

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS AUDIT REPORT

JOHNSON COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
12/31/2020



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Pamela J. Burton	01-01-19 to 12-31-20
Treasurer	Michele Ann Graves	01-01-19 to 12-31-20
Clerk	Trena McLaughlin	01-01-19 to 12-31-20
Sheriff	Duane E. Burgess	01-01-19 to 12-31-20
Recorder	Teresa K. Petro	01-01-19 to 12-31-20
President of the Board of County Commissioners	Brian P. Baird	01-01-19 to 12-31-20
President of the County Council	Joshua C. McCarty John Myers	01-01-19 to 12-31-19 01-01-20 to 12-31-20



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE JOHNSON COUNTY, INDIANA

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County (County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Johnson Memorial Hospital, which represents 85 percent, 80 percent, and 98 percent, respectively, of the total assets, total net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Johnson Memorial Hospital, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Budget/GAAP Reconciliation, Schedule of County's Proportionate Share of Net Pension Liability - Public Employees' Retirement Fund, Schedule of County Contributions - Public Employees' Retirement Fund, Schedule of Changes in County's Net Pension Liability and Related Ratios - Sheriff's Retirement Plan and Sheriff's Benefit Plan, Schedule of County's Contributions - Sheriff's Retirement Plan and Sheriff's Benefit Plan, Schedule of Investment Returns, Schedule of Changes in County's Total OPEB Liability, and Schedule of Net OPEB Liability, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds, Combining Balance Sheet - Nonmajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds, Combining Balance Sheet - Nonmajor Capital Projects Funds, Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds, Combining Statement of Fiduciary Net Position - Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds, Combining Statement of Net Position - Nonmajor Component Units, and Combining Statement of Activities - Nonmajor Component Units are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

The Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds, Combining Balance Sheet - Nonmajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds, Combining Balance Sheet - Nonmajor Capital Projects Funds, Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds, Combining Statement of Fiduciary Net Position - Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds, Combining Statement of Net Position - Nonmajor Component Units, and Combining Statement of Activities - Nonmajor Component Units are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds, Combining Balance Sheet - Nonmajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds, Combining Balance Sheet - Nonmajor Capital Projects Funds, Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds, Combining Statement of Fiduciary Net Position - Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds, Combining Statement of Net Position - Nonmajor Component Units, and Combining Statement of Activities - Nonmajor Component Units are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

December 17, 2020

## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2019

As management of Johnson County, Indiana, ("the County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. 2019 is the first year the County is presenting a Management Discussion and Analysis. As such, comparisons to prior year data are not available.

#### Financial Highlights

- Assets of the County exceeded liabilities at the close of the most recent fiscal year by \$109,362,609 (net position).
- The County's total net position increased by \$9,222,541 during 2019.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$52,390,210 an increase of \$4,425,483 compared with the prior year. Approximately 30.65% of the total amount in the combined ending fund balances, \$16,056,209 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$16,721,485 an increase of \$1,687,204 over 2018.
- The County's total bond related debt increased by \$645,000 during the current fiscal year. The net change was the result of a new bond issue, \$3,560,000 of 2019 General Obligation Bonds, Series A and \$2,915,000 of principal payments on existing debt.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 private-sector business.

The statement of net position presents information on all the County's assets and liabilities, with the difference between the two reported as net position. 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 government'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 the future fiscal periods (e.g., uncollected taxes and earned but unused vacation 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 safety, highways and streets, health and welfare and culture and recreation.

## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019 (Cont'd)

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The government-wide financial statements can be found on pages 20-23 of this report.

**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 the funds of the County can be divided into 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. 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 a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several individual governmental funds. 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, Highway/MVH restricted, and Wheel/Surtax – County Portion which are considered to be major funds. Data for the remaining County governmental funds are combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in the report. The County adopts an annual appropriated budget for its general fund, certain special revenue funds, debt service funds and certain capital projects funds. Budgetary comparison schedules have been provided for the general fund, Highway/MVH Restricted, and Wheel/Surtax–County Portion in the required supplementary information.

**Proprietary funds.** The County maintains one proprietary fund for internal services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses the internal service fund to account for medical and liability insurance. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fund financial statements start on page 24 of this report.

## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019 (Cont'd)

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**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 33 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgets for its major funds as well as a reconciliation between the budget schedules and fund financial statements. In addition, the County's funding progress for its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information. Required supplementary information can be found starting on page 98 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found starting on page 120 of this report.

#### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$109,362,609 at the close of the most recent fiscal year.

The largest portion, \$75,138,569 (68.7%), of the County's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. 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 used to liquidate these liabilities.

**JOHNSON COUNTY, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2019  
(Cont'd)

The following table reflects the condensed statement of County net position:

	2019
Current and other assets	\$ 85,446,515
Capital assets	81,084,493
Total assets	166,531,008
Deferred outflow of resources	2,600,329
Noncurrent liabilities	26,401,045
Other liabilities	8,901,164
Total liabilities	35,302,209
Deferred inflow of resources	24,466,519
Net investment in capital assets	75,138,569
Restricted net position	35,668,725
Unrestricted net position	(1,444,685)
Total net position	\$ 109,362,609

An additional portion of the County's net position, \$35,668,725 (32.6%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

**JOHNSON COUNTY, INDIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2019  
(Cont'd)

At the end of the current fiscal year, unrestricted net position was (\$1,444,685). A negative balance for unrestricted net position is more common for units of government like the County that utilize pay as you go policies for long-term debt, pensions and other post-employment benefits rather than accumulating assets in advance.

**Governmental Activities**

The following table provides a summary of changes in net position for the County.

**Johnson County, Indiana**  
**Changes in Net Position – Governmental Activities**

	<u>2019</u>
Revenues	
Program revenues:	
Charges for services	\$ 10,428,683
Operating grants and contributions	7,398,432
General revenues:	
Property taxes	20,202,635
Income taxes	14,476,038
Other Local Sources	9,852,122
Other	<u>9,405,570</u>
Total revenues	<u>71,763,480</u>
Expenses	
General government	27,668,830
Public safety	13,900,045
Highways and streets	16,950,879
Health and welfare	726,647
Culture and recreation	3,097,806
Interest expense	<u>196,732</u>
Total expenses	<u>62,540,939</u>
Change in net position	9,222,541
Net position-beginning	<u>100,140,068</u>
Net position at December 31	<u><u>\$ 109,362,609</u></u>

The County's net position from governmental activities increased by \$9,222,541 or 9.21% in 2019. Highlights of governmental activities revenues and expenses in 2019 include the following:

- Program revenues (charge for services) reported a total amount of \$10,428,683. The total amount is, comprised of general government revenue of \$5,559,213, public safety revenue of \$4,343,136, highway and streets revenue of \$35,435, and health and welfare revenue of \$490,899.
- Program revenues (operating grants and contributions) reported a total amount of \$7,398,432. The total amount is comprised of general government revenue of \$3,886,545, public safety revenue of \$1,258,395, highway and streets revenue of \$285,070, culture and recreation revenue of \$71,438 and health and welfare revenue of \$1,896,984.
- Property tax revenues in 2019 were \$20,202,635 and are reported net of circuit breaker tax credits.

**JOHNSON COUNTY, INDIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2019  
(Cont'd)

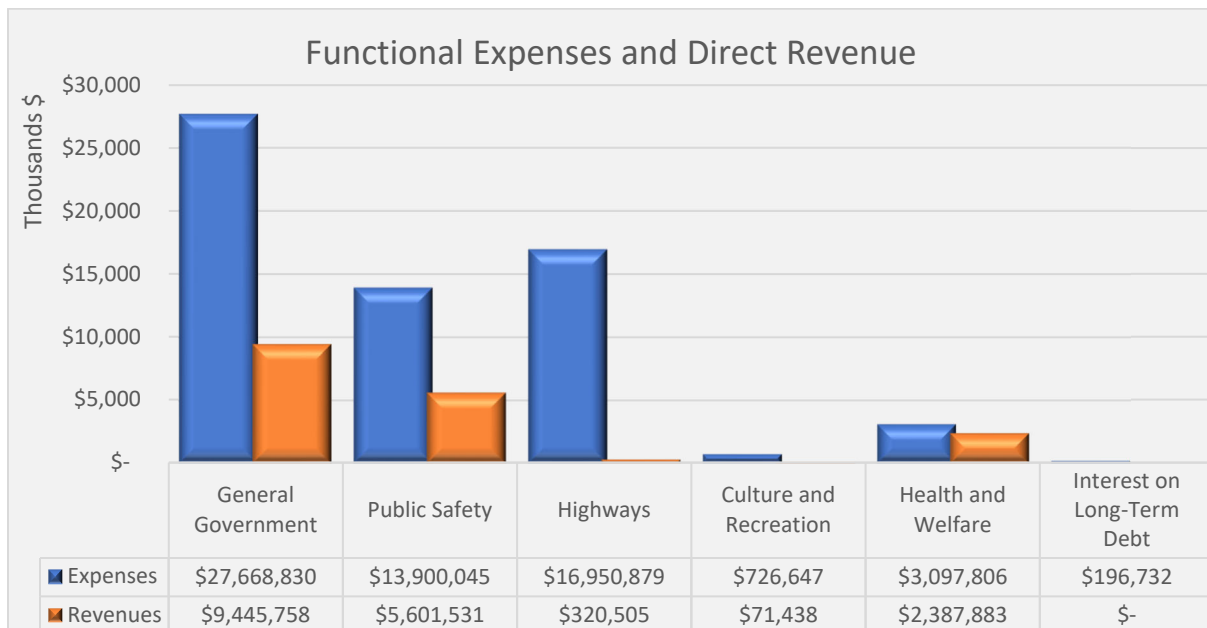
- Other general revenue \$33,733,730 included income taxes of \$14,476,038, other local sources of revenue (other taxes) of \$9,852,122, unrestricted grants and contributions of \$4,874,743, miscellaneous revenue of \$4,508,026, and gain on sale of assets of \$22,801.
- General government expenses reported a total amount of \$27,688,830.
- Public safety expenses reported a total amount of \$13,900,045.
- Highway and streets expenses reported a total amount of \$16,950,879.
- Health and welfare expenses reported a total amount \$3,097,806.
- Culture and recreation expenses reported a total amount \$726,647.
- Interest on debt service reported a total amount \$196,732.

The County's overall cash and investments position of \$55,491,302 is equal to an overall operating balance of nearly 90% of 2019 operating expenditures. The General Fund operating balance is 45.7%. The County's property tax rate, \$.3128 for 2019 was a slight increase from the \$.3123 for 2018, per \$100 of assessed value. The stability of the tax rate is reflection of stable to growing assessed values and levies remaining within parameters allowed for statewide annual levy growth.

The following displays the Expenses and Program Revenues of the County's governmental activities:

**Program Revenue and Expenses – Governmental Activities**

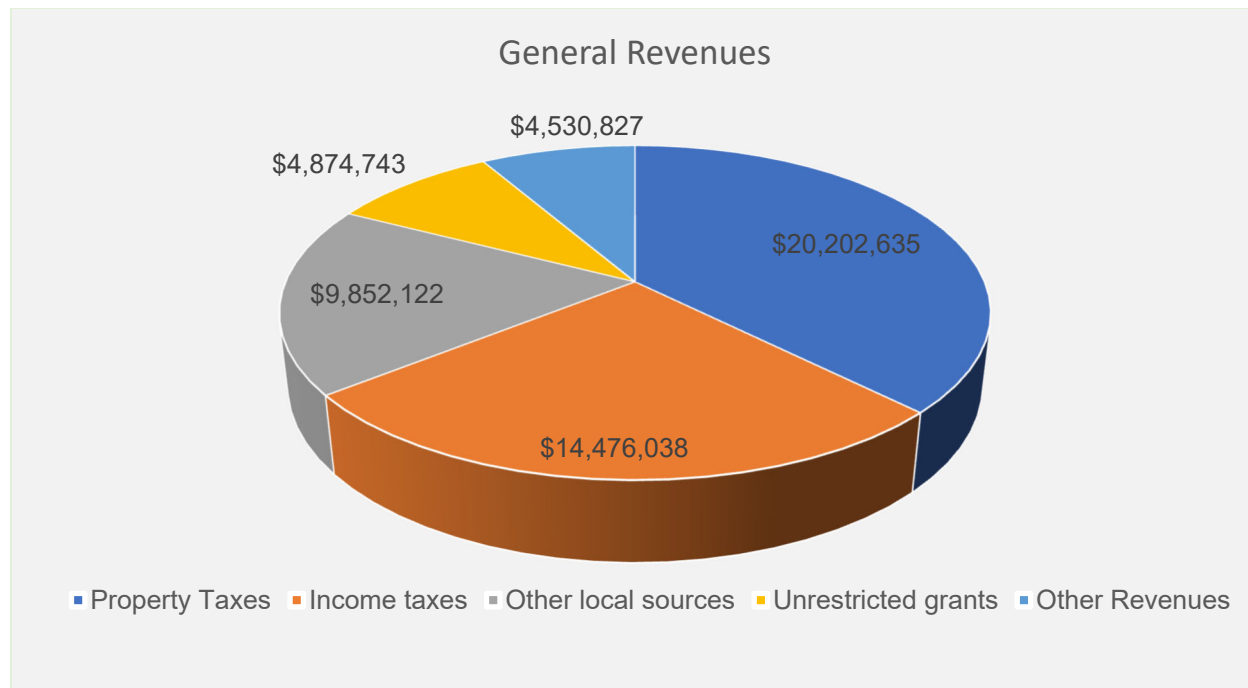
Taxes, as in prior years, were the County's major source of revenue supporting its activities, primarily in the area of general government, public safety, and highways. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following table displays program revenues as compared to program expenses. Deficits in programs are made up by general revenues.



## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019 (Cont'd)

The following displays the General Revenues by source for the County's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



#### Financial Analysis of the Government'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 spendable resources. Such information is useful to assess the County's financial requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balances are the differences between assets and liabilities and deferred amounts in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019 (Cont'd)

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As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$52,390,210 an increase of \$4,425,483 in comparison with the prior year. The fund balance has restricted fund balance of \$31,550,768, committed fund balance of \$4,743,233, assigned fund balance of \$40,000 and unassigned fund balance of \$16,056,209.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$16,681,485 while the total fund balance totaled \$16,721,485. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures of \$32,715,376 excluding transfers. Unassigned fund balance represents 51.0% of total general fund expenditures, while total fund balance represents 51.1% of that same amount.

The fund balance of the County general fund increased by \$1,687,204 during the current fiscal year. Comparison information for 2018 is not available. Key factors in this increase are as follows:

- Operating revenues exceeded operating expenditures by \$4,687,204 during 2019. From that operating surplus, the County transferred \$3,000,000 to the Rainy Day Fund.
- General Fund revenues include net property taxes of \$13,589,512; income taxes of \$14,476,038; other taxes of \$575,672; licenses and permits \$615,290; intergovernmental revenues, \$3,701,925; charges for services, \$1,242,076; fines and forfeitures \$181,113; and miscellaneous \$3,020,954.
- Major general fund expenditures include general government, \$20,171,537; public safety \$11,287,667; culture and recreation \$273,323; health and welfare \$865,726; debt service \$103,871; and capital outlays of \$13,252.

#### General Fund Budgetary Highlights

The County submits annual budgets to align planned spending with available revenues to ensure operational accountability over County resources. This process correlates with longer term fiscal planning to help ensure that the County can continue to provide services in all economic conditions. Assumptions used at the time of budget adoption are adjusted during the ensuing year through additional appropriations or budget reductions as circumstances dictate.

The final General Fund budget had a planned excess of revenues over expenditures of \$559,330 and actual excess of \$1,234,411 (cash basis). Below is a summary of the key highlights of the budget.

- The final budgeted revenue, \$34,107,978, for the general fund comprised of property taxes of \$14,719,325, licenses and permits of \$200,000, intergovernmental of \$14,522,352, charges for services of \$2,739,637, fine and forfeits of \$355,000, interest of \$550,000 reimbursement of \$335,800 and miscellaneous of \$685,864.
- Actual revenues exceeded the budget by \$3,577,041.
  - Property taxes exceeded budget by \$397,588 (2.7%).
  - Licenses and permits exceeded budget by \$294,452 (147.2%)
  - Interest income exceeded budget by \$837,009 (152.2%)
  - Reimbursements exceeded budget estimates by \$579,701 (172.6%)
  - Charges for services were under budget by \$1,394,555 (50.9%)
  - Intergovernmental charges exceeded budget by \$2,811,311 (19.4%) primarily due to a supplemental LIT distribution received in May 2019.

## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019 (Cont'd)

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- The final General Fund budgeted expenditures of \$33,548,648 were distributed across multiple County departments comprised of general government \$18,372,363 public safety of \$13,426,991 Culture, Recreation and Education of \$155,898 and Health and Human Services of \$1,593,396.
- All departments except for Veterans Service Officer underspent the final approved budget (overspent by \$419).
- During the year on a budgetary basis, revenues exceeded expenditures, excluding other financing sources (uses) for the general fund by \$4,234,411.
- \$1,276,246 of non-departmental spending occurred in 2019 in response to facts and circumstances unique to 2019.
- \$3,000,000 was transferred to Rainy Day.

#### Major Fund Budgetary Highlights

- Highway/MVH Restricted Special Revenue Fund – the final budget was a planned deficit of \$1,759,815. However, actual activity resulted in a surplus of \$280,022.
- County Wheel Tax, Major Special Revenue Fund – the final budget was a planned deficit of \$1,564,286. Actual results, however, were a surplus of \$146,340. Unspent capital outlay budgets may be considered for inclusion in future budgets.

#### Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental activities as of December 31, 2019 amounts to \$81,094,492 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

Major capital asset events during the current fiscal year included the following:

- Additions of capital assets during 2019 included Land of \$751,195, Improvements of \$809,017, and machinery and equipment of \$851,026.
- Specific additions are 17 new vehicles, purchases of rights of way and upgrades to the West Annex, Jail and jail security system.

**JOHNSON COUNTY, INDIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2019  
(Cont'd)

The following table displays the County's capital assets.

**Johnson County, Indiana**  
**Capital Assets**

	Governmental Activities	
	2019	2018
Land	\$ 4,388,232	\$ 3,637,037
Buildings	46,355,056	46,355,056
Improvements	1,295,032	486,015
Machinery and equipment	14,370,008	13,518,982
Infrastructure	<u>123,316,447</u>	<u>123,316,447</u>
Total capital assets	189,724,775	187,313,537
Accumulated depreciation	<u>(108,640,283)</u>	<u>(104,938,437)</u>
Net capital assets	<u>\$ 81,084,492</u>	<u>\$ 82,375,100</u>

**Long-term obligations.** At the end of the current fiscal year, the County had outstanding total long-term debt related liabilities (net of unamortized premiums and discounts) of \$5,558,895. Of this amount, \$3,078,065 is due in 2020. Bonded indebtedness consists of \$4,998,895 of general obligation debt and \$560,000 of revenue bond debt. The county has \$387,029 of capital leases outstanding at year end.

The remainder of the County's long-term obligations consist of \$1,965,045 of other postemployment benefits and \$18,490,076 of net pension liability. The following table reflects the County's long-term obligations:

## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2019 (Cont'd)

	Governmental Activities	
	2019	2018
General obligation bonds	\$ 4,998,895	\$ 3,776,599
Revenue bonds	560,000	1,100,000
Sub-totals	5,558,895	4,876,599
Capital leases	387,029	481,368
Other postemployment benefits	1,965,045	1,976,268
Net pension liability	18,490,076	19,510,059
Total non-current liabilities	20,842,150	21,967,695
Less current portion	(3,078,065)	(2,994,339)
Total long-term obligations	\$ 23,322,980	\$ 23,849,955

The County's total long-term debt obligations decreased by \$1,063,058, during the current fiscal year.

- Bond Debt increased \$682,296 due to the issuance of a GO Bond offset by the schedule principal payments on existing debt.
- Other Obligations decreased \$1,125,545 during the year due to decreases in capital leases, \$94,339; other postemployment benefits, \$11,223; and net pension liability, \$1,019,983.
- Other postemployment benefits and net pension liability are determined on an actuarial basis as discussed in the notes to the financial statements and required supplementary information included elsewhere in this report.

The County maintains a long-term rating of "AA" on its outstanding general obligation bonds and local income tax bonds with a property tax backup (which are rated as a general obligation security) assigned by S&P Global Ratings.

Additional information of the County's long-term debt can be found in note III.E. in the Notes to the Financial Statements of this report.

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

- The 2020 tax rate for the County of \$.3128 per \$100 of assessed value is identical to the 2019 tax rate. The overall increase in the County's assessed value (approximately 4.41% from 2019 to 2020) has helped the County's levy to increase to \$22,613,065 from \$21,656,656 without an increase to the overall tax rate.
- Property tax is the County's largest source of revenue. Local Income Tax (LIT) is the second largest source of the County's current governmental revenues. Property taxes and income taxes are allocated each year to meet fiscal budget requirements while also considering ongoing operational accountability to the public, review bodies and analysts.

All the above factors were considered in preparing the County's budget for the 2020 calendar year.

## JOHNSON COUNTY, INDIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2019

(Cont'd)

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Since the budget was prepared and adopted, the County recognizes likely economic impacts from the Corona Virus. These impacts will affect, at a minimum the following areas:

- Investment valuations and likely decreases to investment income
- Declines in revenues such as room tax, sales tax, income tax, state aids, fines or tickets etc.
- Decline in demand for services such as utilities, transit, recreational enterprise activities or permits and licenses, airport traffic
- Increase in delinquencies or uncollectible accounts receivable or loans receivable
- Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- Increase in demand for services as a result of increased unemployment
- Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

#### **Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Johnson County Auditor located 86 W Court St, Franklin, IN 46131.

## BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were prepared by management of the County. The financial statements and notes are presented as intended by the County.

# JOHNSON COUNTY, INDIANA

## STATEMENT OF NET POSITION

December 31, 2019

	Primary	Component Units		
	Government			
	Governmental Activities	Johnson Memorial Hospital	Johnson County Solid Waste District	Other
<b>Assets</b>				
Cash and cash equivalents	\$ 55,491,302	\$ 1,978,123	\$ 910,253	\$ 11,925,543
Receivables (net)				
Taxes receivable	27,659,432	-	-	1,465,030
Accounts	700,085	-	-	1,058,241
Patient accounts (net of \$14,008,933 allowance)	-	50,058,033	-	-
Intergovernmental	940,440	-	-	-
Interest	234,010	-	-	-
Other	-	9,291,826	-	-
Estimated third-party settlements		756,097		
Supplies	-	2,107,329	-	-
Prepaid items	184,880	1,910,230	-	-
Net pension asset	236,366	-	-	-
Noncurrent cash and investments				
Internally designated	-	52,867,130	-	-
Held by Foundation	-	1,737,331	-	-
Total noncurrent cash and investments	-	54,604,461	-	-
Capital Assets				
Land & construction in progress	4,388,233	-	-	7,489,488
Other capital assets, net of depreciation	76,696,260	100,710,982	49,722	17,244,822
Investments in Affiliate	-	1,613,635	-	-
Total assets	166,531,008	223,030,716	959,975	39,183,124
Deferred Outflows of Resources				
OPEB related amounts	60,155	-	-	-
Pension related amounts	2,540,174	-	-	903,568
Total deferred outflows of resources	2,600,329	-	-	903,568

The notes to the financial statements are an integral part of this statement.

## JOHNSON COUNTY, INDIANA

### STATEMENT OF NET POSITION

December 31, 2019

	Primary	Component Units		
	Government			
	Governmental Activities	Johnson Memorial Hospital	Johnson County Solid Waste District	Other
<b>Liabilities</b>				
Accounts payable	\$ 4,626,602	\$ 50,029,803	\$ 4,088	\$ 358,434
Contracts payable	1,225,227	-	-	-
Accrued wages	1,985,874	-	-	-
Claims payable	519,502	-	-	-
Compensated absences	535,092	-	-	-
Accrued interest payable	8,867	-	-	-
Line of credit	-	2,000,000	-	-
Accrued expenses	-	6,817,901	-	-
<b>Noncurrent Liabilities</b>				
Due within one year				
General obligation bonds	2,420,000	-	-	610,798
Revenue bonds	560,000	-	-	-
Capital leases	98,065	-	82,853	-
Current maturities of long-term debt	-	955,369	-	-
Due in more than one year				
GO Bonds due in more than one year	2,578,895	-	-	960,140
Capital leases - due in more than one year	288,964	-	-	-
Long-term debt	-	14,919,209	-	1,305,899
Total OPEB liability	1,965,045	-	-	-
Net pension liability	18,490,076	-	-	347,892
<b>Total liabilities</b>	<b>35,302,209</b>	<b>74,722,282</b>	<b>86,941</b>	<b>3,583,163</b>
<b>Deferred Inflows of Resources</b>				
OPEB related amounts	124,993	-	-	-
Pension related amounts	2,384,328	-	-	1,072,583
Unavailable revenue - property taxes	21,957,198	-	-	-
<b>Total deferred inflows of resources</b>	<b>24,466,519</b>	<b>-</b>	<b>-</b>	<b>1,072,583</b>
<b>Net Position</b>				
Net investment in capital assets	75,138,569	80,790,528	(33,131)	21,983,411
Restricted for				
General government	9,938,979	-	-	-
Debt service	319,409	-	-	-
Public safety	5,599,813	-	-	7,914,990
Health and welfare	1,365,344	-	906,165	-
Culture and recreation	877,242	-	-	-
Highways and streets	10,361,204	-	-	-
Economic Development	4,521,779	-	-	-
Property Reassessment	2,062,965	-	-	-
Drainage Maintenance	621,990	-	-	-
Unrestricted	(1,444,685)	67,517,906	-	5,532,545
<b>Total net position</b>	<b>\$ 109,362,609</b>	<b>\$ 148,308,434</b>	<b>\$ 873,034</b>	<b>\$ 35,430,946</b>

The notes to the financial statements are an integral part of this statement.

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## JOHNSON COUNTY, INDIANA

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Component Units		
					Johnson County Memorial Hospital	Johnson County Solid Waste District	Other
Governmental Activities							
General government	\$ 27,668,830	\$ 5,559,213	\$ 3,886,545	\$ (18,223,072)	\$ -	\$ -	\$ -
Public safety	13,900,045	4,343,136	1,258,395	(8,298,514)	-	-	-
Highways and streets	16,950,879	35,435	285,070	(16,630,374)	-	-	-
Culture and recreation	726,647	-	71,438	(655,209)	-	-	-
Health and welfare	3,097,806	490,899	1,896,984	(709,923)	-	-	-
Interest on debt service	196,732	-	-	(196,732)	-	-	-
Total governmental activities	<u>62,540,939</u>	<u>10,428,683</u>	<u>7,398,432</u>	<u>(44,713,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units							
Johnson County Memorial Hospital	316,973,226	284,716,891	38,311,210	-	6,054,875	-	-
Johnson County Solid Waste District	516,300	-	-	-	-	(516,300)	-
Other Component Units	17,638,802	5,868,587	800	-	-	-	(11,769,415)
Total component units	<u>335,128,328</u>	<u>290,585,478</u>	<u>38,312,010</u>	<u>-</u>	<u>6,054,875</u>	<u>(516,300)</u>	<u>(11,769,415)</u>
Total primary government	<u>\$397,669,267</u>	<u>\$ 301,014,161</u>	<u>\$ 45,710,442</u>	<u>(44,713,824)</u>	<u>6,054,875</u>	<u>(516,300)</u>	<u>(11,769,415)</u>
General Revenues							
Property taxes				20,202,635	-	490,263	11,737,465
Income taxes				14,476,038	-	-	3,564,072
Other local sources				9,852,122	-	-	345,837
Grants and contributions not restricted to specific programs				4,874,743	-	55,627	448,722
Investment income				1,434,462	4,561,914	6,807	74,719
Miscellaneous				3,073,564	731,500	13,249	391,433
Gain on sale of assets				22,801	-	-	-
Total general revenues				<u>53,936,365</u>	<u>5,293,414</u>	<u>565,946</u>	<u>16,562,248</u>
Change in net position				9,222,541	11,348,289	49,646	4,792,833
Net position - beginning of year				<u>100,140,068</u>	<u>136,960,145</u>	<u>823,388</u>	<u>30,638,113</u>
Net position - end of year				<u>\$ 109,362,609</u>	<u>\$ 148,308,434</u>	<u>\$ 873,034</u>	<u>\$ 35,430,946</u>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, INDIANA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2019

	General	Highway/ MVH Restricted	Wheel/Surtax County Portion	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 14,952,713	\$ 2,153,121	\$ 2,399,155	\$ 35,419,681	\$ 54,924,670
<b>Receivables</b>					
Taxes	19,538,448	74,829	-	8,046,155	27,659,432
Accounts	311,372	-	-	388,713	700,085
Intergovernmental	277,783	56,572	9,653	596,432	940,440
Interest	211,141	-	-	22,869	234,010
<b>Total assets</b>	<b>\$ 35,291,457</b>	<b>\$ 2,284,522</b>	<b>\$ 2,408,808</b>	<b>\$ 44,473,850</b>	<b>\$ 84,458,637</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 372,702	\$ 72,269	\$ 2,399,153	\$ 1,782,478	\$ 4,626,602
Contracts payable	97,294	1,068,040	-	59,893	1,225,227
Accrued wages and payroll withholding	1,237,007	119,782	-	629,085	1,985,874
<b>Total liabilities</b>	<b>1,707,003</b>	<b>1,260,091</b>	<b>2,399,153</b>	<b>2,471,456</b>	<b>7,837,703</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	16,862,969	-	-	7,367,755	24,230,724
<b>Fund Balances</b>					
Restricted	-	1,024,431	9,655	30,516,682	31,550,768
Committed	-	-	-	4,743,233	4,743,233
Assigned	40,000	-	-	-	40,000
Unassigned (deficit)	16,681,485	-	-	(625,276)	16,056,209
<b>Total fund balances</b>	<b>16,721,485</b>	<b>1,024,431</b>	<b>9,655</b>	<b>34,634,639</b>	<b>52,390,210</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 35,291,457</b>	<b>\$ 2,284,522</b>	<b>\$ 2,408,808</b>	<b>\$ 44,473,850</b>	<b>\$ 84,458,637</b>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, INDIANA**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
December 31, 2019

Fund balance - governmental funds		\$ 52,390,210
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land and construction in progress	\$ 4,388,233	
Other capital assets, net of depreciation	<u>76,696,260</u>	81,084,493
Prepays are not current financial resources and, therefore, are not reported in the funds.		184,880
Pension liability is not paid from current financial resources and, therefore, are not reported		
Net pension asset	\$ 236,366	
OPEB liability	(1,965,045)	
Net pension liability	<u>(18,490,076)</u>	(20,218,755)
Deferred outflows of resources on related to pensions are not recognized in the governmental funds, but are recorded in the statement of net position		2,540,174
Deferred outflows of resources on related to OPEB are not recognized in the governmental funds, but are recorded in the statement of net position		60,155
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are not recorded in the statement of net position		(2,384,328)
Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are not recorded in the statement of net position		(124,993)
Unavailable revenues are not available to pay current liabilities and therefore, are not reported as liabilities in the Statement of Net Position		2,273,526
Internal service fund balance reported in government wide but not in the fund financial statements		47,130
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds		(535,092)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds		(8,867)
Long-term liabilities, including capital leases are not due and payable in the current period and, therefore, are not reported in the funds		(387,029)
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds		
GO Bonds		(4,998,895)
Revenue bonds		<u>(560,000)</u>
Net position of governmental activities		<u>\$ 109,362,609</u>

The notes to the financial statements are an integral part of this statement.

## JOHNSON COUNTY, INDIANA

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	General	Highway/ MVH Restricted	Wheel/Surtax County Portion	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 13,589,512	\$ -	\$ -	\$ 6,613,123	\$ 20,202,635
Income taxes	14,476,038	-	-	-	14,476,038
Other taxes	575,672	-	1,716,361	4,260,705	6,552,738
Licenses and permits	615,290	35,435	-	466,248	1,116,973
Intergovernmental	3,701,925	4,603,913	59,667	7,136,145	15,501,650
Charges for services	1,242,076	-	-	4,629,636	5,871,712
Fines and forfeitures	181,113	-	-	984,519	1,165,632
Miscellaneous	<u>3,020,954</u>	<u>186,745</u>	<u>-</u>	<u>1,379,985</u>	<u>4,587,684</u>
Total revenues	<u>37,402,580</u>	<u>4,826,093</u>	<u>1,776,028</u>	<u>25,470,361</u>	<u>69,475,062</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	20,171,537	-	-	6,279,049	26,450,586
Public safety	11,287,667	-	-	6,276,697	17,564,364
Highways and streets	-	5,543,440	2,787,413	5,643,196	13,974,049
Culture and recreation	273,323	-	-	353,177	626,500
Health and welfare	865,726	-	-	3,791,095	4,656,821
Debt Service					
Principal	-	-	540,000	2,375,000	2,915,000
Interest and fiscal charges	17,961	-	30,641	85,964	134,566
Capital leases	85,910	-	-	8,429	94,339
Issuance costs	-	-	-	97,060	97,060
Capital outlay	<u>13,252</u>	<u>(24,040)</u>	<u>561,936</u>	<u>1,613,007</u>	<u>2,164,155</u>
Total expenditures	<u>32,715,376</u>	<u>5,519,400</u>	<u>3,919,990</u>	<u>26,522,674</u>	<u>68,677,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,687,204</u>	<u>(693,307)</u>	<u>(2,143,962)</u>	<u>(1,052,313)</u>	<u>797,622</u>
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	-	-	3,560,000	3,560,000
Sale of property	-	3,801	-	19,000	22,801
Premium on bonds issued	-	-	-	45,060	45,060
Transfers in	-	-	-	3,000,000	3,000,000
Transfers out	<u>(3,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,000,000)</u>
Total other financing sources (uses)	<u>(3,000,000)</u>	<u>3,801</u>	<u>-</u>	<u>6,624,060</u>	<u>3,627,861</u>
Net change in fund balances	1,687,204	(689,506)	(2,143,962)	5,571,747	4,425,483
Fund balances - beginning of year	<u>15,034,281</u>	<u>1,713,937</u>	<u>2,153,617</u>	<u>29,062,892</u>	<u>47,964,727</u>
Fund balances - end of year	<u>\$ 16,721,485</u>	<u>\$ 1,024,431</u>	<u>\$ 9,655</u>	<u>\$ 34,634,639</u>	<u>\$ 52,390,210</u>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, INDIANA**

**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, 2019**

Net change in fund balances - total governmental funds	\$ 4,425,483
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,411,228
Depreciation is reported in the government-wide statements	(3,701,846)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Debt issued	(3,560,000)
Principal paid on bonds	2,915,000
Premium on bonds issued	(45,046)
Principal paid on capital leases	94,339
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of net activities and are reported as interest expense.</p>	
Premium on debt	7,764
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds statements</p>	
Unavailable revenues	2,273,526
Deferred inflows of resources related to pensions	(32,321)
Deferred inflows related to OPEB	(124,994)
Net OPEB liability	11,223
Net pension liability	5,881,083
Change in net position for the internal service fund	96,056
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Compensated absences	(48,379)
Deferred outflows related to pensions	(1,620,487)
Deferred outflows related to OPEB	60,156
Accrued interest on debt	27,125
<p>Prepays amortized in the Statement of Activities that do not require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid.</p>	
	<u>152,631</u>
Change in net position of governmental activities	<u>\$ 9,222,541</u>

The notes to the financial statements are an integral part of this statement.

# JOHNSON COUNTY, INDIANA

## STATEMENT OF NET POSITION - PROPRIETARY FUND December 31, 2019

	<u>Governmental Activities Internal Service</u>
Assets	
Current Assets	
Cash and investments	\$ <u>566,632</u>
Liabilities	
Current Liabilities	
Claims payable	<u>519,502</u>
Net Position	
Restricted for Insurance	<u>47,130</u>
Total net position	<u>\$ 47,130</u>

The notes to the financial statements are an integral part of this statement.

## JOHNSON COUNTY, INDIANA

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

For the Year Ended December 31, 2019

	<u>Governmental Activities</u>
	<u>Internal Service</u>
Operating Revenues	
Other	<u>\$ 1,755,004</u>
Operating Expenses	
Employers insurance	<u>1,658,948</u>
Change in Net Position	96,056
Net position - beginning of year	<u>(48,926)</u>
Net position - end of year	<u>\$ 47,130</u>

The notes to the financial statements are an integral part of this statement.

# JOHNSON COUNTY, INDIANA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUND For the Year Ended December 31, 2019

	Governmental Activities <u>Internal Service</u>
Cash Flows from Operating Activities	
Received from departments	\$ 1,755,680
Paid for employee insurance	<u>(1,490,178)</u>
Net cash flows from operating activities	<u>265,502</u>
Cash and cash equivalents - beginning of year	<u>301,130</u>
Cash and cash equivalents - end of year	<u>\$ 566,632</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities	
Operating income	\$ 96,056
Net cash flows from operating activities	
Change in accounts receivable	676
Change in claims payable	<u>168,770</u>
Net cash flows from operating activities	<u>\$ 265,502</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position	
Cash and investments	<u>\$ 566,632</u>
Total cash and cash equivalents	<u>\$ 566,632</u>

The notes to the financial statements are an integral part of this statement.

## JOHNSON COUNTY, INDIANA

### STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS December 31, 2019

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 950,326	\$ 12,313,206
Receivables		
Taxes	-	152,268,282
Accounts	13,315	14,586
County contributions	765,000	-
Employee contributions	22,449	-
Interest	32,554	-
Other	6,757	-
	<u>4,423,850</u>	<u>-</u>
Investments at fair value		
Fixed income securities	4,423,850	-
Domestic and foreign equities	9,606,782	-
Total investments	<u>14,030,632</u>	<u>-</u>
<b>Total assets</b>	<u>15,821,033</u>	<u>164,596,074</u>
<b>Liabilities</b>		
Accounts payable	-	10,902,782
Intergovernmental payable	-	142,266,037
Due to broker for unsettled trades	2,652	-
Trust payable	6,757	11,427,255
<b>Total liabilities</b>	<u>9,409</u>	<u>164,596,074</u>
<b>Deferred inflows</b>		
Deferred property taxes	-	-
<b>Net position</b>		
Restricted for pensions	<u>\$ 15,811,624</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**JOHNSON COUNTY, INDIANA**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2019

	Pension Trust Funds	Custodial Funds
	<u>                    </u>	<u>                    </u>
Additions		
Contributions		
Employer contributions	\$ 1,075,589	\$ -
Employee contributions	96,561	-
	<u>                    </u>	<u>                    </u>
Total contributions	1,172,150	-
Investment income		
Interest	456,794	-
Net increase (decrease) in fair value of investments	1,962,842	-
Less investment expense, other than securities lending	(81,993)	-
	<u>                    </u>	<u>                    </u>
Total investment income	2,337,643	-
Property taxes collected for other governments	-	189,889,914
Collections for other governments	-	79,764
Other trust activities	-	24,223,064
Miscellaneous	6,757	-
	<u>                    </u>	<u>                    </u>
Total additions	3,516,550	214,192,742
Deductions		
Benefit payments (including refunds of employee contributions)	1,620,487	24,302,828
Other trust activities	6,912	-
Administrative expense	28,829	-
Property taxes distributed to other governments	-	189,889,914
	<u>                    </u>	<u>                    </u>
Total deductions	1,656,228	214,192,742
Change in fiduciary net position	1,860,322	-
Net position, beginning	13,951,302	-
	<u>                    </u>	<u>                    </u>
Net position, ending	\$ 15,811,624	\$ -

The notes to the financial statements are an integral part of this statement.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Johnson County, Indiana (the County or primary government) was established under the laws of the State of Indiana. The primary government operates under a council-commissioner form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### ***A. REPORTING ENTITY***

This report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if: 1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, 2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, 3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: 1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents, 2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization, and 3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: 1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, 2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, 3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or 4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### A. REPORTING ENTITY (cont.)

##### ***Blended Component Units***

The Johnson County Building Corporation Authority (Authority) is a blended component unit of the County. The Authority finances, constructs, and leases local public improvements to the primary government. The primary government appoints a voting majority of the Building Authority's board and a financial benefit/burden relationship exists between the County and the Building Authority. Although it is legally separate from the primary government, the Building Authority is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government and is not involved in the operation/maintenance of these assets/infrastructure. The debt of the Building Authority will be repaid entirely, or almost entirely, from resources of the primary government. The Building Authority does not issue separate financial statements. The administrative office is located as follows:

Johnson County Building Corporation Authority  
86 W. Court Street  
Franklin, IN 46131

The Johnson County Redevelopment Authority (Redevelopment Authority) is a blended component unit of the County. The Redevelopment Authority finances, constructs, and leases local public improvements to the primary government. The primary government appoints a voting majority of the Redevelopment Authority's board and a financial benefit/burden relationship exists between the County and the Redevelopment Authority. Although it is legally separate from the primary government, the Redevelopment Authority is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government and is not involved in the operation/maintenance of these assets/infrastructure. The debt of the Redevelopment Authority will be repaid entirely, or almost entirely, from resources of the primary government. The Building Authority does not issue separate financial statements. The administrative office is located as follows:

Johnson County Redevelopment Authority  
86 W. Court Street  
Franklin, IN 46131

##### ***Discretely Presented Component Units***

##### ***Johnson Memorial Hospital***

The Johnson Memorial Hospital is a significant discretely presented component unit of the County. Johnson Memorial Hospital, a proprietary fund type, provides healthcare services to the residents of County. The primary government appoints a voting majority of the Hospital's board and a financial benefit/burden relationship exists between the County and the Hospital. Complete financial statements of the component unit can be obtained from the administrative office located as follows:

Johnson Memorial Hospital  
125 West Jefferson Street  
Franklin, IN 46131

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### A. REPORTING ENTITY (cont.)

##### *Discretely Presented Component Units* (cont.)

###### ***Johnson County Solid Waste District***

The Johnson County Solid Waste District is a discretely presented component unit of the County. The Solid Waste District operates a household hazardous waste facility and educates the public on recycling programs in the County. The primary government appoints a voting majority of the Solid Waste District's board and a financial benefit/burden relationship exists between the County and the Solid Waste District. Separate financial statements of the component unit are not available. The administrative office is located as follows:

Johnson County Solid Waste District  
900 Arvin Drive  
Franklin, IN 46131

###### ***Fire Protection Districts***

The Fire Districts provide fire protection services to the residents of the County. The primary government approves the Fire District's budget and a financial benefit/burden relationship exists between the County and the Fire Districts.

The Districts do not prepare separately available financial statements. The County has the following fire districts which are considered discretely presented component units:

<b><u>Component Unit</u></b>	<b><u>Address</u></b>
Bargersville Fire Protection District	PO Box 577 Bargersville, IN 46106
White River Township Fire Protection District	366 North Morgantown Rd Greenwood, IN 46142
Amity Fire Protection District	6032 South 550 East Franklin, IN 46131
Hensley Fire Protection District	IN 252 South Indian Creek, Trafalgar, IN 46181
Needham Fire Protection District	6822 E 350 N Franklin, IN 46163
Nineveh Fire Protection District	844 E 775 S Nineveh, IN 46164
Whiteland Fire Protection District	141 South State Street Whiteland, IN 46184

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2019.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

In November 2016, the GASB issued statement No. 83 - *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable asset retirement obligations (AROs) and requires that recognition occur when the liability is both incurred and reasonably estimable. This standard was implemented January 1, 2019.

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

In June 2018, the GASB issued statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2019.

#### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. 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 expenses of a given function or segment are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements***

Financial statements of the County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the County believes is particularly important to financial statement users may be reported as a major fund.

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.

The County reports the following major governmental funds:

General Fund - accounts for the County's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Highway/MVH Restricted special revenue fund - used to account for and report fifty percent of state shared motor vehicle highway revenues legally restricted or committed to supporting expenditures for the highway capital improvement and preservation program.

Wheeltax/Surtax County Portion special revenue fund - used to account for and report wheel tax/surtax revenues legally restricted or committed to supporting expenditures for highway programs.

On January 1, 2020, the County combined the Wheeltax/Surtax County Portion special revenue fund into the Highway Fund. This was done in accordance with Resolution 2020-01.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

The County reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In addition, the County reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Custodial Funds - used to account for and report assets controlled by the County and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Government-Wide Financial Statements (cont.)***

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by January 15. These rates were based upon the preceding year's January 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year-end for governmental proprietary funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements (cont.)***

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service Fund are charges to the County for self-funded insurance.

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the County and available for investment.

The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current fair value.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note III.A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on co-mingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note III. A. for further information.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables***

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by January 15. These rates were based upon the preceding year's January 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year-end for governmental funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

##### ***3. Inventories and Prepaid Items***

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### ***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **5. Capital Assets**

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, \$100,000 for Building and Improvements Other Than Buildings and \$200,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Improvements other than buildings	50 Years
Machinery and equipment	5 Years
Vehicles	5 to 25 Years
Infrastructure	50 to 75 Years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

###### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

##### **6. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

##### **7. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***7. Compensated Absences (cont.)***

All vested vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. 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, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

##### ***8. Long-Term Obligations***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line or effective interest method. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

##### ***9. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **10. Equity Classifications**

###### **Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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.

###### **Fund Statements**

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the County Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County Council that originally created the commitment.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***10. Equity Classifications (cont.)***

###### ***Fund Statements (cont.)***

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The County Council has, by resolution, adopted a financial policy authorizing the Council to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The County considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. G. for further information.

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations, and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the County believes it is in compliance with all significant restrictions.

##### ***11. Postemployment Benefits Other Than Pensions (OPEB)***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

##### ***12. Pension Plans***

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions expense, information about the fiduciary net position of the Sheriff's Retirement, Sheriff's Benefit and the Indiana Public Employees' Retirement Fund (the Plans), and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Pension investments are reported at fair value.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### *A. BUDGETARY INFORMATION*

A budget has been adopted for the General Fund, 2015 Reassessment, Bond #2, Bond #3, County Wheel Tax, Animal Shelter, Highway, Local Road & Street, Cumulative Bridge, Health, Park Nonreverting Capital, Cumulative Capital Development, Comm Corr/Adult Project Income, Comm Corr/ Juvenile Project Income, County Misdemeanant, County Sales Disclosure Fee, Pretrial Diversion, Supplemental Public Defender, Prosecutor Deferral Program, CASA Fee & Donation Fund, Alternative Dispute Resolution, GIS Maintenance Funds, JC Storm Water Management, Voting System Reimbursement, Surveyor Corner Perpetuation, County Alcohol & Drug, Health Maintenance, Food and Beverage, Tobacco Settlement/Health Department, Clerks Perpetuation, Auditors Plat Map Maintenance, CASA/Guardian Ad Litem, Inspection Fees-New Subdivision, User Fee/Jury Fee, Emergency Planning & Right to Know, Johnson County 911, Auditor's Ineligible Deductions, Park Nonreverting - Operating, Supplemental Adult Probation Services, Weights & Measures Ordinance Fines, Elected Officials Training, Enhanced Access, Animal Shelter General Donation, LECE Animal Control, Sara Woods Memorial Fund, Panda Bear Memorial Donation, Emp. Group Self-Funded Health Insurance, Animal Adoption Fee Fund.

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year-end.

On or before August 31, the County Auditor submits to the County Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the County Council to obtain taxpayer comments. In September of each year, the County Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County Auditor receives approval of the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between account classifications of a budget without approval of the County Council. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

Except as listed below, expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally-approved budgets.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

***B. EXCESS EXPENDITURES OVER APPROPRIATIONS***

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund:			
Veterans Department	\$ 76,144	\$ 76,563	\$ 419

The County controls expenditures at the account level. Some individual accounts experienced expenditures which exceeded appropriations. The detail of those items can be found in the County's year-end budget to actual report.

***C. DEFICIT BALANCES***

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end.

As of December 31, 2019, the following individual funds held a deficit balance:

Funds	Amount	Reason
Educational Grants Fund	\$ 8,596	Submitting for reimbursements
Highways and Streets	312,551	Submitting for reimbursements

County deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

The County's deposits and investments at year-end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Checking accounts	\$ 51,354,509	\$ 53,380,357	Custodial credit risk
Certificates of deposit	16,450,000	16,450,000	Custodial credit risk
Money market accounts	950,326	950,326	Custodial credit risk
U.S. Treasuries	1,268,334	1,268,334	Custodial credit risk
Corporate bonds	825,779	825,779	Credit risk, Custodial credit risk, Concentration of credit risk, Interest rate risk, Investments highly sensitive to interest rate changes, Foreign currency risk
Other debt securities	536,609	536,609	Credit risk, Custodial credit risk, Concentration of credit risk, Interest rate risk, Investments highly sensitive to interest rate changes
Mutual funds - Other than bonds	9,858,331	9,858,331	Credit risk, custodial credit risk, interest rate risk
Equity securities/stocks	1,541,580	1,541,580	Custodial credit risk, foreign currency risk
Total Deposits and Investments	\$ 82,785,468	\$ 84,811,316	
Unrestricted cash and investments	\$ 55,491,302		
Per statement of net position - fiduciary funds			

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

Custodial funds	12,313,206
Pension cash	950,326
Pension investments	<u>14,030,634</u>
Total Deposits and Investments	<u>\$ 82,785,468</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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 asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

Fixed income securities are classified as follows:

Level 1 – valued using unadjusted quoted prices in active markets for those securities.

Level 2 – valued using a proprietary matrix pricing technique. This pricing technique defines the primary source and secondary sources to be used if the primary pricing source does not provide a value. The valuation techniques may include market participant's assumptions, quoted prices for similar securities, benchmark yield curves including but not limited to treasury benchmarks, LIBOR and swap curves, market corroborated inputs, and other data inputs.

Level 3 – valued using proprietary information.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

Equity securities are classified as follows:

Level 1 – valued using unadjusted quoted prices in active markets for those securities.

Level 2 – valued using bid evaluations.

Level 3 – valued using proprietary information and independent appraisals. This results in using one or more valuation techniques, such as the market approach and or the income approach, for those securities for which sufficient and reliable data is available. Within this level, the use of the market approach generally consists of using comparable market transactions or other data, while the use of the income approach generally consists of the net present value of estimated future cash flows.

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 4,423,850	\$ -	\$ 4,423,850
Equity securities	9,606,782	-	-	9,606,782
Total	\$ 9,606,782	\$ 4,423,850	\$ -	\$ 14,030,632

***Custodial Credit Risk***

*Deposits*

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

As of December 31, 2019, \$950,326 of the County's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging financial institution's trust department or agent not in the County's name	\$ 950,326
Total	\$ 950,326

See Note I.D.1. for further information on deposit and investment policies.

**B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### **B. RECEIVABLES (cont.)**

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Property taxes receivable for subsequent year	<u>\$ 24,230,724</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 24,230,724</u>

#### **C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land and construction in progress	\$ 3,637,037	\$ 751,195	\$ -	\$ 4,388,232
Total Capital Assets Not Being Depreciated	<u>3,637,037</u>	<u>751,195</u>	<u>-</u>	<u>4,388,232</u>
Capital assets being depreciated				
Buildings	46,355,056	-	-	46,355,056
Improvements other than buildings	486,015	809,017	-	1,295,032
Machinery and equipment	13,518,982	851,026	-	14,370,008
Infrastructure	123,316,447	-	-	123,316,447
Total Capital Assets Being Depreciated	<u>183,676,500</u>	<u>1,660,043</u>	<u>-</u>	<u>185,336,543</u>
Total Capital Assets	<u>187,313,537</u>	<u>2,411,238</u>	<u>-</u>	<u>189,724,775</u>
Less: Accumulated depreciation for				
Buildings	(31,367,381)	(601,123)	-	(31,968,504)
Improvements other than buildings	(90,963)	(25,586)	-	(116,549)
Machinery and equipment	(6,375,728)	(1,067,761)	-	(7,443,489)
Infrastructure	(67,104,365)	(2,007,376)	-	(69,111,741)
Total Accumulated Depreciation	<u>(104,938,437)</u>	<u>(3,701,846)</u>	<u>-</u>	<u>(108,640,283)</u>
Net Capital Assets Being Depreciated	<u>78,738,063</u>	<u>(2,041,803)</u>	<u>-</u>	<u>76,696,260</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 82,375,100</u>	<u>\$ (1,290,608)</u>	<u>\$ -</u>	<u>\$ 81,084,492</u>

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

Governmental Activities		
General government	\$	374,756
Public safety		812,637
Highways and streets		2,389,188
Health and welfare		19,743
Culture and recreation		<u>105,522</u>
Total Governmental Activities Depreciation Expense	\$	<u><u>3,701,846</u></u>

**D. INTERFUND TRANSFERS**

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Nonmajor fund	General Fund	<u>\$ 3,000,000</u>	Strategic reserves
Subtotal - Fund Financial Statements		3,000,000	
Less: Government-wide eliminations		<u>(3,000,000)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ -</u></u>	

Generally, transfers are used to: 1) move revenues from the fund that collects them to the fund that the budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. LONG-TERM OBLIGATIONS***

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
General obligation debt	\$ 3,765,000	\$ 3,560,000	\$ 2,375,000	\$ 4,950,000	\$ 2,420,000
Revenue bonds	1,100,000	-	540,000	560,000	560,000
(Discounts)/Premiums	<u>11,599</u>	<u>45,060</u>	<u>7,764</u>	<u>48,895</u>	<u>-</u>
Sub-totals	<u>4,876,599</u>	<u>3,605,060</u>	<u>2,922,764</u>	<u>5,558,895</u>	<u>2,980,000</u>
<b>Other Liabilities</b>					
Capital leases	481,368	-	94,339	387,029	98,065
Other postemployment benefits	1,976,268	-	11,223	1,965,045	-
Net pension liability	<u>19,510,059</u>	<u>-</u>	<u>1,019,983</u>	<u>18,490,076</u>	<u>-</u>
Total Other Liabilities	<u>21,967,695</u>	<u>-</u>	<u>1,125,545</u>	<u>20,842,150</u>	<u>98,065</u>
Total Governmental Long-Term Liabilities	<u>\$ 26,844,294</u>	<u>\$ 3,605,060</u>	<u>\$ 4,048,309</u>	<u>\$ 26,401,045</u>	<u>\$ 3,078,065</u>

***General Obligation Debt***

All general obligation notes and bonds payable are backed by the full faith and credit of the County. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

**Governmental Activities:**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
GO Bonds, 2017A	11/21/17	06/30/20	1.75%	\$ 1,995,000	\$ 260,000
GO Bonds, 2018A	11/20/18	06/30/21	3%	1,900,000	1,130,000
GO Bonds, 2019A	12/18/19	12/31/23	2%	3,560,000	<u>3,560,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 4,950,000</u>

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**E. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2020	\$ 2,420,000	\$ 97,073
2021	1,080,000	45,250
2022	715,000	25,450
2023	735,000	11,050
Totals	<u>\$ 4,950,000</u>	<u>\$ 178,823</u>

A revenue debt is payable from revenues derived from: Wheel Tax.

**Revenue Debt**

Governmental activities revenue bonds are payable from revenues derived from Wheel Tax.

Number of paragraphs needed for revenue bond disclosure (GASB 48) Note: These disclosures are required for revenue debt of GA, BTA, and /or CUs: 1

The County has pledged future wheel tax revenues to repay revenue bonds issued in 2010. Proceeds from the bonds provided financing for certain infrastructure improvements. The bonds are payable solely from wheel tax revenues and are payable through 2020. Annual principal and interest payments on the bonds are expected to require 14.40% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$583,100. Principal and interest paid for the current year and total customer gross revenues were \$593,075 and \$4,041,595, respectively.

Revenue debt payable at December 31, 2019, consists of the following:

**Governmental Activities Revenue Debt**

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Transportation Revenue Bonds, Series 2010	12/21/10	12/01/20	2.2% - 5.5%	\$ 5,990,000	\$ <u>560,000</u>
Total Governmental Activities - Revenue Debt					<u>\$ 560,000</u>

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. LONG-TERM OBLIGATIONS*** (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities	
	Revenue Debt	
	Principal	Interest
2020	\$ 560,000	\$ 23,100
Totals	\$ 560,000	\$ 23,100

***Capital Leases***

Refer to Note III. F.

***F. LEASE DISCLOSURES***

***Lessee - Capital Leases***

In 2013, the County acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$1,038,708, which are included in capital assets in the governmental activities. In 2017 the County acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$45,006, which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2019, are as follows:

Years	Governmental Activities		
	Principal	Interest	Totals
2020	\$ 98,065	\$ 15,057	\$ 113,122
2021	92,688	11,183	103,871
2022	96,275	7,596	103,871
2023	100,001	3,870	103,871
Totals	\$ 387,029	\$ 37,706	\$ 424,735

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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***G. NET POSITION/FUND BALANCES***

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

***Governmental Activities***

Net Investment in Capital Assets	
Land and construction in progress	\$ 4,388,233
Other capital assets, net of accumulated depreciation	76,696,260
Less: Long-term debt outstanding	(5,510,000)
Less: Unamortized debt premium	(48,895)
Less: Capital leases outstanding	<u>(387,029)</u>
Total Net Investment in Capital Assets	<u>\$ 75,138,569</u>

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**G. NET POSITION/FUND BALANCES (cont.)**

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	Highway/ MVH Restricted	Wheeltax/ Surtax County Portion	Nonmajor Funds	Totals
Fund Balances					
<b>Restricted for:</b>					
Health and welfare	\$ -	\$ -	\$ -	\$ 662,275	\$ 662,275
Park and recreation	-	-	-	877,242	877,242
Highways	-	1,024,431	9,655	2,136,100	3,170,186
Public Safety	-	-	-	3,641,326	3,641,326
Grants	-	-	-	659,863	659,863
Capital projects	-	-	-	12,025,348	12,025,348
Debt service	-	-	-	319,409	319,409
Other	-	-	-	10,195,119	10,195,119
Sub-total	-	1,024,431	9,655	30,516,682	31,550,768
<b>Committed to:</b>					
Public safety	-	-	-	1,592,537	1,592,537
Health and welfare	-	-	-	1,063,171	1,063,171
Other	-	-	-	2,087,525	2,087,525
Sub-total	-	-	-	4,743,233	4,743,233
<b>Assigned to:</b>					
General government	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Sub-total	40,000	-	-	-	40,000
Unassigned (deficit):	16,681,485	-	-	(625,276)	16,056,209
<b>Total Fund Balances (Deficit)</b>	<b>\$ 16,721,485</b>	<b>\$ 1,024,431</b>	<b>\$ 9,655</b>	<b>\$ 34,634,639</b>	<b>\$ 52,390,210</b>

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *H. COMPONENT UNITS*

##### **JOHNSON MEMORIAL HOSPITAL**

This report contains the Johnson Memorial Hospital (Hospital), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

##### a. Basis of Accounting/Measurement Focus

The Hospital follows the full accrual basis of accounting and the flow of economic resources measurement focus.

##### b. Deposits and Investments

	<u>Carrying Value</u>
Deposits	\$ 35,441,762
Investments	<u>21,140,822</u>
Total Deposits and Investments	<u>\$ 56,582,584</u>

#### Custodial Credit Risk

##### Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Hospital's deposit policy for custodial credit risk requires compliance with the provisions of state law.

Deposits with financial institutions in the State of Indiana at year-end were entirely insured by the Federal Depository Insurance Corporation (FDIC) or by the Indiana Public Deposit Insurance Fund (IPDIF). This includes any deposit accounts issued or offered by a qualifying financial institution. Accordingly, all deposits in excess of FDIC levels are covered by the IPDIF and are considered collateralized.

##### Investments

The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest in certain deposit accounts, mutual funds, repurchase agreements and pooled investment funds and money market funds, as authorized by Indiana Code 16-22-3-20.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Hospital will not be able to recover the value of its investment or collateral securities that are in the

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**H. COMPONENT UNIT (cont.)**

JOHNSON MEMORIAL HOSPITAL (cont.)

b. Deposits and Investments (cont.)

Custodial Credit Risk (cont.)

Investments (cont.)

possession of an outside party. The Hospital's investment policy does not address how securities underlying repurchase agreements are to be held.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Hospital does not have a formal investment policy for credit risk.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The Hospital places no limit on the amount that may be invested in any one issuer.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The Hospital does not have a formal investment policy for interest rate risk.

Investment Type	Maturity (In Years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
Debt Securities	\$ 4,476,180	\$ -	\$ 3,369,080	\$ 1,107,100	\$ -
Mutual Funds - Equities	5,968,398	5,968,938	-	-	-
Equities	7,705,284	7,705,284	-	-	-
Mutual Funds - Fixed Income	2,990,420	2,990,420	-	-	-
Totals	<u>\$ 21,140,282</u>	<u>\$ 16,664,642</u>	<u>\$ 3,369,080</u>	<u>\$ 1,107,100</u>	<u>\$ -</u>

See Note I.D.1. for further information on deposit and investment policies.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**H. COMPONENT UNIT (cont.)**

JOHNSON MEMORIAL HOSPITAL (cont.)

c. Capital Assets

	Beginning Balance	Adjustments	Additions	Deletions	Ending Balance
Land	\$ 4,743,426	\$ -	\$ -	\$ -	\$ 4,743,426
Construction in progress	23,071,895	(169,186)	15,657,532	-	38,560,241
Land improvements	2,889,286	-	-	8,468	2,880,818
Buildings	69,624,718	38,570	549	1,140,789	68,523,048
Equipment	55,590,252	130,616	1,263,803	783,153	56,201,518
Computer software	10,729,489	-	-	-	10,729,489
Less: Accumulated depreciation	<u>(75,908,530)</u>	<u>-</u>	<u>1,815,747</u>	<u>6,834,775</u>	<u>(80,927,558)</u>
Totals	<u>\$ 90,740,536</u>	<u>\$ -</u>	<u>\$ 18,737,631</u>	<u>\$ 8,767,185</u>	<u>\$ 100,710,982</u>

d. Long-Term Obligations

The Series 2017 revenue bonds payable consist of Health Facility Revenue Bonds in the original amount of \$17,000,000 dated July 1, 2017, and issued through the Indiana Finance Authority. The terms of the bonds shall be divided into consecutive interest rate periods during each of which the bonds shall bear interest at the daily interest rate, weekly interest rate, bond interest term rates, index interest rate or long-term interest rate. The bonds are payable through January 1, 2033. Effective November 27, 2018, the bonds converted to a fixed interest rate of 3.92 percent for a 10 year period, ending November 30, 2028, at which time the interest rate may be adjusted as more fully described in the bond agreements. The Bonds are secured by the net revenues of the Hospital and the assets restricted under the bond indenture agreement. Payments of bond principal are also secured by an insurance policy issued by a commercial insurer. Bond redemptions may be made in whole or in part through the maturity date.

The Hospital is required to comply with certain covenants related to the Series 2017 Bonds.

Changes in long term debt are shown below:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue bonds payable, Series 2017	\$ 16,802,043	\$ -	\$ (927,465)	\$ 15,874,578	\$ 955,369

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### H. COMPONENT UNIT (cont.)

#### JOHNSON MEMORIAL HOSPITAL (cont.)

#### d. Long-Term Obligations (cont.)

Totals	\$ <u>16,802,043</u>	\$ <u>          -</u>	\$ <u>(927,465)</u>	\$ <u>15,874,578</u>	\$ <u>955,369</u>
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Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 955,369	\$ 618,601	\$ 1,573,970
2021	995,811	578,159	1,573,970
2022	1,036,118	537,852	1,573,970
2023	1,078,057	495,913	1,573,970
2024	1,120,379	453,591	1,573,970
2025-2029	6,326,287	1,543,563	7,869,850
2030-2033	<u>4,362,557</u>	<u>277,596</u>	<u>4,640,153</u>
 Totals	 <u>\$ 15,874,578</u>	 <u>\$ 4,505,275</u>	 <u>\$ 20,379,853</u>

#### e. Employee Retirement System

The Hospital contributes to a defined-contribution pension plan (the Johnson Memorial Hospital Defined Contribution Retirement Plan), as authorized by Indiana Code 16-22-3-11, covering substantially all employees. Pension expense is recorded for the amount of the Hospital's required contributions, determined in accordance with the terms of the plan. The plan is administered by a Board of Trustees appointed by the Hospital Board. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. The Hospital is required to match 50 percent of the employee contribution up to 3 percent of employee's compensation. In addition, the Hospital may make a discretionary contribution as determined by the Hospital Board. Hospital expense related to the employer contributions to the plan was approximately \$1,003,000 and \$934,000 for 2019 and 2018, respectively.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**H. COMPONENT UNIT (cont.)**

FIRE PROTECTION DISTRICTS

This report contains multiple Fire Protection Districts (FPDs), which are included as component units.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation. Of the FPD's presented, White River Township, FPD (WRTFPD) includes the following disclosures:

a. Basis of Accounting/Measurement Focus

The WRTFPD follows the modified accrual basis of accounting and the flow of economic resources measurement focus. White River Township

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 4,227,982	\$ 4,227,982	Credit risk
US Gov't Money Market Funds	<u>1,636,525</u>	<u>1,636,525</u>	Credit risk, Concentration risk
Total Deposits and Investments	<u>\$ 5,864,507</u>	<u>\$ 5,864,507</u>	

***Custodial Credit Risk***

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the WRTFPD's deposits may not be returned to the WRTFPD.

The WRTFPD does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the WRTFPD will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The WRTFPD does not have any investments exposed to custodial credit risk.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**H. COMPONENT UNIT (cont.)**

FIRE PROTECTION DISTRICTS (cont.)

b. Deposits and Investments (cont.)

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2019, the FPDs's investments were as follows:

Investment Type	Maturity (In Years)			
	Fair Value	Less than 1	1 to 5	More than 5
US Gov't Money Market Funds	\$ <u>1,636,525</u>	\$ <u>1,636,525</u>	\$ _____ -	\$ _____ -
Totals	\$ <u><u>1,636,525</u></u>	\$ <u><u>1,636,525</u></u>	\$ <u><u>_____</u></u> -	\$ <u><u>_____</u></u> -

See Note I.D.1. for further information on deposit and investment policies.

## JOHNSON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### H. COMPONENT UNIT (cont.)

#### FIRE PROTECTION DISTRICTS (cont.)

##### c. Capital Assets

	Beginning Balance	Adjustments	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000	
Construction in progress	1,903,470	-	5,391,018	-	7,294,488	
Buildings and Improvements	4,772,709	-	18,400	-	4,791,109	10 to 100 years
Machinery, Equipment, and Vehicles	5,542,861	-	147,836	3,500	5,687,197	5 to 20 years
Less: Accumulated depreciation	<u>(4,724,251)</u>	<u>-</u>	<u>(594,538)</u>	<u>-</u>	<u>(5,318,789)</u>	
Totals	<u>\$ 7,689,789</u>	<u>\$ -</u>	<u>\$ 4,962,716</u>	<u>\$ 3,500</u>	<u>\$12,649,005</u>	

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**H. COMPONENT UNIT (cont.)**

FIRE PROTECTION DISTRICTS (cont.)

d. Employee Retirement System

The District contributes to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS). It is a cost-sharing, multiple-employer defined benefit plan. PERF provides retirement, disability, and survivor benefits to full-time employees of the State not covered by another plan, those political subdivisions that elect to participate in the retirement plan, including the District, and certain INPRS employees. There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan), and the second is the Public Employees' Defined Contribution Plan (PERF My Choice Retirement Savings Plan).

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing, multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired (or rehired) after April 30, 1977. The fund provides retirement, disability, and survivor benefits to full-time sworn officers of a police force of an Indiana District or eligible town, along with full-time firefighters employed by an Indiana District, town, township, or county. Administration of the fund is generally in accordance with Indiana Code Article 36-8 and other Indiana pension law.

	Public Employees' Retirement	1977 Police Officers' and Firefighters' Pension and Disability	Total
Pension liability	\$ 1,574,725	\$ 23,508,970	\$ 25,083,695
Pension asset	<u>1,260,744</u>	<u>23,475,059</u>	<u>24,735,803</u>
Net pension liability (asset)	\$ <u>313,981</u>	\$ <u>33,911</u>	\$ <u>347,892</u>
Deferred outflows of resources	\$ <u>107,796</u>	\$ <u>795,772</u>	\$ <u>903,568</u>
Deferred inflows of resources	\$ <u>51,610</u>	\$ <u>1,020,973</u>	\$ <u>1,072,583</u>
Pension expense (income)	\$ <u>74,157</u>	\$ <u>1,170,352</u>	\$ <u>1,244,509</u>

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

##### Public Employees' Retirement Fund

**Plan description.** The County participates in the Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice). Details of the PERF Hybrid Plan are described below.

**PERF Hybrid Plan Description.** The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which supplements the defined benefit at retirement.

**Contributions.** Members are required to contribute 3% of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2018 is 11.20% percent of annual covered payroll. The rate for 2019 is also 11.20%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the County were \$2,236,594 for the calendar year ended December 31, 2019.

**Retirement Benefits.** The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A non-vested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *A. EMPLOYEES' RETIREMENT SYSTEM (cont.)*

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

**Disability and Survivor Benefits.** The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Retirement Benefits – My Choice.** Members are required to participate in My Choice. The My Choice DC Account consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. The County has elected to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their DC Account. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

**Rate of Return.** The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 7.32 percent.

**Net Pension Liability.** At December 31, 2019, the County reported a asset of \$12,470,666 for its proportionate share of the net pension asset. The County's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At December 31, 2019, the County's proportion was 0.37732%. The net pension liability for fiscal year December 31, 2019 is calculated as set forth in the following table:

	PERF Plan Totals
Net pension liability - beginning December 31, 2018	\$ 12,776,627
Differences between expected and actual experience	163,998
Net difference between projected and actual investment activity	(967,850)
Change of assumptions	668,146
Change in proportionate share of contributions	(149,528)
Contributions	2,169,539
Contributions	<u>(2,190,266)</u>
Net pension liability - December 31, 2019	<u>\$ 12,470,666</u>

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 330,219	\$ -
Changes in assumptions	2,776	1,355,654
Net differences between projected and actual earnings on pension plan investments	-	589,457
Changes in proportion and differences between employer contributions and proportionate share of contributions	293,379	2,286
Employer contributions subsequent to the measurement date	1,118,522	-
Totals	\$ 1,744,896	\$ 1,947,397

\$1,118,522 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended . Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ (331,576)
2021	(776,277)
2022	(177,402)
2023	(45,768)

Pension Expense. The County recognized pension expense for the following proportionate share of pension expense:

Pension Expense	
Proportionate share of plan pension expense	\$ 1,973,718
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	195,821
Total	\$ 2,169,539

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Key Methods and Assumptions.** Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Valuation Date:	
Assets:	June 30, 2019
Liabilities:	June 30, 2018 - Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Experience Study Date	Period of 4 years ended June 30, 2014
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increases	2020-2021 - 13th check 2022-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - 0.60%
Salary increases, including inflation:	2.50% - 4.25%
Inflation	2.25%
Mortality:	
Health:	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Disability:	RP-2014 Disability Mortality Table, with Social Security Administration generational improvement scale from 2006

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Change in Assumptions.** In 2019, there were no changes to assumptions that impacted the net pension liability during the fiscal year.

In 2018, SEA 373 replaced the 1% COLA assumption with a COLA of 0.40/0.50/0.60%, which lowered the actuarial accrued liabilities for those funds.

In 2015, an experience study was performed resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, ASA annuitization assumptions, dependent assumptions, future salary increase assumptions, inflation assumptions, and COLA assumptions.

**Plan Amendments.** In 2019, PERF was modified pursuant to HEA 1059. Previously, statute generally required PERF members to have 15 years of service to qualify for a survivor benefit prior to retirement. Statute now allows a qualifying spouse/dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service.

**Long Term Return Expectation.** The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return %
Public Equity	22%	4.9%
Private Equity	14	7.0
Fixed Income - Ex Inflation-Linked	20	2.5
Fixed Income - Inflation-Linked	7	1.3
Commodities	8	2.0
Real Estate	7	6.7
Absolute Return	10	2.9
Risk Parity	12	5.3

**Discount rate.** The discount rate used to measure the total pension liability was 6.75% as of June 30, 2019 and is equal to the long-term expected return on plan investments.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.** The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
County's proportionate share of the net pension asset	\$ <u>20,028,055</u>	\$ <u>12,470,666</u>	\$ <u>6,167,226</u>

#### *Sheriff's Retirement Plan*

**Plan description.** The County Sheriff Retirement Plan (Plan) is a single-employer defined benefit pension plan established to provide retirement, termination/severance, disability, and survivor benefits for a person employed by the County Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10-12 grants the authority to the Employer and a trustee to establish and amend the benefit terms to the Plan with approval of the county fiscal body. The Plan was established on January 1, 1972 and is administered by the Committee. The composition of the Committee, according to the Plan legal document, shall be the Sheriff and the Merit Board, (the Merit Board per IC 36-8-10-3, consists of five members, three members appointed by the Sheriff and two members elected by a majority vote of the members of the county police force).

At December 31, 2019, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	39
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>56</u>
Total	<u><u>99</u></u>

**Benefits Provided.** The plan provides that the monthly retirement benefit shall be a pension payable for the member's lifetime equal to two and one-half percent (2.5%) of the member's average monthly wage received during the highest paid three (3) calendar years before retirement (such calendar years do not need to be consecutive) plus one dollar (\$1.00); this sum multiplied by the member's years of credited service up to twenty (20) years; plus an additional two percent (2%) of the member's average monthly wage, as outlined above, multiplied by the member's years of credited service in excess of twenty (20) years up to an additional twelve (12) years. Members are eligible to retire as of normal retirement for an unreduced benefit upon attainment of age fifty-two (52) and completion of at least eight (8) years of credited service.

## JOHNSON COUNTY, INDIANA

### NOTES TO FINANCIAL STATEMENTS December 31, 2019

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#### **NOTE IV - OTHER INFORMATION (cont.)**

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##### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

A reduced early retirement benefit is available to member with at least twenty (20) years of credited service any time after attainment of age forty-five (45) with a reduction factor of five-twelfths percent (5/12%) for each month by which the early retirement date precedes what would have been the normal retirement date.

A member who continues employment beyond his normal retirement age shall be eligible for a late retirement benefit upon actual retirement equal to the member's benefit earned in accordance to the normal retirement formula with credit given for subsequent service (provided that the thirty-two (32) year credited service maximum shall not be exceeded in computing the benefit).

The severance benefit payable to a member prior to completion of ten (10) years of credited service (eight (8) years of credited service for participants hired prior to January 1, 2018) is a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service. After completion of ten (10) years of credited service (eight (8) years of credited service for participants hired prior to January 1, 2018), a member may elect to receive either a lump sum, as outlined above, or a monthly benefit equal to the amount earned under the normal retirement benefit formula, using credited service as of his date of severance, with payments commencing on the member's normal retirement date.

If a member separates employment due to disability, he shall receive a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member or the purchase of credited service.

In the event a married or unmarried member who has not yet completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to January 1, 2018) dies prior to the commencement of any benefit from the Plan, the designated beneficiary shall be entitled to receive a death benefit which shall be a lump sum equal to his net amount of contributions (including interest) and a plus the amount transferred by the member for the purchase of credited service.

In the event an unmarried member who has completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to January 1, 2018) dies prior to the commencement of any benefit from the Plan, the designated beneficiary shall be entitled to a lump sum equal to the net amount of contributions (including interest) and a monthly death benefit of two hundred forty (240) monthly payments that would have been payable to the member if he had severed employment on the date of death and elected a life annuity with two hundred forty (240) guaranteed payments payable at his normal retirement date.

In the event a married member who has completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to January 1, 2018), the surviving spouse shall be entitled to a lump sum equal to the net amount of contributions (including interest) and a monthly survivor annuity commencing on the date specified by the spouse, but not earlier than the member's early retirement date nor later than the member's normal retirement date, in the amount that would have been payable had the member severed employment and commenced receipt of his retirement benefits in the form of an actuarial equivalent one hundred percent (100%) joint and survivor annuity on the date elected by the surviving spouse.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

A member who retired as of an early, normal, or late retirement date (including member who have actually retired through the DROP), who have attained age fifty-five (55) as of July 1 of the calendar year in which benefits are increased, and who is in pay status as of the last day of the preceding calendar year shall be eligible for a cost of living adjustment applied until the earlier of the member's death or attainment of age sixty-five (65). The cost of living adjustment shall be a percentage increase in the eligible retiree's monthly benefit equal to the percentage increase, if any, in the average of the Consumer Price Index prepared by the United States Department of Labor for the first three (3) months of the payment calendar year over the average for the same three (3) months of the preceding calendar year. However, the annual percentage increase shall not exceed two percent (2%).

**Contributions.** Plan member's contributions are authorized by state statute (IC 36-8-10-12) and may not exceed 6% of the employee's average monthly wages. The plan member's contributions are paid by the employer. The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the department must be sufficient, as determined by the pension engineers to prevent deterioration in the actuarial status of the trust during the year. According to IC 36-8-10-12(e), if the County fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2019, the actuarially determined Employer's contribution rate was 28.82% of annual payroll, \$902,415 which was contributed by the County.

**Investment policy.** The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per Plan legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2012:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	50%
Fixed income	40%
Nontraditional assets	10%

**Rate of Return.** For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 17.82 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program.** The Deferred Retirement Option Program (DROP) for the Plan was established on July 1, 2005 pursuant to the Plan's legal document and is governed by the Employer and a trustee. Members of the Plan that are eligible to retire with an unreduced benefit may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

A member who has attained age fifty-two (52) and completed at least ten (10) years of service (age fifty-two and completed at least eight (8) years of service for participants hired prior to January 1, 2018) may irrevocably elect to enter the DROP for a period not longer than three (3) years and shall not extend beyond the date the member is credited with thirty-two (32) years of service. From the date the member enters the DROP, he will not be credited with any additional years of service. The member's DROP frozen benefit will be equal to the monthly pension benefit calculated under the standard benefit formula based upon the member's salary and years of credited service as of the DROP entry date. Upon actual severance of employment by retirement at any time after the DROP entry date, the member will receive their DROP benefit accumulation in the available form/option elected by the member in addition to the DROP frozen benefit to be paid as a monthly annuity. As of December 31, 2019, the balance of the amounts held by the plan pursuant to the DROP is \$70,419.

#### Net Pension Asset

The components of the net pension liability of the Plan at December 31, 2019 were as follows:

Total pension liability	\$ 20,959,433
Plan fiduciary net position	<u>(14,940,023)</u>
Plan's net pension liability	<u>\$ 6,019,410</u>

Plan fiduciary net position as a percentage of the total pension liability	<u>71.28%</u>
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**Pension Expense of the Plan.** Pension expense of \$1,429,429 was recognized for fiscal year ending December 31, 2019.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Significant Actuarial Assumptions.** Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2019
Valuation Date:	
Assets	December 31, 2019
Liabilities	December 31, 2019, Actual member census data as of December 31, 2019 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	2.00% per annum
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables)

**Discount Rate.** The discount rate used to measure the total pension liability was 6.75% as of December 31, 2019 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.** The following presents the net pension liability of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension asset	\$ 23,590,715	\$ 20,959,433	\$ 18,767,874
Plan fiduciary net position	(14,940,023)	(14,940,023)	(14,940,023)
Totals	\$ 8,650,692	\$ 6,019,410	\$ 3,827,851

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Initial Amortization Period	Initial Balance	Annual Recognition	December 31 Balance
Liability Experience losses(gains)				
Base for year ending 12-31-2019	5.231	\$ 170,478	\$ 32,590	\$ 137,888
Base for year ending 12-31-2018	5.114	350,070	68,453	213,164
Base for year ending 01-10-2018	5.284	(104,945)	(19,861)	(45,362)
Base for year ending 12-31-2016	5.596	86,150	15,395	24,570
Base for year ending 12-31-2015	5.907	97,879	16,570	15,029
Base for year ending 12-31-2014	6.197	(335,176)	(54,087)	(10,654)
Change in assumptions				
Base for year ending 12-31-2019	5.231	352,179	67,325	284,854
Base for year ending 12-31-2018	5.114	(50,986)	(9,970)	(31,046)
Base for year ending 12-31-2017	5.284	250,320	47,373	108,201
Base for year ending 12-30-2016	5.596	(166,729)	(29,794)	(47,553)
Base for year ending 12-31-2015	5.907	10,688	1,809	1,643
Base for year ending 12-31-2014	6.197	22,806	3,680	726
Investment losses(gains)				
Base for year ending 12-31-2019	5.000	(1,335,971)	(267,194)	(1,068,777)
Base for year ending 12-31-2018	5.000	1,806,263	361,253	1,083,757
Base for year ending 12-31-2017	5.000	(598,998)	(119,800)	(239,598)
Base for year ending 12-30-2016	5.000	653,659	130,732	130,731
Base for year ending 12-31-2015	5.000	916,236	183,248	-
Totals			<u>\$ 427,722</u>	<u>\$ 557,573</u>

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The balances as of December 31, 2019 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ 283,245
2021	151,587
2022	260,270
2023	(160,611)
2024	23,082

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 5.231 years, the average remaining service of all members with any liability in the plan as of January 1, 2019. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Assumption changes.** The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables). The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations and a 4.50% salary scale (3.50% inflation and 1.00% merit increases) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) and a 4.00% salary scale (3.00% inflation and 1.00% merit increases). The changes in assumptions for base year ending December 31, 2014 reflect the change from the use of 2014 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *Sheriff's Benefit Plan*

**Plan description.** The County Sheriff Benefit Plan (Plan) is a single-employer defined benefit pension plan established to provide disability, death, and survivor/dependent benefits for a person employed by the County Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10 Sections 14, 15, 16, and 17 grant the authority to the Employer and trustee to establish and amend the benefit terms to the Plan with the approval of the county fiscal body. The Plan was established on January 1, 1972 and is administered by the Committee. The composition of the Committee, according to the Plans legal document, shall be the Sheriff and the Merit Board (the Merit Board, per IC 36-8-10-3, consist of five members, three members appointed by the Sheriff and two members elected by the majority vote of the members of county police force).

At December 31, 2019, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	20
Active plan members	<u>56</u>
Total	<u><u>82</u></u>

If an eligible member becomes disabled, the benefit payable prior to age sixty-five (65) shall be determined in accordance with the contract issued by the insurance company provided for the member by the Plan. A member receiving an insurance benefit who attains his sixty-fifth (65th) birthday, whereupon the benefit provided under the insurance contract terminates, shall be entitled to a monthly benefit from the Plan for life in the amount of the monthly benefit to which the member would have been entitled under the Retirement Plan had he remained in service until his normal retirement date and continued to earn a salary at the same rate that was in effect as of the date the disability commenced.

Each eligible member shall be insured by a life insurance contract in the face amount of twenty-five thousand dollars (\$25,000), with a matching amount of accidental death insurance. The purchase and maintenance of the insurance contract is provided by the Plan.

In the event that an eligible member dies prior to the termination of his employment for whatever reason or after his actual retirement as of an early, normal, or late retirement date or for reason of his disability, there shall be payable a two hundred dollar (\$200) monthly benefit to such member's surviving spouse to whom he was married on the date of his death or on the date of his retirement, if earlier, for the spouse's remaining lifetime.

In addition to the surviving spouse's death benefit, a monthly benefit shall be payable on behalf of each dependent child under the age of eighteen (18) years of such deceased member in an amount equal to thirty dollars (\$30) per month. The dependent child's monthly benefit will cease upon the earlier of the child's eighteenth (18th) birthday or date of death.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the County must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during the year. According to IC 36-8-10-12(e), if the County fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2019, the actuarially determined Employer's contribution rate was 1.34% of annual payroll, \$41,964 which was contributed by the County.

**Investment policy.** The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per the Plans legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2012:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	50%
Fixed income	40%
Nontraditional assets	10%

#### Net Pension Asset

The components of the net pension asset of the Plan at December 31, 2019 were as follows:

Total pension liability	\$ 621,920
Plan fiduciary net position	<u>(858,286)</u>
Plan's net pension asset	<u><u>\$ (236,366)</u></u>
Plan fiduciary net position as a % of the total pension asset	<u><u>138.0 %</u></u>

**Pension Expense of the Plan.** Pension expense of \$40,951 was recognized for fiscal year ending December 31, 2019.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Significant Actuarial Assumptions.** Key methods and assumptions used in calculating the total pension asset in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2019
Valuation Date	
Assets	December 31, 2019
Liabilities	December 31, 2019, Actual member census data as of December 31, 2019 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	Not Applicable
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables)

**Discount Rate.** The discount rate used to measure the total pension asset was 6.75% as of December 31, 2019 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.** The following presents the net pension asset of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension asset	\$ 734,647	\$ 621,920	\$ 531,939
Plan fiduciary net position	(858,286)	(858,286)	(858,286)
 Net pension liability/(asset)	 \$ (123,639)	 \$ (236,366)	 \$ (326,347)

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Initial Amortization Period	Initial Balance	Annual Recognition	December 31 Balance
<u>Liability Experience losses(gains)</u>				
Base for year ending 12-31-2019	6.328	\$ (68,993)	\$ (10,903)	\$ (58,090)
Base for year ending 12-31-2018	6.163	(16,473)	(2,673)	(11,127)
Base for year ending 12-31-2017	6.287	(105,803)	(16,829)	(55,316)
Base for year ending 12-30-2016	6.600	(74,880)	(11,345)	(29,500)
Base for year ending 12-31-2015	7.043	(16,659)	(2,365)	(4,834)
Base for year ending 12-31-2014	7.216	14,258	1,976	2,402
<u>Change in assumptions</u>				
Base for year ending 12-31-2019	6.328	(51,031)	(8,064)	(42,967)
Base for year ending 12-31-2018	6.163	211	34	143
Base for year ending 12-31-2017	6.287	(2,291)	(364)	(1,199)
Base for year ending 12-30-2016	6.600	(1,335)	(202)	(527)
Base for year ending 12-31-2015	7.043	22,953	3,259	6,658
Base for year ending 12-31-2014	7.216	(109)	(15)	(19)
<u>Investment losses(gains)</u>				
Base for year ending 12-31-2018	5.000	(79,423)	(15,885)	(63,538)
Base for year ending 12-31-2017	5.000	92,815	18,563	55,689
Base for year ending 12-31-2016	5.000	(29,920)	(5,984)	(11,968)
Base for year ending 12-31-2015	5.000	74,827	14,965	14,967
Base for year ending 12-31-2014	5.000	46,247	9,251	-
Totals			\$ (26,581)	\$ (199,226)

The balances as of December 31, 2019 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	\$ (35,830)
2021	(52,336)
2022	(43,018)
2023	(42,425)
2024	(19,395)
Thereafter	(6,222)

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *A. EMPLOYEES' RETIREMENT SYSTEM (cont.)*

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 6.328 years, the average remaining service of all members with any liability in the plan as of January 1, 2019. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

Assumption changes. The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables). The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the RP-2014 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2014 (separate employee & annuitant tables and male & female tables) and a 4.50% salary scale (3.50% inflation and 1.00% merit increases) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) and a 4.00% salary scale (3.00% inflation and 1.00% merit increases). The changes in assumptions for base year ending December 31, 2014 reflect the change from the use of IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the RP-2014 Blue Collar Mortality with Two Generational Mortality Improvement Scale MP-2014 (separate employee & annuitant tables and male & female tables).

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Statement of Fiduciary Net Position as of December 31, 2019

<u>Assets</u>	Sheriff's Retirement Plan	Sheriff's Benefit Plan
Cash and cash equivalents	\$ 902,774	\$ 47,552
Receivables:		
County contributions	723,036	41,964
Employee contributions	22,449	-
Accrued interest and dividends	30,083	2,471
Other	6,757	-
Investments at fair value:		
Fixed income securities	4,190,308	233,542
Domestic and foreign equities	9,067,150	539,632
Other	-	-
Total assets	<u>14,942,557</u>	<u>865,161</u>
<u>Liabilities</u>		
Payable - due to broker for unsettled trades	2,534	118
Payable - Other	-	6,757
Net position restricted for pensions	<u>\$ 14,940,023</u>	<u>\$ 858,286</u>

##### Statement of Changes in Fiduciary Net Position for the Year Ended December 31, 2019

<u>Additions</u>	Sheriff's Retirement Plan	Sheriff's Benefit Plan
County contributions	\$ 902,415	\$ 41,964
Employee contributions	96,561	-
Interest and dividends	427,748	29,046
Net increase (decrease) in fair value of investments	1,858,849	103,993
Less investment expense	(77,322)	(4,671)
Other	-	6,757
Total additions	<u>3,208,251</u>	<u>177,089</u>
<u>Deductions</u>		
Benefit payments (including refunds of employee contributions)	1,438,923	14,400
Administrative expense	11,892	16,937
Other	-	6,912
Total deductions	<u>1,450,815</u>	<u>38,249</u>
Change in fiduciary net position	1,757,436	138,840
Net position, beginning	<u>13,182,587</u>	<u>719,446</u>
Net position, ending	<u>\$ 14,940,023</u>	<u>\$ 858,286</u>

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Schedule of Changes in the Net Pension Liability for the Year Ended December 31, 2019

	Sheriff's Retirement Plan	Sheriff's Benefit Plan
Service costs	\$ 497,712	\$ 52,054
Interest	1,325,316	47,331
Changes in plan provisions	136,652	-
Difference between expected and actual experience	170,478	(68,993)
Change in assumptions	352,179	(51,031)
Benefit payments	<u>(1,438,923)</u>	<u>(14,400)</u>
Net change in total pension liability	1,043,414	(35,039)
Total pension liability - beginning	<u>19,916,019</u>	<u>656,959</u>
Total pension liability - ending	<u>\$ 20,959,433</u>	<u>\$ 621,920</u>
Net pension liability (asset) - ending	<u>\$ 6,019,410</u>	<u>\$ (236,366)</u>

#### B. RISK MANAGEMENT

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

#### **Self Insurance**

Medical Benefits to Employees, Retirees and Dependents; Theft of, Damage to and Destruction of Assets

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents and with theft of, damage to and destruction of assets. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$1,000,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts paid into the fund by all participating funds are available to pay claims, reserves and administrative costs of the program. Interfund premiums are based primarily upon the percentage of each fund's current payroll as it relates to the total payroll and are reported as quasi-external Interfund transactions.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay-outs and other economic and social factors.

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**B. RISK MANAGEMENT (cont.)**

**Self Insurance (cont.)**

Changes in the balance of accounts payable during 2019 is as follows (information for 2018 is not available):

**Claims Liability**

	Current Year
Unpaid claims - Beginning of Year	\$ 255,351
Current year claims and changes in estimates	1,754,328
Claim payments	(1,490,177)
Unpaid Claims - End of Year	\$ 519,502

**C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The County has the following encumbrances outstanding at year-end expected to be honored upon performance by the vendor:

General Fund	\$	40,000
Nonmajor Funds		
CCD		520,000
Health		717
Local Health Dept. Trust		885

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *D. OTHER POSTEMPLOYMENT BENEFITS*

The County administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides health insurance benefits for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. At December 31, 2019, there were 442 plan members. Plan members are not required to contribute a portion of covered salary. The County is required to contribute 100% of annual covered benefit payments. For the year ended December 31, 2019, no contributions were made by plan members and \$55,699 was contributed by the employer. Plan provisions and contribution requirements are established and may be amended by the County Council.

Inactive plan members or beneficiaries currently receiving benefit payments	7
Active plan members	<u>442</u>
	449

#### **General Information about the OPEB Plan.**

**Plan description and benefits provided.** The County administers a single-employer defined benefit healthcare plan. The Plan provides comprehensive medical benefits to eligible retirees and their dependents. General employees who have reached age 55 with 20 years of service are eligible for retiree health benefits until they are eligible for Medicare. Merit deputies hired prior to April 1, 2019 are eligible for retiree health benefits once they have reached age 55 until Medicare eligibility. Merit deputies hired on or after April 1, 2019 are eligible for retiree health benefits once they have reached age 55 with 10 years of service until Medicare eligibility. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The County administers the plan and issues a report that includes financial information and required supplementary information for the plan as a whole. The report may be obtained by contacting the County Auditor at 86 West Court Street, Franklin, IN 46131 or by calling 317-346-4310.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Active plan members	<u>442</u>
Total	<u><u>442</u></u>

#### *Total OPEB Liability*

The County's total OPEB liability of \$1,965,045 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### *D. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

Inflation	2.25% per year
Salary increases	2.25% merit increases per year
Healthcare cost trend rates	8% in 2020 declining incrementally to 4.5% in 2027 and thereafter
Retirees' share of benefit-related costs	100%

The discount rate was based on Bond Buyer GO 20-Bond Municipal Bond Index. 4.11% as of January 1, 2019 and 3.44% as of January 1, 2018 for accounting disclosure purposes..

Mortality rates were based on the RP-2014 Total Data Set table, adjusted back to 2006 with MP-2014. Separate tables for male and female participants.

The actuarial assumptions used in the December 31, 2019 represent a reasonable long-term expectation of future OPEB outcomes based on the the period January 1, 2019 to December 31, 2019. As national economic and County experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

#### *Changes in the Total OPEB Liability*

	Total OPEB Liability
Balances at December 31, 2018	\$ 1,976,268
Changes for the year:	
Service cost	116,291
Interest	71,034
Changes in assumptions or other inputs	(142,849)
Benefit payments	(55,699)
Net changes	<u>(11,223)</u>
Balances at December 31, 2019	<u>\$ 1,965,045</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.44 percent as of January 1, 2019 to 4.11 percent as of December 31, 2019.

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

	1% Decrease (3.11%)	Discount Rate (4.11%)	1% Increase (5.11%)
Total OPEB liability	<u>\$ 2,182,313</u>	<u>\$ 1,965,045</u>	<u>\$ 1,771,419</u>

**JOHNSON COUNTY, INDIANA**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

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

	Healthcare Cost Trend Rates		
	1% Decrease (7.00%) Decreasing to 3.50%)	(8.00%) Decreasing to 4.50%)	1% Increase (9.00%) Decreasing to 5.50%)
Total OPEB liability	\$ 1,729,946	\$ 1,965,045	\$ 2,243,296

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended December 31, 2019, the County recognized OPEB expense of \$169,469. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 124,994
Total	\$ 124,994

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:	
2019	\$ (17,856)
2020	(17,856)
2021	(17,856)
2022	(17,856)
2023	(17,856)
Thereafter	(35,713)

***E. SUBSEQUENT EVENTS***

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the County. As of the date above, the County's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact several areas as listed below.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***E. SUBSEQUENT EVENTS*** (cont.)

The extent of the impact of COVID-19 on the County's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

Potential impacts include but are not limited to:

- (a) Investment valuations and decreased investment income
- (b) Declines in revenues such as room tax, sales tax, income tax, state aids, fines or tickets etc.
- (c) Decline in demand for services such as utilities, transit, recreational enterprise activities or permits & licenses, airport traffic
- (d) Increase in delinquencies or uncollectible accounts receivable or loans receivable
- (e) Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- (f) Increase in demand for services as a result of increased unemployment
- (g) Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

#### **Local Income Tax Revenue Bonds, Series 2020A**

On January 15, 2020 the County issued Local Income Tax Revenue Bonds, Series 2020A in the amount of \$25,000,000 with an interest rate of 2% to 4%. This amount will be used by the County to pay the cost of acquiring, constructing, installing, rehabilitating and equipping certain correctional facilities and rehabilitation facilities and buildings.

#### **General Obligations Bonds, Series 2020A**

On November 2, 2020 the County issued General Obligation Bonds, Series 2020A in the amount of \$2,510,000 with an interest rate of 0.75% to 0.87%. This amount will be used by the County to pay for projects and equipment for the County programs.

#### **Supplemental Income Tax ("LIT") Distribution**

Indiana Code Citation IC 6-3.6-9-15 requires the State Budget Agency to provide the amount of supplemental distributions for qualifying counties to the Department of Local Government Finance before May 2. The supplemental distribution is disbursed to counties that have a balance in the county trust account exceeding fifteen percent (15%) of the certified distribution to be made to the county in the year of determination.

The County's expected amount of the distribution is \$979,110. The distribution will be deposited into the General Fund.

#### **Dissolution of Whiteland Fire Protection District**

On January 1, 2020, Whiteland Fire Protection District dissolved into the Town of Whiteland. The dissolution was done in accordance with Whiteland Town Council Resolution 2018-2 and Whiteland Fire Protection District Resolution 2018-02.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***F. TAX ABATEMENT***

Under the state statute, IC 6-1.1-12.1 the County provides tax abatements for rehabilitation or redevelopment of real property in economic revitalization areas. Economic revitalization area (ERA) means an area which is within the corporate limits of a city, town or county which has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The tax abatements under this statute are for real property tax and personal property tax.

#### ***Tax Abatements - Real Property***

The abatements are obtained through application by the property owner, approval by the County Council, and a signed agreement between the parties. The agreement is usually for a ten-year period in which the County is willing to forgo tax revenues (real property tax) and the property owner promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the percentage of reduction to be applied to the eligible assessed value.

#### ***Tax Abatements - Personal Property Tax***

The County Council approves the tax abatements for personal property tax. Once approval is granted the taxpayer must file forms with the County Assessor each year of the abatement. The forms used, depending on the type of property, are 103-ERA, State form 52503; CF-1/PP, State form 51765; SB-1/PP, State form 51764; and form 103-EL, State form 52515 that accompanies the ERA. After the forms are filed, the County Assessor calculated the minimum value ratio (MVR) which is the Total True Tax Value, from Schedule A divided by 30% of Adjusted Cost, from Schedule A. The adjusted cost is multiplied by the True Tax Value percentage for the property pool by year of purchase of the asset, then times the MVR. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the reduction in personal property tax to be applied.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *F. TAX ABATEMENT (cont.)*

##### ***Tax Abatements - Vacant Building***

In accordance with IC 6-1.1-12.1-4.8, up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year. The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the Council. Prior approval of the Council must occur before occupying the facility and the Council determines the time period for the abatement. All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization. In return for such abatements, the City generally commits to permit, zoning and job training assistance. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

##### ***Impact of Abatements on Revenues***

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential and commercial are equal to 1%, 2% and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

# JOHNSON COUNTY, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **F. TAX ABATEMENT** (cont.)

##### ***Impact of Abatements on Revenues*** (cont.)

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

The estimated gross amount, on a cash basis by which the County of Johnson's property tax revenues (payable 2019 taxes) were reduced as a result of the aforementioned County abatement programs, totaled \$466,294. The abatements for the County of Johnson included abatements for the following programs:

Real Estate Tax Abatement	\$	271,935
Personal Property Tax Abatements		<u>194,359</u>
Total	\$	<u><u>466,294</u></u>

While the County has calculated the potential impact of existing tax abatements on its property tax revenues for 2019 to approximate \$466,294 the actual extent of lost revenues is something less than this amount and cannot be reasonably determined due to the application of circuit breaker credits.

#### **G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved the following statements:

Statement No. 87, *Leases*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus*

Statement No. 93, *Replacement of Interbank Offered Rates*

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

**JOHNSON COUNTY, INDIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**(NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ 14,719,325	\$ 14,719,325	\$ 15,116,913	\$ 397,588
Licenses and Permits	200,000	200,000	494,452	294,452
Intergovernmental	14,629,133	14,522,352	17,333,663	2,811,311
Charges for Services	2,739,637	2,739,637	1,345,082	(1,394,555)
Fines and Forfeits	355,000	355,000	446,374	91,374
Interest	550,000	550,000	1,387,009	837,009
Reimbursement	335,800	335,800	915,501	579,701
Miscellaneous	685,864	685,864	646,025	(39,839)
<b>Total Revenues</b>	<b>34,214,759</b>	<b>34,107,978</b>	<b>37,685,019</b>	<b>3,577,041</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Clerk</b>				
Personal Services	545,640	545,640	474,020	71,620
Supplies	16,250	16,250	16,137	113
Other Services and Charges	14,116	14,116	12,151	1,965
Capital Outlay	2,000	2,000	1,870	130
Unappropriated	-	-	647	(647)
<b>County Assessor</b>				
Personal Services	370,253	370,253	358,911	11,342
Supplies	4,000	4,000	3,259	741
Other Services and Charges	33,500	33,500	8,802	24,698
Capital Outlay	4,000	4,000	2,309	1,691
Unappropriated	-	-	4,957	(4,957)
<b>Prosecuting Attorney</b>				
Personal Services	1,484,668	1,455,859	1,413,601	42,258
Unappropriated	-	-	12,206	(12,206)
<b>Registration of Voters</b>				
Personal Services	43,650	43,650	42,303	1,347
Supplies	5,000	5,000	4,990	10
Other Services and Charges	3,500	3,500	2,656	844
<b>County Cooperative Extension Service</b>				
Personal Services	66,372	77,073	68,703	8,370
Supplies	9,702	7,689	5,679	2,010
Other Services and Charges	128,353	128,853	127,169	1,684
<b>Veterans Service Officer</b>				
Personal Services	73,344	73,679	74,100	(421)
Supplies	1,100	1,056	1,055	1
Other Services and Charges	1,700	1,409	1,408	1
Capital Outlay	-	-	-	-
<b>County Election Board</b>				
Personal Services	185,435	185,435	149,916	35,519
Supplies	129,000	100,800	99,628	1,172
Other Services and Charges	37,200	53,201	38,034	15,167
Capital Outlay	-	12,200	12,200	-
<b>County Commissioners</b>				
Personal Services	8,726,623	8,363,451	8,321,996	41,455
Supplies	731,000	65,910	65,904	6
Other Services and Charges	1,368,760	1,582,998	1,464,031	118,967
Capital Outlay	3,000	500	-	500
<b>Court House</b>				
Personal Services	381,802	381,802	375,065	6,737
Supplies	75,500	75,500	73,186	2,314
Other Services and Charges	370,200	370,200	351,073	19,127
<b>Superior Court #1 (Superior Court)</b>				
Personal Services	189,721	187,221	181,246	5,975
Supplies	8,500	7,509	7,259	250
Other Services and Charges	7,325	10,825	9,687	1,138
Capital Outlay	1,000	1,000	-	1,000

**JOHNSON COUNTY, INDIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**(NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Superior Court #2				
Personal Services	\$ 182,591	\$ 182,591	\$ 176,493	\$ 6,098
Supplies	7,543	7,543	4,930	2,613
Other Services and Charges	93,726	123,726	119,746	3,980
Capital Outlay	1,770	1,770	250	1,520
Superior Court #3				
Personal Services	272,761	236,818	173,453	63,365
Supplies	14,500	14,500	9,051	5,449
Other Services and Charges	170,440	170,444	137,411	33,033
Capital Outlay	1,000	1,000	400	600
Superior Court #4				
Personal Services	175,701	175,701	161,376	14,325
Supplies	8,500	8,500	7,240	1,260
Other Services and Charges	31,275	31,205	13,770	17,435
Capital Outlay	2,000	2,070	2,060	10
County Court (Use for Cunty Court)				
Personal Services	172,554	171,001	170,816	185
Supplies	7,625	6,181	5,513	668
Other Services and Charges	8,490	8,156	5,387	2,769
Capital Outlay	803	4,134	3,932	202
Circuit Court				
Personal Services	434,338	499,820	474,203	25,617
Supplies	12,800	12,800	11,654	1,146
Other Services and Charges	423,311	423,377	411,171	12,206
Capital Outlay	2,000	2,000	917	1,083
Juvenile Court				
Personal Services	240,481	237,681	224,351	13,330
Supplies	6,534	9,334	8,175	1,159
Other Services and Charges	15,114	15,114	10,150	4,964
Capital Outlay	1,000	1,000	884	116
Sub-total Courts	17,309,071	16,532,545	15,919,491	613,054
Communications Department (Radio-Phones-Dispatch)				
Personal Services	93,921	93,921	85,208	8,713
Supplies	11,000	11,000	5,887	5,113
Other Services and Charges	799,624	848,948	831,889	17,059
Non-Dept				
Other Financing Uses	-	-	1,276,246	(1,276,246)
Auditor				
Unappropriated	-	-	2,213	(2,213)
Council				
Unappropriated	-	-	35	(35)
Fleet				
Personal Services	-	118,172	114,260	3,912
Supplies	-	723,132	687,475	35,657
Other Services and Charges	-	38,145	25,765	12,380
Capital Outlay	-	2,500	611	1,889
Jo Co Redevelopment Commission				
Other Services and Charges	-	4,000	642	3,358
Recorders Records Perpet				
Unappropriated	-	-	354	(354)
Total General Government	18,213,616	18,372,363	18,950,076	(577,713)

**JOHNSON COUNTY, INDIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**(NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Jail				
Personal Services	\$ 2,790,616	\$ 2,870,616	\$ 2,795,886	\$ 74,730
Supplies	727,850	810,333	714,694	95,639
Other Services and Charges	1,399,060	1,434,985	1,209,400	225,585
Capital Outlay	31,000	31,000	30,827	173
Detention Center				
Personal Services	1,602,475	1,602,475	1,448,952	153,523
Supplies	111,500	111,651	108,298	3,353
Other Services and Charges	186,550	176,849	158,198	18,651
Capital Outlay	-	9,831	7,543	2,288
Probation				
Personal Services	1,388,773	1,356,573	1,342,649	13,924
Supplies	7,000	10,000	7,402	2,598
Other Services and Charges	23,000	32,100	31,171	929
Capital Outlay	2,500	22,600	21,363	1,237
County Sheriff				
Personal Services	4,323,368	4,332,268	4,300,857	31,411
Supplies	116,050	116,499	114,336	2,163
Other Services and Charges	95,500	98,018	93,340	4,678
Capital Outlay	17,000	17,000	16,865	135
Civil Defense				
Personal Services	136,061	136,061	134,907	1,154
Supplies	2,000	2,000	1,920	80
Other Services and Charges	5,476	5,226	4,267	959
Capital Outlay	501	751	699	52
Security Center				
Personal Services	245,604	245,604	236,914	8,690
Supplies	4,550	4,551	4,266	285
<b>Total Public Safety</b>	<b>13,216,434</b>	<b>13,426,991</b>	<b>12,784,754</b>	<b>642,237</b>
Culture, Recreation and Education:				
Museum (Arts Commission)				
Personal Services	98,515	101,015	98,566	2,449
Supplies	500	500	489	11
Other Services and Charges	56,883	54,383	43,842	10,541
<b>Total Culture, Recreation and Education</b>	<b>155,898</b>	<b>155,898</b>	<b>142,897</b>	<b>13,001</b>
Health and Human Services:				
Mental Health Center				
Personal Services	865,726	865,726	865,726	-
Soil Conservation (Soil & Water)				
Personal Services	75,468	75,468	75,382	86
Supplies	57,966	57,966	57,966	-
4-D Program (Child Support)				
Personal Services	628,799	594,236	573,807	20,429
<b>Total Health and Human Services</b>	<b>1,627,959</b>	<b>1,593,396</b>	<b>1,572,881</b>	<b>20,515</b>
<b>Total Expenditures</b>	<b>33,213,907</b>	<b>33,548,648</b>	<b>33,450,608</b>	<b>98,040</b>
Excess (deficiency) of revenues over (under) expenditures	1,000,852	559,330	4,234,411	3,675,081
Other Financing Source (Uses):				
Transfers Out	-	-	(3,000,000)	3,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(3,000,000)</b>	<b>3,000,000</b>
<b>Net Change in Fund Balances</b>	<b>1,000,852</b>	<b>559,330</b>	<b>1,234,411</b>	<b>6,675,081</b>
Fund Balances - Beginning	13,717,078	13,717,078	13,717,078	-
<b>Fund Balances - Ending</b>	<b>\$ 14,717,930</b>	<b>\$ 14,276,408</b>	<b>\$ 14,951,489</b>	<b>\$ 6,675,081</b>

**JOHNSON COUNTY, INDIANA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 (NON-GAAP BUDGETARY BASIS)  
 MAJOR SPECIAL REVENUE FUND - HIGHWAY  
 (Includes the Highway Fund and MVH Restricted sub-fund)  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<b>MVH Restricted</b>				
Intergovernmental	\$ -	\$ -	\$ 2,301,957	\$ 2,301,957
Miscellaneous	-	-	-	-
<b>Highway</b>				
Intergovernmental	3,563,840	3,563,840	2,321,956	(1,241,884)
Licenses and permits	2,800	2,800	35,435	32,635
Miscellaneous	250,000	250,000	41,287	(208,713)
<b>Total Revenues</b>	<u>3,816,640</u>	<u>3,816,640</u>	<u>4,700,635</u>	<u>883,995</u>
Expenditures:				
<b>MVH Restricted</b>				
Highways and Streets				
Personal Services	-	389,258	389,258	-
Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Capital Outlay	-	1,863,000	1,679,563	183,437
Debt Service	-	-	-	-
<b>Highway</b>				
Highways and Streets				
Personal Services	2,433,555	2,044,297	1,896,607	147,690
Supplies	328,001	361,222	263,615	97,606
Other Services and Charges	215,877	215,877	157,629	58,248
Capital Outlay	1,900,801	702,801	33,891	668,910
Unappropriated	-	-	50	(50)
<b>Total Highway Expenditures</b>	<u>4,878,234</u>	<u>3,324,197</u>	<u>2,351,792</u>	<u>972,405</u>
<b>Total Expenditures</b>	<u>4,878,234</u>	<u>5,576,455</u>	<u>4,420,613</u>	<u>1,155,842</u>
Excess (deficiency) of revenues over (under) expenditures	(1,061,594)	(1,759,815)	280,022	(271,847)
Fund Balances - Beginning	1,739,406	1,739,406	1,739,406	-
Fund Balances - Ending	<u>\$ 677,812</u>	<u>\$ (20,409)</u>	<u>\$ 2,019,428</u>	<u>\$ (271,847)</u>

**JOHNSON COUNTY, INDIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**(NON-GAAP BUDGETARY BASIS)**  
**MAJOR SPECIAL REVENUE FUND - WHEEL/SURTAX COUNTY PORTION**  
**For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,625,000	\$ 1,625,000	\$ 1,769,803	\$ 144,803
Miscellaneous	-	-	-	-
Total Revenues	<u>1,625,000</u>	<u>1,625,000</u>	<u>1,769,803</u>	<u>144,803</u>
Expenditures:				
Highways and Streets				
Home-Rule Department #2				
Capital Outlay	1,028,252	2,618,286	1,052,822	1,565,464
Debt Service	571,000	571,000	570,641	359
Total Expenditures	<u>1,599,252</u>	<u>3,189,286</u>	<u>1,623,463</u>	<u>1,565,823</u>
Excess (deficiency) of revenues over (under) expenditures	25,748	(1,564,286)	146,340	(1,421,020)
Fund Balances - Beginning	<u>2,252,815</u>	<u>2,252,815</u>	<u>2,252,815</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,278,563</u>	<u>\$ 688,529</u>	<u>\$ 2,399,155</u>	<u>\$ (1,421,020)</u>

**JOHNSON COUNTY, INDIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET/GAAP RECONCILIATION**  
**(NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended December 31, 2019

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are

- a. Revenue are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP)
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>General</u>	<u>Highway/MVH Restricted</u>	<u>Wheel/ Surtax County Portion</u>
Net changes in fund balances (budgetary basis)	\$ 1,234,411	\$ 280,022	\$ 146,340
Adjustments			
To adjust revenues for accruals	487,698	129,258	6,226
To adjust expenditures for accruals	<u>(34,905)</u>	<u>(1,098,786)</u>	<u>(2,296,528)</u>
Net change in fund balances (GAAP basis)	<u>\$ 1,687,204</u>	<u>\$ (689,506)</u>	<u>\$ (2,143,962)</u>

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## JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 Public Employees' Retirement Fund  
 Available Data: Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability	0.37732%	0.37611%	0.36260%	0.35800%	0.34562%	0.32081%
County's proportionate share of the net pension liability	\$ 12,470,666	\$ 12,776,627	\$ 16,177,557	\$ 16,247,631	\$ 14,076,764	\$ 8,430,679
County's covered payroll	\$ 19,658,448	\$ 19,191,332	\$ 17,989,121	\$ 17,157,337	\$ 16,554,676	\$ 15,662,825
County's proportionate share of the net pension liability as a percentage of its covered payroll	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability *	80.1%	78.9%	72.7%	71.2%	73.3%	81.1%

## Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The County's covered payroll comes from the County specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Benefit changes: Pursuant to HEA 109 survivor benefits now require 10 years of creditable service rather than 15 years.

Changes in actuarial methods: None

Changes in assumptions: None

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

\* Effective January 1, 2018 funds previously known as annuity savings accounts (which had been reported within defined benefit (DB) funds) were reclassified as defined contribution (DC) funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund total were transferred to the appropriate DC fund as of January 1, 2018.

## JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 Public Employees' Retirement Fund  
 Available Data: Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 2,236,594	\$ 2,141,552	\$ 2,072,824
Contributions in relation to the contractually required contributions	<u>(2,236,594)</u>	<u>(2,141,552)</u>	<u>(2,072,824)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 19,969,589	\$ 19,121,000	\$ 18,507,357
Contributions as a percentage of covered payroll	11.20%	11.20%	11.20%

## Notes:

The amounts presented for each fiscal year were determined as of December 31.  
 Information is not available prior to 2017.  
 Additional years will be added until 10 years of historical data is shown.

## JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS  
 SHERIFF'S RETIREMENT PLAN  
 Available Data: Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 497,712	\$ 480,271	\$ 457,675	\$ 445,180	\$ 441,669
Interest	1,325,316	1,261,626	1,188,599	1,135,101	1,075,476
Changes in plan provisions	136,652	-	-	-	-
Difference between expected and actual experience	170,478	350,070	(104,945)	86,150	97,879
Changes in assumptions	352,179	(50,986)	250,320	(166,729)	10,688
Benefit payments	(1,438,923)	(731,891)	(732,929)	(703,901)	(795,495)
Net change in total pension liability	<u>1,043,414</u>	<u>1,309,090</u>	<u>1,058,720</u>	<u>795,801</u>	<u>830,217</u>
Total pension liability - beginning of year	19,916,019	18,606,929	17,548,209	16,752,408	15,922,191
Total pension liability - end of year (1)	<u>\$ 20,959,433</u>	<u>\$ 19,916,019</u>	<u>\$ 18,606,929</u>	<u>\$ 17,548,209</u>	<u>\$ 16,752,408</u>
Plan Fiduciary Net Position					
County contributions	\$ 902,415	\$ 924,432	\$ 1,023,601	\$ 826,849	\$ 849,546
Employee contributions	96,561	83,204	81,830	78,657	82,913
Net investment income	2,209,275	(866,160)	1,422,216	141,125	(123,480)
Benefit payments	(1,438,923)	(731,891)	(732,929)	(703,901)	(795,495)
Administrative expenses	(11,892)	(11,112)	(10,146)	(18,676)	(18,194)
Net change in plan fiduciary net position	<u>1,757,436</u>	<u>(601,527)</u>	<u>1,784,572</u>	<u>324,054</u>	<u>(4,710)</u>
Plan fiduciary net position - beginning of year	13,182,587	13,784,114	11,999,542	11,675,488	11,680,198
Plan fiduciary net position - end of year (2)	<u>\$ 14,940,023</u>	<u>\$ 13,182,587</u>	<u>\$ 13,784,114</u>	<u>\$ 11,999,542</u>	<u>\$ 11,675,488</u>
Net pension liability (asset) - end of year (1) - (2)	<u>\$ 6,019,410</u>	<u>\$ 6,733,432</u>	<u>\$ 4,822,815</u>	<u>\$ 5,548,667</u>	<u>\$ 5,076,920</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>71.28%</u>	<u>66.19%</u>	<u>74.08%</u>	<u>68.38%</u>	<u>69.69%</u>
Covered payroll	\$ 3,341,989	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925
County's net pension liability as a percentage of covered payroll	180.11%	215.01%	159.46%	188.88%	178.02%

## Notes:

Additional years will be added until 10 years of historical data is shown.

## JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS  
 SHERIFF'S BENEFIT PLAN

Available Data: Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 52,054	\$ 51,361	\$ 49,054	\$ 47,745	\$ 45,223
Interest	47,331	42,986	44,748	44,526	39,204
Difference between expected and actual experience	(68,993)	(16,473)	(105,803)	(74,880)	(16,659)
Changes in assumptions	(51,031)	211	(2,291)	(1,335)	22,953
Benefit payments	(14,400)	(14,400)	(13,800)	(14,400)	(14,400)
Net change in total pension liability	(35,039)	63,685	(28,092)	1,656	76,321
Total pension liability - beginning of year	656,959	593,274	621,366	619,710	543,389
Total pension liability - end of year (1)	<u>\$ 621,920</u>	<u>\$ 656,959</u>	<u>\$ 593,274</u>	<u>\$ 621,366</u>	<u>\$ 619,710</u>
Plan Fiduciary Net Position					
County contributions	41,964	48,108	53,153	43,941	35,748
Net transfers into (out of) trust	-	-	-	-	(7,350)
Net investment income	128,368	(42,410)	74,078	(29,611)	(1,993)
Benefit payments	(14,400)	(14,400)	(13,800)	(14,400)	(14,400)
Administrative expenses	(16,937)	(720)	(38,049)	(665)	(20,048)
Other	(155)	-	-	-	7,350
Net change in plan fiduciary net position	138,840	(9,422)	75,382	(735)	(693)
Plan fiduciary net position - beginning of year	719,446	728,868	653,486	654,221	654,914
Plan fiduciary net position - end of year (2)	<u>\$ 858,286</u>	<u>\$ 719,446</u>	<u>\$ 728,868</u>	<u>\$ 653,486</u>	<u>\$ 654,221</u>
Net pension liability (asset) - end of year (1) - (2)	<u>\$ (236,366)</u>	<u>\$ (62,487)</u>	<u>\$ (135,594)</u>	<u>\$ (32,120)</u>	<u>\$ (34,511)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>138.01%</u>	<u>109.51%</u>	<u>122.86%</u>	<u>105.17%</u>	<u>105.57%</u>
Covered payroll	\$ 3,341,989	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925
County's net pension liability as a percentage of covered payroll	-7.07%	-2.00%	-4.48%	-1.09%	-1.21%

## Notes:

Additional years will be added until 10 years of historical data is shown.

JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 SHERIFF'S RETIREMENT PLAN  
 Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 862,640	\$ 821,278	\$ 797,747	\$ 756,757	\$ 756,649	\$ 682,336	\$ 663,829	\$ 634,967	\$ 676,555	\$ 726,519
Contributions in relation to the Actuarially required contributions	(902,415)	(924,432)	(1,023,601)	(826,849)	(849,546)	(760,611)	(707,069)	(747,816)	(681,146)	(755,192)
Contribution (excess)	\$ (39,775)	\$ (103,154)	\$ (225,854)	\$ (70,092)	\$ (92,897)	\$ (78,275)	\$ (43,240)	\$ (112,849)	\$ (4,591)	\$ (28,673)
County's covered payroll	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925	\$ 2,781,646	\$ 2,729,374	\$ 2,635,081	\$ 2,587,338	\$ 2,588,138	\$ 2,542,212
Contributions as a percentage of covered payroll	28.82%	30.57%	34.84%	28.99%	30.54%	27.87%	26.83%	28.90%	26.32%	29.71%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine most current contributions rate above:

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	27 years
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary Increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 or one year from the valuation date
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables)

Other Information:

None

JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 SHERIFF'S BENEFIT PLAN  
 Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 41,964	\$ 48,108	\$ 53,153	\$ 43,941	\$ 35,748	\$ 30,246	\$ 26,780	\$ 24,718	\$ 29,783	\$ 25,130
Contributions in relation to the Actuarially required contributions	(41,964)	(48,108)	(53,153)	(43,941)	(35,748)	(30,246)	(26,780)	(24,718)	(29,783)	(25,130)
Contribution (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925	\$ 2,781,646	\$ 2,729,374	\$ 2,635,081	\$ 2,587,338	\$ 2,588,138	\$ 2,542,212
Contributions as a percentage of covered payroll	1.34%	1.59%	1.81%	1.54%	1.29%	1.11%	1.02%	0.96%	1.15%	0.99%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine most current contributions rate above:

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary Increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 or one year from the valuation date
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables)

Other Information:

None

## JOHNSON COUNTY, INDIANA

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF INVESTMENT RETURNS

## SHERIFF'S RETIREMENT AND BENEFIT PLANS

Available Data: Last 10 Fiscal Years

	Annual money-weighted rate of return	
	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>
2019	17.82%	18.04%
2018	-6.37%	-5.93%
2017	12.05%	11.65%
2016	1.22%	-4.65%
2015	-1.10%	0.41%
2014	3.67%	2.96%
2013	10.80%	9.30%
2012	7.30%	
2011	-3.00%	
2010	12.10%	

## JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN COUNTY'S TOTAL OPEB LIABILITY

Available Data: Last 10 Fiscal Years

	<u>2019</u>
Total OPEB Liability	
Service cost	\$ 116,291
Interest	71,034
Changes of assumptions	(142,849)
Benefit payments	<u>(55,699)</u>
Net change in total OPEB liability	(11,223)
Total OPEB liability - beginning of year	<u>1,976,268</u>
Total pension liability - end of year (1)	<u><u>\$ 1,965,045</u></u>
Plan Fiduciary Net Position	
Contributions	\$ 55,699
Benefit payments	<u>(55,699)</u>
Net change in plan fiduciary net position	<u>-</u>
Plan fiduciary net position - end of year (2)	<u><u>\$ -</u></u>
Total OPEB liability - end of year (1) - (2)	<u><u>\$ 1,965,045</u></u>

## Notes to schedule:

Additional years will be added until 10 years of historical data is shown.

## JOHNSON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF NET OPEB LIABILITY  
 Available Data: Last 10 Fiscal Years

	<u>2019</u>
1. Total OPEB liability	\$ 1,965,045
2. Plan fiduciary net position	<u>-</u>
3. Net OPEB liability	<u>\$ 1,965,045</u>
4. Plan fiduciary net position as a percentage of total OPEB liability = (2) / (1)	0.00%
5. Covered payroll	\$ 18,793,015
6. Total OPEB liability as a percentage of covered payroll = (1) / (5)	10.46%

## Notes to schedule:

Additional years will be added until 10 years of historical data is shown.

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## JOHNSON COUNTY, INDIANA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2019

#### I. Budgets and Budgetary Accounting

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year end.

On or before August 31, the County auditor submits to the County council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the County council to obtain taxpayer comments. In September of each year, the County council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County receives approval of the Indiana Department of Local Government Finance.

Indiana law restricts the County's maximum tax levy, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance.

The legal level of budgetary control is by object or department within the fund for the General fund, and by object within the fund for all other budgeted funds. The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the County Council. Any revisions to the appropriations for any fund or any department of the General fund must be approved by the County Council and, in some instances, by the Indiana Department of Local Government Finance.

Formal budgetary integration is required by state statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

##### Major Funds:

General, Highway/MVH Restricted, Wheel/Surtax County Portion

##### Special Revenue Funds:

2015 Reassessment, Animal Shelter, Highway, Local Road & Street, Health, Cumulative Capital Development, Community Corrections API, Community Corrections JPI, County Misdemeanant, County Sales Disclosure Fee, Pretrial Diversion Program, Supplemental Public Defender, Prosecutor Deferral Program, CASA User Fee Fund, Alternative Dispute Resolution, GIS Maintenance Fund, JC Storm Water Management Dept, Voting System Reimbursement, Surveyor Corner Perpetuation, County Alcohol & Drug, Health Maintenance, Food and Beverage Tax, Local Health Dept Trust Acct, Clerk's Perpetuation, Auditors Plat Map Maintenance, CASA/Guardian Ad Litem, Inspection Fees – New Subdiv, User Fee/Jury Fee, Emerg Planning & Right to Know, Johnson County 911, Auditor's Ineligible Deductions, Park Nonreverting – Operating, Supplemental Adult Prob Serv, Weights & Measures Ordinance Fines, Elected Officials Training, Enhanced Access, Animal Shelter Donation, LECE Animal Control, Sara Woods Memorial Fund, Panda Bear Memorial Donation, Animal Adoption Fee Fund

##### Debt Service Funds:

Bond 2, Bond 3

##### Capital Project Funds:

Cumulative Bridge, Park Non-Revert Capital Improv

## JOHNSON COUNTY, INDIANA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

(Continued)

Internal Service Fund:  
Emp Gr Self-Fund Health Ins

#### II Financial Reporting – Pension Plans

##### A. Plan Amendments

- a. In 2019, there were no changes to the Plan that impacted the pension benefits during the fiscal year.

In 2019 pursuant to HEA 109 the years of service required to receive survivor benefits was reduced from 15 years to 10 years.

##### B. PERF Plan:

- a) The actuarial assumptions and methods used in the June 30, 2019 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2010 through June 30, 2014 and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

##### C. Sheriff Retirement and Benefit plan

- a) The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables).
- b) The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables).
- c) The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables).
- d) The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables).

**JOHNSON COUNTY, INDIANA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

(Continued)

- e) The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations and a 4.50% salary scale (3.50% inflation and 1.00% merit increases) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) and a 4.00% salary scale (3.00% inflation and 1.00% merit increases).
- f) The changes in assumptions for base year ending December 31, 2014 reflect the change from the use of 2014 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations.

Sheriff Retirement Plan

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	27 years
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement Age	The later of age 55 or one year from the valuation date
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two-Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables)

Sheriff Benefit Plan

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement Age	The later of age 55 or one year from the valuation date
	Mortality RP-2014 Adjusted to 2006 Total Dataset Mortality with Two-Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables)

III. OPEB Plan

Cost Method	Entry Age Normal Level % of Salary
Amortization	Not Applicable
Discount rate	4.11%
Discount rate basis	S&P municipal bond 20-year high grade rate index
Inflation rate	2.25% per annum
Investment rate of return	Not applicable since the plan is not currently prefunded

**JOHNSON COUNTY, INDIANA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

(Continued)

Disability	None assumed
Mortality – General	SOA published mortality table General Headcount Weighted Mortality Table fully generational using Scale MP-2019
Mortality – Deputies	SOA published Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019
Mortality – Surviving Spouse	SOA published Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019
Coverage Rate	Active employees with current coverage 35% Inactive employees with current coverage 100% No coverage 0%
Retirement rates:	

General				
AGE	<10 YOS	10 YOS	20 YOS	30 YOS
55	0.0%	0.0%	5.0%	14.0%
60	0.0%	0.0%	12.0%	12.0%
65	0.0%	30.0%	30.0%	30.0%
75+	0.0%	100.0%	100.0%	100.0%

Merit Deputy	
Age	Rates
<55	0%
55+	100%

Turnover

General - Male						
Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	7%	7%
30	22%	19%	13%	12%	7%	7%
40	17%	14%	10%	9%	5%	5%
50	14%	9%	9%	7%	4%	4%
60	13%	7%	7%	7%	4%	4%

General - Female						
Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	8%	8%
30	21%	21%	14%	12%	8%	8%
40	18%	16%	12%	9%	8%	6%
50	16%	15%	9%	9%	6%	6%
60	16%	11%	9%	9%	6%	6%

Merit Deputy	
Age	Rates
20	5.4%
30	5.1%
40	3.5%
50	0.4%

**JOHNSON COUNTY, INDIANA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

(Continued)

Per capita Costs

Annual per capita costs were calculated on the 2019 premium rates

Age	HDHP
<55	\$ 9,300
55 - 59	\$ 11,600
60 - 64	\$ 15,000

Healthcare cost trend rate:

FYE	Medical/Rx	FYE	Medical/RX
2020	8.0%*	2024	6.0%
2021	7.5%	2025	5.5%
2022	7.0%	2026	5.0%
2023	6.5%	2027+	4.5%

\*The trend rate for FYE 2020 is based on actual premium increases from 2019-2020 (10.84%)

JOHNSON COUNTY, INDIANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 As of December 31, 2019

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Funds
<b>Assets</b>				
Cash and investments	\$ 27,718,543	\$ 262,505	\$ 7,438,633	\$ 35,419,681
Receivables				
Taxes receivable	5,026,842	2,431,304	588,009	8,046,155
Accounts	386,146	-	2,567	388,713
Intergovernmental	559,282	-	37,150	596,432
Interest	22,869	-	-	22,869
<b>Total assets</b>	<u>33,713,682</u>	<u>2,693,809</u>	<u>8,066,359</u>	<u>44,473,850</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	1,630,848	1,250	150,380	1,782,478
Contracts payable	58,130	-	1,763	59,893
Accrued wages and payroll withholding	596,896	-	32,189	629,085
<b>Total liabilities</b>	<u>2,285,874</u>	<u>1,250</u>	<u>184,332</u>	<u>2,471,456</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	4,423,043	2,373,150	571,562	7,367,755
<b>Fund Balances</b>				
Restricted	22,886,808	319,409	7,310,465	30,516,682
Committed	4,743,233	-	-	4,743,233
Unassigned (deficit)	(625,276)	-	-	(625,276)
<b>Total fund balances</b>	<u>27,004,765</u>	<u>319,409</u>	<u>7,310,465</u>	<u>34,634,639</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 33,713,682</u>	<u>\$ 2,693,809</u>	<u>\$ 8,066,359</u>	<u>\$ 44,473,850</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Funds
<b>Revenues</b>				
Taxes	\$ 4,042,847	\$ 2,046,082	\$ 524,194	\$ 6,613,123
Income tax	-	-	-	-
Other taxes	3,915,676	222,972	122,057	4,260,705
Licenses and permits	466,248	-	-	466,248
Intergovernmental	7,136,145	-	-	7,136,145
Charges for services	4,629,636	-	-	4,629,636
Fines and forfeitures	984,519	-	-	984,519
Miscellaneous	1,170,697	28,833	180,455	1,379,985
Total revenues	<u>22,345,768</u>	<u>2,297,887</u>	<u>826,706</u>	<u>25,470,361</u>
<b>Expenditures</b>				
Current				
General government	6,279,049	-	-	6,279,049
Public safety	6,276,697	-	-	6,276,697
Highways and streets	3,765,651	-	1,877,545	5,643,196
Culture and recreation	242,492	-	110,685	353,177
Health and welfare	3,791,095	-	-	3,791,095
Debt Service				
Principal	-	2,375,000	-	2,375,000
Interest and fiscal charges	822	85,142	-	85,964
Capital leases	8,429	-	-	8,429
Issuance costs	-	-	97,060	97,060
Capital outlay	780,958	-	832,049	1,613,007
Total expenditures	<u>21,145,193</u>	<u>2,460,142</u>	<u>2,917,339</u>	<u>26,522,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,200,575</u>	<u>(162,255)</u>	<u>(2,090,633)</u>	<u>(1,052,313)</u>
<b>Other Financing Sources</b>				
Debt proceeds	-	-	3,560,000	3,560,000
Premium on bonds sold	-	-	45,060	45,060
Sale of property	19,000	-	-	19,000
Transfer in	3,000,000	-	-	3,000,000
Total other financing sources	<u>3,019,000</u>	<u>-</u>	<u>3,605,060</u>	<u>6,624,060</u>
Net change in fund balance	<u>4,219,575</u>	<u>(162,255)</u>	<u>1,514,427</u>	<u>5,571,747</u>
Fund balance - beginning of year	<u>22,785,190</u>	<u>481,664</u>	<u>5,796,038</u>	<u>29,062,892</u>
Fund balance - end of year	<u>\$ 27,004,765</u>	<u>\$ 319,409</u>	<u>\$ 7,310,465</u>	<u>\$ 34,634,639</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019

	Clerks Perpetuation	Food and Beverage Tax	County Health	Levy Excess	Local Road And Street
<b>Assets</b>					
Cash and investments	\$ 176,788	\$ 1,427,454	\$ 614,916	\$ 249	\$ 2,427,187
Receivables					
Taxes receivable	-	465,460	664,741	-	-
Accounts	3,918	-	87,549	-	-
Intergovernmental receivable	-	-	-	-	-
Interest	-	-	6	-	-
<b>Total assets</b>	<u>180,706</u>	<u>1,892,914</u>	<u>1,367,212</u>	<u>249</u>	<u>2,427,187</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	-	38,118	5,949	-	272,858
Contracts payable	-	-	-	-	18,229
Accrued wages and payroll withholding	2,844	134,476	55,702	-	-
<b>Total liabilities</b>	<u>2,844</u>	<u>172,594</u>	<u>61,651</u>	<u>-</u>	<u>291,087</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	-	647,404	-	-
<b>Fund Balances</b>					
Restricted	177,862	1,720,320	658,157	-	2,136,100
Committed	-	-	-	249	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<u>177,862</u>	<u>1,720,320</u>	<u>658,157</u>	<u>249</u>	<u>2,136,100</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 180,706</u>	<u>\$ 1,892,914</u>	<u>\$ 1,367,212</u>	<u>\$ 249</u>	<u>\$ 2,427,187</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019

	Cumulative Capital Development	Rainy Day	Reassessment	Access Johnson Co Grant	Sheriff Investigations Special Fund
<b>Assets</b>					
Cash and investments	\$ 5,278,497	\$ 3,010,950	\$ 2,160,894	\$ -	\$ 72,439
Receivables					
Taxes receivable	2,387,889	-	891,331	-	-
Accounts	11,770	-	-	-	-
Intergovernmental receivable	62,163	-	-	-	-
Interest	-	-	-	-	-
<b>Total assets</b>	<u>7,740,319</u>	<u>3,010,950</u>	<u>3,052,225</u>	<u>-</u>	<u>72,439</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	127,617	-	98,361	304,129	-
Contracts payable	39,901	-	-	-	-
Accrued wages and payroll withholding	14,058	-	26,741	-	-
<b>Total liabilities</b>	<u>181,576</u>	<u>-</u>	<u>125,102</u>	<u>304,129</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	<u>2,320,710</u>	<u>-</u>	<u>864,158</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted	5,238,033	3,010,950	2,062,965	-	-
Committed	-	-	-	-	72,439
Unassigned (deficit)	-	-	-	(304,129)	-
<b>Total fund balances</b>	<u>5,238,033</u>	<u>3,010,950</u>	<u>2,062,965</u>	<u>(304,129)</u>	<u>72,439</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 7,740,319</u>	<u>\$ 3,010,950</u>	<u>\$ 3,052,225</u>	<u>\$ -</u>	<u>\$ 72,439</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019

	Sheriff Investigations Property Room	Sheriff Commissary Fund	Community Corrections Commissary	Animal Shelter Funds	CASA Funds
<b>Assets</b>					
Cash and investments	\$ 92,318	\$ 791,181	\$ 301,867	\$ 367,472	\$ 54,851
Receivables					
Taxes receivable	-	-	-	606,516	-
Accounts	-	-	-	8,947	250
Intergovernmental receivable	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total assets</b>	<u>92,318</u>	<u>791,181</u>	<u>301,867</u>	<u>982,935</u>	<u>55,101</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	-	-	-	8,191	6,030
Contracts payable	-	-	-	-	-
Accrued wages and payroll withholding	-	-	-	34,772	638
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,963</u>	<u>6,668</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	-	-	590,086	-
<b>Fund Balances</b>					
Restricted	-	-	-	-	-
Committed	92,318	791,181	301,867	349,886	48,433
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<u>92,318</u>	<u>791,181</u>	<u>301,867</u>	<u>349,886</u>	<u>48,433</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 92,318</u>	<u>\$ 791,181</u>	<u>\$ 301,867</u>	<u>\$ 982,935</u>	<u>\$ 55,101</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019

	Ditch Funds	Drainage Funds	Educational Grants	Fines and Fees	Health and Wellness Funds
<b>Assets</b>					
Cash and investments	\$ 625,442	\$ 22,522	\$ (9,519)	\$ 999,234	\$ 556,112
Receivables					
Taxes receivable	-	-	-	-	-
Accounts	-	-	3,631	17,026	5,653
Intergovernmental receivable	-	-	-	-	128,109
Interest	-	-	-	-	22,859
<b>Total assets</b>	<u>625,442</u>	<u>22,522</u>	<u>(5,888)</u>	<u>1,016,260</u>	<u>712,733</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	3,452	-	-	42,038	28,200
Contracts payable	-	-	-	-	-
Accrued wages and payroll withholding	-	-	2,708	4,738	19,681
<b>Total liabilities</b>	<u>3,452</u>	<u>-</u>	<u>2,708</u>	<u>46,776</u>	<u>47,881</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	-	-	-	-
<b>Fund Balances</b>					
Restricted	621,990	22,522	-	-	-
Committed	-	-	-	969,484	664,852
Unassigned (deficit)	-	-	(8,596)	-	-
<b>Total fund balances</b>	<u>621,990</u>	<u>22,522</u>	<u>(8,596)</u>	<u>969,484</u>	<u>664,852</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 625,442</u>	<u>\$ 22,522</u>	<u>\$ (5,888)</u>	<u>\$ 1,016,260</u>	<u>\$ 712,733</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019

	Highways and Streets	Homeland Security Grants	Map Funds	Miscellaneous	Park Funds
<b>Assets</b>					
Cash and investments	\$ (312,551)	\$ 25,051	\$ 133,222	\$ 976,405	\$ 380,846
Receivables					
Taxes receivable	-	-	-	10,905	-
Accounts	-	-	115	14,092	2,339
Intergovernmental receivable	-	-	-	3,500	-
Interest	-	-	-	-	1
<b>Total assets</b>	<u>(312,551)</u>	<u>25,051</u>	<u>133,337</u>	<u>1,004,902</u>	<u>383,186</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	-	1,788	-	13,710	29,094
Contracts payable	-	-	-	-	-
Accrued wages and payroll withholding	-	-	693	6,044	-
<b>Total liabilities</b>	<u>-</u>	<u>1,788</u>	<u>693</u>	<u>19,754</u>	<u>29,094</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	-	-	-	-
<b>Fund Balances</b>					
Restricted	-	23,263	-	-	354,092
Committed	-	-	132,644	985,148	-
Unassigned (deficit)	<u>(312,551)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>(312,551)</u>	<u>23,263</u>	<u>132,644</u>	<u>985,148</u>	<u>354,092</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ (312,551)</u>	<u>\$ 25,051</u>	<u>\$ 133,337</u>	<u>\$ 1,004,902</u>	<u>\$ 383,186</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2019

	Probation Funds	VASIA Funds	Public Safety Funds	Public Safety Grants	Recorder Fund
<b>Assets</b>					
Cash and investments	\$ 323,200	\$ 10,402	\$ 3,440,999	\$ 359,626	\$ 1,529,998
Receivables					
Taxes receivable	-	-	-	-	-
Accounts	33,432	685	153,474	-	43,265
Intergovernmental receivable	-	-	276,495	65,744	-
Interest	-	-	3	-	-
<b>Total assets</b>	<u>356,632</u>	<u>11,087</u>	<u>3,870,971</u>	<u>425,370</u>	<u>1,573,263</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	5,088	1,901	28,456	32,286	23,805
Contracts payable	-	-	-	-	-
Accrued wages and payroll withholding	16,812	4,383	201,189	50,397	20,557
<b>Total liabilities</b>	<u>21,900</u>	<u>6,284</u>	<u>229,645</u>	<u>82,683</u>	<u>44,362</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	685	-	-	-
<b>Fund Balances</b>					
Restricted	-	4,118	3,641,326	342,687	1,528,901
Committed	334,732	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<u>334,732</u>	<u>4,118</u>	<u>3,641,326</u>	<u>342,687</u>	<u>1,528,901</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 356,632</u>	<u>\$ 11,087</u>	<u>\$ 3,870,971</u>	<u>\$ 425,370</u>	<u>\$ 1,573,263</u>

JOHNSON COUNTY, INDIANA  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2019

	Title IV-D Funds	Local Income Tax Funds	Total Non Major Special Revenue Funds
<b>Assets</b>			
Cash and investments	\$ 273,508	\$ 1,606,983	\$ 27,718,543
Receivables			
Taxes receivable	-	-	5,026,842
Accounts	-	-	386,146
Intergovernmental receivable	23,271	-	559,282
Interest	-	-	22,869
Total assets	<u>296,779</u>	<u>1,606,983</u>	<u>33,713,682</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	2,403	557,374	1,630,848
Contracts payable	-	-	58,130
Accrued wages and payroll withholding	463	-	596,896
Total liabilities	<u>2,866</u>	<u>557,374</u>	<u>2,285,874</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	-	-	4,423,043
<b>Fund Balances</b>			
Restricted	293,913	1,049,609	22,886,808
Committed	-	-	4,743,233
Unassigned (deficit)	-	-	(625,276)
Total fund balances	<u>293,913</u>	<u>1,049,609</u>	<u>27,004,765</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 296,779</u>	<u>\$ 1,606,983</u>	<u>\$ 33,713,682</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019

	Clerks Perpetuation	Food and Beverage Tax	County Health	Levy Excess	Local Road And Street
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 562,791	\$ -	\$ -
Other taxes	-	3,131,428	65,465	-	-
Licenses and permits	-	-	444,484	-	-
Intergovernmental	12	-	-	-	2,407,435
Charges for services	-	-	-	-	-
Fines and forfeitures	29,439	-	-	-	-
Miscellaneous	-	947	36	249	1,201
<b>Total revenues</b>	<u>29,451</u>	<u>3,132,375</u>	<u>1,072,776</u>	<u>249</u>	<u>2,408,636</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	13,005	2,308,034	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	1,351,900
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	704,768	-	-
<b>Debt Service</b>					
Interest and fiscal charges	-	822	-	-	-
Capital leases	-	8,429	-	-	-
Capital outlay	-	-	198,000	-	197,032
<b>Total expenditures</b>	<u>13,005</u>	<u>2,317,285</u>	<u>902,768</u>	<u>-</u>	<u>1,548,932</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>16,446</u>	<u>815,090</u>	<u>170,008</u>	<u>249</u>	<u>859,704</u>
<b>Other Financing Sources</b>					
Sale of property	-	-	-	-	-
Transfer in	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>16,446</u>	<u>815,090</u>	<u>170,008</u>	<u>249</u>	<u>859,704</u>
<b>Fund balance (deficit) - beginning of year</b>	<u>161,416</u>	<u>905,230</u>	<u>488,149</u>	<u>-</u>	<u>1,276,396</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ 177,862</u>	<u>\$ 1,720,320</u>	<u>\$ 658,157</u>	<u>\$ 249</u>	<u>\$ 2,136,100</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019

	Cumulative Capital Development	Rainy Day	Reassessment	Access Johnson Co Grant	Sheriff Investigations Special Fund
<b>Revenues</b>					
Property taxes	\$ 2,129,318	\$ -	\$ 851,837	\$ -	\$ -
Other taxes	259,022	-	68,939	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	214,161	-	-	1,063,355	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	11,770	-	-	-	19,253
Total revenues	<u>2,614,271</u>	<u>-</u>	<u>920,776</u>	<u>1,063,355</u>	<u>19,253</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	-	-	745,098	-	-
Public safety	-	-	-	-	20,142
Highways and streets	2,101,200	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	1,367,484	-
<b>Debt Service</b>					
Interest and fiscal charges	-	-	-	-	-
Capital leases	-	-	-	-	-
Capital outlay	256,818	-	-	-	-
Total expenditures	<u>2,358,018</u>	<u>-</u>	<u>745,098</u>	<u>1,367,484</u>	<u>20,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>256,253</u>	<u>-</u>	<u>175,678</u>	<u>(304,129)</u>	<u>(889)</u>
<b>Other Financing Sources</b>					
Sale of property	19,000	-	-	-	-
Transfer in	-	3,000,000	-	-	-
Total other financing sources	<u>19,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>275,253</u>	<u>3,000,000</u>	<u>175,678</u>	<u>(304,129)</u>	<u>(889)</u>
Fund balance (deficit) - beginning of year	<u>4,962,780</u>	<u>10,950</u>	<u>1,887,287</u>	<u>-</u>	<u>73,328</u>
Fund balance (deficit) - end of year	<u>\$ 5,238,033</u>	<u>\$ 3,010,950</u>	<u>\$ 2,062,965</u>	<u>\$ (304,129)</u>	<u>\$ 72,439</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019

	Sheriff Investigations Property Room	Sheriff Commissary Fund	Community Corrections Commissary	Animal Shelter Funds	CASA Funds
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 498,901	\$ -
Other taxes	-	-	-	58,787	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	79,837
Charges for services	-	-	-	36,843	3,786
Fines and forfeitures	-	-	-	24	-
Miscellaneous	17,803	496,729	132,800	89,025	3,225
<b>Total revenues</b>	<u>17,803</u>	<u>496,729</u>	<u>132,800</u>	<u>683,580</u>	<u>86,848</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	-	-	-	662,750	-
Public safety	26,209	537,174	125,544	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	73,799
<b>Debt Service</b>					
Interest and fiscal charges	-	-	-	-	-
Capital leases	-	-	-	-	-
Capital outlay	-	-	-	22,281	5,867
<b>Total expenditures</b>	<u>26,209</u>	<u>537,174</u>	<u>125,544</u>	<u>685,031</u>	<u>79,666</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(8,406)</u>	<u>(40,445)</u>	<u>7,256</u>	<u>(1,451)</u>	<u>7,182</u>
<b>Other Financing Sources</b>					
Sale of property	-	-	-	-	-
Transfer in	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(8,406)</u>	<u>(40,445)</u>	<u>7,256</u>	<u>(1,451)</u>	<u>7,182</u>
<b>Fund balance (deficit) - beginning of year</b>	<u>100,724</u>	<u>831,626</u>	<u>294,611</u>	<u>351,337</u>	<u>41,251</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ 92,318</u>	<u>\$ 791,181</u>	<u>\$ 301,867</u>	<u>\$ 349,886</u>	<u>\$ 48,433</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019

	Ditch Funds	Drainage Funds	Educational Grants	Fines and Fees	Health and Wellness Funds
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	328,235	-	-	3,800	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	41,363	-	1,707,082
Charges for services	40,674	-	-	275,891	39,138
Fines and forfeitures	-	-	-	172,417	-
Miscellaneous	18,623	-	-	23,405	22,906
<b>Total revenues</b>	<u>387,532</u>	<u>-</u>	<u>41,363</u>	<u>475,513</u>	<u>1,769,126</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	876,795	20,527	-	400,529	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	39,877	-	1,456,081
<b>Debt Service</b>					
Interest and fiscal charges	-	-	-	-	-
Capital leases	-	-	-	-	-
Capital outlay	-	-	-	-	57,000
<b>Total expenditures</b>	<u>876,795</u>	<u>20,527</u>	<u>39,877</u>	<u>400,529</u>	<u>1,513,081</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(489,263)</u>	<u>(20,527)</u>	<u>1,486</u>	<u>74,984</u>	<u>256,045</u>
<b>Other Financing Sources</b>					
Sale of property	-	-	-	-	-
Transfer in	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(489,263)</u>	<u>(20,527)</u>	<u>1,486</u>	<u>74,984</u>	<u>256,045</u>
<b>Fund balance (deficit) - beginning of year</b>	<u>1,111,253</u>	<u>43,049</u>	<u>(10,082)</u>	<u>894,500</u>	<u>408,807</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ 621,990</u>	<u>\$ 22,522</u>	<u>\$ (8,596)</u>	<u>\$ 969,484</u>	<u>\$ 664,852</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019

	Highways and Streets	Homeland Security Grants	Map Funds	Miscellaneous	Park Funds
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	32,301	-	114,309	-
Charges for services	-	-	54,823	150,785	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	7,620	36	38,541	153,086
<b>Total revenues</b>	<b>-</b>	<b>39,921</b>	<b>54,859</b>	<b>303,635</b>	<b>153,086</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	-	-	9,108	230,236	-
Public safety	-	52,233	-	-	-
Highways and streets	312,551	-	-	-	-
Culture and recreation	-	-	-	-	242,492
Health and welfare	-	-	-	-	-
<b>Debt Service</b>					
Interest and fiscal charges	-	-	-	-	-
Capital leases	-	-	-	-	-
Capital outlay	-	23,527	-	-	2,543
<b>Total expenditures</b>	<b>312,551</b>	<b>75,760</b>	<b>9,108</b>	<b>230,236</b>	<b>245,035</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(312,551)</b>	<b>(35,839)</b>	<b>45,751</b>	<b>73,399</b>	<b>(91,949)</b>
<b>Other Financing Sources</b>					
Sale of property	-	-	-	-	-
Transfer in	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(312,551)</b>	<b>(35,839)</b>	<b>45,751</b>	<b>73,399</b>	<b>(91,949)</b>
Fund balance (deficit) - beginning of year	-	59,102	86,893	911,749	446,041
Fund balance (deficit) - end of year	\$ (312,551)	\$ 23,263	\$ 132,644	\$ 985,148	\$ 354,092

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019

	Probation Funds	VASIA Funds	Public Safety Funds	Public Safety Grants	Recorder Fund
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Licenses and permits	-	-	21,764	-	-
Intergovernmental	-	45,135	74,234	1,308,020	-
Charges for services	300,816	-	3,191,627	-	502,749
Fines and forfeitures	139,609	-	643,030	-	-
Miscellaneous	3,071	585	54,464	43,470	31,852
<b>Total revenues</b>	<b>443,496</b>	<b>45,720</b>	<b>3,985,119</b>	<b>1,351,490</b>	<b>534,601</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	-	-	-	19,831	435,762
Public safety	450,997	-	3,762,057	1,302,341	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	64,431	-	-	-
<b>Debt Service</b>					
Interest and fiscal charges	-	-	-	-	-
Capital leases	-	-	-	-	-
Capital outlay	-	-	-	-	17,890
<b>Total expenditures</b>	<b>450,997</b>	<b>64,431</b>	<b>3,762,057</b>	<b>1,322,172</b>	<b>453,652</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,501)</b>	<b>(18,711)</b>	<b>223,062</b>	<b>29,318</b>	<b>80,949</b>
<b>Other Financing Sources</b>					
Sale of property	-	-	-	-	-
Transfer in	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(7,501)</b>	<b>(18,711)</b>	<b>223,062</b>	<b>29,318</b>	<b>80,949</b>
Fund balance (deficit) - beginning of year	342,233	22,829	3,418,264	313,369	1,447,952
Fund balance (deficit) - end of year	\$ 334,732	\$ 4,118	\$ 3,641,326	\$ 342,687	\$ 1,528,901

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2019

	Title IV-D Funds	Local Income Tax Funds	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ 4,042,847
Other taxes	-	-	3,915,676
Licenses and permits	-	-	466,248
Intergovernmental	48,901	-	7,136,145
Charges for services	32,504	-	4,629,636
Fines and forfeitures	-	-	984,519
Miscellaneous	-	-	1,170,697
Total revenues	<u>81,405</u>	<u>-</u>	<u>22,345,768</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	-	557,374	6,279,049
Public safety	-	-	6,276,697
Highways and streets	-	-	3,765,651
Culture and recreation	-	-	242,492
Health and welfare	84,655	-	3,791,095
<b>Debt Service</b>			
Interest and fiscal charges	-	-	822
Capital leases	-	-	8,429
Capital outlay	-	-	780,958
Total expenditures	<u>84,655</u>	<u>557,374</u>	<u>21,145,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,250)</u>	<u>(557,374)</u>	<u>1,200,575</u>
<b>Other Financing Sources</b>			
Sale of property	-	-	19,000
Transfer in	-	-	3,000,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,019,000</u>
Net change in fund balance	<u>(3,250)</u>	<u>(557,374)</u>	<u>4,219,575</u>
Fund balance (deficit) - beginning of year	<u>297,163</u>	<u>1,606,983</u>	<u>22,785,190</u>
Fund balance (deficit) - end of year	<u>\$ 293,913</u>	<u>\$ 1,049,609</u>	<u>\$ 27,004,765</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR DEBT SERVICE FUNDS  
December 31, 2019

	Bond 2	Bond 3	Total Nonmajor Debt Service Funds
Assets			
Cash and investments	\$ 13,237	\$ 249,268	\$ 262,505
Receivables			
Taxes receivable	<u>12,118</u>	<u>2,419,186</u>	<u>2,431,304</u>
Total assets	<u>25,355</u>	<u>2,668,454</u>	<u>2,693,809</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	<u>-</u>	<u>1,250</u>	<u>1,250</u>
Deferred Inflows of Resources			
Unavailable revenue	<u>6,342</u>	<u>2,366,808</u>	<u>2,373,150</u>
Total Deferred Inflows of Resources	<u>6,342</u>	<u>2,366,808</u>	<u>2,373,150</u>
Fund Balances			
Restricted	<u>19,013</u>	<u>300,396</u>	<u>319,409</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,355</u>	<u>\$ 2,668,454</u>	<u>\$ 2,693,809</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR DEBT SERVICE FUNDS  
For the Year Ended December 31, 2019

	Bond 2	Bond 3	Total Nonmajor Debt Service Funds
Revenues			
Property taxes	\$ 202,418	\$ 1,843,664	\$ 2,046,082
Income taxes	-	-	-
Other taxes	13,567	209,405	222,972
Miscellaneous	-	28,833	28,833
Total revenues	<u>215,985</u>	<u>2,081,902</u>	<u>2,297,887</u>
Expenditures			
Debt Service			
Principal	275,000	2,100,000	2,375,000
Interest and fiscal charges	<u>2,327</u>	<u>82,815</u>	<u>85,142</u>
Total expenditures	<u>277,327</u>	<u>2,182,815</u>	<u>2,460,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,342)</u>	<u>(100,913)</u>	<u>(162,255)</u>
Net change in fund balance	<u>(61,342)</u>	<u>(100,913)</u>	<u>(162,255)</u>
Fund balance - beginning of year	<u>80,355</u>	<u>401,309</u>	<u>481,664</u>
Fund balance - end of year	<u>\$ 19,013</u>	<u>\$ 300,396</u>	<u>\$ 319,409</u>

## JOHNSON COUNTY, INDIANA

COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2019

	Cumulative Bridge	Park Non-Revert Capital Improv	GO Bond Funds	Total Nonmajor Capital Project Funds
<b>Assets</b>				
Cash and investments	\$ 2,245,891	\$ 527,649	\$ 4,665,093	\$ 7,438,633
Receivables				
Taxes receivable	588,009	-	-	588,009
Accounts	-	2,567	-	2,567
Intergovernmental	37,150	-	-	37,150
Total assets	<u>2,871,050</u>	<u>530,216</u>	<u>4,665,093</u>	<u>8,066,359</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	-	7,066	143,314	150,380
Contracts payable	1,763	-	-	1,763
Accrued wages and payroll withholding	32,189	-	-	32,189
Total liabilities	<u>33,952</u>	<u>7,066</u>	<u>143,314</u>	<u>184,332</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	<u>571,562</u>	<u>-</u>	<u>-</u>	<u>571,562</u>
<b>Fund Balances</b>				
Restricted	<u>2,265,536</u>	<u>523,150</u>	<u>4,521,779</u>	<u>7,310,465</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,871,050</u>	<u>\$ 530,216</u>	<u>\$ 4,665,093</u>	<u>\$ 8,066,359</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2019

	Cumulative Bridge	Park Non-Revert Capital Improv	GO Bond Funds	Total Nonmajor Capital Project Funds
<b>Revenues</b>				
Property taxes	\$ 524,194	\$ -	\$ -	\$ 524,194
Income taxes	-	-	-	-
Other tax	122,057	-	-	122,057
Miscellaneous	-	180,455	-	180,455
Total revenues	<u>646,251</u>	<u>180,455</u>	<u>-</u>	<u>826,706</u>
<b>Expenditures</b>				
Current				
Highways and streets	666,746	-	1,210,799	1,877,545
Culture and recreation	-	110,685	-	110,685
Debt Service	-	-	-	-
Issuance costs	-	-	97,060	97,060
Capital outlay	<u>1,763</u>	<u>9,834</u>	<u>820,452</u>	<u>832,049</u>
Total expenditures	<u>668,509</u>	<u>120,519</u>	<u>2,128,311</u>	<u>2,917,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,258)</u>	<u>59,936</u>	<u>(2,128,311)</u>	<u>(2,090,633)</u>
<b>Other Financing Sources</b>				
Debt proceeds	-	-	3,560,000	3,560,000
Bond premiums	-	-	45,060	45,060
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,605,060</u>	<u>3,605,060</u>
Net change in fund balance	<u>(22,258)</u>	<u>59,936</u>	<u>1,476,749</u>	<u>1,514,427</u>
Fund balance - beginning of year	<u>2,287,794</u>	<u>463,214</u>	<u>3,045,030</u>	<u>5,796,038</u>
Fund balance - end of year	<u>\$ 2,265,536</u>	<u>\$ 523,150</u>	<u>\$ 4,521,779</u>	<u>\$ 7,310,465</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
PENSION TRUST FUNDS  
December 31, 2019

	Pension Trust Fund	Sheriff Retirement Plan	Sheriff Benefit Plan	Total Pension Trust Funds
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 902,774	\$ 47,552	\$ 950,326
Receivables				
Accounts	13,315	-	-	13,315
County contributions	-	723,036	41,964	765,000
Employee contributions	-	22,449	-	22,449
Interest	-	30,083	2,471	32,554
Other	-	6,757	-	6,757
Total receivables	<u>13,315</u>	<u>782,325</u>	<u>44,435</u>	<u>840,075</u>
Investments at fair value				
Fixed income securities	-	4,190,308	233,542	4,423,850
Domestic and foreign equities	-	9,067,150	539,632	9,606,782
Total investments	<u>-</u>	<u>13,257,458</u>	<u>773,174</u>	<u>14,030,632</u>
<b>Total assets</b>	<u>13,315</u>	<u>14,942,557</u>	<u>865,161</u>	<u>15,821,033</u>
<b>Liabilities</b>				
Due to broker for unsettled trades	-	2,534	118	2,652
Other	-	-	6,757	6,757
<b>Total liabilities</b>	<u>-</u>	<u>2,534</u>	<u>6,875</u>	<u>9,409</u>
<b>Net position</b>				
Restricted for pensions	<u>\$ 13,315</u>	<u>\$ 14,940,023</u>	<u>\$ 858,286</u>	<u>\$ 15,811,624</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
PENSION TRUST FUNDS

For The Year Ended December 31, 2019

	Pension Trust Fund	Sheriff Retirement Plan	Sheriff Benefit Plan	Total Pension Trust Funds
<b>Additions</b>				
<b>Contributions</b>				
Employer contributions	\$ 131,210	\$ 902,415	\$ 41,964	\$ 1,075,589
Employee contributions	-	96,561	-	96,561
<b>Total contributions</b>	<b>131,210</b>	<b>998,976</b>	<b>41,964</b>	<b>1,172,150</b>
<b>Investment income</b>				
Interest	-	427,748	29,046	456,794
Net increase (decrease) in fair value of investments	-	1,858,849	103,993	1,962,842
Less investment expense, other than securities lending	-	(77,322)	(4,671)	(81,993)
<b>Total investment income</b>	<b>-</b>	<b>2,209,275</b>	<b>128,368</b>	<b>2,337,643</b>
Miscellaneous	-	-	6,757	6,757
<b>Total additions</b>	<b>131,210</b>	<b>3,208,251</b>	<b>177,089</b>	<b>3,516,550</b>
<b>Deductions</b>				
Benefit payments (including refunds of employee contributions)	167,164	1,438,923	14,400	1,620,487
Other trust activities	-	-	6,912	6,912
Administrative expense	-	11,892	16,937	28,829
<b>Total deductions</b>	<b>167,164</b>	<b>1,450,815</b>	<b>38,249</b>	<b>1,656,228</b>
Change in fiduciary net position	(35,954)	1,757,436	138,840	1,860,322
Net position, beginning	49,269	13,182,587	719,446	13,951,302
<b>Net position, ending</b>	<b>\$ 13,315</b>	<b>\$ 14,940,023</b>	<b>\$ 858,286</b>	<b>\$ 15,811,624</b>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS  
December 31, 2019

	Bid Bond Checks	City & Town Court Cost (3%)	Economic Development Svc	Surplus Tax	Clerk's Court Ordered Investment	Settlement	Special Assessment	All Sewer Settlements
<b>Assets</b>								
Cash and cash equivalents	\$ 29,895	\$ 3,515	\$ 35,350	\$ 314,442	\$ 314,097	\$ -	\$ -	\$ -
Receivables								
Taxes	-	-	-	-	-	140,841,017	-	-
Accounts	-	1,700	-	-	-	-	-	-
<b>Total assets</b>	<u>29,895</u>	<u>5,215</u>	<u>35,350</u>	<u>314,442</u>	<u>314,097</u>	<u>140,841,017</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>								
Accounts payable	29,895	5,215	35,350	314,442	314,097	-	-	-
Due to other governments	-	-	-	-	-	140,841,017	-	-
Trust payable	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>29,895</u>	<u>5,215</u>	<u>35,350</u>	<u>314,442</u>	<u>314,097</u>	<u>140,841,017</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows</b>								
Deferred property taxes	-	-	-	-	-	-	-	-
<b>Net position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS  
December 31, 2019

	Treasurer	Clerk	Clerk's Juvenile Account	Clerk's Child Support	Sheriff's Inmate Trust	Sheriff's Office Reserve	Convention Visitor and Tourism	Juvenile Detention Coin- Phone
<b>Assets</b>								
Cash and cash equivalents	\$ 5,845,977	\$ 1,637,674	\$ 1,631	\$ 9,457	\$ 36,686	\$ 5,781	\$ 458,040	\$ 10,562
Receivables								
Taxes	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>5,845,977</b>	<b>1,637,674</b>	<b>1,631</b>	<b>9,457</b>	<b>36,686</b>	<b>5,781</b>	<b>458,040</b>	<b>10,562</b>
<b>Liabilities</b>								
Accounts payable	5,845,977	1,637,674	1,631	9,457	36,686	5,781	-	10,562
Due to other governments	-	-	-	-	-	-	458,040	-
Trust payable	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>5,845,977</b>	<b>1,637,674</b>	<b>1,631</b>	<b>9,457</b>	<b>36,686</b>	<b>5,781</b>	<b>458,040</b>	<b>10,562</b>
<b>Deferred inflows</b>								
Deferred property taxes	-	-	-	-	-	-	-	-
<b>Net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS  
December 31, 2019

	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	Total Custodial Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 22,380	\$ 966,980	\$ 2,620,739	\$ 12,313,206
Receivables				
Taxes	10	11,427,255	-	152,268,282
Accounts	12,886	-	-	14,586
<b>Total assets</b>	<u>35,276</u>	<u>12,394,235</u>	<u>2,620,739</u>	<u>164,596,074</u>
<b>Liabilities</b>				
Accounts payable	35,276	-	2,620,739	10,902,782
Due to other governments	-	966,980	-	142,266,037
Trust payable	-	11,427,255	-	11,427,255
<b>Total liabilities</b>	<u>35,276</u>	<u>12,394,235</u>	<u>2,620,739</u>	<u>164,596,074</u>
<b>Deferred inflows</b>				
Deferred property taxes	-	-	-	-
<b>Net position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS

For the Year Ended December 31, 2019

	Bid Bond Checks	City & Town Court Cost (3%)	Economic Development Svc	Surplus Tax	Clerk's Court Ordered Investment	Settlement	Special Assessment
<b>Additions</b>							
Investment income:							
Interest	-	-	-	-	-	-	-
Less investment expense, other than	-	-	-	-	-	-	-
Total investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes collected for other governments	-	-	-	-	-	183,686,752	-
Collections for other governments	-	79,764	-	-	-	-	-
Other trust activities	<u>4,000</u>	<u>1,700</u>	<u>55,563</u>	<u>276,706</u>	<u>314,097</u>	<u>-</u>	<u>39,104</u>
Total additions	<u>4,000</u>	<u>81,464</u>	<u>55,563</u>	<u>276,706</u>	<u>314,097</u>	<u>183,686,752</u>	<u>39,104</u>
<b>Deductions</b>							
Other trust activities	4,000	81,464	55,563	276,706	314,097	-	39,104
Benefit payments (including refunds of)	-	-	-	-	-	-	-
Property taxes distributed to other governments	-	-	-	-	-	183,686,752	-
Total deductions	<u>4,000</u>	<u>81,464</u>	<u>55,563</u>	<u>276,706</u>	<u>314,097</u>	<u>183,686,752</u>	<u>39,104</u>
Change in fiduciary net position	-	-	-	-	-	-	-
Net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS

For the Year Ended December 31, 2019

	All Sewer Settlements	Treasurer	Clerk	Clerk's Juvenile Account	Clerk's Child Support	Sheriff's Inmate Trust	Sheriff's Office Reserve	Convention Visitor and Tourism
<b>Additions</b>								
Investment income:								
Interest	-	-	-	-	-	-	-	-
Less investment expense, other than interest	-	-	-	-	-	-	-	-
Total investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes collected for other governments	-	6,203,162	-	-	-	-	-	-
Collections for other governments	-	-	-	-	-	-	-	-
Other trust activities	<u>543,902</u>	<u>-</u>	<u>6,788,083</u>	<u>34,023</u>	<u>793,882</u>	<u>682,502</u>	<u>9</u>	<u>920,113</u>
Total additions	<u>543,902</u>	<u>6,203,162</u>	<u>6,788,083</u>	<u>34,023</u>	<u>793,882</u>	<u>682,502</u>	<u>9</u>	<u>920,113</u>
<b>Deductions</b>								
Other trust activities	543,902	-	6,788,083	34,023	793,882	682,502	9	920,113
Benefit payments (including refunds of contributions)	-	-	-	-	-	-	-	-
Property taxes distributed to other governments	<u>-</u>	<u>6,203,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>543,902</u>	<u>6,203,162</u>	<u>6,788,083</u>	<u>34,023</u>	<u>793,882</u>	<u>682,502</u>	<u>9</u>	<u>920,113</u>
Change in fiduciary net position	-	-	-	-	-	-	-	-
Net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JOHNSON COUNTY, INDIANA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS

For the Year Ended December 31, 2019

	Juvenile Detention Coin- Phone	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	Total Custodial Funds
Additions					
Investment income:					
Interest	-	-	-	-	-
Less investment expense, other than interest	-	-	-	-	-
Total investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes collected for other governments	-	-	-	-	189,889,914
Collections for other governments	-	-	-	-	79,764
Other trust activities	<u>3,500</u>	<u>225,069</u>	<u>9,956,456</u>	<u>3,584,355</u>	<u>24,223,064</u>
Total additions	<u>3,500</u>	<u>225,069</u>	<u>9,956,456</u>	<u>3,584,355</u>	<u>214,192,742</u>
Deductions					
Other trust activities	3,500	225,069	9,956,456	3,584,355	24,302,828
Benefit payments (including refunds of contributions)	-	-	-	-	-
Property taxes distributed to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,889,914</u>
Total deductions	<u>3,500</u>	<u>225,069</u>	<u>9,956,456</u>	<u>3,584,355</u>	<u>214,192,742</u>
Change in fiduciary net position	-	-	-	-	-
Net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JOHNSON COUNTY, INDIANA  
 COMBINING STATEMENT OF NET POSITION -  
 NONMAJOR COMPONENT UNITS  
 December 31, 2019

	Amity Fire Protection District	Bargersville Fire Protection District	Hensley Fire Protection District	Needham Fire Protection District	Nineveh Fire Protection District	White River Township Fire Protection District	Whiteland Fire Protection District	Totals
<b>Assets</b>								
Cash and cash equivalents	\$ 256,106	\$ 3,306,821	\$ 660,288	\$ 1,647,039	\$ 190,782	\$ 5,864,507	\$ -	\$ 11,925,543
Receivables								
Accounts	-	299,007	-	654,971	-	104,263	-	1,058,241
Taxes	-	-	-	-	-	1,465,030	-	1,465,030
Capital assets								
Land and construction in progress	-	-	-	-	-	7,489,488	-	7,489,488
Other capital assets, net of depreciation	-	7,287,805	250,017	514,981	106,734	5,163,017	3,922,268	17,244,822
<b>Total assets</b>	<u>256,106</u>	<u>10,893,633</u>	<u>910,305</u>	<u>2,816,991</u>	<u>297,516</u>	<u>20,086,305</u>	<u>3,922,268</u>	<u>39,183,124</u>
<b>Deferred outflows of resources</b>								
Pension Related	-	-	-	-	-	903,568	-	903,568
<b>Liabilities</b>								
Accounts payable	-	-	-	357,880	-	554	-	358,434
Noncurrent liabilities								
Due within one year								
General obligation bonds	53,350	557,448	-	-	-	-	-	610,798
Due in more than one year								
General obligation bonds (net of discounts, premiums)	72,588	887,552	-	-	-	-	-	960,140
Loans payable	-	-	1,305,899	-	-	-	-	1,305,899
Net pension liability	-	-	-	-	-	347,892	-	347,892
<b>Total liabilities</b>	<u>125,938</u>	<u>1,445,000</u>	<u>1,305,899</u>	<u>357,880</u>	<u>-</u>	<u>348,446</u>	<u>-</u>	<u>3,583,163</u>
<b>Deferred inflows of resources</b>								
Pension related	-	-	-	-	-	1,072,583	-	1,072,583
<b>Net Position</b>								
Net investment in capital assets	-	5,842,805	(1,055,882)	514,981	106,734	12,652,505	3,922,268	21,983,411
Net position - restricted for								
Public safety	130,168	3,605,828	660,288	1,944,130	190,782	1,383,794	-	7,914,990
Net position - unrestricted	-	-	-	-	-	5,532,545	-	5,532,545
<b>Total net position</b>	<u>\$ 130,168</u>	<u>\$ 9,448,633</u>	<u>\$ (395,594)</u>	<u>\$ 2,459,111</u>	<u>\$ 297,516</u>	<u>\$ 19,568,844</u>	<u>\$ 3,922,268</u>	<u>\$ 35,430,946</u>

JOHNSON COUNTY, INDIANA  
 COMBINING STATEMENT OF ACTIVITIES -  
 NONMAJOR COMPONENT UNITS  
 For The Year Ended December 31, 2019

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues			Component Units						Totals	
	Expenses	Charges for Services	Operating Grants and Contributions	Amity Fire Protection District	Bargersville Fire Protection District	Hensley Fire Protection District	Needham Fire Protection District	Nineveh Fire Protection District	White River Township Fire Protection District		Whiteland Fire Protection District
<b>Component Units</b>											
Amity Fire Protection District	\$ 95,216	\$ -	\$ -	\$ (95,216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (95,216)
Bargersville Fire Protection District	5,237,514	585,313	800	-	(4,651,401)	-	-	-	-	-	(4,651,401)
Hensley Fire Protection District	268,839	1,900	-	-	-	(266,939)	-	-	-	-	(266,939)
Needham Fire Protection District	283,806	-	-	-	-	-	(283,806)	-	-	-	(283,806)
Nineveh Fire Protection District	342,104	-	-	-	-	-	-	(342,104)	-	-	(342,104)
White River Township Fire Protection District	10,414,841	5,281,374	-	-	-	-	-	-	(5,133,467)	-	(5,133,467)
Whiteland Fire Protection District	996,482	-	-	-	-	-	-	-	-	(996,482)	(996,482)
<b>Total component units</b>	<b>\$ 17,638,802</b>	<b>\$ 5,868,587</b>	<b>\$ 800</b>	<b>(95,216)</b>	<b>(4,651,401)</b>	<b>(266,939)</b>	<b>(283,806)</b>	<b>(342,104)</b>	<b>(5,133,467)</b>	<b>(996,482)</b>	<b>(11,769,415)</b>
<b>General Revenues</b>											
<b>Taxes</b>											
Property taxes				179,464	4,824,355	380,450	623,127	182,989	5,244,952	302,128	11,737,465
Income taxes				77,055	-	106,700	-	-	3,380,317	-	3,564,072
Other taxes				-	-	-	-	-	345,837	-	345,837
<b>Grants and contributions not restricted</b>											
to specific purposes				755	335,560	43,314	49,499	17,779	-	1,815	448,722
Investment income				100	6,257	1,575	16,200	61	50,526	-	74,719
Miscellaneous				2,188	26,989	-	7	-	156,575	205,674	391,433
<b>Total general revenues and transfers</b>				<b>259,562</b>	<b>5,193,161</b>	<b>532,039</b>	<b>688,833</b>	<b>200,829</b>	<b>9,178,207</b>	<b>509,617</b>	<b>16,562,248</b>
<b>Change in net position</b>											
Net position (deficit) - beginning of year				164,346	541,760	265,100	405,027	(141,275)	4,044,740	(486,865)	4,792,833
				(34,178)	8,906,873	(660,694)	2,054,084	438,791	15,524,104	4,409,133	30,638,113
<b>Net position (deficit) - end of year</b>				<b>\$ 130,168</b>	<b>\$ 9,448,633</b>	<b>\$ (395,594)</b>	<b>\$ 2,459,111</b>	<b>\$ 297,516</b>	<b>\$ 19,568,844</b>	<b>\$ 3,922,268</b>	<b>\$ 35,430,946</b>

## OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.