% to 3.0%. The bond premium for the portion of the Series 2020A related to the 2010C issue was recorded in the amount of \$672,989 and is being amortized to interest expense through 2024. As of December 31, 2022, the balance of this bond premium is \$307,455. The bond premium related to the 2010D issue was recorded in the amount of \$867,669 and is being amortized to interest expense through 2030. As of December 31, 2022, the balance of the bond premium is \$670,173.

The refunding Series 2020A resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$1,985,110 and a reduction of \$2,657,417 in the net future value debt service payments for the PBC over the next 10 years.

On August 27, 2020, the County issued \$10,585,000 of Lease Purchase Revenue Refunding Bonds, Series 2020B, to refund the Series 2011B bonds. This is a taxable advance refunding debt issue. The Escrow Agent and holder of these funds is Security Bank of Kansas City. Per the bond transcripts, the Escrow Agent may resign and, subject to bond holder consent and under special provisions, the County can select a new Escrow Agent. Similarly, subject to bond holder consent, the County may appoint a new Escrow Agent for any reason. If the County and bond holders cannot agree on the new Escrow Agent, there are provisions for a court to appoint a successor Escrow Agent.

The bond proceeds for Series 2020B are held in an irrevocable trust with the Escrow Agent to provide for future debt payments. As a result, the balance of the Series 2011B bonds is considered defeased and the related liability for these bonds has been removed from the long-term debt. The bond premium for the Series 2020B issue was recorded in the amount of \$88,798 and is being amortized to interest expense through 2031. As of December 31, 2022, the balance of the bond premium is \$70,373.

The refunding Series 2020B resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$2,414,777 and a reduction of \$2,367,344 in the net future value debt service payments for the PBC over the next 11 years.

On November 10, 2020 the County issued \$5,840,000 of Lease Purchase Revenue Bonds, Series 2020C to finance improvements to the Central Resource Library. These bonds mature in 2040, and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2020C bonds issue was recorded in the amount of \$371,301 and is being amortized to interest expense through 2040. As of December 31, 2022, the remaining balance of the bond premium is \$331,837.

On November 10, 2020, the County issued \$6,845,000 of Lease Purchase Revenue Refunding Bonds, Series 2020D, to refund Series 2010A bonds. The refunding bonds mature in 2030 and have an interest rate of 3.0%. The bond premium for the Series 2020D was recorded in the amount of \$869,833 and is being amortized to interest expense through 2030. As of December 31, 2022, the balance of this bond premium is \$686,144.

The refunding Series 2020D resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of \$798,499 and a reduction of \$1,695,710 in the net future value debt service payments for the PBC over the next 10 years.

On November 18, 2021, the County issued \$6,745,000 of Lease Purchase Revenue Bonds, Series 2021A to finance various asset replacement projects. These bonds mature in 2031, and have interest rates ranging from 2.0% to 4.5%. The bond premium for the Series 2021A bonds issue was recorded in the amount of \$913,838 and is being amortized to interest expense through 2031. As of December 31, 2022, the remaining balance of the bond premium is \$812,765.

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 prior year was \$25,020,000 and \$12,103,364 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>				
2023	\$	38,645,000	\$ 9,856,340	\$ 48,501,340
2024		38,490,000	8,287,190	46,777,190
2025		37,940,000	6,573,290	44,513,290
2026		37,830,000	4,835,165	42,665,165
2027		38,770,000	3,185,465	41,955,465
2028-2032		43,535,000	5,442,263	48,977,263
2033-2037		14,010,000	1,239,556	15,249,556
2038-2040		1,190,000	50,463	1,240,463
<b>Total</b>	<b>\$</b>	<b>250,410,000</b>	<b>\$ 39,469,732</b>	<b>\$ 289,879,732</b>

**4. Business-Type Activities Long-Term Loans**

The County has committed to pay loan obligations in the event that insufficient revenues are collected from connection fees and Capital Finance charges within the Wastewater District. These loans are Kansas State Revolving Loans from the Kansas Department of Health and Environment. At December 31, 2022, loan agreements were in existence between the County and the State of Kansas as follows:

<b>Business-Type Activities Outstanding Loans as of December 31, 2022</b>				
	Original Issue Amount	Current Loans Outstanding	Interest Rates	Original Term in Years
Mill Creek Regional Plant	13,583,500	2,640,299	2.86%	20
Middle Basin Green Project	10,655,100	4,851,699	2.72%	20
Loan Elm	871,753	432,695	2.17%	20
Gardner Lake	6,116,035	3,869,298	2.17%	20
<b>Total</b>	<b>\$ 31,226,388</b>	<b>\$ 11,793,991</b>		

Annual debt service requirements to maturity for borrowed amounts outstanding at December 31, 2022, against these loans are as follows:

<b>Debt Service Requirements for Business-Type Activities Loans</b>			
	Principal	Interest	Total
2023	\$ 1,555,458	\$ 272,543	\$ 1,828,001
2024	1,598,135	233,779	1,831,914
2025	1,641,990	193,948	1,835,938
2026	1,287,986	153,019	1,441,005
2027	918,018	126,662	1,044,680
2028-2032	3,986,493	306,834	4,293,327
2033-2034	805,911	21,991	827,902
Total	\$ 11,793,991	\$ 1,308,776	\$ 13,102,767

## 5. Claims and Judgments

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

## C. Component Unit Debt

### i. Park and Recreation District

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

The following table summarizes the changes in governmental activities long-term debt of the Park District for the year ended December 31, 2022:

<b>Summary of Governmental Activities Debt for the year ended December 31, 2022</b>					
<b>Component Unit</b>	Outstanding			Outstanding	Due Within
	January 1	Additions	Reductions	December 31	One Year
Certificates of participation	43,865,000	5,555,000	8,330,000	41,090,000	5,335,000
Plus: issuance premiums/(discounts)	2,320,024	260,188	593,952	1,986,260	—
Compensated absences	1,114,519	593,697	550,136	1,158,080	539,964
Direct lease obligations	881,216	—	881,216	—	—
Net pension liability	12,150,528	7,574,180	—	19,724,708	—
Total OPEB liability	819,047	15,035	208,264	625,818	—
Total	\$ 61,150,334	\$13,998,100	\$10,563,568	\$ 64,584,866	\$ 5,874,964

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund. Expenditures related to the net pension liability and the governmental portion of the net Other post-employment benefits (OPEB) obligation are generally liquidated from the employee benefits fund.

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

At December 31, 2022, governmental activities and business-type activities debt for the Park District consists of the following:

<b>Summary of Bond Issues</b>					
<b>Component Unit</b>	<u>Original Issue Amount</u>	<u>Governmental Activities Balance</u>	<u>Business-Type Balance</u>	<u>Interest Rates</u>	<u>Original Term in Years</u>
<b>Certificates of Participation:</b>					
2015 Series A	\$ 2,490,000	\$ 1,805,000	\$ —	2.250-4.000%	20
2017 Series A	7,300,000	3,580,000	—	2.000-4.000%	9
2017 Series B	5,460,000	2,675,000	—	2.000-4.000%	9
2019 Series A	5,545,000	4,155,000	—	3.000-4.000%	10
2019 Series B	4,175,000	3,060,000	—	3.000-4.000%	10
2019 Series C	2,595,000	1,965,000	—	2.500-3.350%	11
2020 Series A	13,510,000	10,905,000	—	1.000-1.820%	10
2021 Series A	8,365,000	7,390,000	—	2.000-4.000%	10
2022 Series A	5,555,000	5,555,000	—	4.000-5.000%	9
<b>Total</b>	<b>\$ 54,995,000</b>	<b>\$ 41,090,000</b>	<b>\$ —</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>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 5,335,000	\$ 1,275,773	\$ 6,610,773
2024	5,470,000	1,143,662	6,613,662
2025	5,635,000	961,231	6,596,231
2026	5,845,000	768,767	6,613,767
2027	4,310,000	564,937	4,874,937
2028-2032	13,995,000	965,885	14,960,885
2033-2035	500,000	40,600	540,600
<b>Total</b>	<b>\$ 41,090,000</b>	<b>\$ 5,720,855</b>	<b>\$ 46,810,855</b>

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

The following table summarizes the changes in business-type activities debt of the Park District for the year ended December 31, 2022:

Summary of Business-Type Activities Debt for the year ended December 31, 2022					
Component Unit	Outstanding	Additions	Reductions	Outstanding	Due Within
	January 1			December 31	One Year
Compensated absences	904,244	433,238	391,128	946,354	441,245
Total OPEB Liability	1,228,569	25,582	188,683	1,065,468	—
Total	\$ 2,132,813	\$ 458,820	\$ 579,811	\$ 2,011,822	\$ 441,245

The Certificates of Participation 2015A through 2021A require the establishment of bond reserves of an amount equal to the lesser of a) 10% of the stated principal amount of the certificates; b) the maximum annual debt service requirements; or c) 125% of the average annual debt service requirements. The governmental activities have \$5,025,772 restricted for the required bond reserves.

The 2022A Certificates of Participation were issued for the purpose of financing facility improvements for park and recreation purposes.

#### i. Fire Districts

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

The following table summarizes the changes in governmental activities long-term debt of the non-blended Fire Districts for the year ended December 31, 2022:

Summary of Governmental Activities Debt for the year ended December 31, 2022					
Governmental Activities:	Balance As			Balance	Due Within
	Previously Stated	Additions	Retirements		
	12/31/2021				
Pumper truck loan	\$ 1,174,431		\$ (286,486)	\$ 887,945	\$ 273,389
General obligation bonds	17,240,000		(885,000)	16,355,000	915,000
Plus: bond premium	782,383		(56,874)	725,509	56,873
Financed purchases	1,945,572	—	(367,267)	1,578,305	346,471
Lease obligations	405,564		(12,599)	392,965	12,792
Compensated absences	1,631,418	183,171	(36,275)	1,778,314	35,000
Net pension liability	19,138,422	11,619,114		30,757,536	—
Total OPEB liability	4,238,972	443	(556,551)	3,682,864	—
	\$ 46,556,762	\$ 11,802,728	\$ (2,201,052)	\$ 56,158,438	\$ 1,639,525

At December 31, 2022, governmental activities debt for the non-blended Fire Districts consists of the following:

**Summary of Debt Issues**

	Issued	Maturity	Original Amount	Governmental Activities Balance	Rate
2010 Pumper Loan	2/1/14	2/1/24	\$ 451,432	\$ 35,006	3.94%
2011 Pumper Loan	3/1/19	3/1/29	528,153	390,170	3.74%
2021a Pumper Loan	1/28/21	4/1/23	295,343	102,103	2.62%
2021b Pumper Loan	4/21/21	2/15/26	<u>446,873</u>	<u>360,666</u>	2.78%
General obligation bonds:					
2017A Refunding Bonds	12/13/17	9/1/37	6,485,000	5,090,000	2.00% - 3.00%
2019A Refunding Bonds	12/3/19	9/1/30	2,850,000	2,170,000	4.00%
2019B G.O. Bonds	12/3/19	9/1/39	<u>9,595,000</u>	<u>9,095,000</u>	3.00% - 4.00%
			\$ 20,651,801	\$ 17,242,945	

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

	Governmental Activities Long Term Debt		
	Principal	Interest	Total
2023	\$ 915,000	\$ 544,254	\$ 1,459,254
2024	940,000	517,304	1,457,304
2025	970,000	489,554	1,459,554
2026	1,005,000	456,754	1,461,754
2027	1,040,000	422,653	1,462,653
2028-2032	5,110,000	1,546,263	6,656,263
2033-2037	5,005,000	683,150	5,688,150
2038-2039	<u>1,370,000</u>	<u>61,950</u>	<u>1,431,950</u>
	\$ 16,355,000	\$ 4,721,882	\$ 21,076,882

## 9. Fund Balances

Fund balances for all the major and nonmajor governmental funds as of December 31, 2022, were distributed as follows:

<b>Johnson County, Kansas</b>				
<b>Fund Balance Classifications</b>				
<b>Governmental Funds</b>				
<b>December 31, 2022</b>				
	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable</b>				
Inventories	\$ 5,814,963	\$ —	\$ 437,496	\$ 6,252,459
Prepays	3,230,223	—	3,757,287	6,987,510
<b>Subtotal</b>	<u>9,045,186</u>	<u>—</u>	<u>4,194,783</u>	<u>13,239,969</u>
<b>Restricted:</b>				
General Government	49,798	—	9,108,565	9,158,363
Public Works	—	—	6,618,113	6,618,113
Public Safety	62,323,599	—	5,968,469	68,292,068
Health and Human Services	426,619	—	20,997,806	21,424,425
Planning and Economic Development	2,474,482	—	152,138	2,626,620
Culture and Recreation	—	—	6,529,232	6,529,232
Debt Service	—	—	3,126,486	3,126,486
<b>Subtotal</b>	<u>65,274,498</u>	<u>—</u>	<u>52,500,809</u>	<u>117,775,307</u>
<b>Committed:</b>				
General Government	112,950,592	—	—	112,950,592
Public Works	—	104,481,859	27,902	104,509,761
Public Safety	2,449,563	—	—	2,449,563
Health and Human Services	—	—	107,424	107,424
Planning and Economic Development	1,911,248	—	109,799	2,021,047
Culture and Recreation	528,857	—	—	528,857
<b>Subtotal</b>	<u>117,840,260</u>	<u>104,481,859</u>	<u>245,125</u>	<u>222,567,244</u>
<b>Assigned:</b>				
General Government	505,320	—	597,303	1,102,623
Public Works	—	—	4,106,775	4,106,775
Public Safety	1,742,086	—	4,457,707	6,199,793
Health and Human Services	229,817	—	8,755,276	8,985,093
Planning and Economic Development	—	—	—	—
Culture and Recreation	—	—	11,018,505	11,018,505
<b>Subtotal</b>	<u>2,477,223</u>	<u>—</u>	<u>28,935,566</u>	<u>31,412,789</u>
<b>Unassigned:</b>				
	111,472,962	—	—	111,472,962
<b>Total Fund Balances:</b>	<u>\$ 306,110,129</u>	<u>\$ 104,481,859</u>	<u>\$ 85,876,283</u>	<u>\$ 496,468,271</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.

On August 13, 2020, the County adopted a revised General Fund reserve policy. According to the BOCC policy, the annual calculation for the County's General Fund is expected to generate a reserve amount that ranges between 20% and 25% of estimated annual General Fund net revenues (total General Fund revenues, excluding intrafund transfers and General Fund cost allocation).

In addition to other General Fund reserves, an Auxiliary Fund shall be established primarily to provide additional funding stability for the Health Care Fund. These funds will be kept within the General Fund and transferable to the Health Care Fund if the current reserves in the Health Care Fund are less than the required secured funding amount, as required by the Health Care Fund Policy. These funds will be classified as assigned balances within the General Fund on the County's annual comprehensive financial statements.

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 their 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 2022 is \$65,274,498. The majority of this is related to Public Safety. The largest portion, \$36.4 million, are receipts from the Public Safety Sales Tax that will be used for the construction of a new courthouse and coroner facility. Another \$23.7 million are Public Safety Sales Tax receipts to be used for facilities including jail beds, a crime lab, and juvenile detention campus. Additionally, \$1.1 million are receipts restricted for Sheriff related to the jail and laboratory. An additional \$847 thousand are receipts from fees to administer District Court domestic violence programs, bond supervision, and juvenile supervision.

The total committed fund balance for the General Fund for 2022 is \$117,840,260. General Government accounts for \$113 million. The largest portion of this, \$73.4 million, is attributed to State and Local Fiscal Recovery Funds (SLFRF) repurposed through the United States Treasury's lost revenue calculation committed as the Countywide Support Fund (CSF). The next largest portion, \$24.9 million, was transferred from the Health Care Fund to the General Fund in 2020 for set up of the Auxiliary Fund as assigned reserves within the General Fund for the purpose of providing greater stability to the Health Care Fund. An additional amount of \$4.8 million for the Auxiliary Fund was transferred from the Health Care Fund to the General Fund in 2021, and an additional \$6.3 million was transferred in 2022. More detail of the Auxiliary Fund is in section B of footnote 10 in this report. Another part of the General Government committed fund balance is \$375 thousand of which is a contingency for sick/disability pay, and \$500 thousand, which were set aside in the adopted budget for expenditures that could not be reasonably anticipated or for which revenue shortfalls have occurred or which supplement otherwise authorized expenditures. Public Safety accounts for \$2.45 million, which is comprised of \$2.5 million as a contingency for adult and juvenile prisoner boarding, prisoner medical costs, and for general county litigation expenses, and \$50 thousand for programs including the Corrections house arrest program where expenses currently exceed revenues. Planning and economic development accounts for \$1.9 million, which is related to contractor licensing.

The total assigned fund balance for the General Fund for 2022 is \$2,477,223. Public Safety accounts for \$1.7 million. The components of this include \$108 thousand for District Court programs, \$137 thousand for District Attorney programs, \$349 thousand for the Sheriff commissary program, and \$325 thousand for Corrections training and other programs. The remaining assigned fund balance for Public Safety represents encumbrances related to Emergency Communications and other Public Safety related departments. Health and Human Services comprise \$230 thousand of the assigned fund balance. Most of this is for aging services. The rest of the assigned fund balance in the General Fund relates to encumbrances across departments not related to Public Safety.

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

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

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

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

## **10. Self-Insurance**

### ***A. Risk Management***

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Since November 1990, the County has qualified as a self-insurer for workers' compensation benefits. Workers' compensation costs are paid into the workers' compensation internal service fund by all other funds through an allocation system and are available to pay claims and administrative costs of the program. The County is self-insured for workers' compensation claims for the first \$500,000 per occurrence, with the exception of certain job class codes (e.g. emergency/first responders) for which the self-insured limit is \$750,000. Excess insurance coverage is purchased to provide protection for losses exceeding the self-insured amount. Settled claims have not exceeded the retention amount in any of the past three fiscal years. No aggregate excess coverage is purchased. A third-party claims administrator is contracted to provide claims administration and payment services.

As of December 31, 2022, incurred but not reported (IBNR) workers' compensation claims of \$1,391,346 have been accrued as a liability in the workers' compensation internal service fund based upon an actuary's estimate. Additional workers' compensation claims incurred and outstanding of \$1,012,557 have also been recorded in this fund.

The County retains liability for \$500,000 of each occurrence for losses related to automobile and general liability. Excess insurance is purchased to cover any loss in excess of the self-insured retention. Settled claims have not exceeded the retention or the commercial coverage in any of the past three fiscal years. The County purchases Public Officials Errors & Omissions and Employment Practices Liability insurance which provides coverage in excess of a \$500,000 retention per each wrongful act. Settled claims have not exceeded the retention or commercial coverage in any of the past three fiscal years. Law Enforcement Liability insurance coverage is purchased to cover the

Sheriff's Operations. This insurance is subject to a \$100,000 per occurrence self-insured retention. Settled claims have not exceeded the self-insured retention or the commercial coverage in any of the past three fiscal years. There were no significant reductions in the insurance coverage from the prior year. As of December 31, 2022, incurred but not reported (IBNR) automobile, general, and law enforcement liability claims of \$1,184,202 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	\$	171,397
General liability		511,469
Law enforcement liability		501,336
Total	\$	1,184,202

Total changes in the risk management and workers' compensation internal service funds insurance claims payable during 2022 and 2021 were as follows:

<b>Risk Management and Workers Compensation</b>				
	Claims Liability	Claims and Changes in Estimates	Claim Payments	Claims Liability
	Beginning of Year			End of Year
2022	\$ 3,869,590	4,459,223	(4,740,706)	\$ 3,588,107
2021	3,405,738	5,527,812	(5,063,960)	3,869,590

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 total net position of the risk management and workers' compensation funds is an amount for future catastrophic tort and non-tort losses not otherwise insured in the amount of \$3,169,279, and \$1,295,339 at December 31, 2022 and December 31, 2021, respectively.

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

**B. Self-Insured Health Care**

The County began self-insuring health care benefits in 1990, and has been in a cost-plus arrangement since 1993. The County retains liability up to \$350,000 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 maximum funded limit for the County health plans. This aggregate stop-loss is limited to 115% of projected claims for the plan year, and was \$59,536,152 and \$57,002,653 in 2022 and 2021, respectively. Settled claims have not exceeded this aggregate liability coverage in any of the past three fiscal years. A third party administrator is contracted to provide claims administration and payment services. As of December 31, 2022, a liability of \$4,605,400 has been recorded in the Self-Insured Health Care internal service

fund for outstanding health care claims, including an estimate for claims incurred but not reported (IBNR).

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

In 2020, the County Board adopted Resolution No. 037-20, part of which established the Auxiliary Fund as assigned reserves within the General Fund for the purpose of providing greater stability to the Health Care Fund. The Board set the initial funding for the Auxiliary Fund at \$22,000,000 and, to the extent necessary, was reclassified from general fund budgeted health care expenditures and appropriated for the Auxiliary Fund for the fiscal year 2020. These funds, in addition to \$2,853,304, which represented the amount over the estimated secure funding level in the Health Care Fund for that year, were transferred from the Health Care Fund to the General Fund in 2020. In 2021 and 2022, additional transfers of \$4,816,695 and \$6,330,001, respectively, were done from the Health Care Fund to the General Fund. In future years, additional transfers may be done to ensure the funding in the Health Care Fund is equal to or exceeds minimum secure funding levels.

Changes in the Self-Insured Health Care internal service fund's insurance claims payable during 2022 and 2021 were as follows:

<b>Self-Insured Health Care</b>				
	Insurance Claims Liability		Insurance Claims Liability	
	Beginning of Year	and Changes in Estimates	Claim Payments	End of Year
2022	\$ 4,464,000	59,510,053	(59,368,653)	\$4,605,400
2021	\$ 3,913,100	59,314,840	(58,763,940)	\$4,464,000

## **11. Commitments and Contingencies, and Uncertainties**

### **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, 2022, the County’s General Fund had a total of \$3.6 million in encumbrances, which were reported as part of the government fund balance sheet as follows:

<b>General Fund:</b>		<b>Encumbrances</b>
Restricted	\$	2,261,470
Committed		5,604
Assigned		1,335,613
	\$	<u>3,602,687</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, 2022.

<b>Primary Government</b>		
<b>Project Authorizations and Expenditures Since Inception</b>		
<b>Project Category</b>	<b>Authorization</b>	<b>Expenditures Since Inception</b>
<b>Primary Government</b>		
Appraiser	\$ 2,486,460	\$ 1,929,358
County Managers Office	250,000	118,410
Election	365,543	187,800
Emergency Management & Communications	10,619,849	8,152,653
Emergency Medical Services	2,205,314	2,203,405
Facilities	37,226,022	17,383,539
Information Technology Services	30,431,358	27,997,459
Library	7,262,136	3,130,019
Planning	127,960	69,893
Public Works	174,620,638	137,122,690
Public Works - Stormwater	446,916,967	394,080,199
Sheriff	4,198,749	3,638,913
Solid Waste	338,390	433,848
<b>Total</b>	<b>\$ 717,049,386</b>	<b>\$ 596,448,186</b>

**12. Pension Plans**

**A. KPERs/KP&F**

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

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

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

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.15% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for the fiscal year ended December 31, 2022 was 8.90%. The Johnson County employer contributions to KPERS for the year ending December 31, 2022 was \$15,615,034 and equal the required contributions.

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

The KP&F employer rates established for fiscal year 2022 was 22.99% for participating emergency medical staff and sheriff. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The Johnson County contributions to KP&F for the year ending December 31, 2022 was \$13,186,589 and were equal to the required contributions.

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

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

At December 31, 2022, the County reported a liability of \$163,124,083 for KPERS and \$131,637,911 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net

pension liability was measured by KPERS as of June 30, 2022, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The County's proportion of the collective net pension liability was based on the ratio of the County's actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022, the County's proportion and change from its proportion measured as of June 30, 2020 were as follows:

<b>Net Pension liability as of December 31, 2022</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Proportion as of June 30, 2022</b>	<b>Change in proportion from June 30, 2021</b>
KPERS (local)	\$ 154,918,298	\$ 8,205,785	\$ 163,124,083	8.205 %	0.151 %
KP&F	131,637,911	—	131,637,911	9.127 %	0.188 %
	<u>\$ 286,556,209</u>	<u>\$ 8,205,785</u>	<u>\$ 294,761,994</u>		

For the year ended December 31, 2022, the County recognized pension expense of \$41,426,124. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>KPERS</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 5,893,302	\$ 201,943	\$ 276,727	\$ 90,447
Net difference between projected and actual earnings on pension plan investments	13,189,131	—	619,310	—
Changes in proportionate share	2,070,701	92,860	97,232	41,590
Changes in assumptions	24,904,982	—	1,169,441	—
County contributions subsequent to measurement date	8,166,965	—	383,489	—
Total	<u>\$ 54,225,081</u>	<u>\$ 294,803</u>	<u>\$ 2,546,199</u>	<u>\$ 132,037</u>



KP&F	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,586,178	\$ —
Net difference between projected and actual earnings on pension plan investments	9,034,475	—
Changes in proportionate share	801,276	5,435,653
Changes in assumptions	16,916,320	—
County contributions subsequent to measurement date	7,438,167	—
Total	<u>\$ 39,776,416</u>	<u>\$ 5,435,653</u>

The \$8,550,454 (KPERS) and \$7,438,167 (KP&F) reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

KPERS	Governmental Activities		Business-Type Activities	
	Deferred Outflows (Inflows) of Resources		Deferred Outflows (Inflows) of Resources	
Year ended December 31:				
2023	\$	12,885,641	\$	571,779
2024		11,777,248		522,596
2025		5,992,910		265,926
2026		14,512,302		643,960
2027		595,212		26,412
	\$	<u>45,763,313</u>	\$	<u>2,030,673</u>

KP&F	Governmental Activities	
	Deferred Outflows (Inflows) of Resources	
Year ended December 31:		
2023	\$	7,796,123
2024		6,895,650
2025		3,083,783
2026		8,878,170
2027		248,870
	\$	<u>26,902,596</u>

*Actuarial assumptions.* The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price Inflation	2.75%
Salary Increases	3.50% to 12.00%, including price inflation
Investment Rate of Return	7.00% compound annually, net of investment expense, including price inflation

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016, through December 31, 2018. The experience study was dated January 7, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equities	23.50 %	5.20 %
Non-U.S. Equities	23.50	6.4
Private Equity	8.00	9.5
Private Real Estate	11.00	4.45
Yield Driven	8.00	4.7
Real Return	11.00	3.25
Fixed Income	11.00	1.55
Short Term Investments	4.00	0.25
Total	<u>100.00 %</u>	

*Discount rate.* The discount rate used to measure the total pension liability at the measurement date of June 30, 2022 was 7.00%. The discount rate used to measure total pension liability at the prior measurement date was 7.25%. The actuarial assumptions used in the calculation of total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarially determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2022 was 1.2%. Employers contribute the full actuarial determined rate for KP&F. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan

investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6%</b>	<b>Discount Rate</b>	<b>8%</b>
	<b>6%</b>	<b>7%</b>	<b>8%</b>
County's KPERS proportionate share of the net pension liability	\$ 234,332,996	\$ 163,124,083	\$ 103,796,704
County's KP&F proportionate share of the net pension liability	175,241,057	127,759,647	88,252,377
	<u>\$ 409,574,053</u>	<u>\$ 290,883,730</u>	<u>\$ 192,049,081</u>

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

***Park and Recreation Component Unit Information:***

Johnson County Park & Recreation District's employer contributions to KPERS for the year ended December 31, 2022 were \$1,461,704, equal to the statutory required contributions for each year. The Park District's employer contributions to KP&F for the year ended December 31, 2022 were \$379,745 equal to the statutory required contributions for each year.

At December 31, 2022, the Park District reported a liability of \$15,602,232 for KPERS and \$4,122,476 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2022, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The Park District's proportion of the collective net pension liability was based on the ratio of the District's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of KPERS and KP&F for the fiscal year ended June 30, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022, the District's proportion and change from its proportion measured as of June 30, 2021 were as follows:

	<b>Net pension liability as of December 31, 2022</b>	<b>Proportion as of June 30, 2022</b>	<b>Increase in proportion from June 30, 2021</b>
KPERS (local)	\$ 15,602,232	0.7848%	0.0066%
KP&F	4,122,476	0.2858%	0.0089%
	<u>\$ 19,724,708</u>		

For the year ended December 31, 2022, the Park District recognized pension expense of \$2,618,621. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 765,082	\$ 27,966
Net difference between projected and investments	1,603,659	—
Changes in proportionate share	1,109,778	71,807
Changes in assumptions	3,023,692	—
Park District contributions subsequent to measurement date	997,033	—
<b>Total</b>	<b><u>\$ 7,499,244</u></b>	<b><u>\$ 99,773</u></b>

The \$997,033 reported as deferred outflows of resources related to pensions resulting from the Park District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

<b>Year ended December 31:</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2023	\$ 1,998,392
2024	1,740,075
2025	851,499
2026	1,741,081
2027	65,391
	<b><u>\$ 6,396,438</u></b>

The following presents the Park District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the Park District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease 6%</b>	<b>Current Discount Rate 7%</b>	<b>1% Increase 8%</b>
Park District's KPERS proportionate share of the net pension liability	<u>\$ 22,413,110</u>	<u>\$ 15,602,232</u>	<u>\$ 9,927,781</u>
Park District's KP&F proportionate share of the net pension liability	<u>5,654,579</u>	<u>4,122,476</u>	<u>2,847,677</u>
	<b><u>\$ 28,067,689</u></b>	<b><u>\$ 19,724,708</u></b>	<b><u>\$ 12,775,458</u></b>

***Fire District Component Unit Information:***

The Fire Districts' employer contributions to KPERS for the year ending December 31, 2022 were \$15,868, equal to the statutory required contributions. The Fire Districts' contributions to KP&F for the years ending December 31, 2022 was \$3,283,499, equal to the statutory required contributions. At December 31, 2021, the Fire Districts reported a liability of \$174,911 for KPERS and \$30,582,627 for KP&F for its proportionate share of the KPERS' collective net pension liability.

The collective net pension liability was measured by KPERS as of June 30, 2022, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2022. The Fire District's proportion of the collective net pension liability was based on the ratio of the Fire District's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of KPERS and KP&F for the fiscal year ended June 30, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

At June 30, 2022, the District's proportion and change from its proportion measured as of June 30, 2020 were as follows:

	<b>Net pension liability as of December 31, 2022</b>	<b>Proportion as of June 30, 2022</b>	<b>Increase /(Decrease) in proportion from June 30, 2021</b>
KPERS (local)	\$ 174,911	0.00880%	0.0015%
KP&F	<u>30,582,627</u>	2.1205%	0.4805%
	<u><u>\$ 30,757,538</u></u>		

For the year ended December 31, 2022, the Fire Districts recognized total pension expense of \$2,176,619. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,304,418	\$ 313
Net difference between projected and investments	2,113,730	—
Changes in proportionate share	2,681,777	792,108
Changes in assumptions	3,958,023	—
Fire District contributions subsequent to measurement date	<u>1,728,737</u>	—
Total	<u><u>\$ 11,786,685</u></u>	<u><u>\$ 792,421</u></u>

The \$1,728,737 reported as deferred outflows of resources related to pensions resulting from the Fire District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	<b>Deferred Outflows (Inflows) of Resources</b>	
2023	\$	2,740,641
2024		2,401,757
2025		1,435,361
2026		2,563,763
2027		123,997
	<u>\$</u>	<u>9,265,519</u>

The following presents the Fire District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the Fire District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease 6%</b>	<b>Current Discount Rate 7%</b>	<b>1% Increase 8%</b>
Fire District's KPERS proportionate share of the net pension liability	\$ 251,261	\$ 174,908	\$ 111,295
Fire District's KP&F proportionate share of the net pension liability	41,948,550	30,582,628	21,125,524
	<u>\$ 42,199,811</u>	<u>\$ 30,757,536</u>	<u>\$ 21,236,819</u>

**B. Deferred Compensation Plan**

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

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

**C. Supplemental Retirement Plans**

In 2001, the Board of County Commissioners established three separate single-employer defined contribution plans effective beginning with fiscal year 2002: 1) the Johnson County Supplemental Retirement Plan, 2) the Johnson County Executive Retirement Plan and 3) the Johnson County Elected Retirement Plan. Plan benefit provisions and contribution requirements for each plan were established by Johnson County Resolution No. 105-01 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 4% 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 4% 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>			
<b>Fiscal Year Ending</b>	<b>Number of Active Participants</b>		
	<b>Employee</b>	<b>Executive</b>	<b>Elected</b>
12/31/2022	2,481	1	9
12/31/2021	2,497	1	10
12/31/2020	2,452	1	7
<b>Fiscal Year Ending</b>	<b>County Contributions</b>		
	<b>Employee</b>	<b>Executive</b>	<b>Elected</b>
12/31/2022	\$ 4,271,010	\$ 15,000	\$ 22,105
12/31/2021	4,129,093	14,616	21,427
12/31/2020	4,189,234	10,384	19,066

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

#### **Plan Description**

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

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

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies. The contribution requirements of plan members and the County are established and may be amended by the County. The contribution is based on pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

#### **Employees Covered by Benefit Terms**

As of December 31, 2022, the following employees were covered by the benefit terms:

Active employees eligible for coverage	3,077
Inactive employees or beneficiaries currently receiving benefit payments	<u>79</u>
	<u><u>3,156</u></u>

#### **Total OPEB Liability**

The County’s total OPEB liability of \$15,258,886 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date. \$14,190,764 of this liability represents governmental activities and \$1,068,122 represents business type activities.

#### **Actuarial Assumptions and Methods**

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:



Inflation	2.75%
Payroll growth	3.5%
Discount rate	4.31%
Healthcare cost trend rates	7.0% for 2023, decreasing 0.5% per year to an ultimate rate of 4.5% for 2028 and later years
Retirees' share of benefit-related costs	Retirees contribute the funding rate plus 2% additional COBRA load.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (3.72%), S&P Municipal Bond 20-Year High Grade Rate Index (4.31%), and Fidelity 20-Year Go Municipal Bond Index (4.05%). Based on these, the actuary used a discount rate of 4.31%.

Mortality rates were based on the Society of Actuaries (SOA) Pub-2010, using the most recent generational projection scale MP-2021.

### **Changes in the Total OPEB Liability**

<b>Total OPEB Liability</b>	
<b>Balance at 12/31/2021</b>	\$ 18,718,931
Service cost	1,096,726
Interest cost	436,894
Changes of benefit terms	—
Changes in assumptions	(3,382,907)
Differences between expected and actual experience	(810,039)
Benefit payments	(800,719)
Net change	<u>(3,460,045)</u>
<b>Balance at 12/31/2022</b>	<u><u>\$ 15,258,886</u></u>

### **Sensitivity Results**

The following presents the total OPEB liability as of December 31, 2022, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 4.31%.
- The 1% decrease in discount rate would be 3.31%.
- The 1% increase in discount rate would be 5.31%.

<b>As of December 31, 2022</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 16,634,306
Current Discount Rate	15,258,886
1% Increase	14,018,291

The following presents the total OPEB liability as of December 31, 2022, calculated using the health care trend rates assumed and what it would be using a 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%.
- The 1% decrease in health care trend rates would assume an initial rate of 6.5% decreasing by 0.5% annually to an ultimate rate of 3.5%.
- The 1% increase in health care trend rates would assume an initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 5.5%.

<b>As of December 31, 2022</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 13,606,481
Current Health Care Trend Rates	15,258,886
1% Increase	17,190,143

For the year ended December 31, 2022, the County recognized total OPEB expense of \$835,191 across both plans. At December 31, 2022, the County reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 2,379,376	\$ 907,902	\$ 179,091	\$ 68,337
Changes in assumptions	4,852,192	406,626	365,219	30,607
Total	<u>\$ 7,231,568</u>	<u>\$ 1,314,528</u>	<u>\$ 544,310</u>	<u>\$ 98,944</u>

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

<b>Year ended December 31:</b>	<b>Deferred Outflows (Inflows) of Resources</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2023	\$ (1,301,459)	\$ (97,958)
2024	(1,301,459)	(97,958)
2025	(1,169,724)	(88,043)
2026	(1,052,128)	(79,192)
2027	(1,092,273)	(82,213)
Thereafter	—	—
	<u>\$ (5,917,043)</u>	<u>\$ (445,364)</u>

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

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

Plan description and funding policy: The Park District sponsors a single-employer health care plan that provides medical benefits to employees and retirees. Members who qualify for pension benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. Under KPERS, a participant must be at least age 55 with at least 10 years of service, meet Rule of 85 at any age, or have at least 10 years of service to qualify for a disability benefit under the KPERS disability benefits program.

Retirees are required to pay 105 percent of the blended premium rates to receive benefits. Retirees may elect to stay on the Park District’s plan until reaching Medicare eligibility age which is currently 65. The current funding policy of the Park District is to pay premiums as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting. The Park District establishes and amends contribution requirements. The required contribution is based on projected pay-as-you-go financing. For fiscal year 2022, the Park District contributed approximately \$38,443. Retirees receiving benefits contributed \$48,194 through their required contributions.

Employees covered by benefit terms: At December 31, 2022, the following employees were covered by the benefit terms:

Active employees eligible for coverage	301
Inactive employees or beneficiaries currently receiving benefit payments	<u>4</u>
	<u><u>305</u></u>

The Park District’s total OPEB liability of \$1,451,367, was measured as of December 31, 2022, and results were actuarially rolled forward to December 31, 2022 on a “no loss / no gain” basis.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	4.31%
Healthcare cost trend rates	7.5% for 2023, decreasing 0.5% per year to an ultimate rate of 4.5%
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

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

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

The discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year-tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current valuation uses a discount rate of 4.31%.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (3.72%), S&P Municipal Bond 20-Year High Grade Rate Index (4.31%), and Fidelity 20-Year Go Municipal Bond Index (4.05%). Based on these, the actuary used a discount rate of 4.31%.

Mortality rates were based on the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021. Police mortality rates were based upon SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Health care trend rates use an initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5% in years 2029 and beyond.

Termination rates for the Park District are consistent with those used in the KPERS and KPF pension actuarial valuation for the fiscal year ending December 31, 2017, adjusted for the District's actual experience based on an April 2019 Experience Study.

Changes in the total OPEB liability are as follows:

<b>Total OPEB Liability</b>	
<b>Balance at 12/31/2021</b>	\$ 1,706,219
Service cost	164,480
Interest cost	41,585
Changes in assumptions	(294,586)
Differences between expected and actual experience	(121,167)
Benefit payments	(45,164)
Net change	<u>(254,852)</u>
<b>Balance at 12/31/2022</b>	<u><u>\$ 1,451,367</u></u>

**Sensitivity Results**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.31%) or 1 percentage point higher (5.31%) than the current discount rate:

<b>As of December 31, 2021</b>	<b>Total OPEB Liability</b>	
1% Decrease	\$	1,586,564
Current Discount Rate		1,451,367
1% Increase		1,324,973

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Park District, as well as what the Park District's total liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current healthcare cost trend rate:

As of December 31, 2021	Total OPEB Liability
1% Decrease	\$ 1,246,813
Current Health Care Trend Rates	1,451,367
1% Increase	1,699,984

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended December 31, 2022, the Park District recognized total OPEB expense of (\$63,748). At December 31, 2022, the Park District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (46,998)	\$ 72,254	\$ (80,024)	\$ 123,027
Changes in assumptions	(479,008)	26,488	(815,607)	45,100
Total	\$ (526,006)	\$ 98,742	\$ (895,631)	\$ 168,127

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

Year ended December 31:	Deferred Outflows (Inflows) of Resources	
	Governmental Activities	Business-Type Activities
2023	\$ (83,120)	\$ (141,529)
2024	(83,120)	(141,529)
2025	(106,449)	(181,252)
2026	(105,720)	(180,009)
2027	(11,137)	(18,964)
Thereafter	(37,717)	(64,222)
	\$ (427,263)	\$ (727,505)

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

### **Fire District's non-blended Component Unit OPEB Information:**

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

GASB Statement No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements.

Employees covered by benefit terms: At December 31, 2022, the following employees were covered by the benefit terms:

Active employees eligible for coverage	147
Inactive employees or beneficiaries currently receiving benefit payments	20
	167

The Districts' total OPEB liability of \$3,682,316, was measured as of December 31, 2022, and results were actuarially rolled forward to December 31, 2022 on a "no loss / no gain" basis.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	4.31%
Healthcare cost trend rates	7.0% for 2023, decreasing 0.5% per year to an ultimate rate of 4.5% for 2028 and later years
Retirees' share of benefit-related costs	Retirees contribute the full funding rate. COBRA load.

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

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

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (2.12%), S&P Municipal Bond 20-Year High Grade Rate Index (1.93%), and Fidelity 20-Year Go Municipal Bond Index (2.00%). Based on these, the actuary used a discount rate of 2.12%.

Mortality table has been updated from SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to the following:

- a. Public Safety: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
- b. Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

Health care trend rates use an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5% in years 2028 and beyond.

Changes in the total OPEB liability are as follows:

<b>Total OPEB Liability</b>		
<b>Balance at 12/31/2021</b>	\$	4,268,106
Service cost		250,681
Interest cost		98,804
Changes of benefit terms		—
Changes in assumptions		(736,381)
Differences between expected and actual experience		(1,256)
Benefit payments		(197,638)
Net change		(585,790)
<b>Balance at 12/31/2022</b>	\$	3,682,316

**Sensitivity Results**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Fire Districts, as well as what the Fire Districts' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current discount rate:

<b>As of December 31, 2022</b>	<b>Total OPEB Liability</b>	
1% Decrease	\$	4,001,331
Current Discount Rate		3,682,316
1% Increase		3,393,796

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the District, as well as what the District's total liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current healthcare cost trend rate:

<b>As of December 31, 2022</b>	<b>Total OPEB Liability</b>	
1% Decrease	\$	3,288,929
Current Health Care Trend Rates		3,682,316
1% Increase		4,144,661

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended December 31, 2022, the District recognized OPEB expense of \$(62,720). At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (894,163)	\$ —
Changes in assumptions	(708,067)	239,411
Total	\$ (1,602,230)	\$ 239,411

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

Year ended December 31:	Deferred Outflows (Inflows) of Resources
	Governmental Activities
2023	(214,567)
2024	(214,570)
2025	(193,033)
2026	(207,787)
2027	(170,443)
Thereafter	(362,419)
	(1,362,819)

## **14. Postemployment Benefits Other Than Pensions - KPERS Disability & Death**

### **Plan Description**

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

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability equal to 60 percent (prior to January 1, 2006, 66 2/3) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit



towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

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

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

**Employees Covered by Benefit Terms**

As of December 31, 2022, the following employees were covered by the benefit terms:

Active employees eligible for coverage	2,561
Inactive employees or beneficiaries currently receiving benefit payments	41
	<u>2,602</u>

**Total OPEB Liability**

The County's total OPEB liability of \$4,965,006, reported as of December 31, 2022, was measured as of June 30, 2022 (the measurement date), and was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. \$4,617,456 of this liability represents governmental activities and \$347,550 represents business type activities.

**Actuarial Assumptions and Methods**

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

Inflation	2.75%
Payroll growth	3.5%
Discount rate	3.54%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2021.

**Changes in the Total OPEB Liability**

<b>Total OPEB Liability</b>	
<b>Balance at 12/31/2021</b>	\$ 6,494,065
Service cost	702,277
Interest cost	148,442
Changes in assumptions	(1,134,709)
Differences between expected and actual experience	(593,490)
Benefit payments	(651,579)
Net change	<u>(1,529,059)</u>
<b>Balance at 12/31/2022</b>	<u><u>\$ 4,965,006</u></u>

At December 31, 2022, \$4,617,456 of the net OPEB liability was allocated to governmental activities and \$347,550 to business-type activities. Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 2.16% to 3.54%.

**Sensitivity Results**

The following presents the total OPEB liability as of December 31, 2022, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.54%.
- The 1% decrease in discount rate would be 2.54%.
- The 1% increase in discount rate would be 4.54%.

<b>As of December 31, 2022</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 5,184,580
Current Discount Rate	4,965,006
1% Increase	4,748,485

For the year ended December 31, 2022, the County recognized total OPEB expense of \$835,191 across both plans. At December 31, 2022, the County reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 744,932	\$ 1,230,665	\$ 56,070	\$ 92,629
Changes in assumptions	907,166	291,890	68,282	21,970
Total	<u><u>\$ 1,652,098</u></u>	<u><u>\$ 1,522,555</u></u>	<u><u>\$ 124,352</u></u>	<u><u>\$ 114,599</u></u>

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

Year ended December 31:	Deferred Outflows (Inflows) of Resources	
	Governmental	Business-Type
	Activities	Activities
2023	\$ (16,148)	\$ (1,215)
2024	(16,148)	(1,215)
2025	(16,148)	(1,215)
2026	(15,567)	(1,176)
2027	(13,243)	(995)
Thereafter	(52,289)	(3,937)
	<u>\$ (129,543)</u>	<u>\$ (9,753)</u>

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

**Park and Recreation Component Unit OPEB KPERS Disability & Death:**

At June 30, 2022, the following employees were covered by the benefit terms:

Active employees eligible for coverage	273
Inactive employees or beneficiaries currently receiving benefit payments	<u>1</u>
	<u>274</u>

The Park District's total OPEB liability of \$239,919, reported as of December 31, 2022 was measured as of June 30, 2022 (the measurement date), and was determined by an actuarial valuation as of December 31, 2022. The results were actuarially rolled forward to June 30, 2022, using the following actuarial assumptions:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	3.54%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2018.

Changes in the total OPEB liability are as follows:

<b>Total OPEB Liability</b>	
<b>Balance at 12/31/2021</b>	\$ 341,397
Service cost	61,295
Interest cost	8,659
Changes of benefit terms	—
Changes in assumptions	(97,302)
Differences between expected and actual experience	(70,454)
Benefit payments	(3,676)
Net change	(101,478)
<b>Balance at 12/31/2022</b>	<u>\$ 239,919</u>

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 2.16% to 3.54%.

### **Sensitivity Results**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (1.54%) than the current discount rate:

<b>As of December 31, 2021</b>	<b>Total OPEB Liability</b>
1% Decrease	\$ 250,797
Current Discount Rate	239,919
1% Increase	228,531

For the year ended December 31, 2022, the Park District recognized total OPEB expense of \$36,941, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. At December 31, 2022, the Park District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (55,969)	\$ —	\$ (95,298)	\$ —
Changes in assumptions	(33,989)	6,832	(57,760)	11,626
Total	<u>\$ (89,958)</u>	<u>\$ 6,832</u>	<u>\$ (153,058)</u>	<u>\$ 11,626</u>

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

Year ended December 31:	Deferred Outflows (Inflows) of Resources	
	Governmental	Business-Type
	Activities	Activities
2023	\$ (10,855)	\$ (18,482)
2024	(10,855)	(18,482)
2025	(10,855)	(18,482)
2026	(10,770)	(18,339)
2027	(10,223)	(17,406)
Thereafter	(29,568)	(50,241)
	<u>\$ (83,126)</u>	<u>\$ (141,432)</u>

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

### **Fire District Component Unit OPEB KPERS Disability & Death:**

The Fire Districts' total OPEB liability of \$492, reported as of December 1, 2022 was measured as of June 30, 2022 (the measurement date), and was determined by an actuarial valuation as of December 31, 2021. The results were actuarially rolled forward to June 30, 2022, using the following actuarial assumptions:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	3.54%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2020.

Changes in the total OPEB liability are as follows:

Total OPEB Liability	
Balance at 12/31/2021	\$ 105
Service cost	1,066
Interest cost	25
Effect of economic/demographic gains or losses	(513)
Effect of assumptions changes or inputs	(135)
Net change	443
Balance at 12/31/2022	<u>\$ 548</u>

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 2.25% to 3.54%.

**Sensitivity Results**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Fire Districts, as well as what the Fire Districts' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

As of December 31, 2022	Total OPEB Liability	
1% Decrease	\$	545
Current Discount Rate		548
1% Increase		547

For the year ended December 31, 2022, the Fire Districts reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (2,871)	\$ —
Changes in assumptions	(132)	4
Total	\$ (3,003)	\$ 5

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

		Deferred Outflows (Inflows) of Resources
		Governmental Activities
Year ended December 31:		
2023	\$	(444)
2024		(444)
2025		(444)
2026		(447)
2027		(410)
Thereafter		(810)
	\$	(2,999)

**15. Tax Abatement Disclosures**

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

reporting government's tax revenues. The Statement became effective for the County's fiscal year ending December 31, 2017.

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

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

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

Following are the current tax abatement programs entered into by the County as of December 31, 2022:

Johnson County's Tax Abatements entered into as of December 31, 2022				
Company Names	Tax being abated	Dollar amount of taxes abated	Name of abatement	Mechanism for abatement
Upfield Sourcing US Inc.	Ad Valorem Property Tax	55,910	EDX	Reduction of assessed value; 50%
Total		<u>\$ 55,910</u>		

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

Following are the current tax abatement programs affecting County revenues that have been entered into by cities in Johnson County as of December 31, 2022:

Other government tax abatement programs affecting Johnson County revenues entered into as of December 31, 2022						
Name of government	Tax being abated	Dollar amount of taxes abated	Name of abatement	Dollar amount(s) received	Quantitative	Information not reported due to legal prohibition
				from or due from other governments in association with (and offsetting) abated taxes	threshold for disclosure of individual recipient (if applicable)	
Bonner Springs	Ad Valorem Property Tax	\$ 71	IRB	None	N/A	
Bonner Springs	Ad Valorem Property Tax	\$ 52,986	IRBX	None	N/A	
DeSoto	Ad Valorem Property Tax	5,166	EDX	None	N/A	
DeSoto	Ad Valorem Property Tax	134,199	IRBX	None	N/A	
Edgerton	Ad Valorem Property Tax	3,085,856	IRBX	None	N/A	
Gardner	Ad Valorem Property Tax	765,137	IRBX	None	N/A	
Lenexa	Ad Valorem Property Tax	1,665,300	IRBX	None	N/A	
Lenexa	Ad Valorem Property Tax	16,711	IRB	None	N/A	
Olathe	Ad Valorem Property Tax	1,499,335	IRBX	None	N/A	
Overland Park	Ad Valorem Property Tax	231,779	IRBX	None	N/A	
Shawnee	Ad Valorem Property Tax	281,855	IRBX	None	N/A	
Spring Hill	Ad Valorem Property Tax	29,034	IRBX	None	N/A	
Westwood	Ad Valorem Property Tax	5,932	IRBX	None	N/A	
Total		<u>\$ 7,773,361</u>				

## 16. Asset Retirement Obligations

**Description.** In December 2016, the GASB issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Johnson County Wastewater operations are required to remove residual biosolids after certain operations are terminated, and this would fall under the guidance of this Statement.

Following are the current recognized JCW asset retirement obligations as of December 31, 2022.

Asset Name	Asset Description	Initial estimated useful life (years)	Remaining estimated useful life (years)	Nature of minimum legal disposal requirement	Estimated Cost, if performed today, to perform the minimum legally required disposal steps	Basis for estimating costs (description)
Martway Holding Station	Peak Extraneous Flow Treatment Facility (PEFTF)	65	9	Compliance with Clean Water Act which prohibits unpermitted discharges to waters of the United States.	\$860,000	Quantity takeoffs from record drawings with references to industry sources and prior experience for unit prices.

## 17. Changes to or within the Financial Reporting Entity

Fire District No. 2 was previously reported as a discretely presented component unit. Due to changes in the governance of Fire District No. 2 whereby the Johnson County Board of County Commissioners assumed governance of Johnson County Fire District No. 2 as well as operational responsibilities for Fire District No. 2, the County has adjusted the presentation to follow generally accepted accounting principles, which require Fire District No. 2 to be blended as a special revenue fund of the County, rather than included as a discretely presented component unit.



During the year ended December 31, 2022, changed to or within the financial reporting entity resulted in restatements of beginning net position and fund balance, as follows:

<b>Reporting Units Affected By Restatements of Beginning Balances</b>			
	Discretely Presented		
	Funds	Government Wide	Component Unit
	Other Governmental Funds	Governmental Activities	Fire Districts
Beginning Balance, as previously reported	\$ 72,687,874	\$ 385,222,657	\$ (2,709,511)
Change from discrete to blended presentation	6,658,254	931,395	(931,395)
Beginning Balance, as restated	<u>\$ 79,346,128</u>	<u>\$ 386,154,052</u>	<u>\$ (3,640,906)</u>

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

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

- GASB Statement No. 91, Conduit Debt Obligations** This statement will be effective for the County beginning with its fiscal year 2022. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.
- GASB Statement No. 92, Omnibus 2020** This statement will be effective for the County beginning with its fiscal year 2022. Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements.
- GASB Statement No. 93, Replacement of Interbank offered rates** This statement will be effective for the County beginning with its fiscal year 2022. The objective of this statement is to address those accounting and financial reporting implications that result from the replacement of an interbank offered rate.
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and availability payment arrangements.** This statement will be effective for the County beginning with its fiscal year 2023. This statement provides uniform guidance on accounting and financial report for transactions that meet the definition of Public-private, public-public partnerships and availability payment arrangements. That uniform guidance will provide more relevant and reliable information for financial statements users and create greater consistency in practice.

**GASB Statement No. 96  
Subscription-Based  
Information Technology  
Arrangements**

This statement will be effective for the County beginning with its fiscal year 2023. This statement provides uniform guidance on accounting and financial report for subscription-base information technology arrangements for government end users.

**GASB Statement No. 97  
Certain Component Unit  
Criteria, and Accounting  
and Financial Reporting  
for Internal Revenue Code  
Section 457 Deferred  
Compensation Plans**

This statement will be effective for the County beginning with its fiscal year 2022. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

# Required Supplementary Information

## Defined Benefit Pension Plans - Primary Government

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	Share of the Collective Net Pension Liability Kansas Public Employees Retirement System Last Ten Fiscal Years*									
County's proportion of the collective net pension liability:										
KPERs (local group)	8.205 %	8.054 %	8.069 %	8.058 %	7.962 %	7.674 %	7.630 %	7.540 %	7.501 %	7.425 %
KP&F (police & firemen)	9.1269 %	8.939 %	9.010 %	9.134 %	9.587 %	9.205 %	9.596 %	9.326 %	9.428 %	10.079 %
County's proportionate share of the collective net pension liability	\$294,761,994	\$181,941,520	\$251,000,703	\$205,043,176	\$203,220,402	\$197,482,384	\$207,155,870	\$166,717,737	\$154,149,390	\$194,955,744
County's covered payroll ^	\$227,862,905	\$200,346,393	\$195,443,408	\$191,460,203	\$185,495,956	\$180,720,055	\$176,033,486	\$170,475,855	\$167,621,405	\$165,160,382
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	129 %	91 %	128 %	107 %	110 %	109 %	118 %	98 %	92 %	118 %
Plan fiduciary net position as a percentage of the total pension liability	69.75 %	76.40 %	66.30 %	69.88 %	68.88 %	67.12 %	65.10 %	64.95 %	66.60 %	59.94 %

^ Covered-employee payroll is measured as of the measurement date ending June 30.

## Defined Benefit Pension Plans - Primary Government

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Schedule of County's Contributions Kansas Public Employees Retirement System Last Ten Fiscal Years*											
Contractually required contribution		\$28,801,623	\$26,424,834	\$25,677,897	\$24,485,578	\$23,466,335	\$20,776,099	\$21,610,866	\$22,320,655	\$19,062,423	\$17,327,048
Contributions in relation to the contractually required contribution		<u>(28,801,623)</u>	<u>(26,424,834)</u>	<u>(25,677,897)</u>	<u>(24,485,578)</u>	<u>(23,466,335)</u>	<u>(20,776,099)</u>	<u>(21,610,866)</u>	<u>(22,320,655)</u>	<u>(19,062,423)</u>	<u>(17,327,048)</u>
Contribution deficiency (excess)	\$	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
County's covered payroll ^		\$227,713,414	\$203,990,218	\$199,205,168	\$200,361,630	\$188,275,048	\$186,956,144	\$177,112,568	\$174,516,244	\$168,610,329	\$166,408,377
Contributions as a percentage of covered payroll		12.65 %	12.95 %	12.89 %	12.22 %	12.46 %	11.11 %	12.20 %	12.79 %	11.31 %	10.41 %
^ Covered-employee payroll is measured as of the fiscal year end December 31.											

## Defined Benefit Pension Plans - Park and Recreation Component Unit

KPERs and KPF Defined Benefit Pension Plans										
Schedule of District's Proportionate Share of the Net Pension Liability										
Last Ten Fiscal Years*										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Park District's proportion of the collective net pension liability:										
KPERs (local group)	0.785 %	0.778 %	0.750 %	0.671 %	0.630 %	0.567 %	0.534 %	0.512 %	0.499 %	0.499 %
KP&F (police & firemen)	0.286 %	0.295 %	0.265 %	0.265 %	0.263 %	0.246 %	0.241 %	0.231 %	0.211 %	0.208 %
Park District's proportionate share of the collective net pension liability	19,724,708	12,150,528	16,266,928	\$12,056,440	\$11,310,073	\$10,527,029	\$10,515,091	\$8,401,380	\$7,535,867	\$9,291,775
Park District's covered payroll ^	17,359,890	15,934,595	15,538,811	\$13,762,232	\$12,820,819	\$10,946,129	\$10,333,178	\$9,665,005	\$9,140,945	\$8,834,280
Park District's proportionate share of the collective net pension liability as a percentage of its covered payroll	114 %	76 %	105 %	88 %	88 %	96 %	102 %	87 %	82 %	105 %
Plan fiduciary net position as a percentage of the total pension liability	69.75 %	76.40 %	66.30 %	69.88 %	68.88 %	67.12 %	65.10 %	64.95 %	66.60 %	59.94 %

^ Covered-employee payroll is measured as of the measurement date ending June 30.

### Defined Benefit Pension Plans - Park and Recreation Component Unit

KPERs and KPF Defined Benefit Pension Plans Schedule of District's Contributions Last Ten Fiscal Years										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,841,449	\$ 1,738,643	\$ 1,652,129	\$ 1,531,967	\$ 1,405,706	\$ 1,143,904	\$ 1,114,286	\$ 1,105,903	\$ 998,773	\$ 894,676
Contributions in relation to the contractually required contribution	(1,841,449)	(1,738,643)	(1,652,129)	(1,531,967)	(1,405,706)	(1,143,904)	(1,114,286)	(1,105,903)	(998,773)	(894,676)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Park District's covered payroll <sup>^</sup>	\$ 18,073,568	\$ 16,275,779	\$ 16,497,515	\$ 14,955,512	\$ 13,177,432	\$ 11,562,848	\$ 10,842,012	\$ 9,941,866	\$ 9,302,027	\$ 8,991,896
Contributions as a percentage of covered payroll	10.19 %	10.68 %	10.01 %	10.24 %	10.67 %	9.89 %	10.28 %	11.12 %	10.74 %	9.95 %
<sup>^</sup> Covered-employee payroll is measured as of the fiscal year end December 31.										

## Defined Benefit Pension Plans - Fire District Component Unit

KPERS and KPF Defined Benefit Pension Plans					
Schedule of District's Proportionate Share of the Net Pension Liability					
Last Five Fiscal Years*					
	2022	2021	2020	2019	2018
Fire District's proportion of the collective net pension liability:					
KPERS (local group)	0.0088%	0.0103%	0.0107%	0.0125%	0.0964%
KP&F (police & firemen)	2.1205%	2.6010%	2.4783%	2.4569%	2.1515%
Fire District's proportionate share of the collective net pension liability	\$30,757,538	\$24,832,595	\$30,746,284	\$25,042,185	\$22,044,894
Fire District's covered payroll ^	\$14,167,091	\$14,661,019	\$13,815,581	\$13,353,831	\$12,224,931
Fire District's proportionate share of the collective net pension liability as a percentage of its covered payroll	217%	169%	223%	188%	180%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	169.38%	66.30%	69.88%	68.88%
* GASB 68 requires presentation of ten years. As of December 31, 2022, only five years of information is available.					
^ Covered-employee payroll is measured as of the measurement date ending June 30.					

Schedule of District's Contributions  
 Kansas Public Employees Retirement System  
 Last Four Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 3,299,367	\$ 3,337,370	\$ 3,056,174	\$ 2,982,282
Contributions in relation to the contractually required contribution	<u>(3,299,367)</u>	<u>(3,337,370)</u>	<u>(3,056,174)</u>	<u>(2,982,282)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
District's covered payroll <sup>^</sup>	\$ 14,457,563	\$ 14,657,837	\$ 14,344,413	\$ 13,586,438
Contributions as a percentage of covered payroll	22.82%	22.77%	21.93%	21.95%

\* GASB 68 requires presentation of ten years. As of December 31, 2022, only four years of information is available

<sup>^</sup> Covered-employee payroll is measured as of the fiscal year end December 31.

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

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

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

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

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



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

KPERS:

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

KP&F:

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

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

	Total OPEB Liability						
	Last Fiscal Year*						
	2022	2021	2020	2019	2018	2017	2016
Service cost	\$ 1,096,726	\$ 1,075,626	\$ 939,217	\$ 1,330,340	\$ 1,148,074	\$ 1,159,107	\$ 1,080,888
Interest cost	436,894	396,980	601,131	888,818	709,488	626,962	636,831
Changes in assumptions	(3,382,907)	(212,478)	420,118	(2,807,371)	(1,489,326)	(100,278)	917,434
Differences between expected and actual	(810,039)	164,479	(1,108,568)	(1,473,598)	1,824,670	—	(2,061,572)
Benefit payments	(800,719)	(707,369)	(695,596)	(768,626)	(839,853)	(795,825)	(914,260)
Net change in Total OPEB liability	(3,460,045)	717,238	156,302	(2,830,437)	1,353,053	889,966	(340,679)
Total OPEB liability - beginning of year	18,718,931	18,001,693	17,845,391	20,675,828	19,197,623	18,307,657	18,648,336
Total OPEB liability - end of year	<u>\$ 15,258,886</u>	<u>\$ 18,718,931</u>	<u>\$ 18,001,693</u>	<u>\$ 17,845,391</u>	<u>\$ 20,550,676</u>	<u>\$ 19,197,623</u>	<u>\$ 18,307,657</u>
Covered-employee payroll	\$ 190,557,923	\$ 195,135,075	\$ 190,449,036	\$ 189,755,723	\$ 176,752,259	\$ 168,736,620	\$ 162,916,281
Total OPEB liability as a percentage of covered-employee payroll	8.0 %	9.6 %	9.5 %	9.4 %	11.7 %	11.4 %	11.2 %

\* GASB 75 requires presentation of ten years. As of December 31, 2022, only seven years of information is available.

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

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
  - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 4.31%.
- Mortality rates were based on the Society of Actuaries (SOA) Pub-2010, using the most recent generational projection scale MP-2021.

The health care trend rates use an initial rate of 7.0%, decreasing by 0.5% annually to an ultimate rate of 4.5% as shown below.

Year	Current	Year	Current
2023	7.0 %	2026	5.5 %
2024	6.5 %	2027	5.0 %
2025	6.0 %	2028+	4.5 %

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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

	Total OPEB Liability					
	Last Fiscal Year*					
	2022	2021	2020	2019	2018	2017
Service cost	\$ 702,277	\$ 651,585	\$ 561,487	\$ 525,500	\$ 521,196	\$ 533,091
Interest cost	148,442	137,056	191,742	202,863	191,724	149,991
Changes in assumptions	(1,134,709)	13,205	368,639	78,900	(58,308)	(144,600)
Differences between expected and actual experience	(593,490)	462,571	28,721	(186,785)	(323,365)	—
Benefit payments	(651,579)	(637,338)	(397,475)	(441,878)	(456,399)	(412,692)
Net change in Total OPEB liability	(1,529,059)	627,079	753,114	178,600	(125,152)	125,790
Total OPEB liability - beginning of year	6,494,065	5,866,986	5,113,872	4,935,272	5,060,424	4,934,634
Total OPEB liability - end of year	<u>\$ 4,965,006</u>	<u>\$ 6,494,065</u>	<u>\$ 5,866,986</u>	<u>\$ 5,113,872</u>	<u>\$ 4,935,272</u>	<u>\$ 5,060,424</u>
Covered-employee payroll	\$ 154,616,709	\$ 154,736,046	\$ 145,843,000	\$ 139,515,000	\$ 135,439,000	\$ 128,748,000
Total OPEB liability as a percentage of covered-employee payroll	3.2 %	4.2 %	4.0 %	3.7 %	3.6 %	3.9 %

\* GASB 75 requires presentation of ten years. As of December 31, 2022, only six years of information is available.

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

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

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The discount rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.

## Park and Recreation Component Unit

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

	Total OPEB Liability						
	Last Fiscal Year*						
	2022	2021	2020	2019	2018	2017	2016
Service cost	\$ 164,480	\$ 159,510	\$ 98,784	\$ 182,761	\$ 198,529	\$ 200,566	\$ 146,937
Interest cost	41,585	35,489	44,081	115,258	109,451	94,141	71,706
Changes in assumptions	(294,586)	(19,187)	70,862	(1,569,990)	(521,007)	(16,886)	110,247
Differences between expected and actual experience	(121,167)	35,236	88,061	(42,001)	33,784	—	399,018
Benefit payments	(45,164)	(38,443)	(42,783)	(65,299)	(84,899)	(98,192)	(75,876)
Net change in Total OPEB liability	(254,852)	172,605	259,005	(1,379,271)	(264,142)	179,629	652,032
Total OPEB liability - beginning of year	1,706,219	1,533,614	1,274,609	2,653,880	2,918,022	2,738,393	2,086,361
Total OPEB liability - end of year	<u>\$ 1,451,367</u>	<u>\$ 1,706,219</u>	<u>\$ 1,533,614</u>	<u>\$ 1,274,609</u>	<u>\$ 2,653,880</u>	<u>\$ 2,918,022</u>	<u>\$ 2,738,393</u>
Covered-employee payroll	\$ 15,798,768	\$ 15,897,564	\$ 15,495,435	\$ 15,228,282	\$ 11,907,847	\$ 11,182,254	\$ 10,005,361
Total OPEB liability as a percentage of covered-employee payroll	10.7 %	10.7 %	9.9 %	8.4 %	22.3 %	26.1 %	27.4 %

\* GASB 75 requires presentation of ten years. As of December 31, 2022, only seven years of information is available.

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

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
  - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 4.31%.
- Mortality rates were based on the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021. Police mortality rates were based upon SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The health care trend rates use an initial rate of 7.5%, decreasing by 0.5% annually to an ultimate rate of 4.5% as shown below.

Year	Current	Year	Current
2023	7.5%	2026	6.0%
2024	7.0%	2027	5.5%
2025	6.5%	2028	5.0%
		2029+	4.5%

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

	Total OPEB Liability					
	Last Fiscal Year*					
	2022	2021	2020	2019	2018	2017
Service cost	\$ 61,295	\$ 57,729	\$ 45,250	\$ 39,730	\$ 39,471	\$ 37,575
Interest cost	8,659	7,831	10,486	11,594	10,172	7,305
Changes in assumptions	(97,302)	628	22,435	3,943	(3,090)	(6,902)
Differences between expected and actual experience	(70,454)	(19,754)	(33,610)	(59,399)	(28,085)	—
Benefit payments	(3,676)	(3,331)	(1,200)	(1,521)	(5,049)	(18,980)
Net change in Total OPEB liability	(101,478)	43,103	43,361	(5,653)	13,419	18,998
Total OPEB liability - beginning of year	341,397	298,294	254,933	260,586	247,167	228,169
Total OPEB liability - end of year	<u>\$ 239,919</u>	<u>\$ 341,397</u>	<u>\$ 298,294</u>	<u>\$ 254,933</u>	<u>\$ 260,586</u>	<u>\$ 247,167</u>
Covered-employee payroll	\$ 14,613,944	\$ 14,300,998	\$ 13,635,479	\$ 11,649,830	\$ 10,651,958	\$ 9,408,445
Total OPEB liability as a percentage of covered-employee payroll	1.6 %	2.4 %	2.2 %	2.2 %	2.4 %	2.6 %

\* GASB 75 requires presentation of ten years. As of December 31, 2022, only six years of information is available.

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

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

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The discount rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.

## Fire District Component Unit

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

	Total OPEB Liability				
	Last Fiscal Year*				
	2022	2021	2020	2019	2018
Service cost	\$ 250,681	\$ 284,861	\$ 217,733	\$ 187,629	\$ 201,279
Interest cost	98,804	112,516	163,380	192,225	167,230
Changes in benefit terms	—	246,530	—	—	—
Changes in assumptions	(736,381)	(47,161)	323,043	329,378	(216,915)
Differences between expected and actual experience	(1,256)	(733,647)	(814,373)	(224,422)	(4,076)
Benefit payments	(197,638)	(182,749)	(190,383)	(170,010)	(139,237)
Net change in Total OPEB liability	(585,790)	319,650	(300,600)	314,800	8,281
Total OPEB liability - beginning of year	4,268,106	4,587,756	4,888,286	4,573,486	4,565,205
Total OPEB liability - end of year	<u>\$3,682,316</u>	<u>\$4,268,106</u>	<u>\$4,587,686</u>	<u>\$4,888,286</u>	<u>\$4,573,486</u>
Covered-employee payroll	\$10,419,881	\$10,132,972	\$8,704,898	\$9,564,732	\$8,434,819
Total OPEB liability as a percentage of covered-employee payroll	35.3 %	42.1 %	52.7 %	51.1 %	54.2 %

\* GASB 75 requires presentation of ten years. As of December 31, 2022, only five years of information is available.

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

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant’s benefit at retirement; and
  - Annual service cost is a constant percentage of the participant’s salary that is assumed to increase according to the payroll growth.
- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 2.25%.
- Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2018 using MP-2018 improvement.

The health care trend rates use an initial rate of 7.0%, decreasing by 0.5% annually to an ultimate rate of 4.5% as shown below.

Year	Current	Year	Current
2023	7.0%	2026	5.5%
2024	6.5%	2,027	5.0%
2025	6.0%	2028+	4.5%

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

	Total OPEB Liability				
	Last Fiscal Year*				
	2022	2021	2020	2019	2018
Service cost	\$ 1,066	\$ 937	\$ 1,287	\$ 1,113	\$ 1,090
Interest cost	25	23	84	68	3,744
Changes in assumptions	(89)	(595)	69	28	(13)
Differences between expected and actual experience	(488)	(955)	(1,847)	(758)	(107,662)
Benefit payments	—	—	—	—	—
Net change in Total OPEB liability	387	(590)	(407)	451	(102,841)
Total OPEB liability - beginning of year	105	695	1,102	651	103,492
Total OPEB liability - end of year	\$ 492	\$ 105	\$ 695	\$ 1,102	\$ 651
Covered-employee payroll	\$ 53,691	\$ 174,301	\$ 198,248	\$ 241,755	\$ 221,003
Total OPEB liability as a percentage of covered-employee payroll	0.9 %	0.1 %	0.4 %	0.5 %	0.3 %

\* GASB 75 requires presentation of ten years. As of December 31, 2022, only five years of information is available.

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

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

- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate increased from 2.21% on June 30, 2020 to 2.25% on June 30, 2021.
- The discount rate increased from 2.25% on June 30, 2021 to 3.54% on June 30, 2022.

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

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

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

**County Clerk Technology Fund** - accounts for proceeds from additional fees and charges assessed by the Register of Deeds pursuant to K.S.A 28-115. The funds are restricted for the purposes of acquiring equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded, stored or generated in the office of the County Clerk as authorized by the provisions of Section 16 of House Bill 2643.

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



handling of data recorded, stored or generated in the office of the County Treasurer as authorized by the provisions of Section 17 of House Bill 2643.

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

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

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

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

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

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

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

***Fire District No. 2 Fund*** -accounts for the revenues and expenditures incurred by the Fire District for the operations of the District's service area.

***Opioid Litigation Settlement Fund*** -accounts for the revenues and expenditures incurred from the receipt of opioid litigation settlement funds. Funds shall be used for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and addiction.

### **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, 2022**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Deposits including investments	\$ 63,933,525	\$ 3,144,386	\$ 15,093,948	\$ 82,171,859
Receivables (net of allowance for uncollectibles):	97,478,183	5,245,368	20,673,461	123,397,012
Lease receivable	542,465	—	—	542,465
Inventories	408,304	—	29,192	437,496
Prepays	3,617,251	—	140,036	3,757,287
<b>Total assets</b>	<b>\$ 165,979,728</b>	<b>\$ 8,389,754</b>	<b>\$ 35,936,637</b>	<b>\$ 210,306,119</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,227,740	\$ 17,900	\$ 71,582	\$ 3,317,222
Salaries and wages payable	1,623,687	—	101,167	1,724,854
Due to others	2,987	—	—	2,987
Unearned revenue	6,888,504	—	25,140	6,913,644
Unearned revenue - grants revenue	3,949,790	—	—	3,949,790
<b>Total liabilities</b>	<b>15,692,708</b>	<b>17,900</b>	<b>197,889</b>	<b>15,908,497</b>
<b>Deferred Inflows of Resources:</b>				
Property tax receivable	85,624,775	5,245,368	17,126,962	107,997,105
Leases	524,234	—	—	524,234
<b>Total deferred inflows of resources</b>	<b>86,149,009</b>	<b>5,245,368</b>	<b>17,126,962</b>	<b>108,521,339</b>
<b>Fund Balances:</b>				
Nonspendable	4,025,555	—	169,228	4,194,783
Restricted	35,581,208	3,126,486	13,793,115	52,500,809
Committed	217,223	—	27,902	245,125
Assigned	24,314,025	—	4,621,541	28,935,566
<b>Total fund balances</b>	<b>64,138,011</b>	<b>3,126,486</b>	<b>18,611,786</b>	<b>85,876,283</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 165,979,728</b>	<b>\$ 8,389,754</b>	<b>\$ 35,936,637</b>	<b>\$ 210,306,119</b>

**Johnson County, Kansas**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2022**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 98,398,712	\$ 5,687,452	\$ 37,376,831	\$ 141,462,995
Intergovernmental	16,688,180	—	12,541,365	29,229,545
Charges for services	29,630,655	—	1,005,969	30,636,624
Investment earnings (loss)	(375,729)	—	(1,529,584)	(1,905,313)
Licenses and permits	1,921,589	—	16,825	1,938,414
Other	2,748,334	—	58,384	2,806,718
<b>Total revenues</b>	<b>149,011,741</b>	<b>5,687,452</b>	<b>49,469,790</b>	<b>204,168,983</b>
<b>EXPENDITURES</b>				
Current:				
General government	392,949	—	457,652	850,601
Public works	—	—	12,919,754	12,919,754
Public safety	12,712,396	—	—	12,712,396
Health and human services	91,814,441	—	—	91,814,441
Culture and recreation	30,334,498	146,919	—	30,481,417
Debt service:				
Principal retirement	500,000	1,435,800	—	1,935,800
Interest and fiscal charges	166,194	522,449	—	688,643
Capital Outlay	647,586	3,112,167	1,841,133	5,600,886
<b>Total expenditures</b>	<b>136,568,064</b>	<b>5,217,335</b>	<b>15,218,539</b>	<b>157,003,938</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>12,443,677</b>	<b>470,117</b>	<b>34,251,251</b>	<b>47,165,045</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,541,343	81,175	3,458,410	5,080,928
Transfers out	(8,837,475)	—	(36,886,667)	(45,724,142)
Lease interest	8,324	—	—	8,324
<b>Total other financing sources and uses</b>	<b>(7,287,808)</b>	<b>81,175</b>	<b>(33,428,257)</b>	<b>(40,634,890)</b>
<b>Net change in fund balances</b>	<b>5,155,869</b>	<b>551,292</b>	<b>822,994</b>	<b>6,530,155</b>
<b>Fund balances - beginning</b>	<b>52,323,888</b>	<b>2,575,194</b>	<b>17,788,792</b>	<b>72,687,874</b>
<b>Fund balances - ending</b>	<b>\$ 64,138,011</b>	<b>\$ 3,126,486</b>	<b>\$ 18,611,786</b>	<b>\$ 85,876,283</b>

*Johnson County, Kansas*  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue**  
December 31, 2022

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Fund	County Clerk Technology
<b>ASSETS</b>									
Deposits including investments	\$ 8,566,220	\$ 18,206,330	\$ 193,343	\$ 9,480	\$ 9,934,093	\$ 261,937	\$ 10,728,501	\$ 7,187,592	\$ 1,730,183
Receivables (net of allowance for uncollectibles):									
Lease receivable	16,563,934	38,089,330	—	—	23,790,680	—	13,982,615	—	—
Inventories	—	—	—	—	542,465	—	—	—	—
Prepays	—	169,368	—	—	19,500	—	408,304	—	—
<b>Total assets</b>	<b>\$ 25,130,154</b>	<b>\$ 56,465,028</b>	<b>\$ 193,343</b>	<b>\$ 9,480</b>	<b>\$ 34,286,738</b>	<b>\$ 261,937</b>	<b>\$ 25,160,233</b>	<b>\$ 7,336,655</b>	<b>\$ 1,730,183</b>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**

<b>Liabilities:</b>									
Accounts payable	\$ 218,242	\$ 616,652	\$ 24,743	\$ —	\$ 299,318	\$ —	\$ 241,210	\$ 981,780	\$ —
Salaries and wages payable	400,322	368,009	—	—	610,417	—	244,939	—	—
Due to others	919	—	—	—	—	—	2,068	—	—
Unearned revenue	503,290	3,173,699	—	—	1,680,903	—	1,530,611	—	—
Unearned revenue-grants revenue	1,159,024	370	—	—	243,875	—	686,110	—	—
<b>Total liabilities</b>	<b>2,281,797</b>	<b>4,158,730</b>	<b>24,743</b>	<b>—</b>	<b>2,834,513</b>	<b>—</b>	<b>2,704,938</b>	<b>981,780</b>	<b>—</b>
<b>Deferred Inflows of Resources:</b>									
Property tax receivable	14,019,948	34,767,273	—	—	19,877,563	—	12,005,009	—	—
Leases	—	—	—	—	524,234	—	—	—	—
<b>Total deferred inflows of resources</b>	<b>14,019,948</b>	<b>34,767,273</b>	<b>—</b>	<b>—</b>	<b>20,401,797</b>	<b>—</b>	<b>12,005,009</b>	<b>—</b>	<b>—</b>

**Fund Balances:**

Nonspendable	—	169,368	—	—	19,500	—	449,117	149,063	—
Restricted	7,226,602	6,529,232	—	—	8,992,716	152,138	4,778,488	5,608,640	1,667,324
Committed	97,500	—	—	—	9,924	109,799	—	—	—
Assigned	1,504,307	10,840,425	168,600	9,480	2,028,288	—	5,222,681	597,172	62,859
<b>Total fund balances</b>	<b>8,828,409</b>	<b>17,539,025</b>	<b>168,600</b>	<b>9,480</b>	<b>11,050,428</b>	<b>261,937</b>	<b>10,450,286</b>	<b>6,354,875</b>	<b>1,730,183</b>

**Total liabilities, deferred inflows of resources and fund balances**

<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 25,130,154</b>	<b>\$ 56,465,028</b>	<b>\$ 193,343</b>	<b>\$ 9,480</b>	<b>\$ 34,286,738</b>	<b>\$ 261,937</b>	<b>\$ 25,160,233</b>	<b>\$ 7,336,655</b>	<b>\$ 1,730,183</b>
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**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Special Revenue**  
**December 31, 2022**

	County	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licensure	Fire District No. 2	Opioid Litigation Settlement	Total
<b>ASSETS</b>											
Deposits including investments	\$ 332,451	\$ 125,237	\$ 2,389,773	\$ 77,907	\$ 201,538	\$ 48,663	\$ —	\$ 151,036	\$ 3,675,681	\$ 113,560	\$ 63,933,525
Receivables (net of allowance for uncollectibles):											
Lease receivable	—	—	—	—	—	—	—	—	5,051,624	—	97,478,183
Inventories	—	—	—	—	—	—	—	—	—	—	542,465
Prepays	—	—	—	—	—	—	—	—	—	—	408,304
	—	—	—	—	—	—	—	—	3,238,507	—	3,617,251
<b>Total assets</b>	<b>\$ 332,451</b>	<b>\$ 125,237</b>	<b>\$ 2,389,773</b>	<b>\$ 77,907</b>	<b>\$ 201,538</b>	<b>\$ 48,663</b>	<b>\$ —</b>	<b>\$ 151,036</b>	<b>\$ 11,965,812</b>	<b>\$ 113,560</b>	<b>\$ 165,979,728</b>

<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities:											
Accounts payable	\$ 46,534	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 798,261	\$ —	\$ 3,227,740
Salaries and wages payable	—	—	—	—	—	—	—	—	—	—	1,623,687
Due to others	—	—	—	—	—	—	—	—	—	—	2,987
Unearned revenue	—	—	1	—	—	—	—	—	—	—	6,888,504
Unearned revenue-grants revenue	—	—	1,860,411	—	—	—	—	—	—	—	3,949,790
	46,534	—	1,860,412	—	—	—	—	—	798,261	—	15,692,708
<b>Total liabilities</b>											
Deferred Inflows of Resources:											
Property tax receivable	—	—	—	—	—	—	—	—	\$ 4,954,982	\$ —	\$ 85,624,775
Leases	—	—	—	—	—	—	—	—	—	—	524,234
<b>Total deferred inflows of resources</b>									<b>4,954,982</b>		<b>86,149,009</b>

<b>Fund Balances:</b>											
Nonspendable	—	—	—	—	—	—	—	—	3,238,507	—	4,025,555
Restricted	266,239	—	—	63,550	182,719	—	—	—	—	113,560	35,581,208
Committed	—	—	—	—	—	—	—	—	—	—	217,223
Assigned	19,678	125,237	529,361	14,357	18,819	48,663	—	151,036	2,973,062	—	24,314,025
	285,917	125,237	529,361	77,907	201,538	48,663	—	151,036	6,211,569	113,560	64,138,011
<b>Total fund balances</b>											
	\$ 332,451	\$ 125,237	\$ 2,389,773	\$ 77,907	\$ 201,538	\$ 48,663	\$ —	\$ 151,036	\$ 11,965,812	\$ 113,560	\$ 165,979,728
<b>Total liabilities, deferred inflows of resources and fund balances</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, 2022**

	Developmental Supports	Library	Library Gift	Stream Maintenance	Mental Health	Developer Fees	Public Health	911 Fund	County Clerk Technology
<b>REVENUES</b>									
Taxes	\$ 15,336,228	\$ 37,691,704	\$ —	\$ —	\$ 21,691,340	\$ —	\$ 13,044,861	\$ 5,372,158	\$ —
Intergovernmental	2,960,958	133,668	—	—	8,432,997	—	5,697,194	—	—
Charges for services	11,183,617	1,080,220	—	—	13,961,382	—	1,561,159	—	217,125
Investment earnings (loss)	61,337	(615,080)	807	—	71,867	—	—	34,082	8,018
Licenses and permits	—	251,387	—	—	—	—	748,087	—	—
Other	17,552	671,914	146,194	698	117,634	—	1,002,551	—	—
<b>Total revenues</b>	<b>29,559,692</b>	<b>39,213,813</b>	<b>147,001</b>	<b>698</b>	<b>44,275,220</b>	<b>—</b>	<b>22,053,852</b>	<b>5,406,240</b>	<b>225,143</b>
<b>EXPENDITURES</b>									
Current:									
General government	—	—	—	—	—	—	—	—	28,439
Public safety	—	—	—	—	—	—	—	5,934,056	—
Health and human services	28,732,900	—	—	—	40,807,397	—	22,274,144	—	—
Culture and recreation	—	30,231,001	103,497	—	—	—	—	—	—
Debt service:	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	53,384	—
Capital outlay	—	33,510	—	—	110,103	—	30,417	—	—
<b>Total expenditures</b>	<b>28,732,900</b>	<b>30,264,511</b>	<b>103,497</b>	<b>—</b>	<b>40,917,500</b>	<b>—</b>	<b>22,304,561</b>	<b>5,987,440</b>	<b>28,439</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>826,792</b>	<b>8,949,302</b>	<b>43,504</b>	<b>698</b>	<b>3,357,720</b>	<b>—</b>	<b>(250,709)</b>	<b>(581,200)</b>	<b>196,704</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	46,873	293,706	—	—	723,364	—	90,000	387,400	—
Transfers out	(148,654)	(6,948,921)	—	—	(505,921)	—	(545,541)	(626,364)	—
Lease interest	—	—	—	—	8,324	—	—	—	—
<b>Total other financing sources and uses</b>	<b>(101,781)</b>	<b>(6,655,215)</b>	<b>—</b>	<b>—</b>	<b>225,767</b>	<b>—</b>	<b>(455,541)</b>	<b>(238,964)</b>	<b>—</b>
<b>Net change in fund balances</b>	<b>725,011</b>	<b>2,294,087</b>	<b>43,504</b>	<b>698</b>	<b>3,583,487</b>	<b>—</b>	<b>(706,250)</b>	<b>(820,164)</b>	<b>196,704</b>
<b>Fund balances - beginning</b>	<b>8,103,398</b>	<b>15,244,938</b>	<b>125,096</b>	<b>8,782</b>	<b>7,466,941</b>	<b>261,937</b>	<b>11,156,536</b>	<b>7,175,039</b>	<b>1,533,479</b>
<b>Prior period adjustments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Fund balances - beginning as restated</b>	<b>8,103,398</b>	<b>15,244,938</b>	<b>125,096</b>	<b>8,782</b>	<b>7,466,941</b>	<b>261,937</b>	<b>11,156,536</b>	<b>7,175,039</b>	<b>1,533,479</b>
<b>Fund balances - ending</b>	<b>\$ 8,828,409</b>	<b>\$ 17,539,025</b>	<b>\$ 168,600</b>	<b>\$ 9,480</b>	<b>\$ 11,050,428</b>	<b>\$ 261,937</b>	<b>\$ 10,450,286</b>	<b>\$ 6,354,875</b>	<b>\$ 1,730,183</b>

(Continued)

**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds - Special Revenue**  
**For the Year Ended December 31, 2022**

	County Treasurer Technology	District Attorney Forfeited Property	Sheriff Forfeited Property	Controlled Substance	Alcohol Tax	Prosecutor Training	911 Wireless Telephone	Weapons Licensure	Fire District No. 2	Opioid Litigation Settlement	Total
<b>REVENUES</b>											
Taxes	\$ —	\$ —	\$ —	\$ 59	\$ 172,888	\$ —	\$ —	\$ —	\$ 5,089,474	\$ —	\$ 98,398,712
Intergovernmental	—	—	(536,637)	—	—	—	—	—	—	—	16,688,180
Charges for services	217,125	—	—	—	—	—	—	—	1,410,027	—	29,630,655
Investment earnings (loss)	1,889	638	9,002	530	856	—	—	—	50,325	—	(375,729)
Licenses and permits	—	21,226	872,194	—	—	—	—	28,695	—	—	1,921,589
Other	—	—	28,100	—	—	19,491	—	—	630,640	113,560	2,748,334
<b>Total revenues</b>	<b>219,014</b>	<b>21,864</b>	<b>372,659</b>	<b>589</b>	<b>173,744</b>	<b>19,491</b>	<b>—</b>	<b>28,695</b>	<b>7,180,466</b>	<b>113,560</b>	<b>149,011,741</b>
<b>EXPENDITURES</b>											
Current:											
General government	364,510	—	—	—	—	—	—	—	—	—	392,949
Public safety	—	25,026	11,657	51,758	78,485	11,212	—	—	6,600,202	—	12,712,396
Health and human services	—	—	—	—	—	—	—	—	—	—	91,814,441
Culture and recreation	—	—	—	—	—	—	—	—	—	—	30,334,498
Debt service:											
Interest and fiscal charges	—	—	—	—	—	—	—	—	112,810	—	166,194
Capital outlay	—	—	36,817	22,600	—	—	—	—	414,139	—	647,586
<b>Total expenditures</b>	<b>364,510</b>	<b>25,026</b>	<b>48,474</b>	<b>74,358</b>	<b>78,485</b>	<b>11,212</b>	<b>—</b>	<b>—</b>	<b>7,627,151</b>	<b>—</b>	<b>136,568,064</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(145,496)</b>	<b>(3,162)</b>	<b>324,185</b>	<b>(73,769)</b>	<b>95,259</b>	<b>8,279</b>	<b>—</b>	<b>28,695</b>	<b>38,296</b>	<b>113,560</b>	<b>12,443,677</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	—	—	—	—	—	—	—	—	—	—	1,541,343
Transfers out	—	—	—	—	(62,074)	—	—	—	—	—	(8,837,475)
Lease interest	—	—	—	—	—	—	—	—	—	—	8,324
<b>Total other financing sources and uses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(62,074)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(7,287,808)</b>
<b>Net change in fund balances</b>	<b>(145,496)</b>	<b>(3,162)</b>	<b>324,185</b>	<b>(73,769)</b>	<b>33,185</b>	<b>8,279</b>	<b>—</b>	<b>28,695</b>	<b>(446,685)</b>	<b>113,560</b>	<b>5,155,869</b>
<b>Fund balances - beginning</b>	<b>431,413</b>	<b>128,399</b>	<b>205,176</b>	<b>151,676</b>	<b>168,353</b>	<b>40,384</b>	<b>—</b>	<b>122,341</b>	<b>—</b>	<b>—</b>	<b>52,323,888</b>
<b>Prior period adjustments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,658,254</b>	<b>—</b>	<b>6,658,254</b>
<b>Fund balances - beginning as restated</b>	<b>431,413</b>	<b>128,399</b>	<b>205,176</b>	<b>151,676</b>	<b>168,353</b>	<b>40,384</b>	<b>—</b>	<b>122,341</b>	<b>6,658,254</b>	<b>—</b>	<b>58,982,142</b>
<b>Fund balances - ending</b>	<b>285,917</b>	<b>125,237</b>	<b>529,361</b>	<b>77,907</b>	<b>201,538</b>	<b>48,663</b>	<b>—</b>	<b>151,036</b>	<b>6,211,569</b>	<b>113,560</b>	<b>64,138,011</b>



**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Debt Service**  
**December 31, 2022**

	Debt Service	Library Special Use	Total
<b>ASSETS</b>			
Deposits including investments	\$ 662,055	\$ 2,482,331	\$ 3,144,386
Receivables (net of allowance for uncollectibles):	1,683,513	3,561,855	5,245,368
<b>Total assets</b>	<b>2,345,568</b>	<b>6,044,186</b>	<b>8,389,754</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	—	17,900	17,900
<b>Total liabilities</b>	<b>—</b>	<b>17,900</b>	<b>17,900</b>
 <b>Deferred Inflows of Resources:</b>			
Property tax receivable	1,683,513	3,561,855	5,245,368
<b>Total deferred inflows of resources</b>	<b>1,683,513</b>	<b>3,561,855</b>	<b>5,245,368</b>
 <b>Fund Balances:</b>			
Restricted	662,055	2,464,431	3,126,486
<b>Total fund balances</b>	<b>662,055</b>	<b>2,464,431</b>	<b>3,126,486</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,345,568</b>	<b>\$ 6,044,186</b>	<b>\$ 8,389,754</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, 2022

	Debt Service	Library Special Use	Total
<b>REVENUES</b>			
Taxes	\$ 1,845,809	\$ 3,841,643	\$ 5,687,452
<b>Total revenues</b>	<u>1,845,809</u>	<u>3,841,643</u>	<u>5,687,452</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	—	146,919	146,919
Debt service:			
Principal retirement	1,435,800	—	1,435,800
Interest and fiscal charges	522,449	—	522,449
Capital outlay	—	3,112,167	3,112,167
<b>Total expenditures</b>	<u>1,958,249</u>	<u>3,259,086</u>	<u>5,217,335</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(112,440)</u>	<u>582,557</u>	<u>470,117</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	81,175	—	81,175
<b>Total other financing sources and uses</b>	<u>81,175</u>	<u>—</u>	<u>81,175</u>
<b>Net change in fund balances</b>	(31,265)	582,557	551,292
<b>Fund balances - beginning</b>	693,320	1,881,874	2,575,194
<b>Fund balances - ending</b>	<u>\$ 662,055</u>	<u>\$ 2,464,431</u>	<u>\$ 3,126,486</u>

**Johnson County, Kansas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Capital Projects**  
**December 31, 2022**

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
<b>ASSETS</b>					
Deposits including investments	\$ 7,694,078	\$ 4,650,953	\$ 2,603,097	\$ 145,820	\$ 15,093,948
Receivables (net of allowance for uncollectibles):	—	3,546,499	15,555,975	1,570,987	20,673,461
Inventories	—	—	29,192	—	29,192
Prepays	138,536	—	1,500	—	140,036
<b>Total assets</b>	<b>\$ 7,832,614</b>	<b>\$ 8,197,452</b>	<b>\$ 18,189,764</b>	<b>\$ 1,716,807</b>	<b>\$ 35,936,637</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 4,310	\$ 4,024	\$ 63,248	\$ —	\$ 71,582
Salaries and wages payable	—	10,659	90,508	—	101,167
Unearned revenue	—	—	25,140	—	25,140
<b>Total liabilities</b>	<b>4,310</b>	<b>14,683</b>	<b>178,896</b>	<b>—</b>	<b>197,889</b>
<b>Deferred Inflows of Resources:</b>					
Property tax receivable	—	—	15,555,975	1,570,987	17,126,962
<b>Total deferred inflows of resources</b>	<b>—</b>	<b>—</b>	<b>15,555,975</b>	<b>1,570,987</b>	<b>17,126,962</b>
<b>Fund Balances:</b>					
Nonspendable	138,536	—	30,692	—	169,228
Restricted	7,175,002	6,584,263	—	33,850	13,793,115
Committed	—	—	—	27,902	27,902
Assigned	514,766	1,598,506	2,424,201	84,068	4,621,541
<b>Total fund balances</b>	<b>7,828,304</b>	<b>8,182,769</b>	<b>2,454,893</b>	<b>145,820</b>	<b>18,611,786</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,832,614</b>	<b>\$ 8,197,452</b>	<b>\$ 18,189,764</b>	<b>\$ 1,716,807</b>	<b>\$ 35,936,637</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, 2022**

	Register of Deeds Technology	Stormwater	Public Works	County Building	Total
<b>REVENUES</b>					
Taxes	\$ —	\$ 19,495,983	\$ 16,069,879	\$ 1,810,969	\$ 37,376,831
Intergovernmental	—	—	12,541,365	—	12,541,365
Charges for services	868,500	—	137,469	—	1,005,969
Investment earnings (loss)	34,244	(1,567,412)	—	3,584	(1,529,584)
Licenses and permits	—	—	16,825	—	16,825
Other	—	680	57,704	—	58,384
<b>Total revenues</b>	<u>902,744</u>	<u>17,929,251</u>	<u>28,823,242</u>	<u>1,814,553</u>	<u>49,469,790</u>
<b>EXPENDITURES</b>					
Current:					
General government	457,652	—	—	—	457,652
Public works	—	658,320	12,261,434	—	12,919,754
Capital outlay	—	—	—	1,841,133	1,841,133
<b>Total expenditures</b>	<u>457,652</u>	<u>658,320</u>	<u>12,261,434</u>	<u>1,841,133</u>	<u>15,218,539</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>445,092</u>	<u>17,270,931</u>	<u>16,561,808</u>	<u>(26,580)</u>	<u>34,251,251</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,826,689	—	1,631,721	—	3,458,410
Transfers out	(123,500)	(15,503,823)	(21,259,344)	—	(36,886,667)
<b>Total other financing sources and uses</b>	<u>1,703,189</u>	<u>(15,503,823)</u>	<u>(19,627,623)</u>	<u>—</u>	<u>(33,428,257)</u>
<b>Net change in fund balances</b>	<u>2,148,281</u>	<u>1,767,108</u>	<u>(3,065,815)</u>	<u>(26,580)</u>	<u>822,994</u>
<b>Fund balances - beginning</b>	<u>5,680,023</u>	<u>6,415,661</u>	<u>5,520,708</u>	<u>172,400</u>	<u>17,788,792</u>
<b>Fund balances - ending</b>	<u>\$ 7,828,304</u>	<u>\$ 8,182,769</u>	<u>\$ 2,454,893</u>	<u>\$ 145,820</u>	<u>\$ 18,611,786</u>

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Developmental Supports Fund**  
**For the Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 15,576,417	\$ 15,576,417	\$ 15,336,228	\$ (240,189)
Intergovernmental	1,721,256	1,721,256	2,960,958	1,239,702
Charges for services	9,767,671	9,767,671	11,183,617	1,415,946
Investment earnings	18,535	18,535	61,337	42,802
Other	92,971	92,971	17,551	(75,420)
<b>Total revenues</b>	<u>27,176,850</u>	<u>27,176,850</u>	<u>29,559,691</u>	<u>2,382,841</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	28,100,678	28,100,678	28,744,421	(643,743)
Capital outlay	11,213	11,213	—	11,213
Reserves	7,281,704	7,281,704	—	7,281,704
<b>Total expenditures</b>	<u>35,393,595</u>	<u>35,393,595</u>	<u>28,744,421</u>	<u>6,649,174</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(8,216,745)</u>	<u>(8,216,745)</u>	<u>815,270</u>	<u>9,032,015</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	83,695	83,695	46,873	(36,822)
Transfers out	(148,654)	(148,654)	(148,654)	—
<b>Total other financing sources and uses</b>	<u>(64,959)</u>	<u>(64,959)</u>	<u>(101,781)</u>	<u>(36,822)</u>
<b>Net change in fund balances</b>	<u>(8,281,704)</u>	<u>(8,281,704)</u>	<u>713,489</u>	<u>\$ 8,995,193</u>
<b>Fund balances - beginning</b>	<u>8,281,704</u>	<u>8,281,704</u>	<u>8,095,145</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,808,634</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Library Fund**  
**For the Year Ended December 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 38,343,991	\$ 38,343,991	\$ 37,691,704	\$ (652,287)
Intergovernmental	265,638	265,638	133,668	(131,970)
Charges for services	183,000	183,000	1,080,220	897,220
Investment earnings	54,948	54,948	169,718	114,770
Licenses and permits	—	—	251,387	251,387
Other	1,114,327	1,114,327	671,914	(442,413)
<b>Total revenues</b>	<u>39,961,904</u>	<u>39,961,904</u>	<u>39,998,611</u>	<u>36,707</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	33,553,395	33,553,395	30,122,496	3,430,899
Capital outlay	393,164	393,164	68,910	324,254
Reserves	11,892,315	11,892,315	—	11,892,315
<b>Total expenditures</b>	<u>45,838,874</u>	<u>45,838,874</u>	<u>30,191,406</u>	<u>15,647,468</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,876,970)</u>	<u>(5,876,970)</u>	<u>9,807,205</u>	<u>15,684,175</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	—	—	293,706	293,706
Transfers out	(6,015,345)	(6,015,345)	(6,948,921)	(933,576)
<b>Total other financing sources and uses</b>	<u>(6,015,345)</u>	<u>(6,015,345)</u>	<u>(6,655,215)</u>	<u>(639,870)</u>
<b>Net change in fund balances</b>	<u>(11,892,315)</u>	<u>(11,892,315)</u>	<u>3,151,990</u>	<u>\$ 15,044,305</u>
<b>Fund balances - beginning</b>	<u>11,892,315</u>	<u>11,892,315</u>	<u>14,286,866</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17,438,856</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, 2022**

	<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	\$ 698	\$ (4,302)
<b>Total revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>698</u>	<u>(4,302)</u>
<b>EXPENDITURES</b>				
Current:				
Reserves	7,609	7,609	—	7,609
<b>Total expenditures</b>	<u>7,609</u>	<u>7,609</u>	<u>—</u>	<u>7,609</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,609)</u>	<u>(2,609)</u>	<u>698</u>	<u>3,307</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>(7,609)</u>	<u>(7,609)</u>	<u>698</u>	<u>\$ 8,307</u>
<b>Fund balances - beginning</b>	<u>7,609</u>	<u>7,609</u>	<u>8,782</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,480</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 22,014,418	\$ 22,014,418	\$ 21,691,340	\$ (323,078)
Intergovernmental	7,763,063	7,763,063	8,432,998	669,935
Charges for services	9,105,870	9,105,870	13,961,382	4,855,512
Investment earnings	24,541	24,541	71,867	47,326
Other	51,043	51,043	50,983	(60)
<b>Total revenues</b>	<u>38,958,935</u>	<u>38,958,935</u>	<u>44,208,570</u>	<u>5,249,635</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	39,313,601	39,313,601	40,137,045	(823,444)
Capital outlay	71,168	71,168	44,349	26,819
Reserves	4,223,432	4,223,432	—	4,223,432
<b>Total expenditures</b>	<u>43,608,201</u>	<u>43,608,201</u>	<u>40,181,394</u>	<u>3,426,807</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,649,266)</u>	<u>(4,649,266)</u>	<u>4,027,176</u>	<u>8,676,442</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	711,477	711,477	723,364	11,887
Transfers out	(385,643)	(385,643)	(505,921)	(120,278)
Lease interest	—	—	8,324	8,324
<b>Total other financing sources and uses</b>	<u>325,834</u>	<u>325,834</u>	<u>225,767</u>	<u>(100,067)</u>
<b>Net change in fund balances</b>	<u>(4,323,432)</u>	<u>(4,323,432)</u>	<u>4,252,943</u>	<u>\$ 8,576,375</u>
<b>Fund balances - beginning</b>	<u>4,323,432</u>	<u>4,323,432</u>	<u>6,686,009</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,938,952</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, 2022**

	<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	\$ —	\$ (9,800)
<b>Total revenues</b>	<u>9,800</u>	<u>9,800</u>	<u>—</u>	<u>(9,800)</u>
<b>EXPENDITURES</b>				
Current:				
Reserves	194,139	194,139	—	194,139
<b>Total expenditures</b>	<u>194,139</u>	<u>194,139</u>	<u>—</u>	<u>194,139</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(184,339)</u>	<u>(184,339)</u>	<u>—</u>	<u>184,339</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>(194,139)</u>	<u>(194,139)</u>	<u>—</u>	<u>\$ 194,139</u>
<b>Fund balances - beginning</b>	<u>194,139</u>	<u>194,139</u>	<u>261,937</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 261,937</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 13,227,923	\$ 13,227,923	\$ 13,044,861	\$ (183,062)
Intergovernmental	5,935,500	5,935,500	5,697,194	(238,306)
Charges for services	1,770,804	1,770,804	1,561,159	(209,645)
Licenses and permits	856,866	856,866	748,087	(108,779)
Other	309,567	309,567	113,585	(195,982)
<b>Total revenues</b>	<u>22,100,660</u>	<u>22,100,660</u>	<u>21,164,886</u>	<u>(935,774)</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	22,773,834	22,773,834	21,364,366	1,409,468
Capital outlay	82,000	82,000	30,417	51,583
Reserves	5,255,479	5,255,479	—	5,255,479
<b>Total expenditures</b>	<u>28,111,313</u>	<u>28,111,313</u>	<u>21,394,783</u>	<u>6,716,530</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(6,010,653)</u>	<u>(6,010,653)</u>	<u>(229,897)</u>	<u>5,780,756</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	495,587	495,587	90,000	(405,587)
Transfers out	(690,048)	(690,048)	(545,541)	144,507
<b>Total other financing sources and uses</b>	<u>(194,461)</u>	<u>(194,461)</u>	<u>(455,541)</u>	<u>(261,080)</u>
<b>Net change in fund balances</b>	<u>(6,205,114)</u>	<u>(6,205,114)</u>	<u>(685,438)</u>	<u>\$ 5,519,676</u>
<b>Fund balances - beginning</b>	<u>6,205,114</u>	<u>6,205,114</u>	<u>10,388,788</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,703,350</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**911 Fund**  
**For the Year Ended December 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Tax	\$ 5,557,139	\$ 5,557,139	\$ 5,372,158	\$ (184,981)
Charges for services				
Investment earnings	19,000	19,000	34,082	15,082
<b>Total revenues</b>	<u>5,576,139</u>	<u>5,576,139</u>	<u>5,406,240</u>	<u>(169,899)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	5,492,679	5,492,679	5,380,965	111,714
Capital outlay	—	—	—	—
Reserves	5,650,777	5,650,777	—	5,650,777
<b>Total expenditures</b>	<u>11,143,456</u>	<u>11,143,456</u>	<u>5,380,965</u>	<u>5,762,491</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,567,317)</u>	<u>(5,567,317)</u>	<u>25,275</u>	<u>5,592,592</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		—	387,400	387,400
Transfers out	(788,364)	(788,364)	(626,364)	162,000
<b>Total other financing sources and uses</b>	<u>(788,364)</u>	<u>(788,364)</u>	<u>(238,964)</u>	<u>549,400</u>
<b>Net change in fund balances</b>	<u>(6,355,681)</u>	<u>(6,355,681)</u>	<u>(213,689)</u>	<u>\$ 6,141,992</u>
<b>Fund balances - beginning</b>	<u>6,355,681</u>	<u>6,355,681</u>	<u>6,285,561</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,071,872</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Investment earnings	\$ 301	\$ 301	\$ 638	\$ 337
Licenses and permits	25,000	25,000	21,226	(3,774)
<b>Total revenues</b>	<u>25,301</u>	<u>25,301</u>	<u>21,864</u>	<u>(3,437)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	25,301	25,301	24,850	451
Reserves	120,938	120,938	—	120,938
<b>Total expenditures</b>	<u>146,239</u>	<u>146,239</u>	<u>24,850</u>	<u>121,389</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(120,938)</u>	<u>(120,938)</u>	<u>(2,986)</u>	<u>117,952</u>
<b>Net change in fund balances</b>	(120,938)	(120,938)	(2,986)	<u>\$ 117,952</u>
<b>Fund balances - beginning</b>	120,938	120,938	128,223	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 125,237</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ —	\$ —	\$ (536,637)	\$ (536,637)
Investment earnings	4,480	4,480	9,002	4,522
Licenses and permits	1,200,000	1,200,000	872,194	(327,806)
<b>Total revenues</b>	<u>1,204,480</u>	<u>1,204,480</u>	<u>372,659</u>	<u>(351,384)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,204,480	1,204,480	11,657	1,192,823
Capital Outlay	—	—	363,417	(363,417)
Reserves	177,952	177,952	—	177,952
<b>Total expenditures</b>	<u>1,382,432</u>	<u>1,382,432</u>	<u>375,074</u>	<u>1,007,358</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(177,952)</u>	<u>(177,952)</u>	<u>(2,415)</u>	<u>655,974</u>
<b>Net change in fund balances</b>	(177,952)	(177,952)	(2,415)	<u>\$ 655,974</u>
<b>Fund balances - beginning</b>	177,952	759,088	205,176	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 202,761</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 10,000	\$ 10,000	\$ 59	\$ (9,941)
Investment earnings	451	451	530	79
<b>Total revenues</b>	<u>10,451</u>	<u>10,451</u>	<u>589</u>	<u>(9,862)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	88,705	88,705	51,759	36,946
<b>Total expenditures</b>	<u>109,968</u>	<u>109,968</u>	<u>51,759</u>	<u>58,209</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(99,517)</u>	<u>(99,517)</u>	<u>(51,170)</u>	<u>48,347</u>
<b>Net change in fund balances</b>	(99,517)	(99,517)	(51,170)	<u>\$ 48,347</u>
<b>Fund balances - beginning</b>	99,517	99,517	99,917	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 48,747</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 140,000	\$ 140,000	\$ 172,888	\$ 32,888
Investment earnings	559	559	856	297
<b>Total revenues</b>	<u>140,559</u>	<u>140,559</u>	<u>173,744</u>	<u>33,185</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	106,439	106,439	78,485	27,954
Reserves	177,507	177,507	—	177,507
<b>Total expenditures</b>	<u>283,946</u>	<u>283,946</u>	<u>78,485</u>	<u>205,461</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(143,387)</u>	<u>(143,387)</u>	<u>95,259</u>	<u>238,646</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(34,120)	(34,120)	(62,074)	(27,954)
<b>Total other financing sources and uses</b>	<u>(34,120)</u>	<u>(34,120)</u>	<u>(62,074)</u>	<u>(27,954)</u>
<b>Net change in fund balances</b>	<u>(177,507)</u>	<u>(177,507)</u>	<u>33,185</u>	<u>\$ 210,692</u>
<b>Fund balances - beginning</b>	<u>177,507</u>	<u>177,507</u>	<u>168,353</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 201,538</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Charges for services	\$ 29,000	\$ 29,000	\$ —	\$ (29,000)
Other	—	—	19,491	19,491
<b>Total revenues</b>	<u>29,000</u>	<u>29,000</u>	<u>19,491</u>	<u>(9,509)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	29,000	29,000	11,214	17,786
Reserves	28,882	28,882	—	28,882
<b>Total expenditures</b>	<u>57,882</u>	<u>57,882</u>	<u>11,214</u>	<u>46,668</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(28,882)</u>	<u>(28,882)</u>	<u>8,277</u>	<u>37,159</u>
<b>Net change in fund balances</b>	(28,882)	(28,882)	8,277	<u>\$ 37,159</u>
<b>Fund balances - beginning</b>	28,882	28,882	40,383	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 48,660</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Licenses and permits	\$ 26,530	\$ 26,530	\$ 28,695	\$ 2,165
<b>Total revenues</b>	<u>26,530</u>	<u>26,530</u>	<u>28,695</u>	<u>2,165</u>
<b>EXPENDITURES</b>				
Public safety	26,530	26,530	—	26,530
Reserves	—	84,047	—	84,047
<b>Total expenditures</b>	<u>110,577</u>	<u>110,577</u>	<u>—</u>	<u>110,577</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(84,047)</u>	<u>(84,047)</u>	<u>28,695</u>	<u>112,742</u>
<b>Net change in fund balances</b>	(84,047)	(84,047)	28,695	<u>\$ 112,742</u>
<b>Fund balances - beginning</b>	84,047	84,047	122,341	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 151,036</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Fire District No. 2**  
**For the Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 4,980,328	\$ 4,980,328	\$ 5,089,474	\$ 109,146
Charges for services	1,440,027	1,440,027	1,410,027	(30,000)
Investment earnings	—	—	50,325	50,325
Other	600,000	600,000	630,640	30,640
<b>Total revenues</b>	<u>7,020,355</u>	<u>7,020,355</u>	<u>7,180,466</u>	<u>160,111</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	6,412,692	6,412,692	6,406,754	5,938
Capital outlay	1,631,437	1,631,437	414,139	1,217,298
Other	—	—	193,448	(193,448)
Debt Service	607,663	607,663	612,810	(5,147)
<b>Total expenditures</b>	<u>8,651,792</u>	<u>8,651,792</u>	<u>7,627,151</u>	<u>1,024,641</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,631,437)</u>	<u>(1,631,437)</u>	<u>(446,685)</u>	<u>1,184,752</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	—	—	—	—
Premium on bonds issued	—	—	—	—
<b>Total other financing sources and uses</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net change in fund balances</b>	<u>(1,631,437)</u>	<u>(1,631,437)</u>	<u>(446,685)</u>	<u>\$ 1,184,752</u>
<b>Fund balances - beginning</b>	<u>1,631,437</u>	<u>1,631,437</u>	<u>6,658,254</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,211,569</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Opioid Litigation Settlement Fund**  
**For the Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	—	—	—	—
Investment earnings	—	—	—	—
Licenses and permits	—	—	—	—
Other	—	—	113,560	(113,560)
<b>Total revenues</b>	<u>—</u>	<u>—</u>	<u>113,560</u>	<u>(113,560)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	—	—	—	—
Capital Outlay	—	—	—	—
Other	—	—	—	—
Debt Service	—	—	—	—
<b>Total expenditures</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<u>—</u>	<u>—</u>	<u>113,560</u>	<u>(113,560)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	—	—	—	—
Premium on bonds issued	—	—	—	—
<b>Total other financing sources and uses</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net change in fund balances</b>	<u>—</u>	<u>—</u>	<u>113,560</u>	<u>\$ (113,560)</u>
<b>Fund balances - beginning</b>	<u>—</u>	<u>—</u>	<u>—</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 113,560</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 1,874,175	\$ 1,874,175	\$ 1,845,809	\$ (28,366)
<b>Total revenues</b>	<u>1,874,175</u>	<u>1,874,175</u>	<u>1,845,809</u>	<u>(28,366)</u>
<b>EXPENDITURES</b>				
Current:				
Debt Service:				
Principal retirement	1,958,250	1,958,250	1,435,800	522,450
Interest and fiscal charges	10,000	10,000	522,449	(512,449)
Reserves	699,315	699,315	—	699,315
<b>Total expenditures</b>	<u>2,667,565</u>	<u>2,667,565</u>	<u>1,958,249</u>	<u>709,316</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(793,390)</u>	<u>(793,390)</u>	<u>(112,440)</u>	<u>680,950</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	84,075	84,075	81,175	(2,900)
<b>Total other financing sources and uses</b>	<u>84,075</u>	<u>84,075</u>	<u>81,175</u>	<u>(2,900)</u>
<b>Net change in fund balances</b>	<u>(709,315)</u>	<u>(709,315)</u>	<u>(31,265)</u>	<u>\$ 678,050</u>
<b>Fund balances - beginning</b>	<u>709,315</u>	<u>709,315</u>	<u>2,930,565</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,899,300</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 3,919,435	\$ 3,919,435	\$ 3,841,643	\$ (77,792)
Other	2,690	2,690	—	(2,690)
<b>Total revenues</b>	<u>3,922,125</u>	<u>3,922,125</u>	<u>3,841,643</u>	<u>(80,482)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	331,305	331,305	106,035	225,270
Capital outlay	—	—	3,112,167	(3,112,167)
Reserves	1,702,168	1,702,168	—	1,702,168
<b>Total expenditures</b>	<u>2,033,473</u>	<u>2,033,473</u>	<u>3,218,202</u>	<u>(1,184,729)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,888,652</u>	<u>1,888,652</u>	<u>623,441</u>	<u>(1,265,211)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,590,820)	(3,590,820)	—	3,590,820
<b>Total other financing sources and uses</b>	<u>(3,590,820)</u>	<u>(3,590,820)</u>	<u>—</u>	<u>3,590,820</u>
<b>Net change in fund balances</b>	<u>(1,702,168)</u>	<u>(1,702,168)</u>	<u>623,441</u>	<u>\$ 2,325,609</u>
<b>Fund balances - beginning</b>	<u>1,702,168</u>	<u>1,702,168</u>	<u>1,840,991</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,464,432</u>	

**Johnson County, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Stormwater Fund**  
**For the Year Ended December 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 16,051,956	\$ 16,051,956	\$ 19,495,983	\$ 3,444,027
Investment earnings	120,226	120,226	293,889	173,663
Other	—	—	680	680
<b>Total revenues</b>	<u>16,172,182</u>	<u>16,172,182</u>	<u>19,790,552</u>	<u>3,618,370</u>
<b>EXPENDITURES</b>				
Current:				
Public works	668,359	668,359	658,319	10,040
Reserves	2,834,459	2,834,459	—	2,834,459
<b>Total expenditures</b>	<u>3,502,818</u>	<u>3,502,818</u>	<u>658,319</u>	<u>2,844,499</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>12,669,364</u>	<u>12,669,364</u>	<u>19,132,233</u>	<u>6,462,869</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(15,503,823)	(15,503,823)	(15,503,823)	—
<b>Total other financing sources and uses</b>	<u>(15,503,823)</u>	<u>(15,503,823)</u>	<u>(15,503,823)</u>	<u>—</u>
<b>Net change in fund balances</b>	<u>(2,834,459)</u>	<u>(2,834,459)</u>	<u>3,628,410</u>	<u>\$ 6,462,869</u>
<b>Fund balances - beginning</b>	<u>2,834,459</u>	<u>2,834,459</u>	<u>6,167,094</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,795,504</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 16,322,570	\$ 16,322,570	\$ 16,069,879	\$ (252,691)
Intergovernmental	12,732,467	12,732,467	12,541,365	(191,102)
Charges for services	43,709	43,709	137,469	93,760
Licenses and permits	11,142	11,142	16,825	5,683
Other	66,230	66,230	57,703	(8,527)
<b>Total revenues</b>	<u>29,176,118</u>	<u>29,176,118</u>	<u>28,823,241</u>	<u>(352,877)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	12,047,210	12,047,210	11,913,239	133,971
Reserves	1,526,549	1,526,549	—	1,526,549
<b>Total expenditures</b>	<u>13,573,759</u>	<u>13,573,759</u>	<u>11,913,239</u>	<u>1,660,520</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>15,602,359</u>	<u>15,602,359</u>	<u>16,910,002</u>	<u>1,307,643</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,630,436	1,630,436	1,631,721	1,285
Transfers out	(21,259,344)	(21,259,344)	(21,259,344)	—
<b>Total other financing sources and uses</b>	<u>(19,628,908)</u>	<u>(19,628,908)</u>	<u>(19,627,623)</u>	<u>1,285</u>
<b>Net change in fund balances</b>	<u>(4,026,549)</u>	<u>(4,026,549)</u>	<u>(2,717,621)</u>	<u>\$ 1,308,928</u>
<b>Fund balances - beginning</b>	<u>4,026,549</u>	<u>4,026,549</u>	<u>5,143,324</u>	
<b>Fund balances - ending</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,425,703</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,848,119	\$ 1,848,119	\$ 1,810,968	\$ (37,151)
Investment earnings	3,015	3,015	3,584	569
<b>Total revenues</b>	1,851,134	1,851,134	1,814,552	(36,582)
<b>EXPENDITURES</b>				
General Government	10,000	10,000	—	10,000
Capital outlay	1,841,134	1,841,134	1,841,134	—
Reserves	177,260	177,260	—	177,260
<b>Total expenditures</b>	2,028,394	2,028,394	1,841,134	187,260
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(177,260)	(177,260)	(26,582)	150,678
<b>Net change in fund balances</b>	(177,260)	(177,260)	(26,582)	<b>\$ 150,678</b>
<b>Fund balances - beginning</b>	177,260	177,260	172,400	
<b>Fund balances - ending</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 145,818</b>	



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## Nonmajor Proprietary Funds

### Enterprise Funds

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

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

### Internal Service Funds

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

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

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

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

*Johnson County, Kansas*  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**December 31, 2022**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Non-Major</b>		
	<b>Airport</b>	<b>Transportation</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Deposits including investments	\$ 14,202,516	\$ 5,966,388	\$ 20,168,904
Receivables (net of allowance for uncollectibles):	1,439,876	906,588	2,346,464
<b>Total current assets</b>	<b>15,642,392</b>	<b>6,872,976</b>	<b>22,515,368</b>
<b>Noncurrent assets:</b>			
Restricted cash and investments	28,146	—	28,146
Lease receivable	29,289,849	—	29,289,849
<b>Capital assets:</b>			
Land	13,537,461	—	13,537,461
Buildings	17,794,906	2,248,187	20,043,093
Improvements other than buildings	26,746,404	13,692,272	40,438,676
Machinery and equipment	5,969,495	26,542,297	32,511,792
Infrastructure	2,280,695	—	2,280,695
Construction in progress	13,562,393	—	13,562,393
Less accumulated depreciation	(38,431,901)	(29,040,281)	(67,472,182)
<b>Total capital assets</b>	<b>41,459,453</b>	<b>13,442,475</b>	<b>54,901,928</b>
<b>Total noncurrent assets</b>	<b>70,777,448</b>	<b>13,442,475</b>	<b>84,219,923</b>
<b>TOTAL ASSETS</b>	<b>86,419,840</b>	<b>20,315,451</b>	<b>106,735,291</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferred outflow	178,624	—	178,624
OPEB deferred outflow	30,507	—	30,507
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>209,131</b>	<b>—</b>	<b>209,131</b>

**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**December 31, 2022**

	<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	1,204,280	1,938,814	3,143,094
Salaries and wages payable	32,004	4,156	36,160
Interest payable	35,006	—	35,006
Due to other funds	14,623,339	—	14,623,339
Due to others	107,224	16,156	123,380
Unearned Revenue	—	—	—
Compensated absences	9,490	2,976	12,466
Bonds and other payables	631,068	—	631,068
<b>Total current liabilities</b>	<b>16,642,411</b>	<b>1,962,102</b>	<b>18,604,513</b>
<b>Noncurrent liabilities:</b>			
Compensated absences	92,534	29,016	121,550
Pension obligation	569,998	—	569,998
OPEB obligation	202,243	—	202,243
Bonds and other payables	2,981,076	—	2,981,076
<b>Total noncurrent liabilities</b>	<b>3,845,851</b>	<b>29,016</b>	<b>3,874,867</b>
<b>TOTAL LIABILITIES</b>	<b>20,488,262</b>	<b>1,991,118</b>	<b>22,479,380</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferred inflow	6,091	—	6,091
OPEB deferred inflow	95,521	—	95,521
Unamortized portion of refunding	3,410	—	3,410
Leases	28,393,048	—	28,393,048
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>28,498,070</b>	<b>—</b>	<b>28,498,070</b>
<b>NET POSITION</b>			
Net investment in capital assets	36,974,453	13,442,475	50,416,928
Restricted for capital projects	28,146	—	28,146
Unrestricted	640,040	4,881,858	5,521,898
<b>TOTAL NET POSITION</b>	<b>\$ 37,642,639</b>	<b>\$ 18,324,333</b>	<b>\$ 55,966,972</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, 2022**

	Business-type Activities - Enterprise Funds		
	Non-Major		
	Airport	Transportation	Total
<b>Operating revenues:</b>			
Charges for services	\$ 4,243,537	\$ 345,201	\$ 4,588,738
Other	3,492,455	4,296,916	7,789,371
<b>Total operating revenues</b>	<b>7,735,992</b>	<b>4,642,117</b>	<b>12,378,109</b>
<b>Operating expenses:</b>			
Transportation	10,566,693	17,766,885	28,333,578
Depreciation	1,279,218	1,773,478	3,052,696
<b>Total operating expenses</b>	<b>11,845,911</b>	<b>19,540,363</b>	<b>31,386,274</b>
<b>Operating income (loss)</b>	<b>(4,109,919)</b>	<b>(14,898,246)</b>	<b>(19,008,165)</b>
<b>Nonoperating revenues (expenses):</b>			
Taxes	90,961	—	90,961
Investment earnings	78,684	—	78,684
Intergovernmental	4,914	2,472,751	2,477,665
Interest expense	(87,993)	—	(87,993)
Lease interest	446,237	—	446,237
Other	93,833	—	93,833
<b>Total nonoperating revenues (expenses)</b>	<b>626,636</b>	<b>2,472,751</b>	<b>3,099,387</b>
<b>Income (loss) before contributions and transfers</b>	<b>(3,483,283)</b>	<b>(12,425,495)</b>	<b>(15,908,778)</b>
<b>Capital contributions</b>	<b>4,420,658</b>	<b>4,497,818</b>	<b>8,918,476</b>
<b>Transfers in</b>	<b>5,000,000</b>	<b>6,992,026</b>	<b>11,992,026</b>
<b>Transfers out</b>	<b>(73,253)</b>	<b>(75,000)</b>	<b>(148,253)</b>
<b>Change in net position</b>	<b>5,864,122</b>	<b>(1,010,651)</b>	<b>4,853,471</b>
<b>Total net position - beginning</b>	<b>31,778,517</b>	<b>19,334,984</b>	<b>51,113,501</b>
<b>Total net position - ending</b>	<b>\$ 37,642,639</b>	<b>\$ 18,324,333</b>	<b>\$ 55,966,972</b>

**Johnson County, Kansas**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended December 31, 2022**

	Business-type Activities - Enterprise Funds		
	Airport	Transportation	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 4,281,738	\$ (79,740)	\$ 4,201,998
Cash payments for goods and services	(9,195,654)	(15,929,877)	(25,125,531)
Cash payments to employees for services	(922,492)	36,148	(886,344)
Other operating cash receipts	10,472,488	4,296,916	14,769,404
<b>Net cash provided by (used for) operating activities</b>	<b>4,636,080</b>	<b>(11,676,553)</b>	<b>(7,040,473)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Taxes	90,961	—	90,961
Intergovernmental	4,914	2,472,751	2,477,665
Transfers from other funds	5,000,000	6,992,026	11,992,026
Transfers to other funds	(73,253)	(75,000)	(148,253)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>5,022,622</b>	<b>9,389,777</b>	<b>14,412,399</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(1,417,319)	—	(1,417,319)
Principal paid on bonds, notes and loans	(215,000)	—	(215,000)
Interest paid on bonds, notes and loans	(83,279)	—	(83,279)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(1,715,598)</b>	<b>—</b>	<b>(1,715,598)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments	78,684	—	78,684
Net cash provided by investing activities	78,684	—	78,684
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,021,788</b>	<b>(2,286,776)</b>	<b>5,735,012</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>8,836,830</b>	<b>5,625,208</b>	<b>14,462,038</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 16,858,618</b>	<b>\$ 3,338,432</b>	<b>\$ 20,197,050</b>

*Johnson County, Kansas*  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds (Continued)**  
For the Year Ended December 31, 2022

	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)	\$ (4,109,919) \$	(14,898,246) \$	(19,008,165)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,279,218	1,773,478	3,052,696
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	261,591	(424,941)	(163,350)
(Increase) decrease in due from other funds	—	—	—
Increase (decrease) in accounts payable	437,498	1,837,008	2,274,506
Increase (decrease) in salaries and wages payable	7,919	4,156	12,075
Increase (decrease) in due to other funds	6,980,033	—	6,980,033
Increase (decrease) in deferred revenue	(223,390)	—	(223,390)
Increase (decrease) in compensated absences payable	6,312	31,992	38,304
Increase (decrease) in net pension liability	113,017	—	113,017
Increase (decrease) in pension deferred outflows	(41,298)	—	(41,298)
Increase (decrease) in pension deferred inflows	(59,403)	—	(59,403)
Increase (decrease) in total OPEB liability	(49,891)	—	(49,891)
Increase (decrease) in OPEB deferred outflows	(4,095)	—	(4,095)
Increase (decrease) in OPEB deferred inflows	38,488	—	38,488
<b>Total adjustments</b>	<b>8,745,999</b>	<b>3,221,693</b>	<b>11,967,692</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 4,636,080</b>	<b>\$ (11,676,553)</b>	<b>\$ (7,040,473)</b>

**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2022**

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Deposits including investments	\$ 4,204,083	\$ 8,134,409	\$ 20,062,910	\$ 7,835,463	\$ 40,236,865
Receivables (net of allowance for uncollectibles):	28,601	—	—	—	28,601
Inventories	—	—	—	253,204	253,204
Prepaid items	57,837	—	—	—	57,837
<b>Total current assets</b>	<u>4,290,521</u>	<u>8,134,409</u>	<u>20,062,910</u>	<u>8,088,667</u>	<u>40,576,507</u>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Improvements other than buildings	—	—	—	102,861	102,861
Machinery and equipment	—	—	—	14,392,158	14,392,158
Less accumulated depreciation	—	—	—	(8,908,222)	(8,908,222)
<b>Total noncurrent assets</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,586,797</u>	<u>5,586,797</u>
<b>TOTAL ASSETS</b>	<u>4,290,521</u>	<u>8,134,409</u>	<u>20,062,910</u>	<u>13,675,464</u>	<u>46,163,304</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	21,961	—	6,179,176	601,939	6,803,076
Salaries and wages payable	5,732	—	—	15,974	21,706
Due to others	1,200	—	—	—	1,200
Deferred revenue	11,801	—	—	—	11,801
Compensated absences	4,078	—	—	8,596	12,674
Insurance claims payable	1,184,203	2,403,904	4,605,400	—	8,193,507
<b>Total current liabilities</b>	<u>1,228,975</u>	<u>2,403,904</u>	<u>10,784,576</u>	<u>626,509</u>	<u>15,043,964</u>
<b>Noncurrent liabilities:</b>					
Compensated absences	39,765	—	—	83,814	123,579
<b>Total noncurrent liabilities</b>	<u>39,765</u>	<u>—</u>	<u>—</u>	<u>83,814</u>	<u>123,579</u>
<b>TOTAL LIABILITIES</b>	<u>1,268,740</u>	<u>2,403,904</u>	<u>10,784,576</u>	<u>710,323</u>	<u>15,167,543</u>
<b>NET POSITION</b>					
Net investment in capital assets	—	—	—	5,586,797	5,586,797
Unrestricted	3,021,781	5,730,505	9,278,334	7,378,344	25,408,964
<b>TOTAL NET POSITION</b>	<u>\$ 3,021,781</u>	<u>\$ 5,730,505</u>	<u>\$ 9,278,334</u>	<u>\$ 12,965,141</u>	<u>\$ 30,995,761</u>



**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2022**

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
<b>Operating revenues:</b>					
Charges for services	\$ 4,573,869	\$ 1,475,204	\$ 62,034,528	\$ 3,534,794	\$ 71,618,395
Other	117,740	53,401	637	426,463	598,241
<b>Total operating revenues</b>	<b>4,691,609</b>	<b>1,528,605</b>	<b>62,035,165</b>	<b>3,961,257</b>	<b>72,216,636</b>
<b>Operating expenses:</b>					
Personnel services	454,024	—	—	959,142	1,413,166
Contractual services	3,193,777	1,265,446	59,510,053	466,741	64,436,017
Commodities	3,488	—	—	1,890,400	1,893,888
Depreciation	—	—	—	1,333,155	1,333,155
<b>Total operating expenses</b>	<b>3,651,289</b>	<b>1,265,446</b>	<b>59,510,053</b>	<b>4,649,438</b>	<b>69,076,226</b>
<b>Operating income (loss)</b>	<b>1,040,320</b>	<b>263,159</b>	<b>2,525,112</b>	<b>(688,181)</b>	<b>3,140,410</b>
<b>Nonoperating revenues (expenses):</b>					
Investment earnings	18,063	33,096	96,454	—	147,613
<b>Total nonoperating revenues (expenses)</b>	<b>18,063</b>	<b>33,096</b>	<b>96,454</b>	<b>—</b>	<b>147,613</b>
<b>Income (loss) before transfers</b>	<b>1,058,383</b>	<b>296,255</b>	<b>2,621,566</b>	<b>(688,181)</b>	<b>3,288,023</b>
<b>Transfers In</b>	<b>1,000,000</b>	<b>—</b>	<b>—</b>	<b>2,806,229</b>	<b>3,806,229</b>
<b>Transfers Out</b>	<b>(3,200)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(3,200)</b>
<b>Change in net position</b>	<b>2,055,183</b>	<b>296,255</b>	<b>2,621,566</b>	<b>2,118,048</b>	<b>7,091,052</b>
<b>Total net position - beginning</b>	<b>966,598</b>	<b>5,434,250</b>	<b>6,656,768</b>	<b>10,847,093</b>	<b>23,904,709</b>
<b>Total net position - ending</b>	<b>\$ 3,021,781</b>	<b>\$ 5,730,505</b>	<b>\$ 9,278,334</b>	<b>\$ 12,965,141</b>	<b>\$ 30,995,761</b>

*Johnson County, Kansas*  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended December 31, 2022

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from interfund services provided	\$ —	\$ —	\$ 62,034,528	\$ 3,534,794	\$ 65,569,322
Cash payments for goods and services	(3,062,705)	(1,706,094)	(59,251,072)	(2,023,991)	(66,043,862)
Cash payments to employees for services	(464,963)	—	—	(944,680)	(1,409,643)
Other operating cash receipts	4,693,497	1,528,605	637	426,463	6,649,202
<b>Net cash provided by (used for) operating activities</b>	<b>1,165,829</b>	<b>(177,489)</b>	<b>2,784,093</b>	<b>992,586</b>	<b>4,765,019</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers from other funds	1,000,000	—	—	2,806,229	3,806,229
Transfers to other funds	(3,200)	—	—	—	(3,200)
<b>Net cash provided by noncapital financing activities</b>	<b>996,800</b>	<b>—</b>	<b>—</b>	<b>2,806,229</b>	<b>3,803,029</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	—	—	—	(2,428,587)	(2,428,587)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,428,587)</b>	<b>(2,428,587)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and dividends on investments	18,063	33,096	96,454	—	147,613
<b>Net cash provided by investing activities</b>	<b>18,063</b>	<b>33,096</b>	<b>96,454</b>	<b>—</b>	<b>147,613</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,180,692</b>	<b>(144,393)</b>	<b>2,880,547</b>	<b>1,370,228</b>	<b>6,287,074</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,023,391</b>	<b>8,278,802</b>	<b>17,182,363</b>	<b>6,465,235</b>	<b>33,949,791</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 4,204,083</b>	<b>\$ 8,134,409</b>	<b>\$ 20,062,910</b>	<b>\$ 7,835,463</b>	<b>\$ 40,236,865</b>

*Johnson County, Kansas*  
**Combining Statement of Cash Flows**  
**Internal Service Funds (Continued)**  
For the Year Ended December 31, 2022

	Risk Management	Workers Compensation	Self-Insured Health Care	Fleet Management	Total
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>					
Operating income (loss)	\$ 1,040,320	\$ 263,159	\$ 2,525,112	\$ (688,181)	\$ 3,140,410
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>					
Depreciation	—	—	—	1,333,155	1,333,155
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(18,688)	—	—	—	(18,688)
(Increase) in inventory	—	—	—	(29,454)	(29,454)
(Increase) decrease in prepaid expenses	(7,765)	—	—	—	(7,765)
Increase (decrease) in accounts payable	5,429	(3,581)	117,581	362,604	482,033
Increase (decrease) in salaries and wages payable	(2,855)	—	—	1,999	(856)
Increase (decrease) in deferred revenue	1,888	—	—	—	1,888
Increase (decrease) in compensated absences payable	(8,084)	—	—	12,463	4,379
Increase (decrease) in insurance claims payable	155,584	(437,067)	141,400	—	(140,083)
<b>Total adjustments</b>	<u>125,509</u>	<u>(440,648)</u>	<u>258,981</u>	<u>1,680,767</u>	<u>1,624,609</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 1,165,829</u>	<u>\$ (177,489)</u>	<u>\$ 2,784,093</u>	<u>\$ 992,586</u>	<u>\$ 4,765,019</u>

## Fiduciary Funds

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

### Custodial Funds

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

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

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

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

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

**Johnson County, Kansas**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**December 31, 2022**

	Medical Reimbursement	Inmate	Sheriff Foreclosure	Tax Collection	Research Triangle	Totals
<b>ASSETS</b>						
Deposits including investments	\$ 324,447	\$ 73,909	\$ —	\$ 886,403,400	\$ —	\$ 886,801,756
Receivables (net of allowance for uncollectibles):						
Taxes receivable	—	—	—	655,680,497	—	655,680,497
Total assets	324,447	73,909	—	1,542,083,897	—	1,542,482,253
<b>LIABILITIES</b>						
Accounts payable	22	—	—	37,461	—	37,483
Due to other governments	—	—	—	886,365,939	—	886,365,939
Total liabilities	22	—	—	886,403,400	—	886,403,422
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows	—	—	—	655,680,497	—	655,680,497
Total deferred inflows of resources	—	—	—	655,680,497	—	655,680,497
<b>NET POSITION</b>						
Restricted for:						
Individuals, Organizations, and Other Governments	324,425	73,909	—	—	—	398,334
<b>Total net position</b>	<b>\$ 324,425</b>	<b>\$ 73,909</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 398,334</b>

*Johnson County, Kansas*  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**

For the Year Ended December 31, 2022

	Medical Reimbursement Fund	Inmate Fund	Sheriff Foreclosure	Tax Collection Fund	Research Triangle Fund	Total
<b>ADDITIONS</b>						
Employee Contributions	\$ 1,352,501	\$ —	\$ —	\$ —	\$ —	1,352,501
Foreclosure Proceeds	—	—	6,710,321	—	—	6,710,321
Inmate Welfare Deposits	—	1,857,105	—	—	—	1,857,105
Tax Receipts	—	—	—	2,367,358,189	24,105,708	2,391,463,897
<b>Total additions</b>	<b>1,352,501</b>	<b>1,857,105</b>	<b>6,710,321</b>	<b>2,367,358,189</b>	<b>24,105,708</b>	<b>2,401,383,824</b>
<b>DEDUCTIONS</b>						
Benefits	1,389,155	—	—	—	—	1,389,155
Foreclosure Proceeds Distributions	—	—	6,710,321	—	—	6,710,321
Inmate Welfare Withdrawals	—	1,820,294	—	—	—	1,820,294
Tax Distributions	—	—	—	2,367,358,189	24,105,708	2,391,463,897
<b>Total Deductions</b>	<b>1,389,155</b>	<b>1,820,294</b>	<b>6,710,321</b>	<b>2,367,358,189</b>	<b>24,105,708</b>	<b>2,401,383,667</b>
<b>Change in fiduciary net position</b>	<b>(36,654)</b>	<b>36,811</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>157</b>
<b>Net position - beginning</b>	<b>361,079</b>	<b>37,098</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>398,177</b>
<b>Net position - ending</b>	<b>\$ 324,425</b>	<b>\$ 73,909</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 398,334</b>

## **Fire District Component Unit**

**Johnson County's discretely presented component unit "Fire Districts (non-blended)" is comprised of three separate fire districts.**

**These are:**

***Johnson County Fire District #1 (FD1)***

***Consolidated Fire District #2 (CFD2)***

***Northwest Consolidated Fire District (NWCFD)***

**The following Fire District is blended within the County's Financial Statements.**

***Johnson County Fire District #2 (FD2)***

**Johnson County, Kansas**  
**Combining Statement of Net Position**  
**Johnson County Fire Districts**  
**December 31, 2022**

	Non-blended component units					Total
	Fire District #1	Consolidated Fire District #2	Northwest Consolidated Fire District	Subtotal	Fire District #2	
<b>ASSETS</b>						
Deposits including investments	\$ 1,727,278	\$ 14,202,130	\$ 547,780	\$ 16,477,188	\$3,675,681	\$ 20,152,869
Receivables (net of allowance for uncollectibles):	6,724,441	13,199,723	3,232,764	23,156,928	5,051,624	28,208,552
Lease Receivable	—	3,237,450	—	3,237,450	—	3,237,450
Prepays	—	—	10,025	10,025	3,238,507	3,248,532
Restricted cash and investments	218,720	—	—	218,720	—	218,720
Capital assets (net of accumulated depreciation):						
Land	1,349,953	300,000	28,508	1,678,461	—	1,678,461
Buildings	9,636,168	6,588,407	577,922	16,802,497	3,352,351	20,154,848
Improvements other than buildings	—	—	—	—	256,692	256,692
Machinery and equipment	4,290,785	2,298,670	2,117,459	8,706,914	1,458,292	10,165,206
Infrastructure	—	—	—	—	6,811	6,811
Construction in progress	—	—	—	—	—	—
Right to use assets - leases (net of amortization):						
Land	390,211	—	—	390,211	—	390,211
<b>TOTAL ASSETS</b>	<b>24,337,556</b>	<b>39,826,380</b>	<b>6,514,458</b>	<b>70,678,394</b>	<b>17,039,958</b>	<b>87,718,352</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension deferred outflow	5,043,832	4,956,166	1,786,687	11,786,685	1,595,447	13,382,132
OPEB deferred outflow	250	239,165	—	239,415	—	239,415
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,044,082</b>	<b>5,195,331</b>	<b>1,786,687</b>	<b>12,026,100</b>	<b>1,595,447</b>	<b>13,621,547</b>
<b>LIABILITIES</b>						
Accounts payable	—	419,226	28,204	447,430	799,261	1,246,691
Salaries and wages payable	126,083	—	—	126,083	—	126,083
Accrued liabilities	—	—	121,001	121,001	13,580	134,581
Interest payable	156,883	—	—	156,883	—	156,883
Lease liability	392,965	—	—	392,965	—	392,965
Noncurrent liabilities						
Due within one year	1,068,344	285,000	273,389	1,626,733	485,000	2,111,733
Due in more than one year	24,143,031	24,576,872	5,418,837	54,138,740	8,895,092	63,033,832
<b>TOTAL LIABILITIES</b>	<b>25,887,306</b>	<b>25,281,098</b>	<b>5,841,431</b>	<b>57,009,835</b>	<b>10,192,933</b>	<b>67,202,768</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property tax receivable	6,724,441	13,199,723	3,168,192	23,092,356	4,954,982	28,047,338
Capital finance charges receivable	—	—	—	—	—	—
Pension deferred inflow	82	792,337	—	792,419	3,070,040	3,862,459
OPEB deferred inflow	490,490	1,114,743	—	1,605,233	—	1,605,233
Leases deferred inflow	950,000	3,142,500	—	4,092,500	—	4,092,500
Unamortized portion of refunding	143,427	—	—	143,427	—	143,427
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>8,308,440</b>	<b>18,249,303</b>	<b>3,168,192</b>	<b>29,725,935</b>	<b>8,025,022</b>	<b>9,703,619</b>
<b>NET POSITION</b>						
Net investment in capital assets	1,533,959	4,041,134	1,835,944	7,411,037	3,279,146	10,690,183
Restricted for:						
Capital projects	217,720	—	—	217,720	—	217,720
Debt service	—	—	—	—	182,075	182,075
Unrestricted	(6,565,787)	(2,549,824)	(2,544,422)	(11,660,033)	(3,043,771)	(14,703,804)
<b>TOTAL NET POSITION</b>	<b>\$ (4,814,108)</b>	<b>\$ 1,491,310</b>	<b>\$ (708,478)</b>	<b>\$ (4,031,276)</b>	<b>\$ 417,450</b>	<b>\$ (3,613,826)</b>



**Johnson County, Kansas**  
**Combining Statement of Revenues, Expenses,**  
**and Changes In Fund Net Position**  
**Johnson County Fire Districts**  
**For the Year Ended December 31, 2022**

	Non-blended component units					Total
	Fire District #1	Consolidated Fire District #2	Northwest Consolidated		Fire District #2	
			Fire District	Subtotal		
<b>Expenses:</b>	\$ 10,946,929	\$ 13,284,182	\$ 3,904,314	\$ 28,135,425	\$ 7,641,996	\$ 35,777,421
<b>Program Revenues:</b>						
Charges For Services	194,700	—	120,000	314,700	1,410,027	1,724,727
Operating Grants and Contributions	2,775,760	—	—	2,775,760	—	2,775,760
Capital Grants and Contributions	—	—	—	—	—	—
<b>Net Program Costs</b>	(7,976,469)	(13,284,182)	(3,784,314)	(25,044,965)	(6,231,969)	(31,276,934)
<b>General Revenues:</b>						
Property Taxes	7,034,325	13,345,037	3,054,820	23,434,182	5,089,474	28,523,656
Unrestricted investment earnings	6,367	637,709	8,875	652,951	50,325	703,276
Lease interest	—	57,474	—	57,474	—	57,474
Miscellaneous	219,696	18,474	271,818	509,988	630,640	1,140,628
<b>Total revenues and transfers</b>	7,260,388	14,058,694	3,335,513	24,654,595	5,770,439	30,425,034
<b>Change in net position</b>	(716,081)	774,512	(448,801)	(390,370)	(461,530)	(851,900)
<b>Net position - beginning</b>	(4,098,027)	716,798	(259,677)	(3,640,906)	931,395	(2,709,511)
<b>Net position - ending</b>	<u>\$ (4,814,108)</u>	<u>\$ 1,491,310</u>	<u>\$ (708,478)</u>	<u>\$ (4,031,276)</u>	<u>\$ 417,450</u>	<u>\$ (3,613,826)</u>

# STATISTICAL SECTION

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

## **Statistical Section**

The Statistical Section of the Johnson County Annual Comprehensive 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.

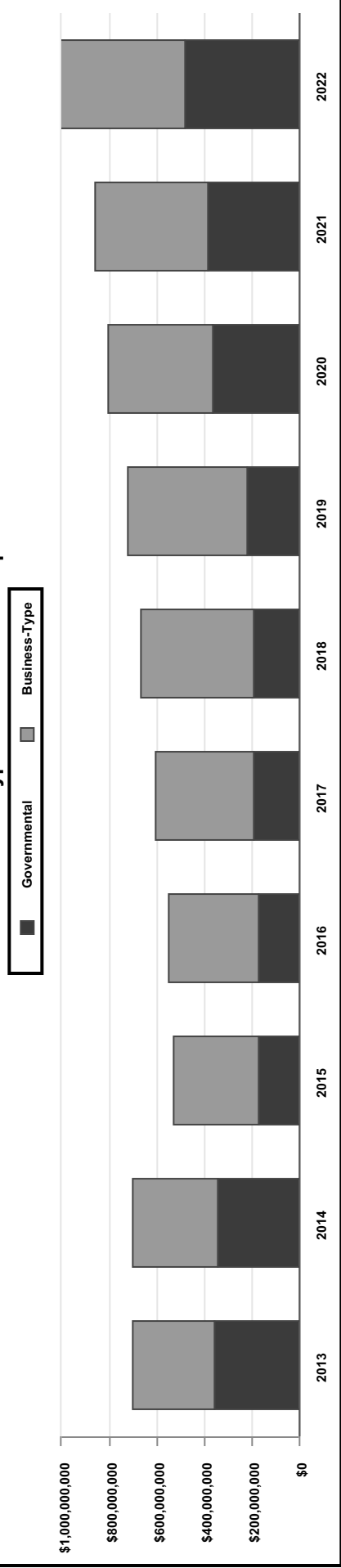
***Debt Capacity*** – Presents information to help the reader understand the County's debt burden and ability to issue additional debt.

***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										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 160,957,031	\$ 157,858,064	\$ 160,687,243	\$ 159,594,348	\$ 159,173,282	\$ 148,126,524	\$ 139,541,582	\$ 216,244,755	\$ 192,221,788	\$ 199,588,665
Restricted for:										
Technology Management	7,348,790	4,347,814	4,943,888	4,439,836	4,743,686	4,718,529	5,086,942	7,042,793	7,795,076	9,158,363
Public works	6,793,145	7,130,129	5,463,739	5,314,372	6,263,273	5,030,209	2,321,866	2,555,210	5,522,821	6,618,113
Law Enforcement	15,271,923	11,716,481	11,150,434	11,395,139	15,353,675	13,484,724	23,167,764	34,340,433	53,614,982	68,292,068
Community Support Services	2,416,040	3,584,321	2,969,933	3,043,942	3,675,986	2,849,933	1,583,687	16,827,418	18,867,112	21,424,425
Planning and Economic Development	2,423	2,423	2,423	2,423	4,906	18,224	70,900	84,340	732,005	2,626,620
Libraries, Recreation, and Education	1,296,553	—	—	9,050	811,499	1,324,221	1,180,666	2,508,513	4,654,349	6,529,232
Capital projects	235,797	19,244	—	—	—	—	—	—	—	—
Debt service	1,523,187	1,820,629	1,157,440	1,263,814	1,799,722	2,454,823	2,618,008	2,702,757	2,575,194	3,126,486
Unrestricted	162,929,981	158,487,839	(13,016,692)	(11,156,085)	250,719	17,776,730	43,766,939	84,084,807	99,239,330	163,600,544
<b>Subtotal Governmental</b>	<b>\$ 358,774,870</b>	<b>\$ 344,966,944</b>	<b>\$ 173,358,408</b>	<b>\$ 173,906,839</b>	<b>\$ 192,076,748</b>	<b>\$ 195,783,917</b>	<b>\$ 219,338,354</b>	<b>\$ 366,391,026</b>	<b>\$ 385,222,657</b>	<b>\$ 480,964,516</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 272,492,993	\$ 271,565,758	\$ 264,692,277	\$ 267,997,151	\$ 287,469,063	\$ 383,802,726	\$ 362,537,807	\$ 273,657,990	\$ 259,250,351	\$ 336,679,294
Restricted for:										
Capital projects	4,734,056	8,837,462	13,527,925	15,695,389	15,363,482	14,931	—	659,414	254,754	28,146
Unrestricted	64,539,485	74,806,223	77,155,203	92,096,508	111,873,830	86,464,187	142,961,810	168,345,981	216,016,218	211,288,533
<b>Subtotal Business-Type</b>	<b>\$ 341,766,534</b>	<b>\$ 355,209,443</b>	<b>\$ 355,375,405</b>	<b>\$ 375,789,048</b>	<b>\$ 414,706,375</b>	<b>\$ 470,281,844</b>	<b>\$ 505,499,617</b>	<b>\$ 442,663,385</b>	<b>\$ 475,521,323</b>	<b>\$ 547,995,973</b>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 433,450,024	\$ 429,423,822	\$ 425,379,520	\$ 427,591,499	\$ 446,642,345	\$ 531,929,250	\$ 502,079,389	\$ 489,902,745	\$ 451,472,139	\$ 536,267,959
Restricted for:										
General governmental	7,348,790	4,347,814	4,943,888	4,439,836	4,743,686	4,718,529	5,086,942	7,042,793	7,795,076	9,158,363
Public works	6,793,145	7,130,129	5,463,739	5,314,372	6,263,273	5,030,209	2,321,866	2,555,210	5,522,821	6,618,113
Public safety	15,271,923	11,716,481	11,150,434	11,395,139	15,353,675	13,484,724	23,167,764	34,340,433	53,614,982	68,292,068
Health and human services	2,416,040	3,584,321	2,969,933	3,043,942	3,675,986	2,849,933	1,583,687	16,827,418	18,867,112	21,424,425
Planning and economic development	2,423	2,423	2,423	2,423	4,906	18,224	70,900	84,340	732,005	2,626,620
Culture and recreation	1,296,553	—	—	9,050	811,499	1,324,221	1,180,666	2,508,513	4,654,349	6,529,232
Capital projects	4,969,853	8,856,706	13,527,925	15,695,389	15,363,482	14,931	—	659,414	254,754	28,146
Debt service	1,523,187	1,820,629	1,157,440	1,263,814	1,799,722	2,454,823	2,618,008	2,702,757	2,575,194	3,126,486
Special revenue funds	—	—	—	—	—	—	—	—	—	—
Unrestricted	227,469,466	233,294,062	64,138,511	80,940,423	112,124,549	104,240,917	186,728,749	252,430,788	315,255,548	374,889,077
<b>TOTAL NET POSITION</b>	<b>\$ 700,541,404</b>	<b>\$ 700,176,387</b>	<b>\$ 528,733,813</b>	<b>\$ 549,695,887</b>	<b>\$ 606,783,123</b>	<b>\$ 666,065,761</b>	<b>\$ 724,837,971</b>	<b>\$ 809,054,411</b>	<b>\$ 860,743,980</b>	<b>\$ 1,028,960,489</b>

### Government and Business-Type Net Position Comparison



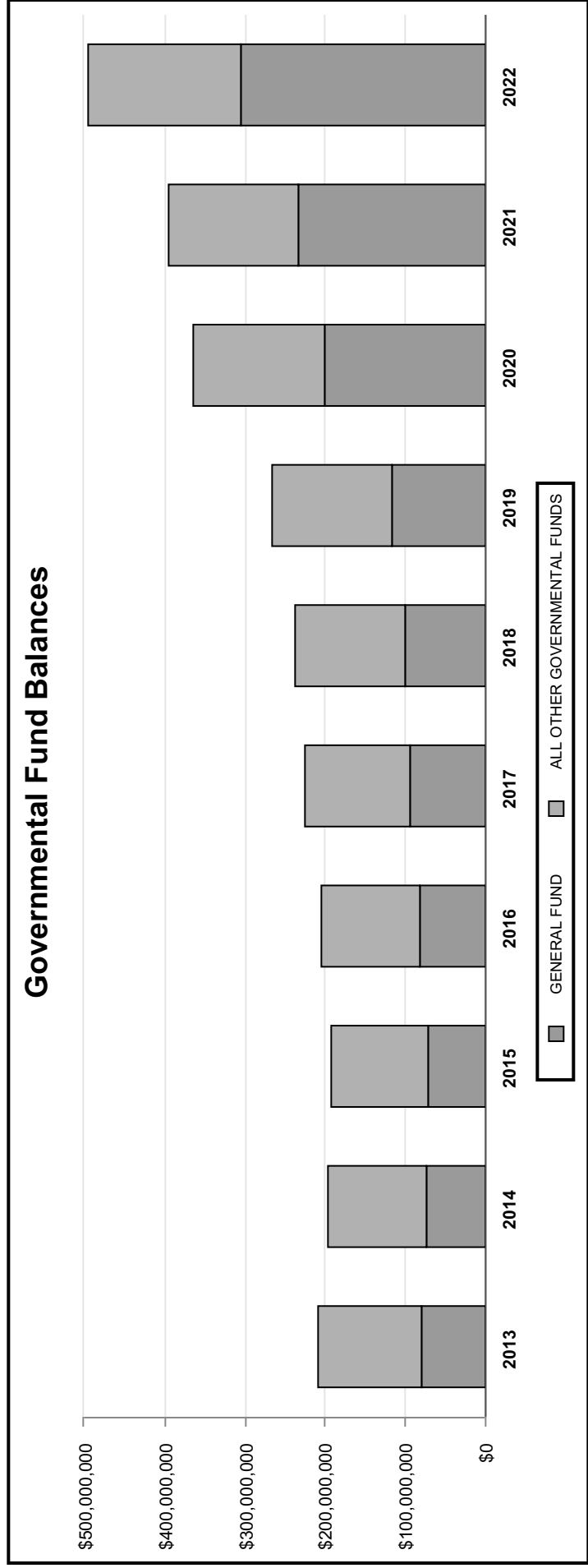
**Johnson County, Kansas  
Changes in Net Position  
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
General government	\$ 114,258,178	\$ 116,879,634	\$ 113,432,544	\$ 125,591,407	\$ 124,362,793	\$ 110,517,918	\$ 121,323,145	\$ 131,944,298	\$ 127,187,416	\$ 146,910,264
Public works	56,349,105	69,375,704	56,303,256	69,343,653	47,130,215	75,402,007	73,328,546	66,680,726	96,077,679	93,824,752
Public safety	122,156,637	124,049,242	127,595,752	130,377,660	158,535,702	176,386,216	167,700,169	239,316,642	179,789,580	94,944,526
Health and human services	74,828,392	74,854,082	77,734,970	80,203,721	81,991,518	87,200,032	90,377,168	84,406,413	101,263,086	180,825,660
Planning and economic development	2,959,390	3,286,580	3,342,605	3,226,227	3,229,970	3,441,984	3,504,584	3,466,830	18,825,717	19,945,758
Culture and recreation	22,480,903	23,393,457	24,005,758	29,467,494	30,141,206	28,799,807	31,035,636	31,789,264	32,144,948	32,377,924
Interest on long term debt	270,723	302,620	215,013	175,284	205,744	392,124	769,424	727,327	643,914	665,785
<b>Total governmental activities</b>	\$ 395,303,328	\$ 412,241,319	\$ 404,629,898	\$ 438,385,446	\$ 445,597,148	\$ 482,140,088	\$ 488,398,672	\$ 578,531,500	\$ 557,912,340	\$ 669,494,689
<b>Business Type activities:</b>										
Airport	\$ 8,407,385	\$ 7,646,164	\$ 12,635,912	\$ 7,929,284	\$ 10,859,591	\$ 5,138,964	\$ 12,351,536	\$ 9,700,783	\$ 8,583,542	\$ 11,467,467
Johnson County Wastewater	74,759,112	79,671,343	89,927,860	93,973,712	96,352,098	100,582,509	112,210,680	127,205,974	120,881,283	99,177,720
Transportation	11,138,713	10,959,940	9,027,298	10,226,048	8,653,737	17,421,856	13,238,007	10,906,038	9,322,911	19,081,265
Public Building Commission	17,211,634	18,165,278	21,436,647	17,470,365	18,947,578	22,421,776	24,343,080	17,724,888	21,051,588	21,123,695
<b>Total business type activities</b>	\$ 111,516,844	\$ 116,444,745	\$ 133,027,717	\$ 129,599,409	\$ 134,813,004	\$ 145,565,105	\$ 162,143,303	\$ 165,537,681	\$ 158,749,324	\$ 150,850,147
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Service:										
General government (1)	\$ 32,389,816	\$ 29,514,012	\$ 33,371,731	\$ 30,179,023	\$ 26,252,663	\$ 23,515,727	\$ 19,419,248	\$ 47,061,689	\$ 30,193,455	\$ 27,625,420
Public works	1,093,011	1,045,481	951,310	1,046,436	1,194,948	1,450,959	1,623,030	1,299,928	1,299,928	1,429,012
Public safety	32,487,644	34,854,521	32,948,929	33,046,321	15,823,452	19,393,631	24,949,996	12,868,036	20,161,298	25,790,206
Health and human services	29,240,742	29,303,808	27,485,922	27,571,637	30,372,871	30,447,733	31,868,603	27,000,942	31,649,606	38,940,189
Planning and economic development	1,903,238	2,696,097	2,292,267	1,935,677	1,844,863	1,832,672	1,904,680	1,774,971	1,782,656	1,930,747
Culture and recreation	995,316	1,081,877	685,543	694,510	663,458	1,240,061	1,482,545	1,624,464	466,463	1,520,047
Operating Grants and Contributions	40,523,780	40,289,209	41,227,381	41,987,803	44,107,182	46,857,340	45,105,093	162,041,038	79,757,228	139,450,657
Capital Grants and Contributions	612,612	1,439,262	2,972,374	563,533	2,003,024	421,666	2,621,561	4,747,074	2,389,094	2,354,507
<b>Total governmental activities</b>	\$ 139,246,159	\$ 140,224,267	\$ 141,931,457	\$ 137,024,940	\$ 122,462,461	\$ 125,159,789	\$ 128,974,746	\$ 255,635,092	\$ 167,699,728	\$ 239,040,785
<b>Business Type activities:</b>										
Charges for Service:										
Airport	\$ 5,118,087	\$ 5,566,742	\$ 6,026,109	\$ 6,421,663	\$ 6,648,005	\$ 10,087,044	\$ 7,157,449	\$ 13,185,973	\$ 6,936,251	\$ 7,735,992
Johnson County Wastewater	89,353,456	93,120,913	97,445,862	110,739,446	114,553,507	122,670,854	129,165,639	131,429,943	131,429,943	145,556,182
Transportation	1,702,946	1,940,973	1,432,946	—	—	4,564,112	29,450	114,996	386,782	4,642,117
Public Building Commission	21,504,528	20,104,213	19,603,837	25,975,592	39,449,962	45,624,807	36,171,114	39,385,676	46,477,024	52,424,666
Operating Grants and Contributions	824,557	4,789,411	2,095,768	3,168,276	2,559,297	701,870	3,274,317	2,516,866	1,389,803	2,477,665
Capital Grants and Contributions	18,364,651	1,900,898	7,507,114	3,084,798	5,283,959	7,809,992	7,140,526	1,671,619	4,777,686	8,916,476
<b>Total business type activities</b>	\$ 136,868,425	\$ 127,423,150	\$ 134,111,636	\$ 149,389,795	\$ 168,494,730	\$ 191,458,679	\$ 182,938,495	\$ 181,234,627	\$ 191,337,489	\$ 221,755,098
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (252,964,930)	\$ (288,555,747)	\$ (259,225,396)	\$ (297,712,055)	\$ (319,699,235)	\$ (353,180,057)	\$ (355,477,849)	\$ (318,090,654)	\$ (385,673,236)	\$ (325,706,992)
Business Type Activities	22,259,342	7,517,100	(2,389,126)	16,141,935	30,246,274	42,093,332	18,849,115	10,891,192	27,048,789	66,158,059
<b>Total primary government net expense</b>	\$ (230,705,588)	\$ (281,038,647)	\$ (261,614,522)	\$ (281,570,120)	\$ (289,452,961)	\$ (311,086,725)	\$ (338,628,734)	\$ (307,199,462)	\$ (358,624,447)	\$ (259,548,933)
<b>General Revenues:</b>										
<b>Governmental Activities:</b>										
Property Taxes	\$ 172,360,822	\$ 174,290,627	\$ 183,662,657	\$ 217,668,398	\$ 232,081,211	\$ 245,651,928	\$ 257,906,932	\$ 288,732,804	\$ 277,664,772	\$ 291,330,456
Sales Taxes	67,223,139	70,202,538	71,633,771	75,600,644	93,904,750	101,676,666	102,651,800	103,583,860	122,898,017	134,948,330
Other Taxes	4,545,476	4,543,089	4,648,964	5,095,421	5,208,009	5,309,275	5,497,132	5,730,801	5,678,943	5,882,580
Unrestricted Investment Earnings (loss)	788,252	3,123,281	2,102,754	3,320,270	4,273,258	9,471,385	12,284,224	3,774,888	(1,042,907)	(7,221,845)
Lease Interest	—	—	—	—	—	—	—	—	15,037	15,037
Miscellaneous	7,631,502	7,105,196	7,038,072	6,284,302	7,387,805	6,235,235	6,875,680	6,382,726	6,327,786	6,679,813
Transfers	(4,965,701)	(4,516,910)	(7,868,012)	(4,497,929)	(5,480,121)	(6,841,572)	(5,543,037)	(7,644,293)	(7,091,721)	(11,216,915)
<b>Total governmental activities</b>	\$ 247,563,490	\$ 254,747,821	\$ 261,218,206	\$ 303,471,106	\$ 337,869,144	\$ 362,655,487	\$ 379,032,286	\$ 465,143,326	\$ 404,504,867	\$ 420,517,456
<b>Business Type activities:</b>										
Property Taxes	\$ 2,435	\$ 28	\$ 668	\$ 583	\$ —	\$ 18,829	\$ —	\$ 5	\$ 54	\$ 74
Sales Taxes	—	—	—	—	—	—	—	74,070	75,664	90,941
Unrestricted Investment Earnings	(588,562)	1,046,645	435,744	1,078,579	3,190,932	7,482,034	12,825,621	2,643,794	(1,788,952)	(5,437,576)
Miscellaneous	—	—	—	—	—	—	—	—	430,662	446,237
Transfers	4,965,701	4,516,910	7,868,012	4,497,929	5,480,121	6,841,572	5,543,037	(76,445,293)	(7,091,721)	(11,216,915)
<b>Total business type activities</b>	\$ 4,399,574	\$ 5,925,809	\$ 8,304,424	\$ 5,577,091	\$ 8,671,053	\$ 14,342,435	\$ 18,368,658	\$ (73,727,424)	\$ 5,809,149	\$ 6,316,591
<b>Change in Net Position:</b>										
Governmental Activities	\$ (5,401,440)	\$ (13,807,926)	\$ 1,992,810	\$ 5,759,051	\$ 18,169,909	\$ 9,475,430	\$ 23,554,437	\$ 147,052,672	\$ 18,831,631	\$ 94,810,464
Business Type Activities	26,658,916	13,442,909	5,915,298	21,719,026	38,917,327	56,435,767	35,217,773	(62,836,232)	32,857,938	72,747,650
<b>Total Primary Government</b>	\$ 21,257,476	\$ (365,017)	\$ 7,908,108	\$ 27,478,077	\$ 57,087,236	\$ 65,911,197	\$ 58,772,210	\$ 84,216,440	\$ 51,689,569	\$ 167,285,114

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>GENERAL FUND</b>										
Nonspendable	\$ 1,004,755	\$ 1,114,515	\$ 1,020,908	\$ 1,328,124	\$ 1,349,915	\$ 1,409,029	\$ 1,266,732	\$ 4,108,134	\$ 6,627,779	\$ 9,045,186
Restricted	7,840,276	4,610,826	3,791,768	3,464,810	8,392,120	7,944,361	16,959,551	30,630,911	48,740,253	65,274,498
Committed	4,993,477	4,123,040	3,555,804	10,105,049	4,859,001	4,922,745	6,466,215	32,600,178	38,836,766	117,840,260
Assigned	3,501,120	2,728,789	3,356,758	3,816,143	4,325,488	3,485,388	3,513,974	2,905,352	2,729,458	2,477,223
Unassigned	62,712,425	60,385,885	60,132,601	63,447,847	76,166,316	82,826,738	89,360,208	129,620,730	135,946,000	111,472,962
<b>Total General Fund</b>	<b>\$ 80,052,053</b>	<b>\$ 72,963,055</b>	<b>\$ 71,857,839</b>	<b>\$ 82,161,973</b>	<b>\$ 95,092,840</b>	<b>\$ 100,588,261</b>	<b>\$ 117,566,680</b>	<b>\$ 199,865,305</b>	<b>\$ 232,890,256</b>	<b>\$ 306,110,129</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	\$ 695,317	\$ 735,655	\$ 841,529	\$ 1,156,696	\$ 1,416,647	\$ 1,584,258	\$ 1,504,556	\$ 1,412,674	\$ 1,190,657	\$ 4,194,783
Restricted	27,047,582	24,010,215	21,896,089	22,003,766	24,260,627	21,936,302	19,070,282	35,430,533	45,021,286	52,500,809
Committed	91,006,567	88,343,166	84,697,630	86,621,594	87,945,975	94,146,462	106,588,733	103,161,788	90,456,700	104,726,984
Assigned	9,774,934	11,574,966	12,653,881	13,942,936	16,213,143	18,717,446	22,038,381	24,676,668	26,230,806	28,935,566
<b>Total All Other Governmental Funds</b>	<b>\$ 128,524,400</b>	<b>\$ 124,664,002</b>	<b>\$ 120,089,129</b>	<b>\$ 123,724,992</b>	<b>\$ 129,836,392</b>	<b>\$ 136,384,468</b>	<b>\$ 149,201,952</b>	<b>\$ 164,681,663</b>	<b>\$ 162,899,449</b>	<b>\$ 190,358,142</b>



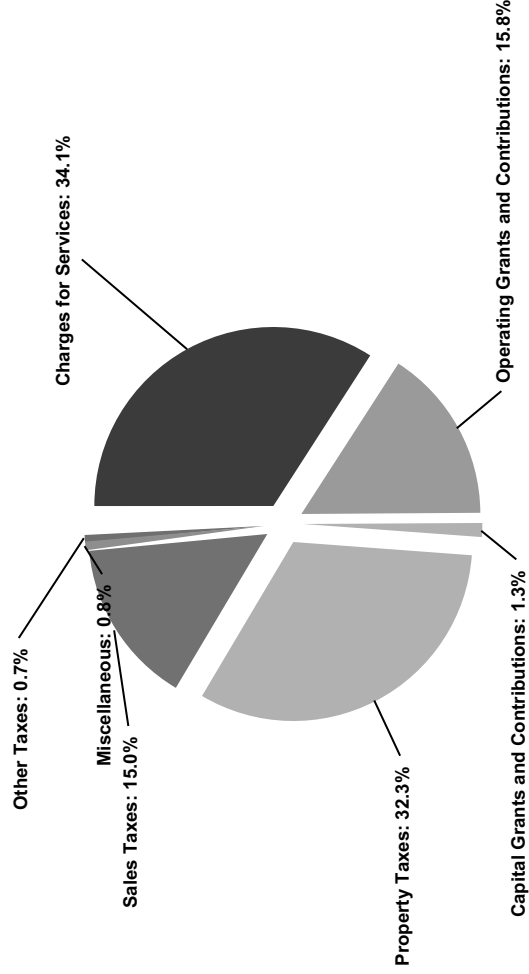
**Johnson County, Kansas**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Taxes	\$ 244,124,149	\$ 249,036,097	\$ 259,943,281	\$ 298,361,502	\$ 331,193,970	\$ 352,637,860	\$ 366,055,864	\$ 378,047,465	\$ 406,241,732	\$ 432,261,366
Intergovernmental	41,136,392	41,728,471	44,195,755	42,551,336	46,110,166	46,100,548	47,726,654	166,788,112	82,146,322	141,805,164
Charges for services	95,588,456	93,225,985	99,200,822	97,885,371	72,557,213	68,505,017	70,799,446	100,696,663	82,821,309	90,203,011
Investment earnings (loss)	618,540	2,976,469	1,986,397	3,171,259	4,105,076	9,196,840	11,748,237	3,386,085	(1,122,558)	(7,369,458)
Licenses and permits	3,641,075	4,382,202	3,482,943	3,188,959	3,261,063	3,188,919	3,343,745	3,163,313	3,170,088	3,870,553
Other	7,403,655	6,800,810	6,963,072	6,284,386	6,930,041	7,411,917	6,235,235	6,875,680	6,382,726	6,679,813
<b>Total Revenues</b>	<b>392,512,267</b>	<b>398,150,034</b>	<b>415,772,270</b>	<b>451,442,813</b>	<b>464,157,529</b>	<b>487,041,101</b>	<b>505,909,181</b>	<b>658,957,318</b>	<b>579,639,619</b>	<b>667,450,449</b>
<b>EXPENDITURES</b>										
General government	80,381,873	81,536,188	89,463,079	89,478,193	86,314,622	92,755,568	97,036,013	98,986,232	97,970,414	112,002,140
Public works and transportation	9,825,923	9,787,705	38,775,323	10,782,757	10,463,120	11,352,476	10,938,525	11,728,044	12,148,490	12,919,754
Public safety	138,140,037	141,389,861	145,286,759	148,690,172	150,723,737	169,684,544	159,937,631	229,184,189	170,363,423	90,096,274
Health and human services	82,607,589	81,982,659	85,508,099	87,035,968	89,356,693	95,224,752	98,870,300	93,210,149	110,982,492	190,349,523
Planning and economic development	3,399,206	3,781,086	3,840,415	3,763,101	3,219,027	3,567,307	3,661,011	3,530,912	18,791,148	19,943,451
Culture and recreation	21,506,221	22,586,055	23,232,048	28,676,365	28,952,647	27,747,615	30,095,220	30,837,096	31,152,092	31,450,841
Capital outlay	55,188,201	61,430,930	25,579,954	64,706,998	68,598,914	73,781,687	70,052,215	82,649,746	94,327,373	98,377,907
Debt service:										
Principal	1,715,000	1,251,119	4,535,000	935,927	1,111,665	1,077,892	2,411,999	2,251,879	1,986,664	2,587,320
Interest	297,520	300,793	247,317	163,406	200,025	245,625	783,392	731,044	665,164	688,643
<b>Total Expenditures</b>	<b>393,061,570</b>	<b>404,046,396</b>	<b>416,467,994</b>	<b>434,232,887</b>	<b>438,940,450</b>	<b>475,437,466</b>	<b>473,786,306</b>	<b>553,089,291</b>	<b>538,387,260</b>	<b>558,415,853</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(549,303)</b>	<b>(5,896,362)</b>	<b>(695,724)</b>	<b>17,209,926</b>	<b>25,217,079</b>	<b>11,603,635</b>	<b>32,122,875</b>	<b>105,868,027</b>	<b>41,252,359</b>	<b>109,034,596</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	42,610,289	46,878,473	40,073,752	48,493,279	50,015,201	51,168,693	52,328,572	53,374,065	49,389,278	71,554,241
Transfers out	(48,985,521)	(52,039,373)	(45,058,117)	(53,794,999)	(57,333,814)	(60,092,556)	(60,807,826)	(71,537,651)	(59,423,957)	(86,574,185)
Issuances of capital leases	—	107,866	—	—	—	—	3,136,678	—	—	—
Lease Interest	—	—	—	—	—	—	—	—	15,037	15,660
General obligation	—	—	—	2,028,232	975,000	10,518,347	3,012,688	65,000	—	—
Refunding bonds issued	—	—	—	—	—	—	—	—	—	—
Special obligation bonds issued	—	—	—	—	—	—	—	—	—	—
Premium on bonds issued	—	—	—	3,559	168,801	23,836	2,916	8,915	—	—
<b>Total other financing sources and uses</b>	<b>(6,375,232)</b>	<b>(5,053,034)</b>	<b>(4,984,365)</b>	<b>(3,269,929)</b>	<b>(6,174,812)</b>	<b>1,618,320</b>	<b>(2,326,972)</b>	<b>(18,089,671)</b>	<b>(10,019,642)</b>	<b>(15,004,284)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(6,924,535)</b>	<b>(10,949,396)</b>	<b>(5,680,089)</b>	<b>(13,939,997)</b>	<b>(19,042,267)</b>	<b>(13,221,955)</b>	<b>(29,795,903)</b>	<b>(87,778,356)</b>	<b>(31,232,717)</b>	<b>(94,030,312)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	0.52 %	0.39 %	1.18 %	0.26 %	0.32 %	0.29 %	0.69 %	0.55 %	0.50 %	0.61 %

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

Fiscal Year	General Revenues										Total
	Program Revenues					Unrestricted					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Sales Taxes	Other Taxes	Earnings (Loss)	Investments	Lease Interest	Miscellaneous	
2022	\$ 307,594,578	\$ 141,928,322	\$ 11,272,983	\$ 291,330,530	\$ 135,039,271	\$ 5,982,580	\$ (12,659,421)	\$	\$ 461,274	\$ 6,679,813	\$ 887,629,930
2021	270,783,406	81,147,031	7,106,780	277,664,826	122,973,681	5,678,943	(2,831,859)			6,382,726	769,351,233
2020	265,893,122	164,557,904	6,418,693	268,732,809	103,657,930	5,730,801	6,418,682			6,875,680	828,285,621
2019	253,771,744	48,379,410	9,762,087	257,906,932	102,651,800	5,497,132	25,109,845			6,235,235	709,314,185
2018	260,827,600	47,559,210	8,231,658	245,670,757	101,676,666	5,309,275	16,953,419			7,387,805	693,616,390
2017	237,003,729	46,666,479	7,286,983	232,081,211	93,904,750	5,208,009	7,464,190			7,882,037	637,497,388
2016	237,610,325	45,156,079	3,648,331	217,688,981	75,600,644	5,095,421	4,398,849			6,284,302	595,462,932
2015	222,244,456	43,319,149	10,479,488	183,663,325	71,633,771	4,648,964	2,538,498			7,038,072	545,565,723
2014	219,228,637	45,078,620	3,340,160	174,290,655	70,202,538	4,543,089	4,169,926			7,467,422	528,321,047
2013	215,788,784	41,348,337	18,977,463	172,363,257	67,223,139	4,545,476	199,690			7,631,502	528,077,648

### Government-wide Revenues for 2022

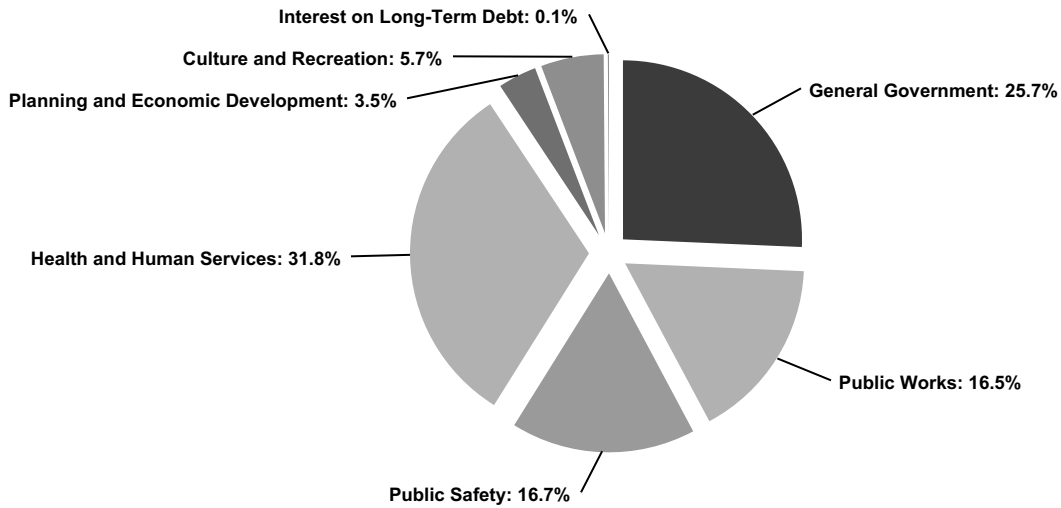




**Johnson County, Kansas**  
**Government-wide Expenses by Function**  
**Last Ten Fiscal Years**

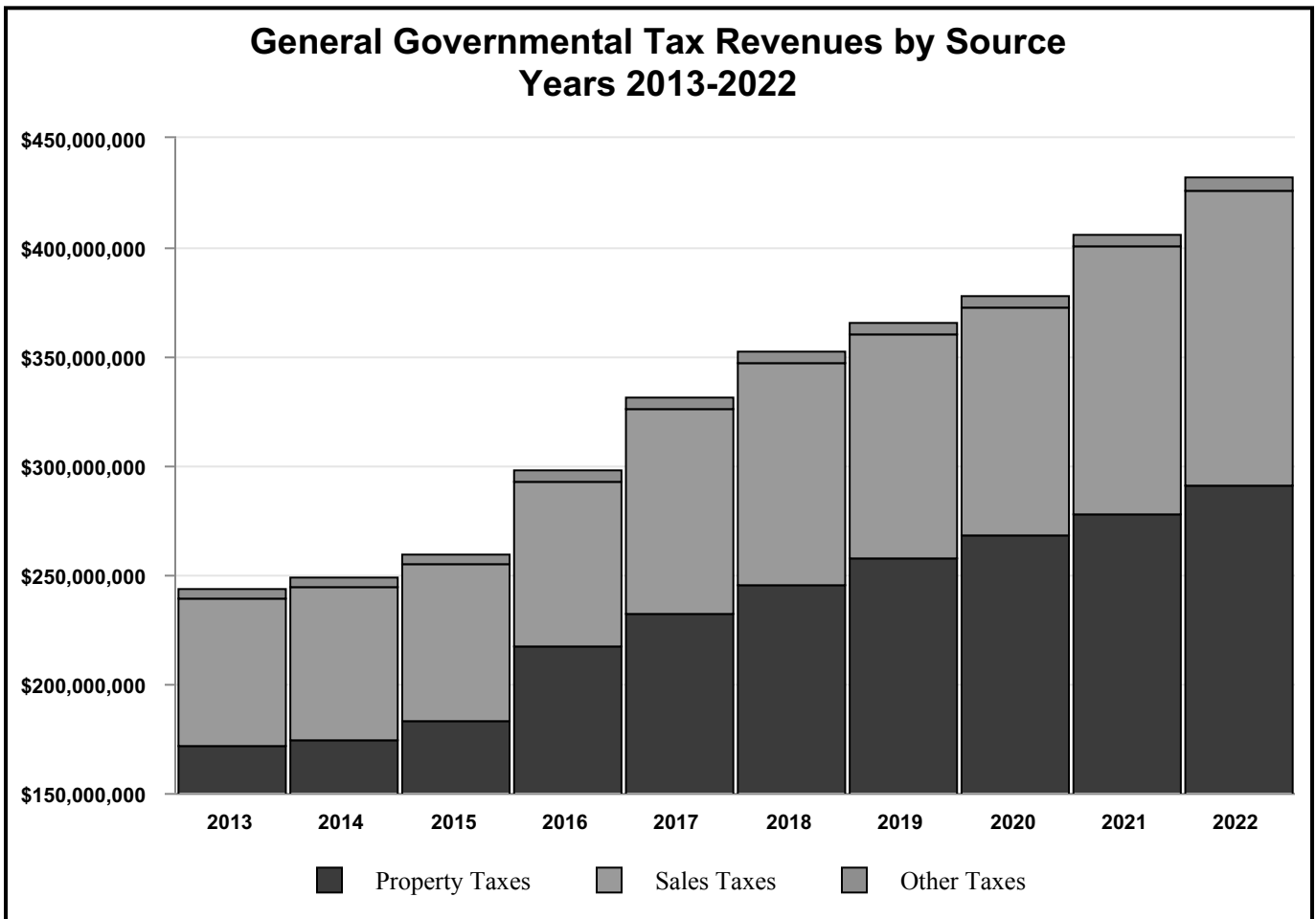
Fiscal Year	General Government	Public Works	Public Safety	Health and Human Services	Planning and Economic Development	Culture and Recreation	Interest on Long-Term Debt	Total
2022	\$ 146,910,264	\$ 93,924,752	\$ 94,944,526	\$ 180,825,660	\$ 19,845,758	\$ 32,377,924	\$ 665,785	\$ 569,494,669
2021	127,187,416	98,077,679	179,769,580	101,263,086	18,825,717	32,144,948	643,914	557,912,340
2020	131,944,298	86,860,726	239,316,642	84,406,413	3,466,830	31,789,264	727,327	578,511,500
2019	121,323,145	73,328,546	167,700,169	90,737,168	3,504,584	31,035,636	769,424	488,398,672
2018	110,517,918	75,402,007	176,386,216	87,200,032	3,441,984	28,799,807	392,124	482,140,088
2017	124,362,793	47,130,215	158,535,702	81,991,518	3,229,970	30,141,206	205,744	445,597,148
2016	125,591,407	69,343,653	130,377,660	80,203,721	3,226,227	29,467,494	175,284	438,385,446
2015	113,432,544	58,303,256	127,595,752	77,734,970	3,342,605	24,005,758	215,013	404,629,898
2014	116,879,634	69,375,704	124,049,242	74,954,082	3,286,580	23,393,457	302,620	412,241,319
2013	114,258,178	58,349,105	122,156,637	74,828,392	2,959,390	22,480,903	270,723	395,303,328

**Government-wide Expenses by Functions for 2022**



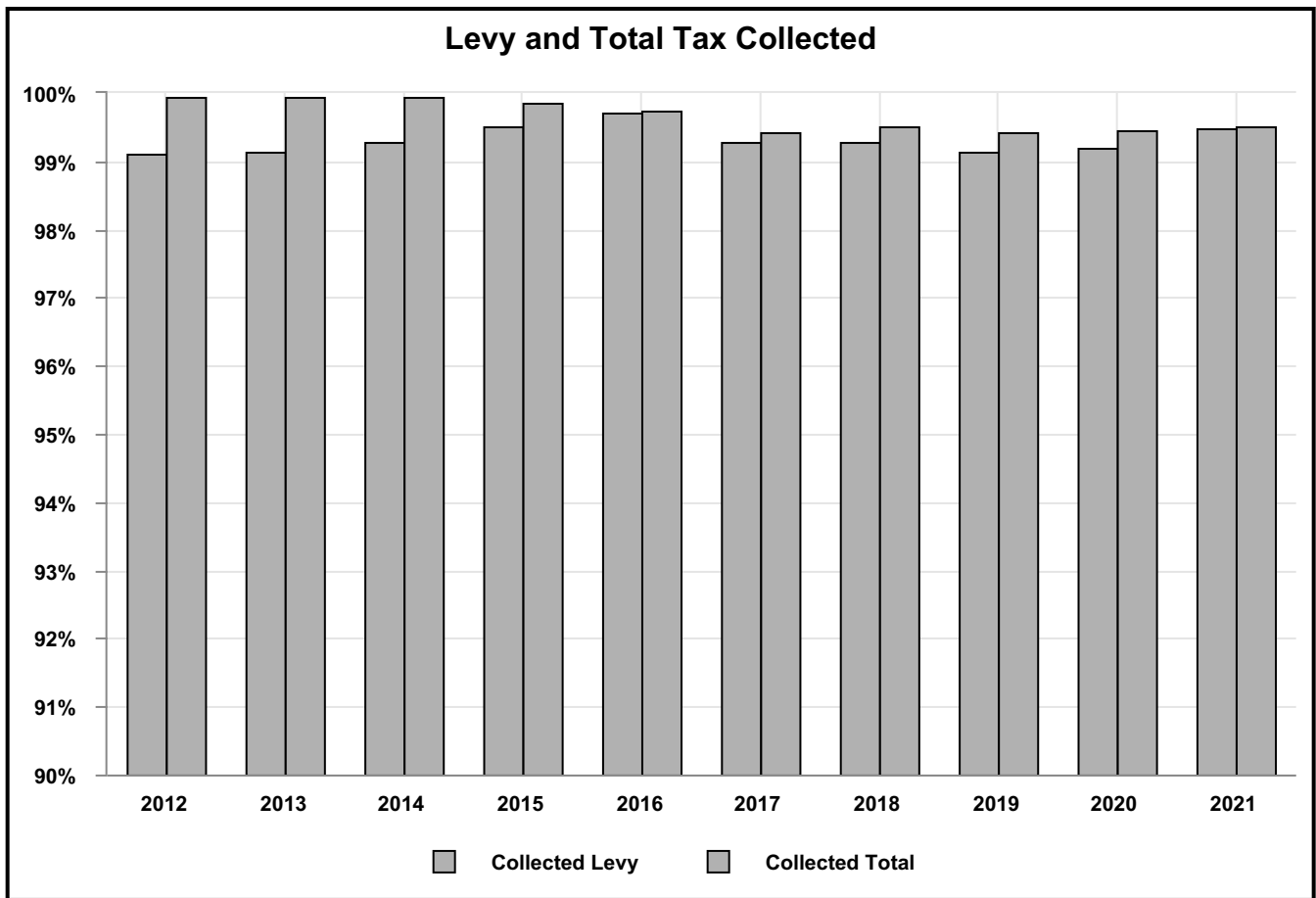
**Johnson County, Kansas**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2022	\$ 291,330,530	\$ 135,039,271	\$ 5,982,580	\$ 432,352,381
2021	277,664,826	122,973,681	5,678,943	406,317,450
2020	268,732,809	103,657,930	5,730,801	378,121,540
2019	257,906,932	102,651,800	5,497,132	366,055,864
2018	245,670,757	101,676,666	5,309,275	352,656,698
2017	232,081,211	93,904,750	5,208,009	331,193,970
2016	217,668,981	75,600,644	5,095,421	298,365,046
2015	183,663,325	71,633,771	4,648,964	259,946,060
2014	174,290,655	70,202,538	4,543,089	249,036,282
2013	172,363,257	67,223,139	4,545,476	244,131,872



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

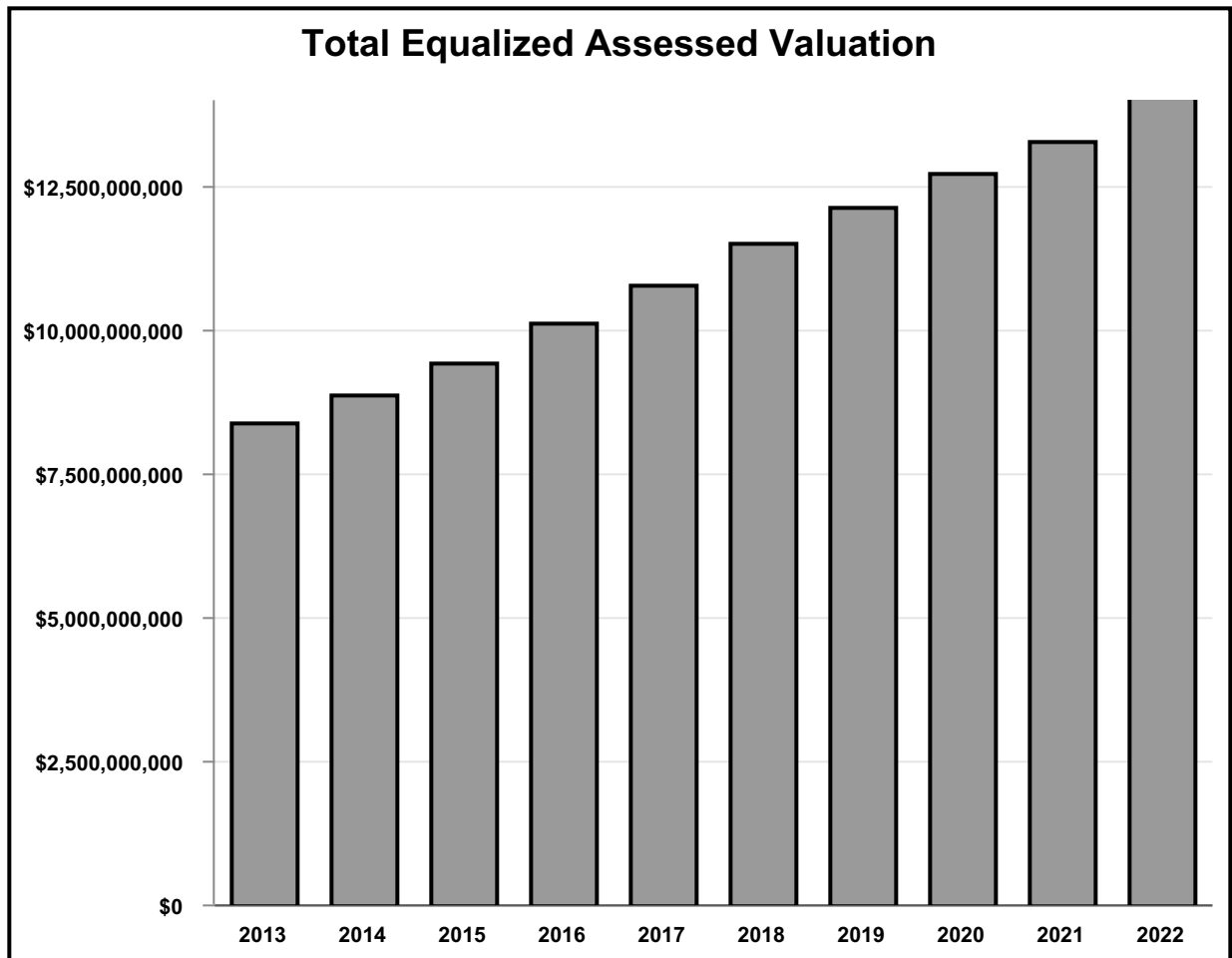
Levy Year (1)	Net Adjusted Tax Roll (2)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collected	Outstanding Delinquent Taxes (3)	Delinquent Taxes to Net Adj. Tax
2021	\$260,891,114	\$259,565,035	99.49%	\$ 78,530	\$259,643,565	99.52%	\$ 7,468,651	2.86%
2020	252,535,008	250,495,571	99.19%	672,007	251,167,578	99.46%	6,221,102	2.46%
2019	243,682,876	241,572,533	99.13%	724,571	242,297,104	99.43%	4,853,672	1.99%
2018	230,801,574	229,163,345	99.29%	507,663	229,671,008	99.51%	3,467,900	1.50%
2017	219,353,184	217,792,966	99.29%	305,500	218,098,466	99.43%	2,337,334	1.07%
2016	207,059,053	206,471,779	99.72%	30,184	206,501,963	99.73%	1,082,616	0.52%
2015	193,668,532	192,702,540	99.50%	714,798	193,417,338	99.87%	525,526	0.27%
2014	162,698,105	161,523,261	99.28%	1,058,013	162,581,274	99.93%	274,332	0.17%
2013	154,521,391	153,184,349	99.13%	1,260,092	154,444,441	99.95%	157,501	0.10%
2012	152,286,215	150,921,324	99.10%	1,284,340	152,205,664	99.95%	80,551	0.05%



- (1) Taxes levied in 2021 are due December 20, 2021 but may be paid 50% by December 20, 2021 and 50% by May 10, 2022.
- (2) Net Adjusted Tax Roll is the County Clerk's Abstract of Taxes plus new taxes less abated taxes.
- (3) K.S.A. 79-2401 et. seq. provides for the sale of property on which delinquent taxes are owed after three years of certified delinquency (approximately four years).

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

<b>Fiscal Year</b>	<b>Real Property Assessed Value(1)</b>	<b>Personal Property Assessed Value(1)</b>	<b>Utilities Assessed Value(1)</b>	<b>Total Assessed Value</b>
2022	\$ 13,098,549,174	\$ 62,980,060	\$ 315,700,517	\$ 13,477,229,751
2021	11,894,714,344	72,330,549	293,326,380	12,260,371,273
2020	11,379,924,403	76,510,039	277,394,958	11,733,829,400
2019	10,798,575,181	88,837,196	262,907,673	11,150,320,050
2018	10,210,064,665	93,893,548	254,416,422	10,558,374,635
2017	9,517,381,583	104,554,778	236,537,036	9,858,473,397
2016	8,890,885,708	105,767,510	233,227,090	9,229,880,308
2015	8,252,498,338	114,802,168	229,292,984	8,596,593,490
2014	7,728,159,721	135,950,467	220,180,418	8,084,290,606
2013	7,250,086,767	164,131,506	216,759,897	7,630,978,170



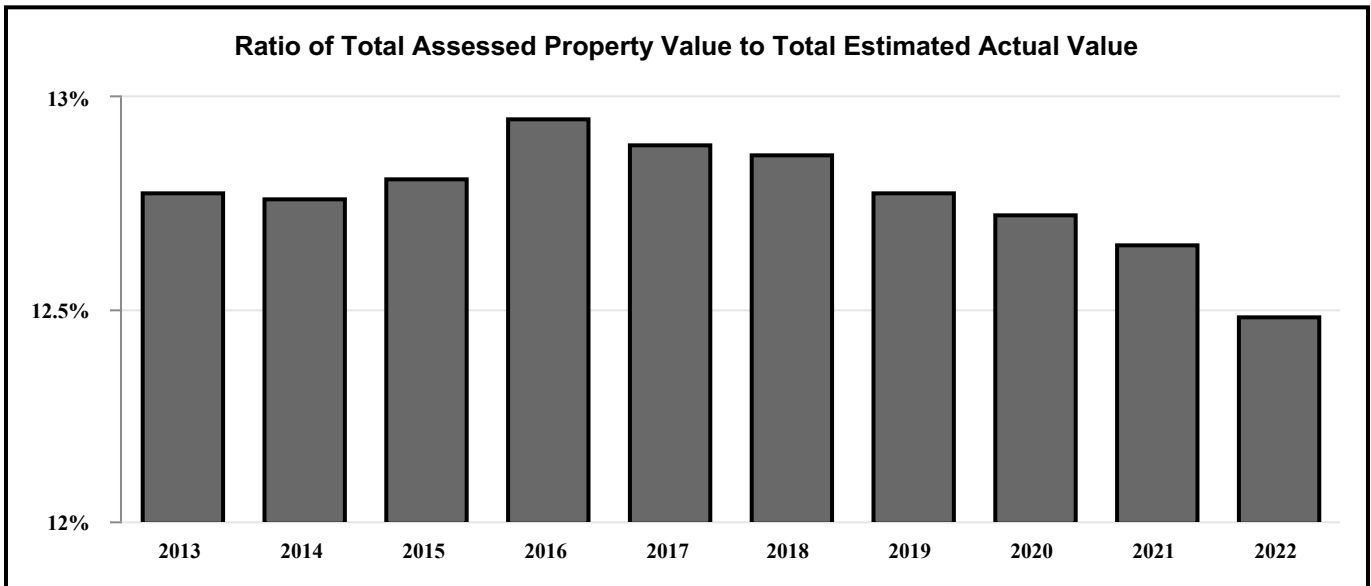
(1) Source: Annual Abstract of Taxes, County Clerk

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

<b>Motor Vehicle Assessed Value(1)</b>	<b>Recreational Vehicle Assessed Value(1)</b>	<b>Total Equalized Assessed Valuation</b>	<b>Total Direct Tax Rate(2)</b>	<b>Year</b>
\$ 1,067,199,214	\$ 5,157,414	\$ 14,549,586,379	21.587	2022
1,022,856,531	4,701,705	13,287,929,509	22.472	2021
1,028,701,640	4,048,642	12,766,579,682	22.704	2020
1,003,422,493	3,941,750	12,157,684,293	22.940	2019
969,135,376	3,660,159	11,531,170,170	22.925	2018
933,587,337	3,400,024	10,795,460,758	23.239	2017
896,326,571	3,245,520	10,129,452,399	23.505	2016
852,835,812	3,058,590	9,452,487,892	23.494	2015
816,754,012	2,923,997	8,903,968,615	20.921	2014
781,331,046	2,521,731	8,414,830,947	20.900	2013

<b>Real Property Estimated Actual Value(3)</b>	<b>Personal Property Estimated Actual Value(3)</b>	<b>Utilities Estimated Actual Value(4)</b>	<b>Total Estimated Actual Value</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>	<b>Year</b>
\$ 106,479,150,430	\$ 363,359,224	\$ 1,112,726,164	\$ 107,955,235,818	12.48%	2022
95,465,714,680	377,037,068	1,039,366,407	96,882,118,155	12.65%	2021
90,841,015,050	389,985,568	957,420,501	92,188,421,119	12.73%	2020
85,845,759,620	439,965,932	960,984,634	87,246,710,186	12.78%	2019
80,674,468,455	457,693,681	925,210,025	82,057,372,161	12.87%	2018
75,121,151,114	503,191,914	840,077,359	76,464,420,387	12.89%	2017
69,909,536,090	509,107,654	840,314,659	71,258,958,403	12.95%	2016
65,709,994,902	548,432,543	832,967,679	67,091,395,124	12.81%	2015
61,912,043,960	638,703,743	787,753,918	63,338,501,621	12.76%	2014
58,332,098,612	645,583,924	737,065,168	59,714,747,704	12.78%	2013



- (1) Source: Annual Abstract of Taxes, County Clerk
- (2) Total Direct Tax Rate is a combination of County and County Library levy rate.
- (3) Source: County Appraiser
- (4) Source: County Records and Tax Administration Office

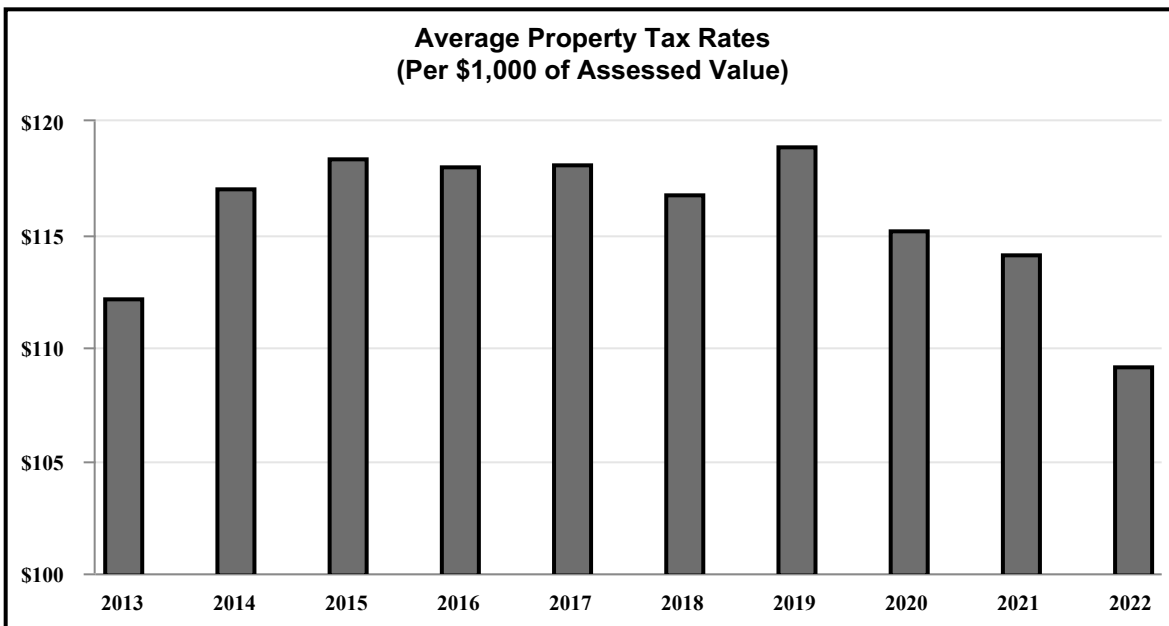
**Johnson County, Kansas**  
**Direct and Overlapping Property Tax Rates and Levies**  
**Last Ten Fiscal Years**

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

Year	County	County Library	Total Direct Rate	State
2022	17.772	3.815	21.587	1.500
2021	18.564	3.908	22.472	1.500
2020	18.799	3.905	22.704	1.500
2019	19.036	3.904	22.940	1.500
2018	19.024	3.901	22.925	1.500
2017	19.318	3.921	23.239	1.500
2016	19.590	3.915	23.505	1.500
2015	19.582	3.912	23.494	1.500
2014	17.764	3.157	20.921	1.500
2013	17.745	3.155	20.900	1.500

**TAX LEVIES\***

Year	County	County Library	State
2022	\$ 239,546,466	\$ 42,146,316	\$ 20,218,305
2021	227,575,860	39,159,783	18,388,485
2020	220,620,724	37,510,020	17,603,581
2019	212,279,597	35,610,350	16,727,173
2018	200,874,765	33,751,320	15,838,428
2017	190,449,909	31,807,887	14,787,955
2016	180,811,779	29,890,525	13,846,563
2015	168,338,487	27,898,118	12,895,065
2014	143,586,679	21,227,920	12,124,706
2013	135,411,662	20,029,259	11,446,647



\* Excludes special assessments.

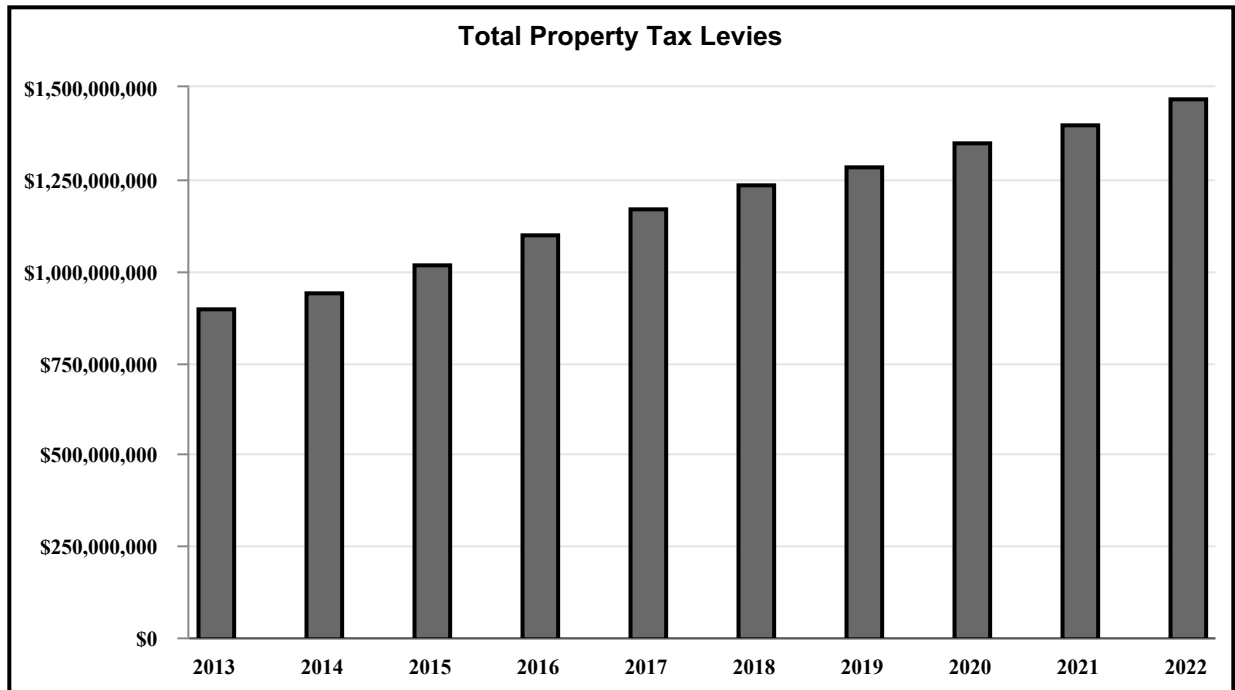
(1) Special Districts include Cemeteries, Drainage and Fire.

(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 1,000 to convert to whole dollars.

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

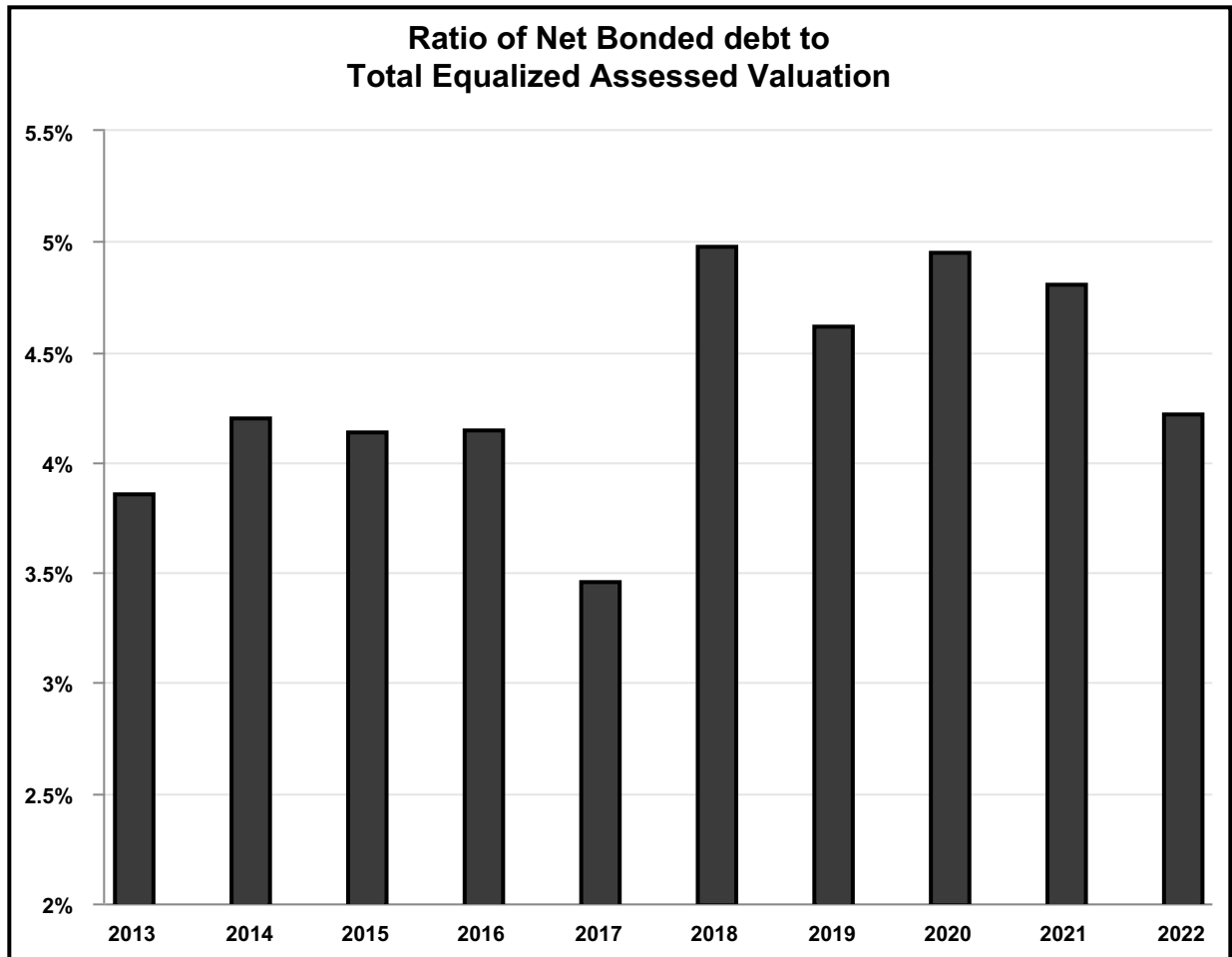
<b>Cities Weighted Average</b>	<b>Townships Weighted Average</b>	<b>Schools Weighted Average</b>	<b>Special Districts Weighted Average (1)</b>	<b>Grand Total Weighted Average (2)</b>	<b>Year</b>
20.814	0.238	63.574	3.957	109.243	2022
21.249	0.270	67.385	3.742	114.153	2021
21.249	0.270	63.042	3.799	115.255	2020
21.078	0.193	69.931	3.786	118.936	2019
21.054	0.169	70.155	3.759	116.783	2018
21.307	0.117	71.553	3.673	118.179	2017
21.438	0.192	71.131	3.661	118.044	2016
21.025	0.203	71.566	3.453	118.400	2015
20.870	0.227	72.084	3.376	117.085	2014
20.746	0.232	73.645	3.405	112.190	2013

<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>
\$ 272,401,052	\$ 98,010	\$ 856,807,217	\$ 41,077,777	\$ 1,472,295,143	2022
252,979,629	105,033	826,159,575	35,185,110	1,399,553,474	2021
239,737,061	90,938	802,615,516	34,199,480	1,352,377,320	2020
219,723,299	103,460	771,516,213	32,344,536	1,288,304,628	2019
215,823,794	83,348	740,717,721	30,120,098	1,237,209,475	2018
204,054,792	52,476	705,401,755	28,220,710	1,174,775,484	2017
192,353,571	78,809	656,526,732	26,250,711	1,099,758,689	2016
175,480,405	81,182	615,222,401	22,531,107	1,022,446,764	2015
163,697,414	86,793	582,747,589	20,638,217	944,109,318	2014
153,475,609	81,958	561,982,632	19,394,867	901,822,634	2013



**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>
2022	619,195	\$ 14,549,586,379	\$ 617,817,276	\$ 3,126,486
2021	613,219	13,287,929,509	642,575,650	2,575,194
2020	607,220	12,766,579,682	635,028,203	2,702,757
2019	602,401	12,157,684,293	564,888,193	2,618,008
2018	598,127	11,531,170,170	577,170,204	2,454,823
2017	589,609	10,795,460,758	376,070,318	1,799,722
2016	584,451	10,129,452,399	421,846,300	1,263,814
2015	580,159	9,452,487,892	392,931,781	1,157,440
2014	574,096	8,903,968,615	376,177,640	1,820,629
2013	566,933	8,414,830,947	326,413,456	1,523,187

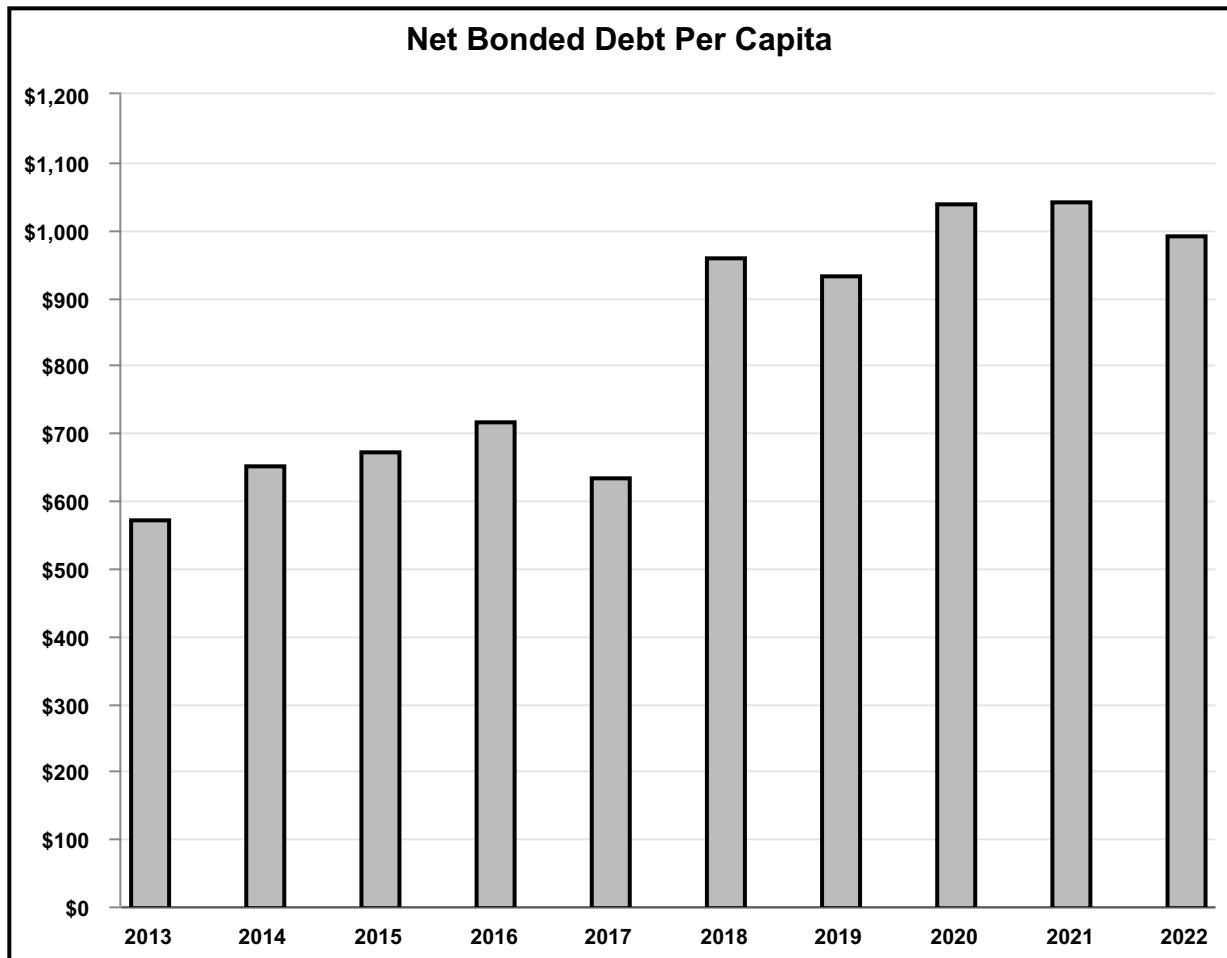


(1) See Demographic Statistics, later in this section.



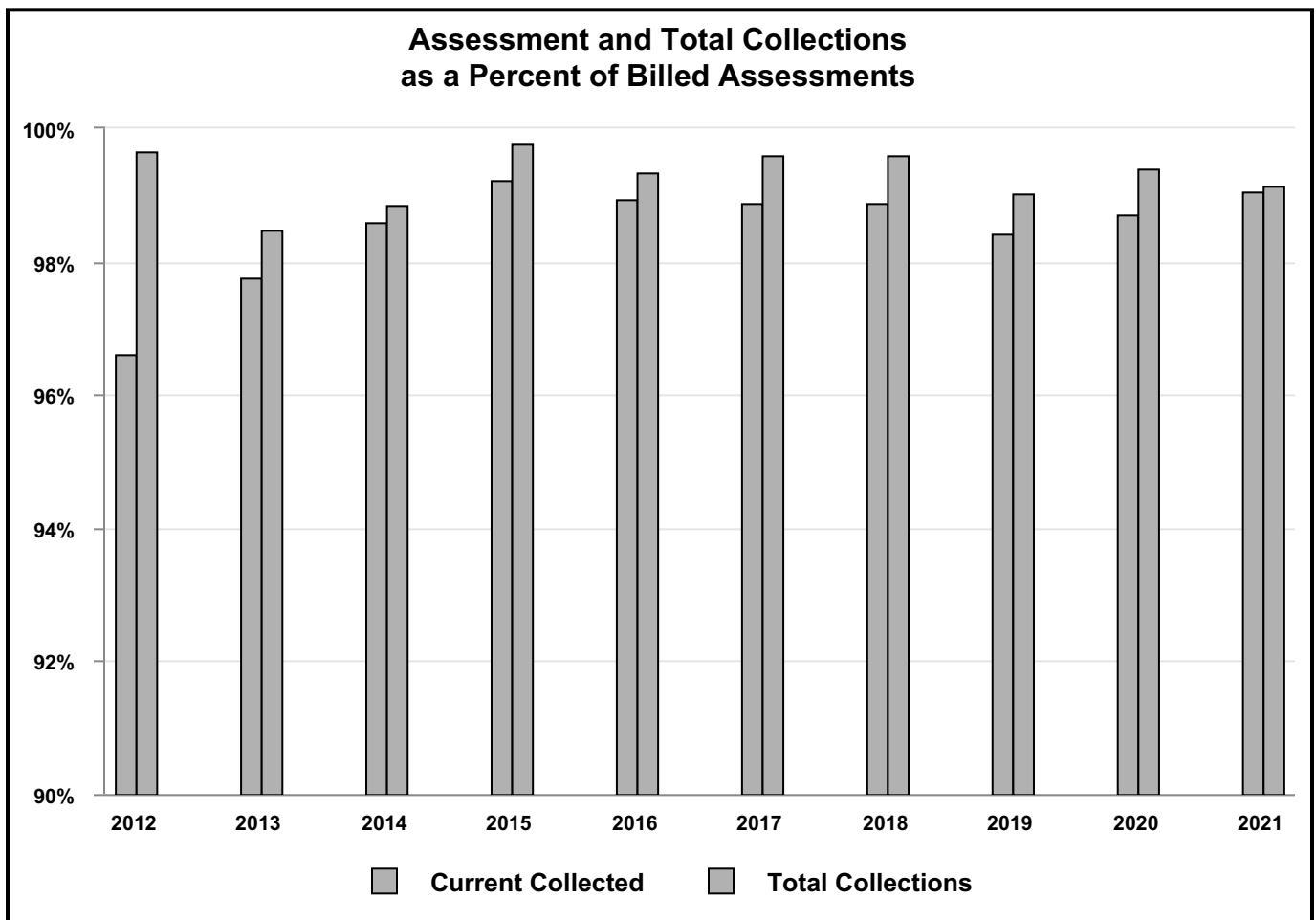
**Johnson County, Kansas**  
**Ratio of Net General Obligation Bonded Debt to Assessed Value**  
**and Net General Obligation Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

<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>
\$ 614,690,790	4.22%	1.13%	\$ 87,612	\$ 992.73	2022
640,000,456	4.82%	1.31%	79,793	1,043.67	2021
632,325,446	4.95%	1.33%	78,270	1,041.34	2020
562,270,185	4.62%	1.22%	76,328	933.38	2019
574,715,381	4.98%	1.32%	72,717	960.86	2018
374,270,596	3.47%	0.91%	69,977	634.78	2017
420,582,486	4.15%	1.05%	68,731	719.62	2016
391,774,341	4.14%	1.02%	66,294	675.29	2015
374,357,011	4.20%	1.04%	62,832	652.08	2014
324,890,269	3.86%	0.96%	59,499	573.07	2013



**Johnson County, Kansas**  
**Special Assessment Billings and Collections**  
**Last Ten Fiscal Years**

Levy Year (1)	Special Assessment Billings (2)	Special Assessment Collections (2)	Percent of Billings Collected	Delinquent Assessments Collected	Total Assessments Collected	Percent of Total Collections to Billings
2021	\$ 534,689	\$ 529,592	99.05 %	\$ 434	\$ 530,026	99.13 %
2020	520,481	513,701	98.70 %	3,713	517,414	99.41 %
2019	631,234	621,289	98.42 %	3,714	625,003	99.01 %
2018	647,186	639,965	98.88 %	4,602	644,568	99.60 %
2017	387,482	383,174	98.89 %	2,738	385,912	99.59 %
2016	394,823	390,677	98.95 %	1,558	392,235	99.34 %
2015	413,002	409,798	99.22 %	2,231	412,029	99.76 %
2014	389,120	383,647	98.59 %	1,028	384,675	98.86 %
2013	411,448	402,173	97.75 %	3,067	405,240	98.49 %
2012	415,144	401,079	96.61 %	12,619	413,698	99.65 %



(1) Taxes levied in 2021 are due December 20, 2021 but may be paid 50% by December 20, 2021 and 50% by May 10, 2022.

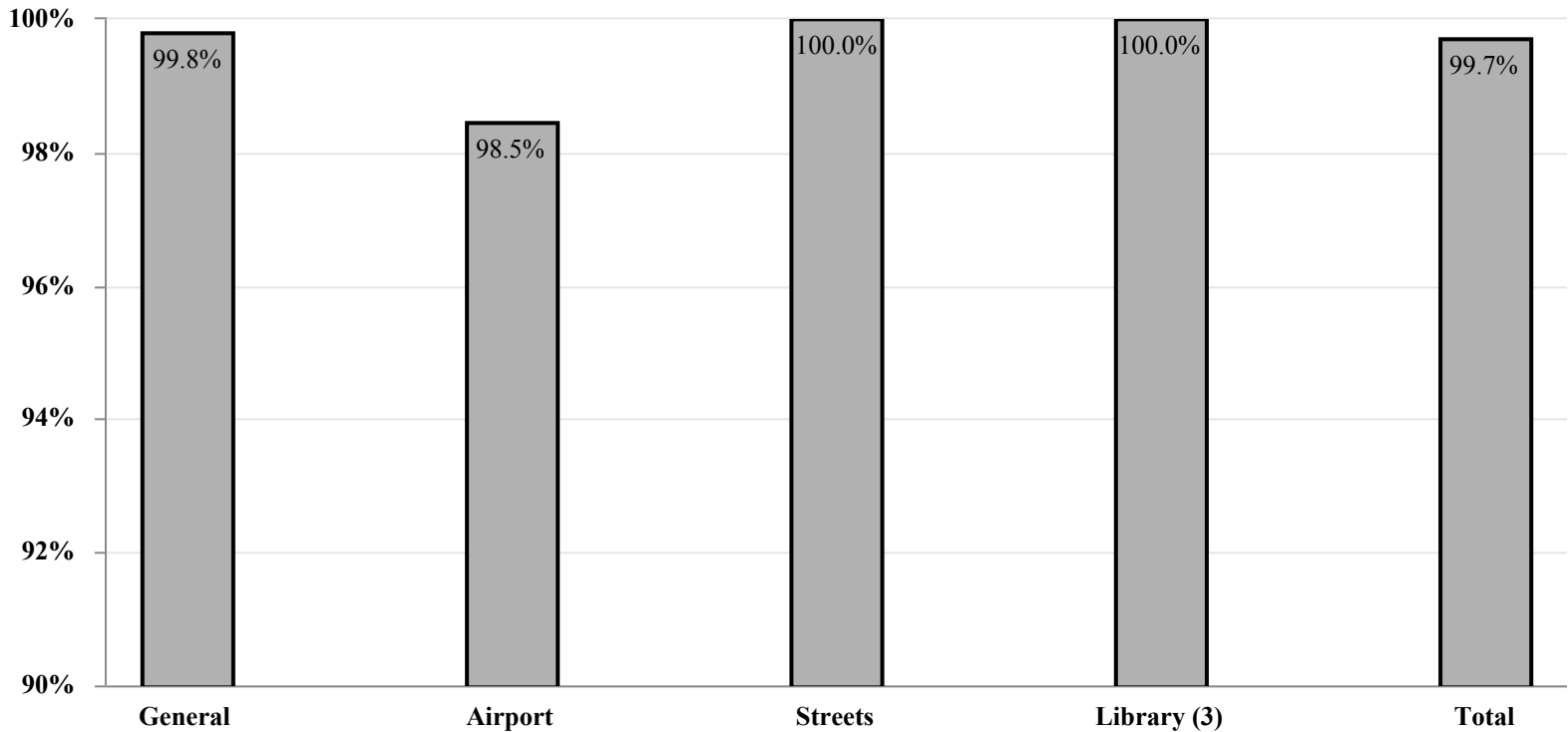
(2) Billings and collections include Johnson County and all municipalities within Johnson County.

Source: County Treasurer.

**Johnson County, Kansas**  
**Legal General Obligation Debt Margin Computation**  
**12/31/2022**

	General	Airport	Streets	Library (3)	Total
<b>Assessed Valuation for Debt</b>					
<b>Limitation Purposes</b>	\$14,549,586,379	\$14,549,586,379	\$14,549,586,379	\$11,893,072,205	\$55,541,831,342
<b>Percentage Limitation (1)</b>	3.0 %	1.0 %	2.0 %	2.0 %	
<b>Dollar Debt Limit</b>	436,487,591	145,495,864	290,991,728	237,861,444	1,110,836,627
<b>Outstanding Debt (2)</b>	3,210,000	2,220,000	—	—	5,430,000
<b>Capital Purchase Obligations</b>	697,760	—	—	—	697,760
<b>Amount Set Aside for</b>					
<b>Repayment of G.O. Debt</b>	3,126,486	—	—	—	3,126,486
<b>Net Outstanding Debt</b>	781,274	2,220,000	—	—	3,001,274
<b>Available Legal Debt Margin</b>	<u>\$ 435,706,317</u>	<u>\$ 143,275,864</u>	<u>\$ 290,991,728</u>	<u>\$ 237,861,444</u>	<u>\$ 1,107,835,353</u>

**Percentage of Debt Limit Available**



(1) Kansas Statutes. General K.S.A. 10-306, Airport K.S.A. 3-304, Streets K.S.A. 68-584, Library K.S.A. 12-1257,  
(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**

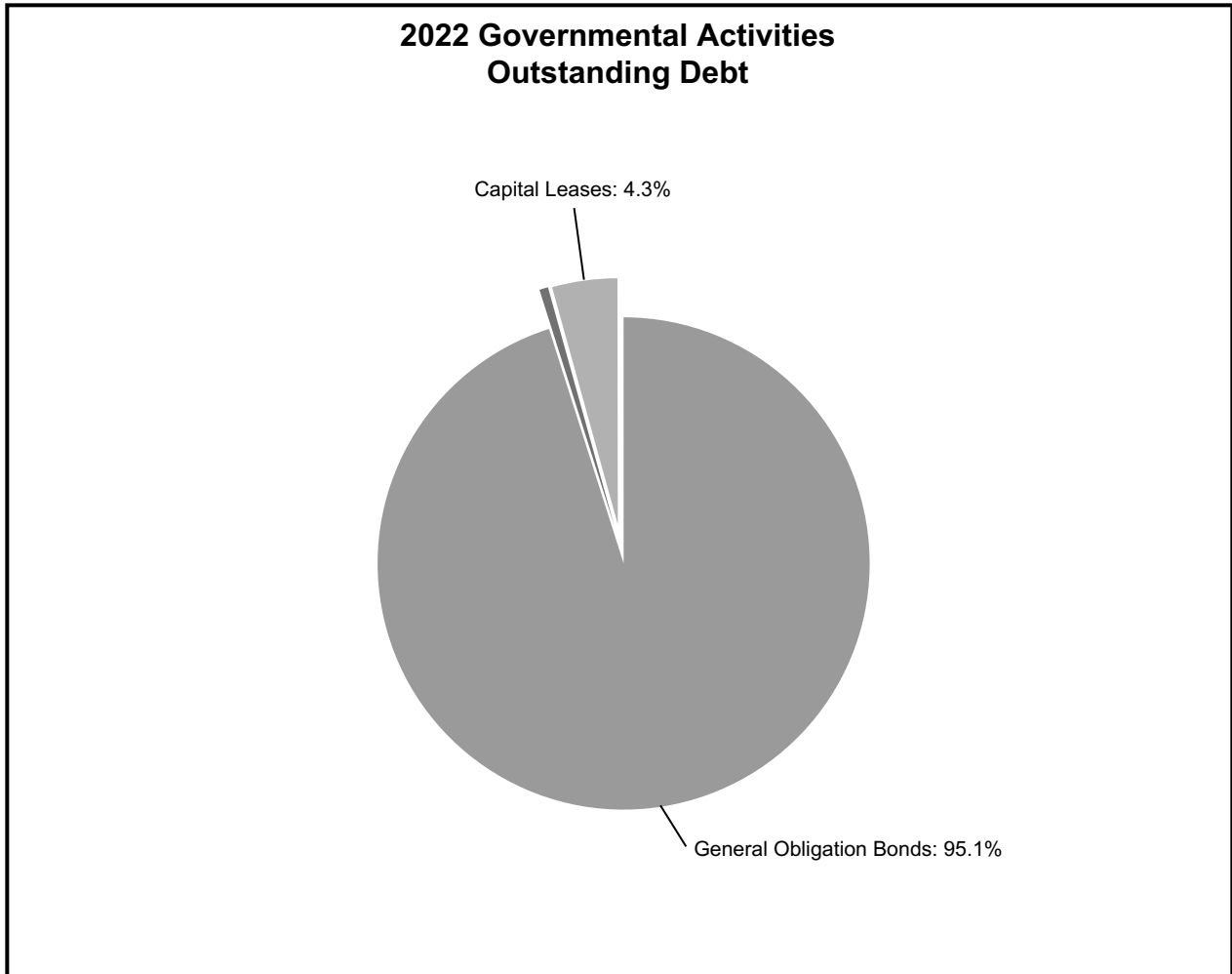
Entity	Total Debt (1)	Percent Applicable to Johnson County	Debt Applicable to Johnson County (2)	Total Assessed Valuation
Johnson County	\$ 16,711,626	100 %	\$ 13,585,140	\$ 13,477,229,751
<b>Cities</b>				
Bonner Springs	15,651,935	5.48 %	826,365	6,125,432
DeSoto	21,015,000	99.94 %	18,983,669	107,248,273
Edgerton	10,298,000	100 %	9,840,436	59,222,399
Fairway	7,255,000	100 %	7,108,974	122,334,018
Gardner	74,011,535	100 %	72,181,610	280,332,852
Lake Quivira	1,986,771	93.87 %	1,641,673	33,909,215
Leawood	115,410,926	100 %	106,351,065	1,183,486,117
Lenexa	124,275,000	100 %	119,518,927	1,583,035,980
Merriam	12,110,000	100 %	11,619,742	247,606,705
Mission	30,443,211	100 %	16,661,312	199,769,960
Mission Hills	1,445,000	100 %	1,272,552	216,195,856
Mission Woods	—	100 %	—	11,066,203
Olathe	301,054,310	100 %	229,456,335	2,424,766,125
Overland Park	106,260,000	100 %	106,010,000	4,599,975,842
Prairie Village	26,645,000	100 %	26,609,164	552,760,385
Roeland Park	2,326,514	100 %	2,218,842	117,264,883
Shawnee	103,282,049	100 %	98,502,298	1,194,655,112
Spring Hill	25,977,302	71.4 %	18,302,127	99,957,295
Westwood	3,435,000	100 %	3,264,658	37,658,726
Westwood Hills	231,906	100 %	193,091	9,733,738
<b>Total</b>	<b>983,114,459</b>		<b>850,562,840</b>	<b>13,087,105,116</b>
<b>School Districts</b>				
Blue Valley U.S.D. 229	330,415,000	100 %	320,621,192	3,871,060,162
Spring Hill U.S.D. 230	214,565,000	83.24 %	174,875,327	331,026,071
Gardner U.S.D. 231	105,365,000	98.05 %	95,007,853	441,592,238
DeSoto U.S.D. 232	146,705,000	100 %	136,456,289	746,110,486
Olathe U.S.D. 233	727,602,467	100 %	688,139,977	3,099,409,535
Wellsville U.S.D. 289	17,575,000	0.1 %	16,601	74,291
Eudora U.S.D. 491 (3)	46,345,000	2.25 %	930,996	2,128,719
Shawnee Mission U.S.D. 512	375,285,000	100 %	372,705,948	4,985,828,249
<b>Total</b>	<b>1,963,857,467</b>		<b>1,788,754,183</b>	<b>13,477,229,751</b>
<b>Other Entities</b>				
Community College	43,865,000	100 %	43,865,000	13,477,229,751
Park and Recreation	41,090,000	100 %	26,906,821	13,477,229,751
Cons Fire District #2	5,090,000	100 %	5,090,000	1,266,783,769
Fire District #1	13,730,120	100 %	13,730,120	436,494,511
Fire District #2	1,795,000	100 %	1,795,000	305,091,186
Northwest Cons Fire District	—	100 %	—	164,585,042
<b>Total</b>	<b>105,570,120</b>		<b>91,386,941</b>	<b>29,127,414,010</b>
			<b>Overlapping Debt</b>	<b>2,730,703,964</b>
			<b>Grand Total</b>	<b>\$ 2,744,289,104</b>

- (1) Includes General and Special Obligation Bonds, Capital Leases, Special Assessment Bonds with governmental commitment and General Obligation Notes. Excludes Airport and Wastewater General Obligation and Special Assessment debt (which are supported by user charges).
- (2) Based upon assessed valuation within Johnson County as a percent of total assessed valuation.
- (3) Updated 2022 data not available for Eudora U.S.D. 491

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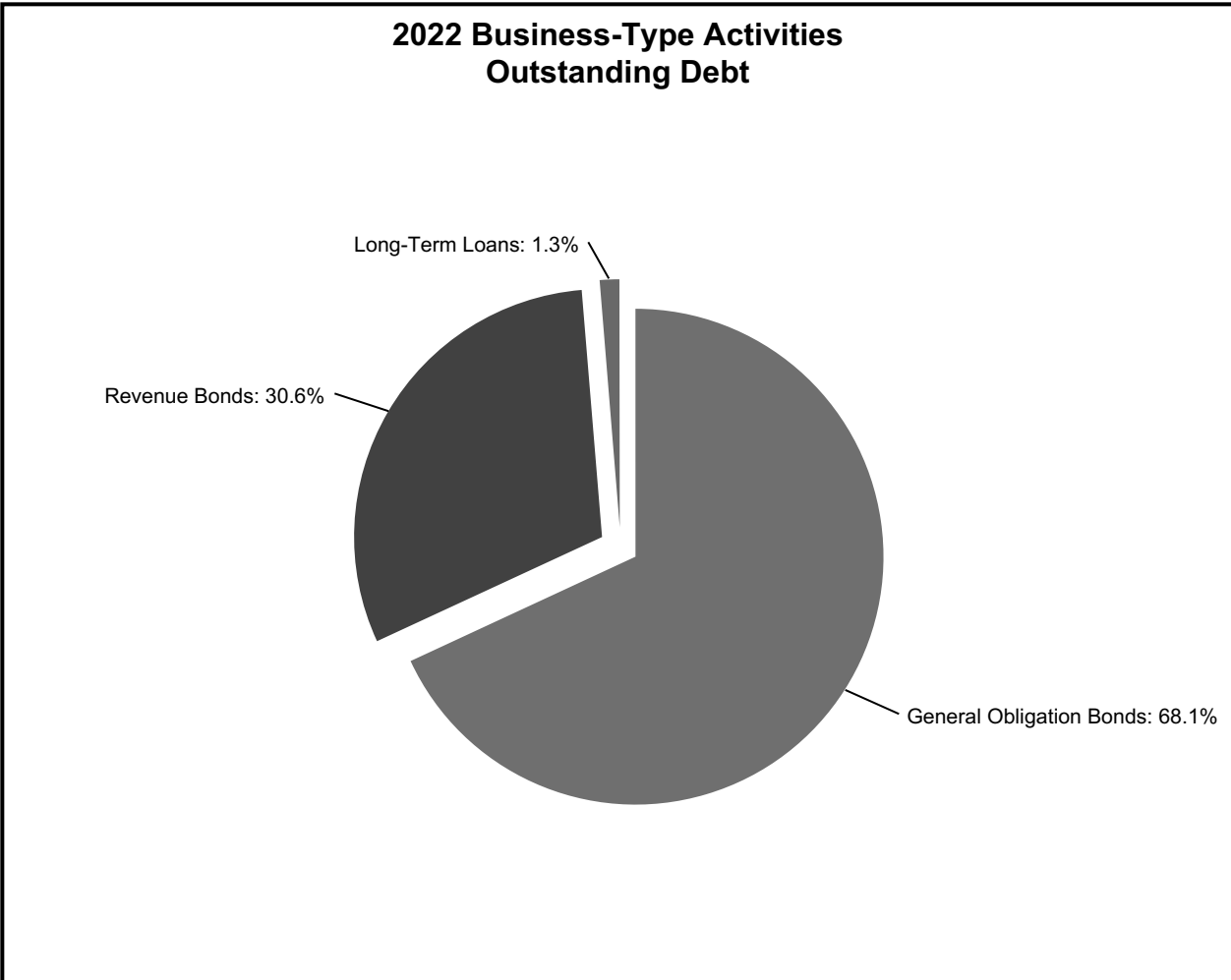
**Johnson County, Kansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Special Obligation Bonds	Special Assessment Bonds	Capital Purchase Obligations	General Obligation Bonds	Special Assessment Bonds
2022	\$ 15,570,078	\$ —	\$ 103,700	\$ 697,759	\$ 602,247,198	\$ —
2021	12,389,477	—	119,500	1,349,280	630,186,173	—
2020	13,954,490	—	134,800	1,975,644	621,073,713	—
2019	15,501,136	315,000	79,500	2,577,823	549,072,178	—
2018	13,775,520	1,095,000	88,800	38,844	562,299,684	4,838
2017	3,579,631	1,855,000	97,700	57,836	370,635,687	9,684
2016	2,678,135	2,725,000	106,900	75,301	416,443,165	14,530
2015	841,563	3,570,000	—	91,228	388,520,218	19,375
2014	1,656,811	4,400,000	—	3,006,747	370,120,829	24,220
2013	1,734,128	5,335,000	—	3,150,000	319,344,328	29,065



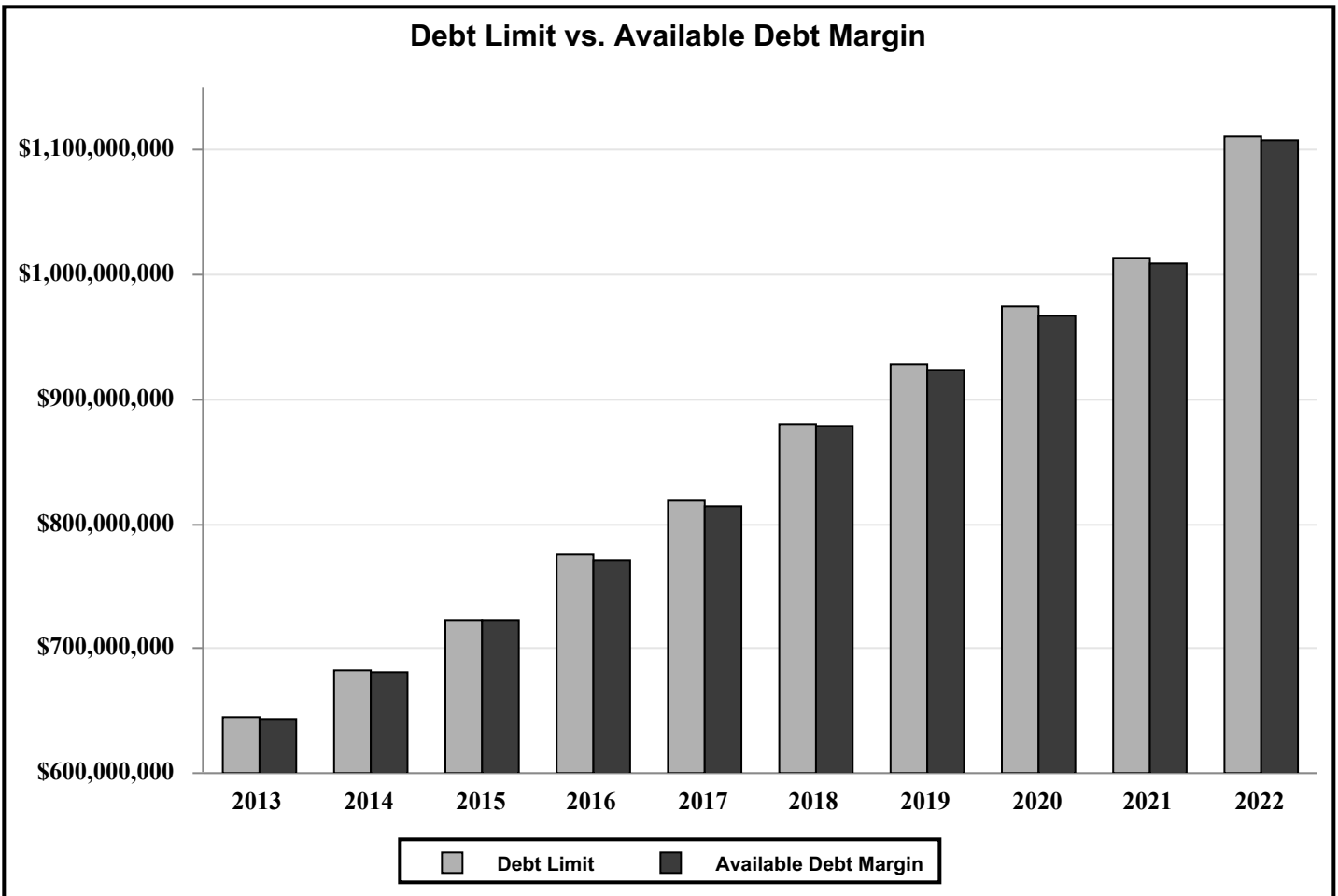
**Johnson County, Kansas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Business-Type Activities</b>									
Revenue Bonds	Loan Payable	Capital		Long-Term Loans		Total Primary Government	Percentage of Personal Income	Per Capita	Year
		Purchase Obligations		Wastewater	Airport				
\$ 270,956,424	\$ —	\$ —	\$ 11,793,992	\$ —	\$ 901,369,151	5.19 %	\$ 1,455.71	2022	
311,512,947	—	—	13,307,915	—	968,865,292	5.58 %	1,579.97	2021	
332,381,796	—	—	14,781,417	—	984,301,860	5.67 %	1,621.00	2020	
372,134,171	—	—	16,215,582	—	955,895,390	5.53 %	1,586.81	2019	
398,389,860	—	—	17,620,810	—	993,313,356	5.75 %	1,660.71	2018	
286,637,600	—	—	19,893,180	—	682,766,318	3.89 %	1,158.00	2017	
265,326,787	—	—	19,365,769	—	706,735,587	4.38 %	1,209.23	2016	
251,102,869	—	—	19,080,228	—	663,225,481	4.38 %	1,143.18	2015	
213,007,237	—	—	21,092,418	—	613,308,262	4.26 %	1,068.30	2014	
218,911,153	—	—	25,237,873	16,686	573,758,233	4.18 %	1,012.04	2013	



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

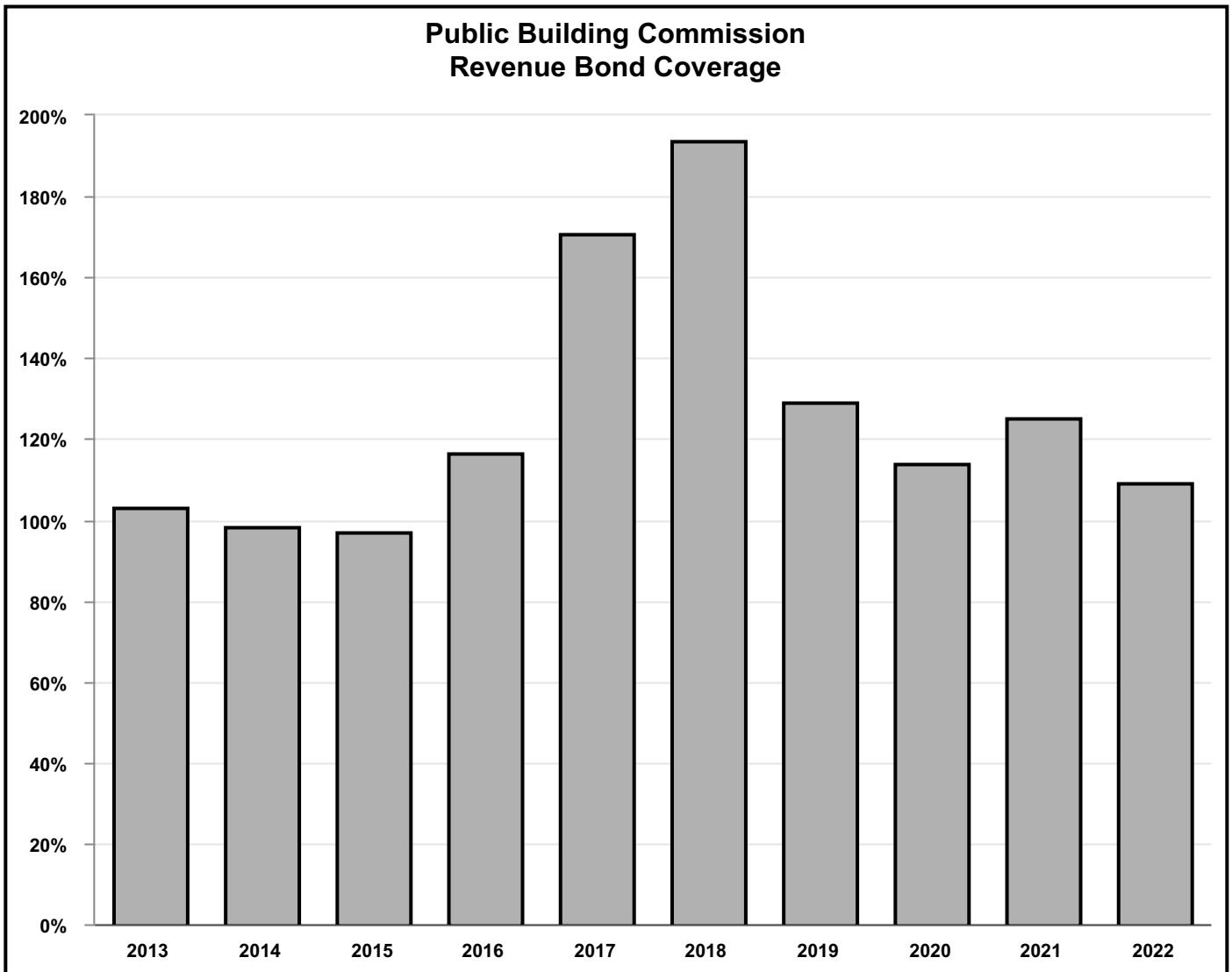
Year	Debt Limit	Outstanding Debt	Amount Set Aside for Repayment of G.O. Debt	Net Outstanding Debt	Available Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2022	\$1,110,836,627	\$ 6,127,760	\$ 3,126,486	\$ 3,001,274	\$1,107,835,353	0.27%
2021	1,013,945,126	7,389,281	2,575,194	4,814,087	1,009,131,039	0.47%
2020	974,443,455	7,705,645	922,765	6,782,880	967,660,575	0.70%
2019	927,842,834	4,735,000	1,071,388	3,663,612	924,179,222	0.39%
2018	880,355,041	2,385,160	1,004,554	1,380,606	878,974,435	0.16%
2017	818,908,640	5,760,315	1,799,722	3,960,593	814,948,047	0.48%
2016	774,820,830	5,170,470	1,263,814	3,906,656	770,914,174	0.50%
2015	723,428,386	1,940,625	1,157,440	783,185	722,645,201	0.11%
2014	681,812,150	2,910,240	1,820,629	1,089,611	680,722,539	0.16%
2013	644,387,281	3,135,935	1,523,187	1,612,748	642,774,533	0.25%





**Johnson County, Kansas**  
**Public Building Commission Revenue Bond Coverage**  
**Last Ten Fiscal Years**

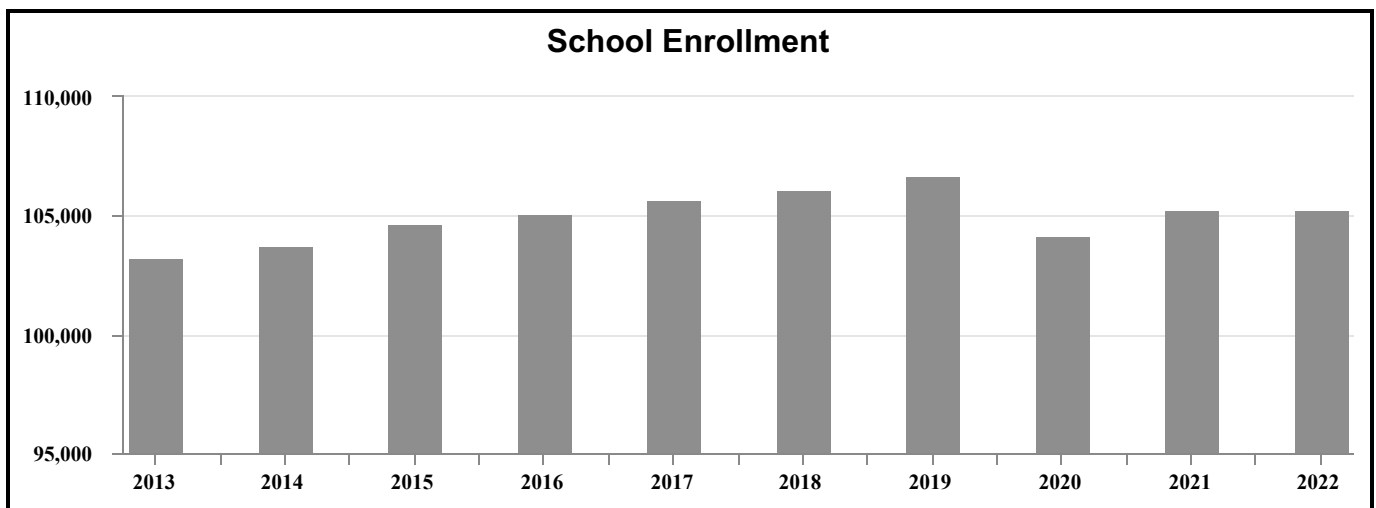
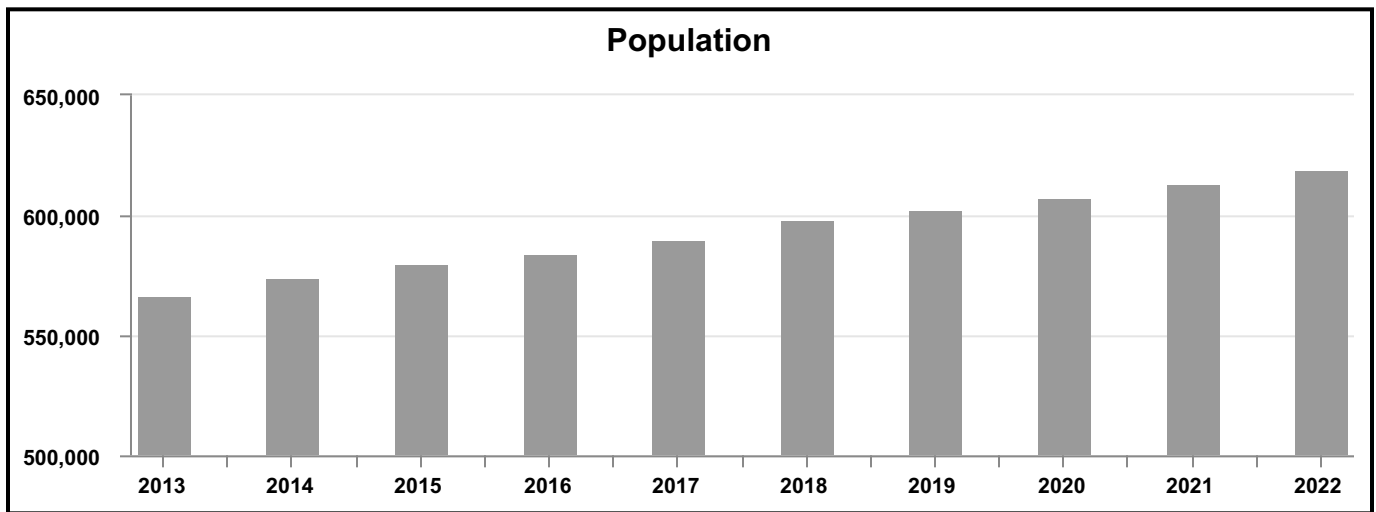
Year	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2022	\$ 52,814,688	\$ —	\$ 52,814,688	\$ 36,970,000	\$ 11,414,487	\$ 48,384,487	109 %
2021	46,529,163	—	46,529,163	25,020,000	12,103,364	37,123,364	125 %
2020	40,012,760	—	40,012,760	20,720,000	14,400,042	35,120,042	114 %
2019	39,640,939	—	39,640,939	15,510,000	15,134,176	30,644,176	129 %
2018	48,680,810	—	48,680,810	14,895,000	10,194,572	25,089,572	194 %
2017	40,358,088	—	40,358,088	14,025,000	9,591,668	23,616,668	171 %
2016	25,696,703	—	25,696,703	12,960,000	9,034,004	21,994,004	117 %
2015	19,839,681	—	19,603,837	11,805,000	8,360,418	20,165,418	97 %
2014	20,208,749	—	20,208,749	11,955,000	8,595,370	20,550,370	98 %
2013	21,505,958	—	21,505,958	11,890,000	8,967,129	20,857,129	103 %



(1) Gross Revenue includes non-operating investment earnings.  
(2) Operating expenses do not include depreciation, amortization, or interest expense.

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

<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>
2022	619,195 *	\$ 87,612 *	38.40	\$ 51,794,127 *	105,241
2021	613,219	79,793	37.80	47,171,721	105,317
2020	607,220	78,270	38.10	46,271,359	104,198
2019	602,401	76,328	37.98	45,123,295	106,740
2018	598,127	72,717 *	37.96	42,988,558	106,157
2017	589,609	69,977	37.70	41,368,735	105,684
2016	584,451	68,731	37.60	40,188,177	105,082
2015	580,159	66,294	37.40	38,378,868	104,721
2014	574,096	62,832	36.90	35,995,770	103,741
2013	566,933	59,499	36.70	33,693,466	103,260



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

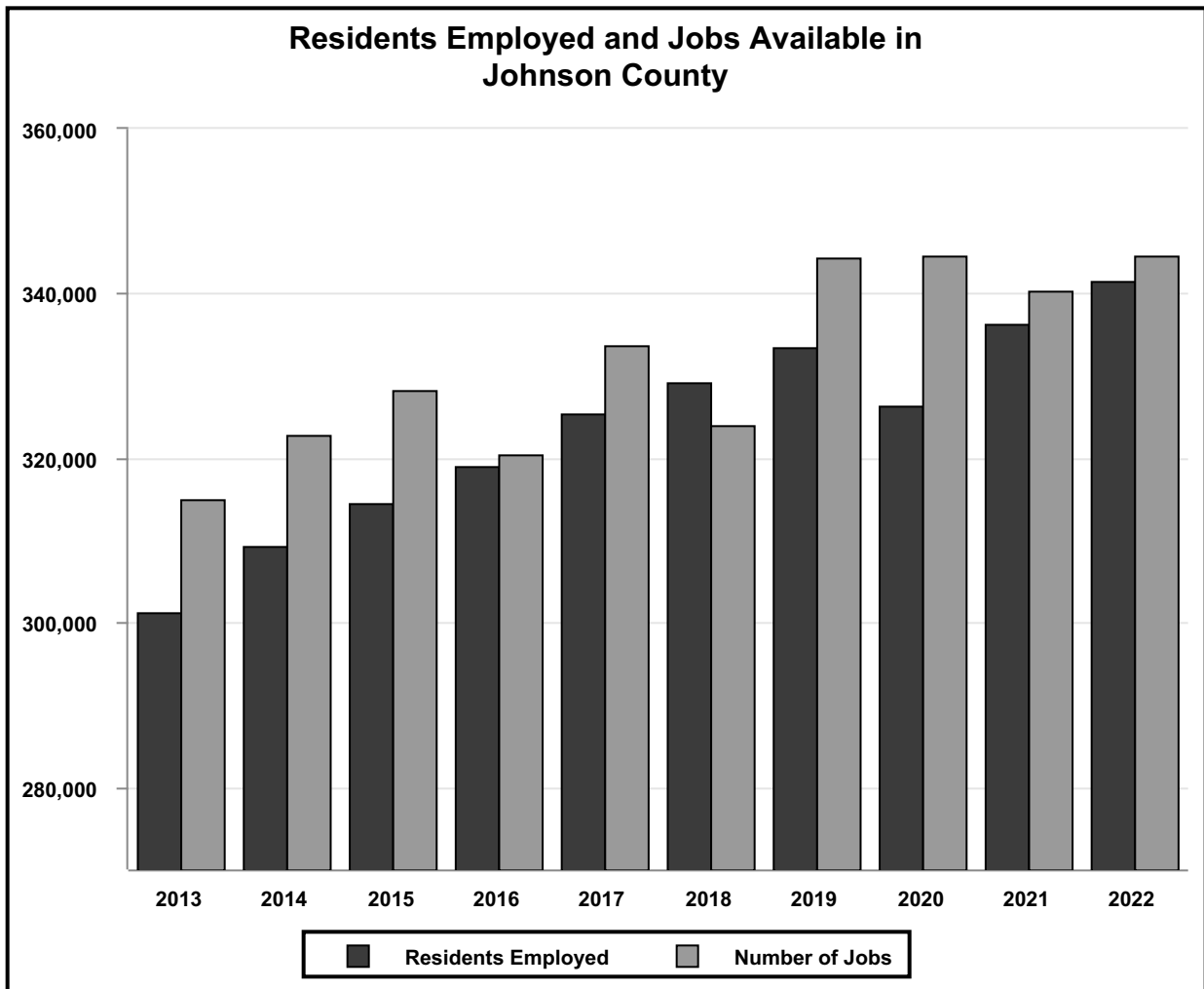
\*\* In Thousands

(1) Bureau of Economic Analysis

(2) Kansas Department of Education

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

Year	Residents Employed (1)	Unemployment Rate (1)	Number of Employers (2)	Number of Jobs (2)	Gross Payroll (2)
2022	341,465	2.30%	18,808 *	344,639 *	\$ 23,523,332,000 *
2021	336,251	2.70%	18,623	340,364	22,489,351,000
2020	326,260	5.00%	18,150	344,495	20,711,260,000 *
2019	333,470	2.90%	18,120	344,466	20,172,231,000
2018	329,255	2.90%	17,957 *	324,104 *	18,682,808,048
2017	325,342	3.00%	17,992	333,751	18,150,635,000
2016	319,111	3.20%	17,852	320,408	17,274,287,000
2015	314,557	3.40%	17,625	328,159	17,532,089,000
2014	309,249	3.80%	17,423	322,765	16,783,732,000
2013	301,328	4.30%	17,242	314,916	15,488,306,000



\* Estimated based upon prior years data.

(1) U.S. Department of Labor Bureau of Labor Statistics.

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

**Johnson County, Kansas**  
**Principal Taxpayers and Employers**  
December 31, 2022

**Principal Taxpayers**

Taxpayer	Type of Business	2022		2013				
		Assessed Valuation	Rank	Percentage of Total Assessed		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
				Valuation	Rank			
Evergy, Inc <sup>(a)</sup>	Utility	\$ 184,229,436	1	1.50%				
Oak Park Mall, LLC	Real Estate	60,355,690	4	0.49%	43,573,921	3	0.57	
OPS-KS, LLC	Real Estate	63,648,548	3	0.52%				
Corporate Woods Kansas Realty LP	Real Estate	67,313,333	2	0.55%				
Kansas Gas Service	Utility	34,684,806	5	0.28%	22,483,260	8	0.29	
Tower Properties Company	Real Estate	32,673,000	6	0.27%				
Garmin Realty, LLC	Real Estate	28,297,111	8	0.23%				
Wal-Mart Real Estate Business Trust	Real Estate	29,127,789	7	0.24%				
BNSF	Utility	27,417,766	10	0.22%				
Leawood TCP, LLC	Real Estate	27,437,001	9	0.22%	23,845,502	6	0.31	
Kansas City Power and Light	Utility				84,939,259	1	1.11%	
UCM/SREP-Corporate Woods	Real Estate				52,390,749	2	0.69%	
Southwestern Bell	Telecommunications				25,037,223	4	0.33%	
Westar Energy	Utility				24,541,165	5	0.32%	
HRPT Lenexa Properties Trust	Real Estate				23,609,545	7	0.31%	
Perg Buildings, LLC	Shopping Center				18,062,030	10	0.24%	
Atmos Energy Corp	Utility				18,407,790	9	0.24%	
	<b>Total</b>	<b>\$ 555,184,480</b>		<b>4.53%</b>	<b>\$336,890,444</b>		<b>4.41%</b>	

Source: Johnson County Clerk and Appraiser's Office

**Principal Employers**

Employer	Type of Business	2022		2013				
		Employees in County	Rank	Percentage of Total Employment		Employees in County	Rank	Percentage of Total Employment
				Total Employment	Rank			
Olathe Unified School District	Public Education (K-12)	4,900	1	1.43%		7,500	1	2.49%
T-Mobile	Telecommunications	4,600	2	1.35%		4,461	2	1.48%
Garmin, Ltd.	GPS Navigation Systems	4,600	3	1.35%		3,000	7	1.00%
Johnson County Government	Local Government	3,600	4	1.05%		3,716	3	1.23%
Wal-Mart	Retail & E-Commerce	3,000	5	0.88%		3,434	4	1.14%
UnitedHealth Group	Health/Pharmacy Plans	3,000	6	0.88%		3,331	5	1.11%
Blue Valley School District	Public Education (K-12)	2,950	7	0.86%		2,087	9	0.69%
Black & Veach	Engineering Svcs	2,600	8	0.76%				
Advent Health Shawnee Mission	Hospital/Medical Services	2,600	9	0.76%				
Overland Park Regional Med Ctr	Hospital/Medical Services	2,600	10	0.76%				
Shawnee Mission School District	Public Education (K-12)	2,550	11	0.75%		1,712	12	0.57%
HCA Midwest	Health Care Services	2,500	12	0.73%		3,060	6	1.02%
Amazon	E-Commerce/Pkg delivery	2,350	13	0.69%		2,615	8	0.87%
Hy-Vee Food Stores	Supermarkets & Grocery	2,300	14	0.67%				
Olathe Health System	Hospital/Medical Services	2,300	15	0.67%				
University of Kansas Health System	Hospital/Medical Services	1,900	16	0.56%				
Farmers Insurance Company	Insurance Carrier	1,900	17	0.56%				
Shamrock Trading Corp.	Transportation Services	1,850	18	0.54%		1,900	11	0.63%
Quest Diagnostics	Testing Laboratories	1,830	19	0.54%				0.43%
UPS International, Inc.	Courier/Pkg delivery	1,800	20	0.53%				
Century Link	Telecommunications					1,475	13	0.49%
City of Overland Park	Local Government					1,142	17	0.38%
OptumRX	Healthcare Services					2,000	10	0.66%
Reese & Nichols	Real Est. Agts/Brokers					1,162	16	0.39%
TransAm Trucking, Inc	Transportation					1,000	19	0.33%
Waddell & Reed - Financial, Inc.	Investment Advice					1,187	15	0.39%
Overland Park Regional Med Ctr	Health Care Services					1,058	18	0.35%
	<b>Total</b>	<b>55,730</b>		<b>16.32%</b>		<b>48,126</b>		<b>15.98%</b>

Source: CERI, Overland Park, KS

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GOVERNMENTAL ACTIVITIES:</b>										
<b>General Government</b>										
<i>Appraiser</i>										
Number of parcels appraised per year	264,782	241,576	240,907	241,051	241,908	243,649	243,796	244,207	227,917	231,051
<i>Elections/Registration</i>										
Number of voter registration applications processed	72,497	98,757	64,731	128,672	59,499	98,735	76,244	155,143	80,367	90,210
<b>Public Safety</b>										
<i>Public Safety Communication</i>										
Calls dispatched for Fire and EMS units	51,949	53,867	54,406	54,950	61,070	62,215	63,510	62,111	69,358	72,545
<i>Sheriff</i>										
Number of persons screened for entry into courthouse	538,101	413,116	397,286	523,715	531,436	528,812	531,288*	---	175,000	269,783
Inmates booked	15,054	14,966	14,907	15,341	15,564	16,276	15,868	9,554	11,862	11,982
Number of calls for service (patrol)	41,542	42,968	44,498	43,021	47,182	47,291	102,452	84,717	269,903	251,050
Number of calls for service (dispatch) (1)	310,339	293,921	293,907	295,620	295,050	302,461	307,461*	---	304,302	292,498
Number of 911 calls received (1)	90,633	81,080	83,873	79,488	75,538	80,486	81,486	---	86,948	81,252
Jail Average Daily Population	---	---	---	---	---	791	854.6	633.1	596	691
<i>Emergency Management</i>										
Number of households receiving information annually	---	---	---	---	---	---	---	---	---	---
Number of persons trained	---	---	---	---	---	---	---	---	---	---
Number of radios on trunked radio systems	7,709	8,100	8,200	---	---	---	---	---	---	---
Number of community education & outreach events conducted	50	24	27	28	25	23	25*	17	3	10
Number of Med-Act emergency events answered	35,411	37,195	38,490	41,143	43,606	44,914	46,261*	46,361	56,095	72,545
<b>Health and Human Services</b>										
<i>Health and Environmental</i>										
Number of County citizens accessing services	46,532	44,731	43,163	43,163	41,795	41,380	40,152*	40,122*	95,011	73,124
Number of visitors to the department's website	---	---	74,566	104,656	132,174	134,676	136,434	226,487	228,800	241,800
Number of new visitors to the department's website	---	---	40,594	57,360	72,791	80,129	77,801	116,753	127,200	184,900
Number of times public accesses the department's home page	63,388	63,635	---	---	---	---	---	486,072	426,000	437,400
<i>Aging &amp; Human Services / Housing Services (2)</i>										
Number of nutrition program meals provided	176,471	197,273	274,000	282,507	276,176	273,471	248,881	220,672	238,727	273,478
Number of households provided rental assistance	1,782	1,810	1,785	1,706	1,604	1,597	1,633	1,615	1,589	1,773
<b>Culture and Recreation</b>										
<i>Library Operating</i>										
Number of volunteer hours in support of Library	51,559	52,973	46,588	48,423	50,457	52,913	50,330	21,683	22,317	34,199
<b>BUSINESS-TYPE ACTIVITIES:</b>										
<b>Transportation</b>										
Total annual ridership (transit/paratransit)	636,241	613,638	575,219	555,541	560,702	551,903	596,139	291,311	344,543	443,418
Number of total revenue miles (3)	1,921,355	1,818,495	1,797,688	1,920,898	2,065,209	2,207,396	2,570,042	1,955,617	2,793,161	3,019,595

Source: County Budget book and various department data

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

\* Estimates based on 2019 budget book or average.

(1) --- Data are not available

(2) Beginning in 2021, Housing split from Aging & Human Services and became part of Planning, Housing and Community Development..

(3) Beginning in 2022, mileage estimates provided by Johnson County Transit, with revised estimates for prior years.

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

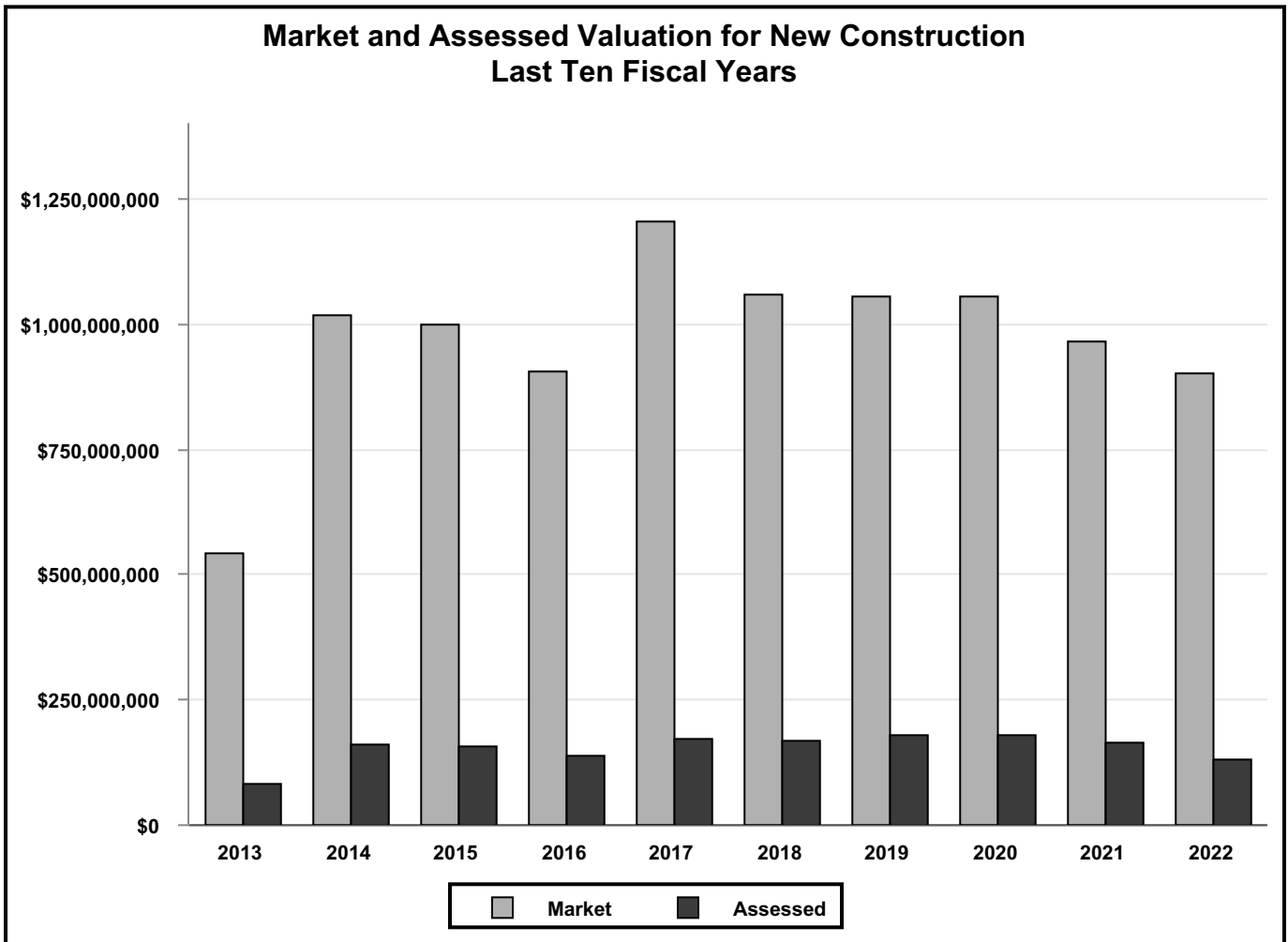
	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GOVERNMENTAL ACTIVITIES:</b>										
<b><u>General Government</u></b>										
Department of Motor Vehicle buildings	2	2	2	2	2	2	2	2	2	2
<b><u>Public Works</u></b>										
Miles of hard surface pavement	245	237	242	233	234	235	230.5	231	236	228
Miles of gravel surface	186	185	179	173	173	168	170.45	164	150	152
<b><u>Public Safety</u></b>										
Med-Act Stations	17	17	17	17	17	19	19	19	19	19
Jails	2	2	2	2	2	2	2	2	2	2
Courthouse	1	1	1	1	1	1	1	2	1	1
<b><u>Health and Human Services</u></b>										
Community Assistance Centers	6	6	6	4	4	4	4	4	4	4
<b><u>Culture and Recreation</u></b>										
Number of Libraries	13	13	13	13	13	13	14	14	14	14
Museums	3	3	3	2	2	2	2	2	2	2
Parks	18	18	18	18	18	18	18	18	18	18
<b>BUSINESS-TYPE ACTIVITIES:</b>										
<b><u>Airport</u></b>										
Number of Airports	2	2	2	2	2	2	2	2	2	2
<b><u>Johnson County Wastewater</u></b>										
Total existing footage of sewer line	11,662,083	11,729,245	11,884,995	11,944,712	12,105,880	12,227,256	12,303,083	12,354,003	12,417,120	12,495,665
Total existing sewer permits	118,320	119,633	119,672	121,358	122,801	124,021	124,972	126,493	127,982	128,914
Water Treatment Plants	6	6	6	6	6	6	6	6	6	6
<b><u>Transportation</u></b>										
Approximate Total of County Public Transportation Vehicles	100	90	90	90	90	90	92	92	91	95

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**

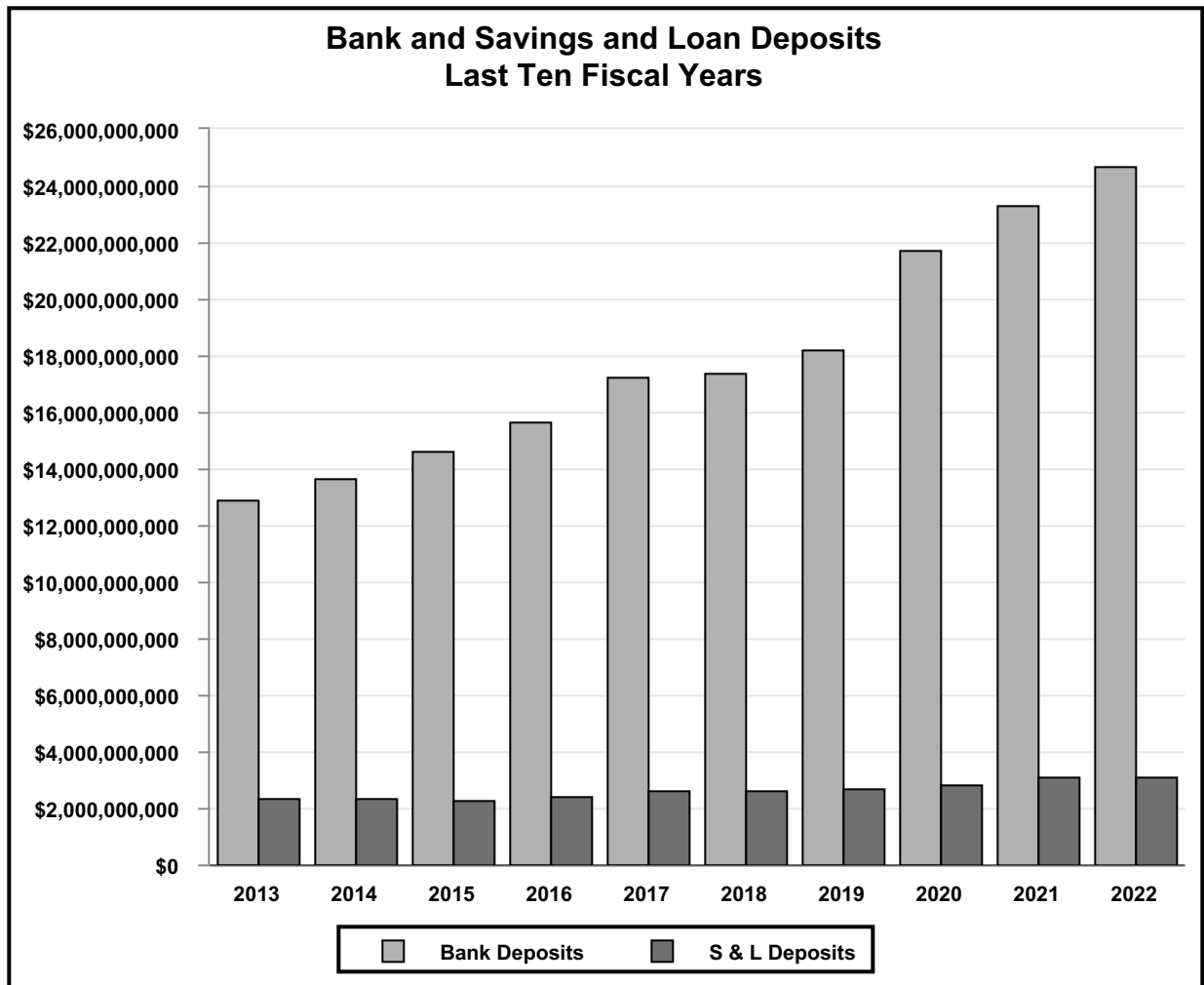
Year	Estimated Market Value Residential	Estimated Market Value Commercial	Assessed Value of New Residential Construction	Assessed Value of New Commercial Construction	Number of Residential Units	Number of Commercial Units
2022	\$ 690,867,110	\$ 212,582,800	\$ 79,449,910	\$ 53,145,735	2,525	138
2021	571,764,740	392,503,930	65,873,806	98,126,029	1,650	169
2020	612,605,080	521,422,110	70,562,515	130,694,071	1,615	183
2019	633,621,440	422,118,310	72,926,310	105,499,638	1,896	226
2018	706,209,580	354,320,330	81,383,106	88,580,051	2,218	189
2017	901,409,300	303,273,590	103,698,432	68,108,336	2,824	185
2016	645,852,120	259,826,900	74,273,124	64,956,766	1,754	139
2015	697,394,660	302,738,910	80,200,429	75,684,760	1,835	148
2014	686,017,360	332,466,050	78,892,015	83,116,545	1,722	154
2013	404,816,800	138,868,770	46,553,915	34,717,223	1,356	115



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
2022	57	\$ 24,713,188,000	24	\$ 3,089,349,000
2021	60	23,310,788,000	25	3,078,362,000
2020	58	21,755,638,000	24	2,844,884,000
2019	55	18,238,370,000	26	2,693,414,000
2018	55	17,361,000,000	25	2,631,000,000
2017	55	17,226,000,000	26	2,598,000,000
2016	58	15,682,000,000	25	2,432,000,000
2015	58	14,601,000,000	26	2,305,000,000
2014	55	13,678,000,000	26	2,355,000,000
2013	57	12,868,000,000	25	2,319,000,000

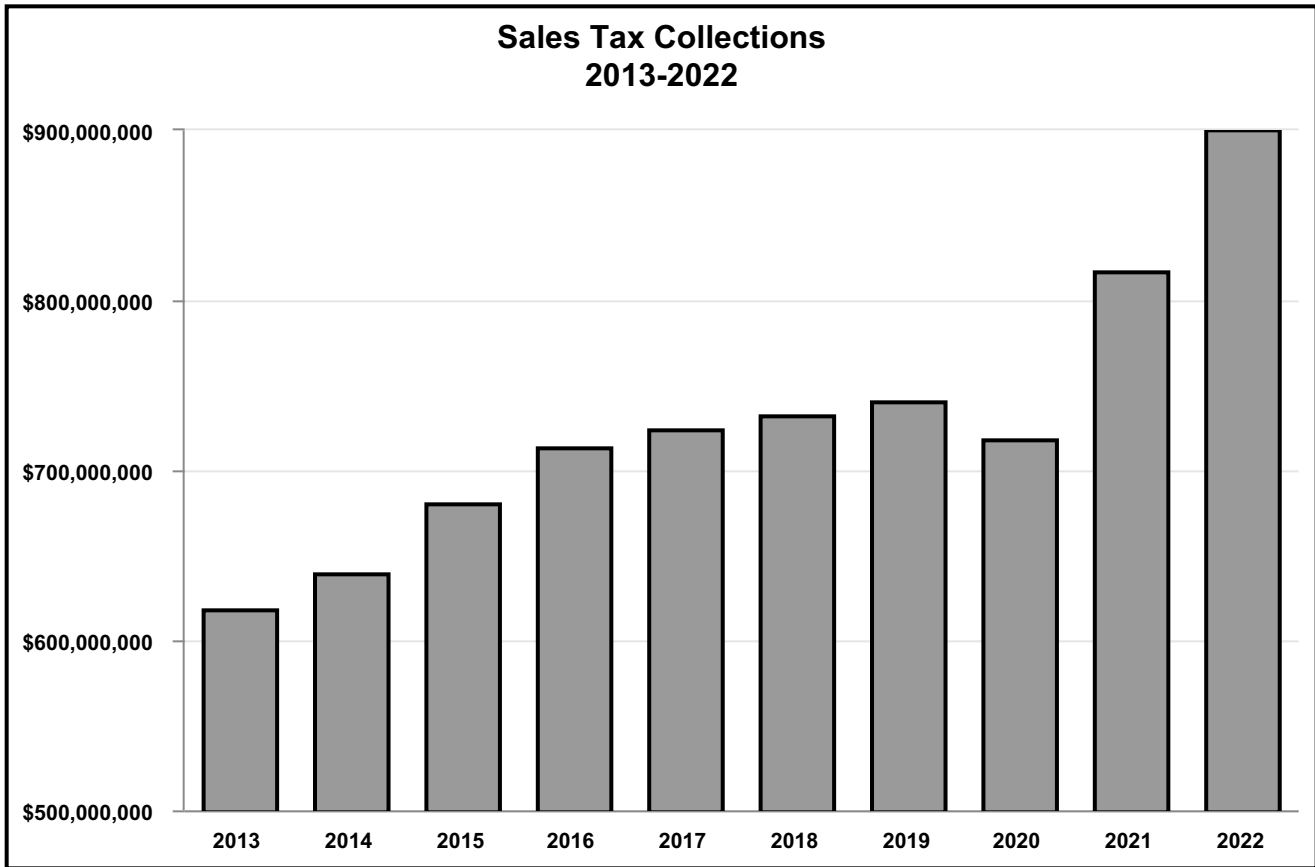


(1) Federal Deposit Insurance Corporation.



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

<b>Year</b>	<b>Gross Sales</b>	<b>Increase (Decrease) Over 2013 Base</b>	<b>Increase (Decrease) Over Previous Year</b>	<b>Sales Tax Collections</b>	<b>Increase (Decrease) Over 2013 Base</b>	<b>Increase (Decrease) Over Previous Year</b>
2022	\$ 24,280,999,491	32.74%	10.05%	\$ 900,377,692	45.44%	10.10%
2021	22,063,476,313	20.62%	9.67%	817,749,811	32.10%	13.72%
2020	20,118,761,124	9.99%	-3.82%	719,104,931	16.16%	-3.01%
2019	20,917,422,529	21.07%	-0.72%	741,411,569	44.35%	1.23%
2018	21,069,978,069	21.95%	4.49%	732,390,863	42.60%	1.07%
2017	20,164,576,414	16.71%	0.40%	724,610,436	41.08%	1.55%
2016	20,084,092,444	16.24%	-1.28%	713,544,502	38.93%	4.70%
2015	20,344,258,077	17.75%	4.04%	681,485,916	32.69%	6.40%
2014	19,554,559,954	13.18%	6.90%	640,502,450	24.71%	3.46%
2013	18,291,596,707			619,060,573		



Source: Kansas Department of Revenue  
State Planning & Research

\* State sales tax rate increased from 6.15% to 6.5% July 1, 2015.

**Johnson County, Kansas**  
**Payroll By Industry**  
and  
**Tax Rates for Selected Kansas Counties**  
December 31, 2022

**Payroll By Industry**

Type of Industry	Number of Employees	Number of Firms	Gross Payroll
Accommodation and food services	29,848	849	\$ 510,137,000
Administrative, support, waste mgmt and remediation services	38,538	1,073	1,483,387,000
Arts, entertainment, and recreation	11,898	506	220,290,000
Educational services	5,096	414	168,124,000
Finance and insurance	28,596	1,248	2,369,690,000
Health care and social assistance	79,874	3,108	4,037,600,000
Other services (except public administration)	15,348	1,856	557,758,000
Professional, scientific, and technical services	60,998	5,284	4,696,940,000
Real estate and rental and leasing	5,204	869	264,832,000
Retail trade	37,452	1,320	1,046,520,000
Transportation and warehousing(106)	20,474	354	775,123,000
Utilities	575	8	56,645,000
Wholesale trade	16,313	845	1,173,152,000
Total	<u>350,214</u>	<u>17,734</u>	<u>\$ 17,360,198,000</u>

Source: U.S. Census Bureau (Based On Most Recent 2017 Data Available)  
Excludes government employees and self-employed individuals.

**2022 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	17.772	96	Woodson	97.379
2	Sedgwick	29.368	97	Smith	99.262
3	Pottawatomie	29.888	98	Phillips	104.232
4	McPherson	30.326	99	Morton	104.921
5	Rice	31.819	100	Rush	105.285
6	Brown	31.885	101	Hodgeman	108.282
7	Butler	32.093	102	Hamilton	118.025
8	Cherokee	33.204	103	Stanton	125.554
9	Leavenworth	35.924	104	Comanche	135.112
10	Nemaha	36.725	105	Greely	153.984

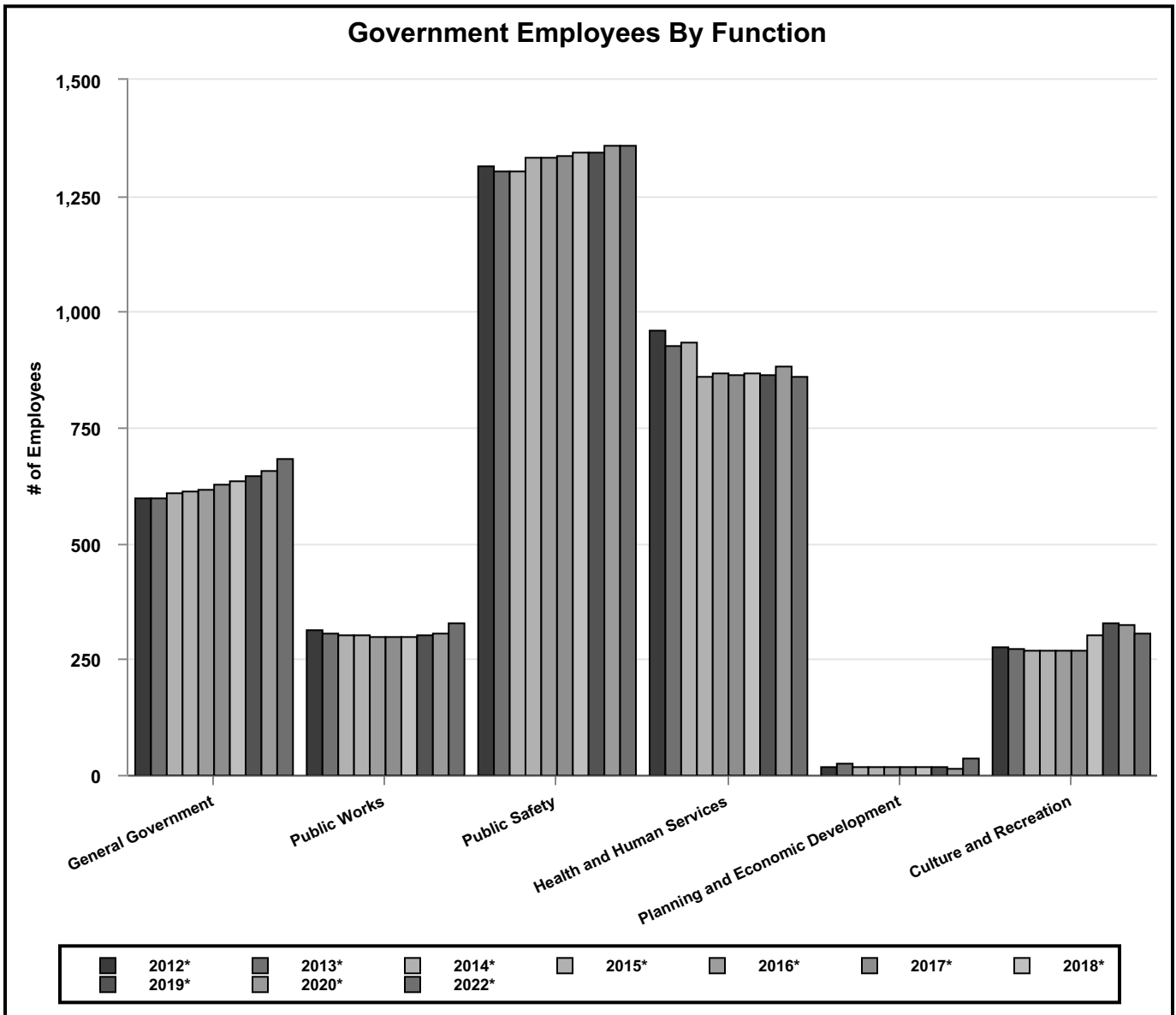
Source: League of Kansas Municipalities

\* Per \$1,000 assessed valuation

(1) Taxes levied in 2021 are due December 20, 2021 but may be paid 50% by December 20, 2021 and 50% by May 10, 2022.

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

	<u>2013*</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
<b>General Government</b>	600	610	612	617	629	637	644.75	659	668	683
<b>Public Works</b>	307	302	304	300	300	299	303.01	307	326	327
<b>Public Safety</b>	1,305	1,304	1,334	1,335	1,338	1,344	1,344.07	1,359	1,358	1,360
<b>Health and Human Services</b>	929	935	859	868	863	870	865.53	883	855	861
<b>Planning and Economic Development</b>	27	18	18	18	18	18	18.25	14	38	38
<b>Culture and Recreation</b>	272	270	271	271	271	304	327.79	326	305	305
<b>Total</b>	<u>3,440</u>	<u>3,439</u>	<u>3,398</u>	<u>3,409</u>	<u>3,419</u>	<u>3,472</u>	<u>3,503.4</u>	<u>3,547</u>	<u>3,550</u>	<u>3,575</u>

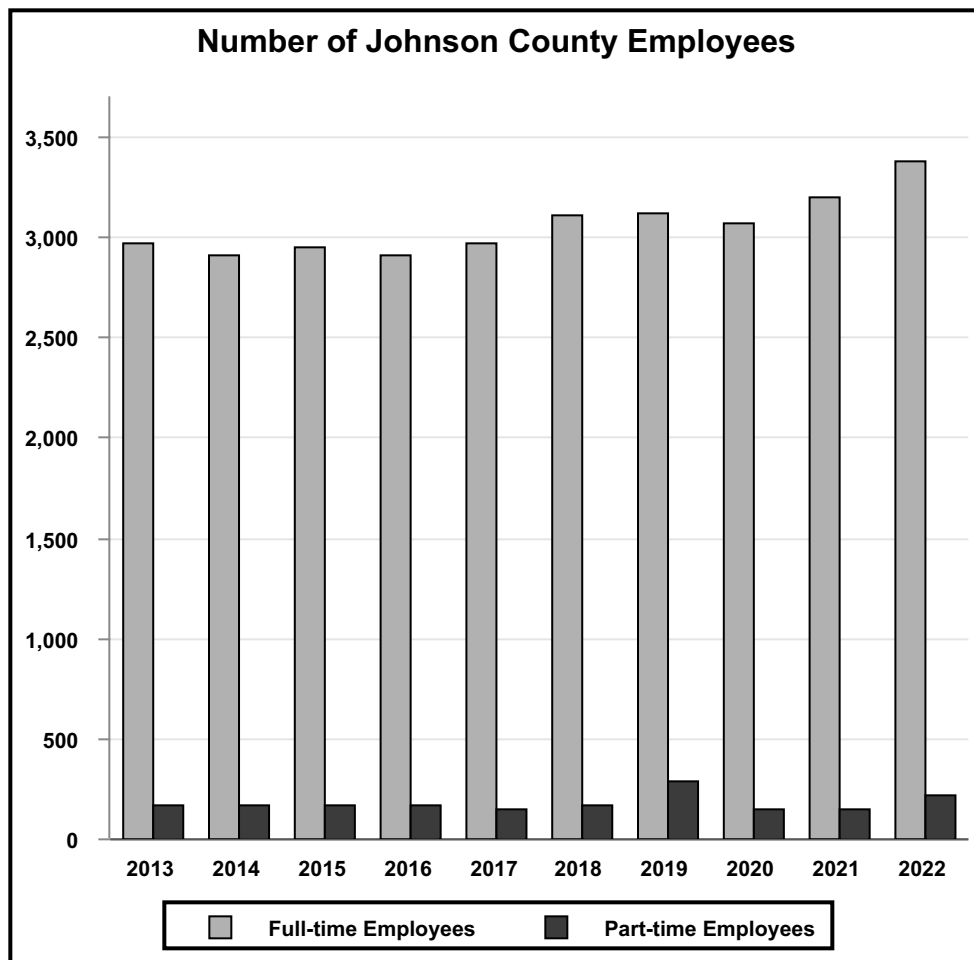


\*Twenty unfunded FTE positions have been added to the annual budget for countywide use since 2011. These additional FTE's are reset each budget cycle so there is no cumulative effect. For years 2011-2014 the additional FTE's were reported under "Planning and Economic Development". Beginning in 2015 the additional FTE's will be reported under "General Government" given their designation for countywide use. 2011-2014 historical amounts for both functions have been re-stated accordingly.

Source: County Budget Department

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

<b>Year</b>	<b>Number of Johnson County Full-time Employees</b>	<b>Number of Johnson County Part-time Employees</b>
2022	3,382	217
2021	3,206	150
2020	3,074	150
2019	3,118	289
2018	3,109	168
2017	2,973	146
2016	2,913	171
2015	2,952	166
2014	2,915	174
2013	2,975	166



Source: Johnson County Payroll System.

**Johnson County, Kansas**  
**County Road System**  
and  
**Johnson County Wastewater Statistics**  
December 31, 2022

**County Road System**

<b>Pavement</b>	<b>Area</b>
Hard surface                      227.97 miles	478 square miles
Gravel surface                      151.5 miles	
Total miles: <u>379.47</u> miles	

Source: Johnson County Public Works

**Johnson County Wastewater**

<b>Sewer District</b>	<b>Footage of Sewer Line</b>		<b>Sewer Permits</b>	
	<b>Added in 2022</b>	<b>Total</b>	<b>Issued in 2022</b>	<b>Total</b>
Blue River Main	25,901	1,871,845	429	18,546
Douglas L Smith/Middle Basin	791	972,560	5	11,283
Kansas City, Missouri	2,955	2,156,415	7	1,711
Mill Creek Regional	42,485	3,044,882	345	23,451
Mission Main	111	1,387,818	3	19,007
New Century Air Center	4,161	152,909	17	929
Tomahawk	2,079	1,610,162	105	36,911
Turkey Creek	953	1,299,074	21	17,076
<b>TOTAL</b>	<u>79,436</u>	<u>12,495,665</u>	<u>932</u>	<u>128,914</u>

Source: Johnson County Wastewater

**Johnson County, Kansas**  
**Summary of Insurance in Force**  
December 31, 2022

Company	Term	Coverage	Liability
Factory Mutual Ins. Co.	01/01/22 - 01/01/23	Real and personal property, boiler & machinery, and all other physical assets (blanket limit)	\$ 750,000,000
Tokio Marine -Houston Casualty	01/01/22 - 01/01/23	Law Enforcement Professional Liability – Sheriff’s Operations (1)	5,000,000
Tokio Marine -Houston Casualty	01/01/22 - 01/01/23	Law Enforcement Professional Liability – Sheriff’s Operations (2)	5,000,000
Tokio Marine -Houston Casualty	04/12/22 - 01/01/23	Premises & Professional Liability - Dept of Corrections Adult Services (1)	1,000,000
Tokio Marine -Houston Casualty	04/12/22 - 01/01/23	Premises & Professional Liability - Dept of Corrections Adult Services (2)	1,000,000
Tokio Marine -Houston Casualty	07/01/22 - 01/01/23	Premises & Professional Liability – Dept of Corrections Juvenile Detention (1)	2,000,000
Tokio Marine -Houston Casualty	07/01/22 - 01/01/23	Premises & Professional Liability – Dept of Corrections Juvenile Detention (2)	2,000,000
Self-Insured	01/01/22 - 01/01/23	Workers’ Compensation & Employers Liability (3)	500,000
Midwest Employers Casualty Co.	01/01/22 - 01/01/23	Workers’ Compensation Specific Excess - Self-Insured Retention	Statutory Limit
Midwest Employers Casualty Co.	01/01/22 - 01/01/23	Employers’ Liability (3)	1,000,000
Hartford Fire Ins. Group	08/26/22 - 08/26/23	Public Official Bond - County Treasurer	1,750,000
Liberty Mutual Ins. Co.	09/01/22 - 09/01/23	Public Official Bond - Health Officer	500
Liberty Mutual Ins. Co.	11/15/22 - 11/15/23	Public Official Bond - County Engineer	2,500
Liberty Mutual Ins. Co.	01/14/22 - 01/14/23	Public Official Bond - Sheriff	10,000
Hartford Fire Ins. Group	01/01/22 - 01/01/23	Public Employees Blanket Bond & Faithful Performance Bond (1)	1,000,000
Hartford Fire Ins. Group	01/01/22 - 01/01/23	Crime - Theft Disappearance and Destruction (1)	2,000,000
Travelers	01/01/22 - 01/01/23	Fiduciary Liability (1)	1,000,000
Philadelphia Ins. Co.	01/01/22 - 01/01/23	Premises & Professional Liability - JCDS (1)	1,000,000
Philadelphia Ins. Co.	01/01/22 - 01/01/23	Premises & Professional Liability – JCDS (2)	3,000,000
Philadelphia Ins. Co.	01/01/22 - 01/01/23	Premises & Professional Liability - Adolescent Center for Treatment (1)	1,000,000
Philadelphia Ins. Co.	01/01/22 - 01/01/23	Premises & Professional Liability - Adolescent Center for Treatment (2)	3,000,000
Sturo - Ace Property and Casualty Ins. Co.	01/01/22 - 01/01/23	Airport Liability (1),(2)	10,000,000
Genesis Ins. Co.	01/01/22 - 01/01/23	Excess Automobile Liability - Self-Insured Retention: \$500,000 (3),(4)	3,000,000
Genesis Ins. Co.	01/01/22 - 01/01/23	Excess General Liability - Self-Insured Retention: \$500,000 (1),(3)	3,000,000
Genesis Ins. Co.	01/01/22 - 01/01/23	Excess General Liability - Self-Insured Retention: \$500,000 (2)	6,000,000
Genesis Ins. Co.	01/01/22 - 01/01/23	Public Officials E&O incl – Employment Practices Liability Self-insured Retention: \$500,000 (1)	3,000,000
Genesis Ins. Co.	01/01/22 - 01/01/23	Public Officials E&O incl – Employment Practices Liability Self-insured Retention: \$500,000 (2)	6,000,000
Philadelphia Ins. Co.	01/01/22 - 01/01/23	Professional Liability - Mental Health (1)	1,000,000
Philadelphia Ins. Co.	01/01/22 - 01/01/23	Professional Liability - Mental Health (2)	3,000,000
Medical Protective Co.	01/01/22 - 01/01/23	Professional Liability - Dept of Health & Environment(1)	1,000,000
Medical Protective Co.	01/01/22 - 01/01/23	Professional Liability - Dept of Health & Environment (2)	3,000,000
Evanston Ins. Co.	01/01/22 - 01/01/23	Switch Engine Physical Damage	1,218,624
Aspen Specialty Insurance Co.	01/01/22 - 01/01/23	Switch Engine Liability (1)	1,000,000
Aspen Specialty Insurance Co.	01/01/22 - 01/01/23	Switch Engine Liability (2)	3,000,000
Tokio Marine -Houston Casualty	01/01/22 - 01/01/23	Data Security/Cyber Liability (1),(2)	2,500,000
Allied World Surplus Lines Ins Co.	01/01/22 - 01/01/23	Storage Tank Liability (5),(2)	1,000,000

(1) per occurrence, (2) aggregate, (3) combined single limit and (4) each accident, (5) per claim (claims-made policy)

Source: Johnson County Risk Management

**BID INFORMATION: NOTICE OF BOND SALE AND BID FORMS**

**NOTICE OF BOND SALE**

**JOHNSON COUNTY, KANSAS**

**\$11,730,000\***

**GENERAL OBLIGATION INTERNAL IMPROVEMENT BONDS  
SERIES 2023A**

**\$5,110,000\***

**TAXABLE GENERAL OBLIGATION INTERNAL IMPROVEMENT BONDS  
SERIES 2023B**

(GENERAL OBLIGATION BONDS PAYABLE  
FROM UNLIMITED AD VALOREM TAXES)

**Bids.** Bids for the purchase of the above-referenced bonds (respectively, the “Series 2023A Bonds” and the “Series 2023B Bonds,” and collectively, the “Bonds”) of Johnson County, Kansas (the “Issuer” or “County”) herein described, will be received on behalf of the undersigned, on August 9, 2023 (the “Sale Date”) until the following times:

<u>Issue</u>	<u>Bid Time (the “Submittal Hour”)</u>
Series 2023A Bonds	10:30 a.m. Central Time
Series 2023B Bonds	10:00 a.m. Central Time

Bids may only be submitted via **PARITY**<sup>®</sup> or via email to the Municipal Advisor at bids@bakertilly.com. Fax bids and hand-delivered written bids **will not** be accepted.

Separate bids must be submitted for each series of Bonds if a bidder wishes to submit a bid on both series of Bonds. All bids will be publicly evaluated at said time and place and the award of the Bonds to the successful bidder(s) (the “Successful Bidder”) will be acted upon by the Board of County Commissioners of the Issuer (the “Governing Body”) at its meeting to be held at 9:30 a.m. on August 10, 2023. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Bonds.

**Terms of the Bonds.** The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Bonds will be dated September 7, 2023 (the “Dated Date”), and will become due in principal installments on September 1 in the years as follows:

\*Preliminary; subject to change as provided herein.

**SERIES 2023A BONDS**

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2030	\$40,000	2042	\$495,000
2031	50,000	2043	535,000
2032	60,000	2044	570,000
2033	75,000	2045	615,000
2034	160,000	2046	655,000
2035	200,000	2047	705,000
2036	300,000	2048	750,000
2037	330,000	2049	800,000
2038	360,000	2050	855,000
2039	395,000	2051	915,000
2040	430,000	2052	975,000
2041	460,000	2053	1,000,000

**SERIES 2023B BONDS**

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2034	\$55,000	2044	\$275,000
2035	75,000	2045	290,000
2036	130,000	2046	320,000
2037	140,000	2047	345,000
2038	160,000	2048	375,000
2039	170,000	2049	405,000
2040	190,000	2050	440,000
2041	210,000	2051	470,000
2042	230,000	2052	510,000
2043	245,000	2053	75,000

The Bonds will bear interest from the Dated Date at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2024 (the “Interest Payment Dates”).

**Authority, Purpose and Security of the Bonds.** The Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, including K.S.A. 10-101 *et seq.*, inclusive, K.S.A 10-620 *et seq.*, and K.S.A. 3-301 *et seq.*, all as amended and supplemented from time to time, and resolutions adopted by the Governing Body (together, the “Bond Resolution”) for the purpose of paying the cost of certain internal improvements (the “Improvements”). The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

**Adjustment of Issue Size.** In order to properly size each series of Bonds, the Issuer reserves the right to increase or decrease the total principal amount of either series of the Bonds and the schedule of principal payments described above, depending on the purchase price and interest rates bid and the offering prices specified by the respective Successful Bidder. The principal amount of any maturity may be adjusted by the Issuer in order to properly size the Bonds based on the discount and interest rates bid on the Bonds.

\*Preliminary; subject to change as provided herein.



The Successful Bidders may not withdraw their bid or change the interest rates bid as a result of any changes made to the total principal amount of the series of Bonds or principal of any maturity as described herein. If there is an increase or decrease in the final total principal amount of the series of Bonds or the schedule of principal payments as described above, the Issuer will notify the respective Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 4:00 p.m. Central Time, on the Sale Date. The actual purchase price for the respective Bonds shall be calculated by applying the percentage of par value bid by each Successful Bidder against the final aggregate principal amount of the respective Bonds, as adjusted, plus accrued interest from the Dated Date to the Closing Date (as hereinafter defined).

**Place of Payment.** The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”). The principal of each Bond will be payable at maturity or earlier redemption to the owner thereof whose name is on the registration books (the “Bond Register”) of the Bond Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Paying Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the “Record Date”) (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

**Bond Registration.** The Bonds will be registered pursuant to a plan of registration approved by the Issuer and the Attorney General of the State of Kansas (the “State”). The Issuer will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

**Book-Entry-Only System.** The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in “book entry” form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.

### **Redemption of Bonds Prior to Maturity.**

**General.** Whenever the Issuer is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

**Optional Redemption.** At the option of the Issuer, Bonds maturing on September 1 in the years 2034, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2033, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

**Mandatory Redemption.** A bidder may elect to have all or a portion of the Bonds scheduled to mature in consecutive years issued as term bonds (the "Term Bonds") scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY®.

**Notice and Effect of Call for Redemption.** Unless waived by any owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the Redemption Date. All notices of redemption shall state the Redemption Date, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption. The Issuer shall also give such additional notice as may be required by State law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the Redemption Date, provided funds are available for its payment at the price hereinbefore specified.

**Submission of Bids.** Separate bids must be submitted for each series of Bonds if a bidder wishes to submit a bid on both series of Bonds. Electronic bids via PARITY® must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. If provisions of this Notice of Bond Sale conflict with those of PARITY®, this Notice of Bond Sale shall control. Emailed bids may be submitted to the Municipal Advisor at bids@bakertilly.com. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately. Neither the Issuer nor the Municipal Advisor shall be responsible for failure of transmission of any bid. ***Any bidder desiring to have the Municipal Advisor assist in the delivery of such bidder's bid should provide pertinent bidding information to the Municipal Advisor not later than 30 minutes prior to the Submittal Hour on the Sale Date.***

**PARITY®.** Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

**Conditions of Bids.** Bids may be submitted for one or both series of the Bonds. Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Bonds of the same maturity year; (b) **no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by THE BOND BUYER, in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus (i) 3.00% for the Series 2023A Bonds or (ii) 4.00% for the Series 2023B Bonds;** (c) no supplemental interest payments will be considered; and (d) each interest rate specified shall be a multiple of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98% or greater. No bid for less than **100.00%** of the principal amount of the Series 2023A Bonds and accrued interest thereon to the date of delivery will be considered. No bid for less than **98.50%** of the principal amount of the Series 2023B Bonds and accrued interest thereon to the date of delivery will be considered. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form; the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Series 2023A Bonds, it will provide the certification described under the caption “Establishment of Issue Price” in this Notice.

**Good Faith Deposit.** Each Successful Bidder must supply a good faith deposit (the “Deposit”) in the amount of 2.00% of the principal amount of the respective series of Bonds, payable to the order of the Issuer to secure the Issuer from any loss resulting from the failure of the Successful Bidder to comply with the terms of its bid. The Deposit **must be received by the Issuer prior to 2:00 p.m. Central Time on the Sale Date.** The Deposit shall be submitted by wire transfer in federal funds, immediately available for use by the Issuer (wire transfer information may be obtained from the Issuer or the Municipal Advisor at the addresses set forth under the caption “Additional Information” below).

Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to Leslie.Friedel@jocogov.org and bids@bakertilly.com including notification that a wire transfer has been made and the amount of the wire transfer. No interest on the Deposit will be paid by the Issuer. The Deposit will be held by the Issuer until the Successful Bidder has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder or deducted from the purchase price of the respective series of Bonds at the option of the Issuer. If a bid is accepted, but the Issuer fails to deliver the Bonds to the Successful Bidder in accordance with the terms and conditions of this Notice, said Deposit will be returned to the Successful Bidder. If the Successful Bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the Issuer as and for liquidated damages.

**Basis of Award.** Subject to the timely receipt of the Deposit set forth above, the award of the Bonds will be made on the basis of the lowest true interest cost (“TIC”), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on such Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including adjustments for premium, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Bonds on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the Issuer or the bidder. The Issuer or its Municipal Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical

amounts for the lowest TIC are received, the Governing Body will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within the State with regard to such dispute.

The Issuer's acceptance, including electronic acceptance through PARITY®, of the Successful Bidder's proposal for the purchase of the Bonds in accordance with this Notice of Bond Sale shall constitute a bond purchase agreement between the Issuer and each Successful Bidder for purposes of the laws of the State and a contract between the Issuer and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and Rule G-32 of the Municipal Securities Rulemaking Board ("Rule G-32"). The method of acceptance shall be determined solely by the Governing Body.

**Bond Ratings.** The outstanding general obligation bonds of the Issuer are rated "Aaa" by Moody's Investors Service, "AAA" by Fitch Ratings, and "AAA" by S&P Global Ratings, a division of S&P Global Inc. The Issuer has applied to Moody's Investors Service, Fitch Ratings and S&P Global Ratings, a division of S&P Global Inc., for a rating on the Bonds herein offered for sale.

**CUSIP Numbers.** CUSIP identification numbers will be assigned and printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. The Municipal Advisor will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the Issuer.

**Delivery and Payment.** The Issuer will pay for preparation of the Bonds and will deliver the Bonds properly prepared, executed and registered without cost on or about **SEPTEMBER 7, 2023** (the "Closing Date"), to DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Bond of each maturity registered in the nominee name of DTC.

**Establishment of Issue Price.** In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Successful Bidder for the Series 2023A Bonds will be required to assist the Issuer in establishing the "issue price" of the Series 2023A Bonds and complete, execute and deliver to the Issuer prior to the Closing Date, a written certification in a form acceptable to the Successful Bidder, the Issuer and Bond Counsel (the "Issue Price Certificate") containing the following for the maturity of the Series 2023A Bonds purchased by such Successful Bidder: (1) the interest rate; (2) the reasonably expected initial offering price to the "public" (as said term is used in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (3) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Series 2023A Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Series 2023A

Bonds for sale to the public. Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received by the Municipal Advisor or Bond Counsel on behalf of the Issuer.

The Issuer intends that the sale of the Bonds pursuant to this Notice shall constitute a “competitive sale” as defined in the Regulation. In support thereof: (1) the Issuer shall cause this Notice to be disseminated to potential bidders in a manner reasonably designed to reach potential bidders; (2) all bidders shall have an equal opportunity to submit a bid; (3) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and (4) the Issuer anticipates awarding the sale of the Bonds to the bidder that provides a bid with the lowest TIC in accordance with the section hereof entitled “Basis of Award.”

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds as specified therein. The Successful Bidder shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the Successful Bidder confirms that it shall require any agreement among underwriters, a selling group agreement or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the Successful Bidder of such fact at the time of award of the sale of the Series 2023A Bonds to the Successful Bidder and the following provisions shall apply to the Series 2023A Bonds. ***In such event, any bid submitted will not be subject to cancellation or withdrawal.*** Within twenty-four (24) hours of the notice of award of the sale of the Series 2023A Bonds, the Successful Bidder shall advise the Issuer if a “substantial amount” (as defined in the Regulation (10%)) of any maturity of the Series 2023A Bonds has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The Issuer will ***not*** require the Successful Bidder to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Successful Bidder may elect such option. If the Successful Bidder exercises such option, the Issuer will apply the initial offering price to the public provided in the bid as the issue price for such maturities. If the Successful Bidder does not exercise that option, it shall thereafter promptly provide the Issuer the prices at which a substantial amount of such maturities are sold to the public. ***Any change in the issue price of any of the Bonds after the Submittal Hour will not affect the purchase price for the Bonds submitted in the bid of the Successful Bidder.***

This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

**Preliminary Official Statement and Official Statement.** The Issuer has prepared a Preliminary Official Statement dated on or about July 28, 2023, “deemed final” by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Issuer or from the Municipal Advisor. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder’s proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

**Continuing Disclosure.** In the Bond Resolution, the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the Bonds. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

**Assessed Valuation and Indebtedness.** The total assessed valuation of the taxable tangible property within the Issuer for the year 2022 was \$14,549,586,379. The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold is \$556,750,000.

**Legal Opinion.** The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel to the Issuer, which opinion will be furnished and paid for by the Issuer, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder(s) when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Series 2023A Bonds being excludable from gross income for federal income tax purposes and interest on the Bonds being exempt from income taxation by the State. Reference is made to the Preliminary Official Statement for further discussion of federal and State income tax matters relating to the interest on the Bonds.

**Electronic Transactions.** The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means. All bid documents, closing documents, certificates, resolutions and related instruments may be executed by electronic transmission.

**Additional Information.** Additional information regarding the Bonds may be obtained from the undersigned or from the Municipal Advisor at the addresses set forth below:

**DATED: July 28, 2023.**

**JOHNSON COUNTY, KANSAS**

By: Leslie Friedel  
111 South Cherry Street, Suite 2300  
Olathe, Kansas 66061  
Phone No.: (913) 715-0564  
Email: leslie.friedel@jocogov.org

***Municipal Advisor – Email Bid Address:***

Baker Tilly Municipal Advisors, LLC  
225 South 6th Street, Suite 2300  
Minneapolis, Minnesota 55402  
Attn: Bond Services  
Phone No.: (651) 223-3000  
Email: bids@bakertilly.com

**OFFICIAL BID FORM**  
 PROPOSAL FOR THE PURCHASE OF JOHNSON COUNTY, KANSAS  
 GENERAL OBLIGATION INTERNAL IMPROVEMENT BONDS, SERIES 2023A

TO: Leslie Friedel  
 Johnson County, Kansas

August 9, 2023

For \$11,730,000\* principal amount of General Obligation Internal Improvement Bonds, Series 2023A, of Johnson County, Kansas, to be dated September 7, 2023, as described in the Notice of Bond Sale dated July 28, 2023 (the "Notice"), said Bonds to bear interest as follows:

<u>Stated Maturity September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Stated Maturity September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>
2030	\$40,000	_____ %	2042	\$495,000	_____ %
2031	50,000	_____	2043	535,000	_____
2032	60,000	_____	2044	570,000	_____
2033	75,000	_____	2045	615,000	_____
2034	160,000	_____	2046	655,000	_____
2035	200,000	_____	2047	705,000	_____
2036	300,000	_____	2048	750,000	_____
2037	330,000	_____	2049	800,000	_____
2038	360,000	_____	2050	855,000	_____
2039	395,000	_____	2051	915,000	_____
2040	430,000	_____	2052	975,000	_____
2041	460,000	_____	2053	1,000,000	_____

\*Subject to change; see the Notice.

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount .....	\$11,730,000*
Plus Premium (if any) .....	_____
Total Purchase Price .....	\$ _____
Total interest cost to maturity at the rates specified .....	\$ _____
Net interest cost (adjusted for Premium) .....	\$ _____
True Interest Cost .....	_____ %

The Bidder elects to have the following Term Bonds:

<u>Maturity Date</u>	<u>Years</u>	<u>Amount*</u>
September 1, _____	_____ to _____	\$ _____
September 1, _____	_____ to _____	\$ _____

\*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice, including submittal of a wire transfer in the amount of 2.00% of the principal amount of the Bonds payable to the order of the Issuer, submitted in the manner set forth in the Notice as evidence of good faith. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means. All bid documents, closing documents, certificates, Resolutions and related instruments may be executed by electronic transmission. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: \_\_\_\_\_

(LIST ACCOUNT MEMBERS ON REVERSE)

By: \_\_\_\_\_

Telephone No. (\_\_\_\_) \_\_\_\_\_

**ACCEPTANCE**

Pursuant to action duly taken by the Board of County Commissioners of Johnson County, Kansas, the above proposal is hereby accepted on August 10, 2023.

Attest:

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Clerk

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Chair

**NOTE:** No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Email bids may be submitted to Baker Tilly Municipal Advisors, LLC at bids@bakertilly.com, electronic bids may be submitted via **PARITY**<sup>®</sup>, at or prior to 10:30 a.m., Central Time, on August 9, 2023. Any bid received after such time will not be accepted or shall be returned to the bidder.



**OFFICIAL BID FORM**  
 PROPOSAL FOR THE PURCHASE OF JOHNSON COUNTY, KANSAS  
 TAXABLE GENERAL OBLIGATION INTERNAL IMPROVEMENT BONDS, SERIES 2023B

TO: Leslie Friedel  
 Johnson County, Kansas

August 9, 2023

For \$5,110,000\* principal amount of Taxable General Obligation Internal Improvement Bonds, Series 2023B, of Johnson County, Kansas, to be dated September 7, 2023, as described in the Notice of Bond Sale dated July 28, 2023 (the "Notice"), said Bonds to bear interest as follows:

<u>Stated Maturity September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>	<u>Stated Maturity September 1</u>	<u>Principal Amount*</u>	<u>Annual Rate of Interest</u>
2034	\$55,000	_____ %	2044	\$275,000	_____ %
2035	75,000	_____	2045	290,000	_____
2036	130,000	_____	2046	320,000	_____
2037	140,000	_____	2047	345,000	_____
2038	160,000	_____	2048	375,000	_____
2039	170,000	_____	2049	405,000	_____
2040	190,000	_____	2050	440,000	_____
2041	210,000	_____	2051	470,000	_____
2042	230,000	_____	2052	510,000	_____
2043	245,000	_____	2053	75,000	_____

\*Subject to change; see the Notice.

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount .....	\$5,110,000*
Plus Premium (if any) .....	_____
Less Discount (not to exceed \$76,650 or 1.50%) .....	_____
Total Purchase Price .....	\$ _____
Total interest cost to maturity at the rates specified .....	\$ _____
Net interest cost (adjusted for [Discount and/or ]Premium) .....	\$ _____
True Interest Cost .....	_____ %

The Bidder elects to have the following Term Bonds:

<u>Maturity Date</u>	<u>Years</u>	<u>Amount*</u>
September 1, _____	_____ to _____	\$ _____
September 1, _____	_____ to _____	\$ _____

\*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice, including submittal of a wire transfer in the amount of 2.00% of the principal amount of the Bonds payable to the order of the Issuer, submitted in the manner set forth in the Notice as evidence of good faith. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means. All bid documents, closing documents, certificates, Resolutions and related instruments may be executed by electronic transmission. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: \_\_\_\_\_

(LIST ACCOUNT MEMBERS ON REVERSE)

By: \_\_\_\_\_  
 Telephone No. ( ) \_\_\_\_\_

**ACCEPTANCE**

Pursuant to action duly taken by the Board of County Commissioners of Johnson County, Kansas, the above proposal is hereby accepted on August 10, 2023.

Attest:

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Clerk

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Chair

**NOTE:** No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Email bids may be submitted to Baker Tilly Municipal Advisors, LLC at bids@bakertilly.com, electronic bids may be submitted via **PARITY**<sup>®</sup>, at or prior to 10:00 a.m., Central Time, on August 9, 2023. Any bid received after such time will not be accepted or shall be returned to the bidder.