



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

May 9, 2023

To: The Officials of Johnson County
Johnson County
86 W Court St.
Franklin, IN 46131

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Johnson County. We have reviewed the audit report opined upon by CliftonLarsonAllen LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditors' Report*, the financial statements present fairly the financial condition of Johnson County, as of December 31, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings in the report. The findings appear on pages 15 through 22 of the Federal Single Audit Report, which is included after the Financial Report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears at the end of the report.

In our opinion, CliftonLarsonAllen LLP, prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for Johnson County was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Johnson County, Indiana

Annual Financial Report

December 31, 2021

Johnson County, Indiana

Table of Contents

Year Ended December 31, 2021

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Fiduciary Net Position – Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	24
Notes to Financial Statements	25

Johnson County, Indiana

Table of Contents

Year Ended December 31, 2021

	<u>Page</u>
Required Supplementary Information	
Budgetary Comparison Schedule – GAAP Budgetary Basis – General Fund	72
Budget/GAAP Reconciliation – General Fund	76
Schedule of County's Proportionate Share of the Net Pension Liability:	
– Public Employees' Retirement Fund	77
– Schedule of County Contributions – Public Employees' Retirement Fund	78
Schedule of the Changes in the County's Net Pension Liability and Related Ratios:	
– Sheriff's Retirement Plan	79
– Sheriff's Benefit Plan	80
Schedule of County Contributions:	
– Sheriff's Retirement Plan	81
– Sheriff's Benefit Plan	82
Schedule of Investment Returns:	
– Sheriff's Retirement and Benefit Plan	83
Schedule of Changes in the County's Total OPEB Liability	84
Schedule of Net OPEB Liability	85
Notes to Required Supplementary Information	86

Johnson County, Indiana

Table of Contents

Year Ended December 31, 2021

	<u>Page</u>
Supplementary Information	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	93
Special Revenue Funds:	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenses and Changes in Fund Balances	99
Debt Service Funds:	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenses and Changes in Fund Balances	105
Capital Projects Funds:	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenses and Changes in Fund Balances	107
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position – Pension Trust Funds	108
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	109
Combining Statement of Fiduciary Net Position – Custodial Funds	110
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	112
Component Units:	
Combining Statement of Component Units – Statement of Net Position	114
Combining Schedule of Component Units – Statement of Activities	115



INDEPENDENT AUDITORS' REPORT

County Officials
Johnson County, Indiana
Franklin, Indiana

Report on the Audit of the Financial Statements

Opinions

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, Indiana (County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Johnson Memorial Hospital (Hospital) discretely presented component unit, which represent 74%, 76%, and 92%, respectively, of the assets, net position, and revenues of the 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 the Hospital discretely presented component unit, is solely based on the report of the other auditors.

Emphasis of Matter

During fiscal year ended December 31, 2021, the beginning net position was restated to correct an error in three custodial funds, increasing it \$12,624,447, as disclosed in Note 3. In addition, beginning fund balance was restated for the general fund, increasing it \$903,758, to correct the classification of the fund previously shown as in internal service fund, as disclosed in Note 3. Our auditors' opinions were not modified with respect to these matters.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison information, schedule of changes in total OPEB liability, schedules of changes in net pension liabilities (assets), schedules of pension employer contributions, and schedule of investment returns – sheriff's retirement and benefit plans, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

County Officials
Johnson County, Indiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 29, 2023

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

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, 2021.

Financial Highlights

- Assets and deferred outflows of the County exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$152,624,531 (net position).
- The County's total net position increased by \$21,476,596 as compared to the 2020 net position.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$86,378,726 an increase of \$14,070,459 compared with the prior year. Approximately 35.45% of the total amount in the combined ending fund balances, \$30,617,187 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 \$30,868,382 which represented .09% of total general fund expenditures, excluding transfers out.
- The County's total bond related debt decreased by \$4,148,612 (-.01%) during the current fiscal year.

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 deferred outflows and liabilities and deferred inflows, with the difference between these 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.

The government-wide financial statements can be found on pages 16-18 of this report.

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

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, LIT Correctional/Rehab Facility, and American Rescue Plan Act 2021 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 in the required supplementary information.

Proprietary funds. The County previously maintained one proprietary fund for internal services. This fund is combined with the general fund this year.

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 19 of this report.

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 25 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 general fund and major special revenue 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 72 of this report.

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

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 92 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 and deferred outflows exceeded liabilities and deferred inflows by \$152,624,531 at the close of the most recent fiscal year.

The largest portion, \$82,631,006 (54,14%), 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.

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

Johnson County, Indiana Net Position – Governmental Activities

	Governmental Activities	
	2021	2020
Current and other assets	\$ 134,068,479	\$ 106,285,096
Capital assets	<u>104,785,135</u>	<u>98,649,105</u>
Total assets	<u>238,853,614</u>	<u>204,934,201</u>
Deferred outflow of resources	<u>6,020,199</u>	<u>3,313,854</u>
Long-term liabilities	36,777,905	47,709,437
Other liabilities	<u>20,234,321</u>	<u>4,980,773</u>
Total liabilities	<u>57,012,226</u>	<u>52,690,210</u>
Deferred inflow of resources	<u>35,237,056</u>	<u>25,898,614</u>
Net investment in capital assets	82,631,006	82,040,092
Restricted net position	54,362,958	42,816,290
Unrestricted net position	<u>15,630,567</u>	<u>4,802,848</u>
Total net position	<u>\$ 152,624,531</u>	<u>\$ 129,659,230</u>

An additional portion of the County's net position, \$54,362,958 (35.62%), 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. At the end of the current fiscal year, the County can report a positive balance in net position for Net Investment in Capital Assets and Restricted Net Position. The remaining balance of unrestricted net position was \$15,630,567.

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

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

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 10,670,700	\$ 5,423,464
Operating grants and contributions	10,788,768	20,117,807
General revenues:		
Property taxes	19,592,073	22,072,004
Income taxes	27,366,686	25,073,731
Other taxes	7,474,360	9,468,901
Other	<u>12,196,428</u>	<u>10,391,936</u>
Total revenues	<u>88,089,015</u>	<u>92,547,843</u>
Expenses:		
General government	27,979,083	27,132,461
Public safety	22,225,923	26,433,227
Highways and streets	11,653,920	13,398,886
Health and welfare	3,197,704	4,248,476
Culture and recreation	856,499	658,098
Interest on long-term debt	<u>699,290</u>	<u>380,074</u>
Total expenses	<u>66,612,419</u>	<u>72,251,222</u>
Change in net position	21,476,596	20,296,621
Net position beginning	129,659,230	109,362,609
Adjustments to net position	<u>1,488,705</u>	<u>-</u>
Net position December 31	<u>\$ 152,624,531</u>	<u>\$ 129,659,230</u>

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

The County's net position from governmental activities increased by \$21,476,596 or 16.38% in 2021, over the net position of 2020. Notable changes in governmental activities revenues and expenses in 2021 compared to 2020 include the following:

- Program revenues (charge for services) increased by \$5,247,236. The increase was mainly due to a reduction in charges for services from 2020.
- Program revenues (operating grants and contributions) reported a decrease of \$9,329,039. The decrease is partially the result of \$6,105,448 of funds received from the CARES Act last year that was not received again in 2021.
- Local income taxes increased by \$2,292,955 due to a new Public Safety Local Income Tax in 2021.
- Public safety expenses decreased by \$4,207,022, this was partially due to \$5,345,685 of expenditures for pandemic expenses through CARES grants in the prior year that was not available for 2021.
- Highway and streets expenses decreased by \$1,744,966. 2020 spending included a large maintenance project so the decrease in 2021 was expected.
- Health and welfare expenses decreased by \$1,050,772. The decrease was due to the Johnson Co Access Grant which was mainly spent in 2020.
- Interest on debt service reported an increase of \$319,216, which was the result of increased debt.

The County's overall cash and investments position of \$99,920,225 is equal to an overall operating balance of nearly 149% of 2021 operating expenditures. The General Fund operating balance is 73.18% of operating expenditures. The County's property tax rate, \$.3012 for 2021 was decreased from the \$.3128 for 2020, per \$100 of assessed value. The stability of the tax rate is a reflection of management's effort to control the tax rate and is supported by overall growth in assessed value equal to or exceeding the statewide property tax growth rate.

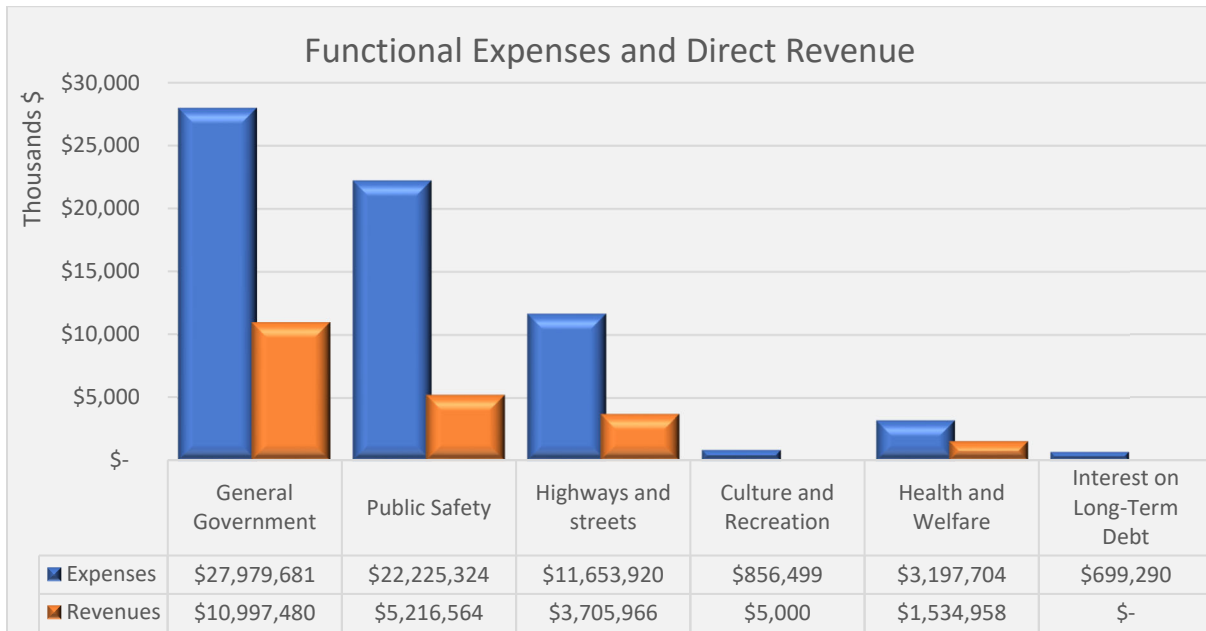
The following displays the Expenses and Program Revenues of the County's governmental activities:

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

Program Revenue and Expenses – Governmental Activities

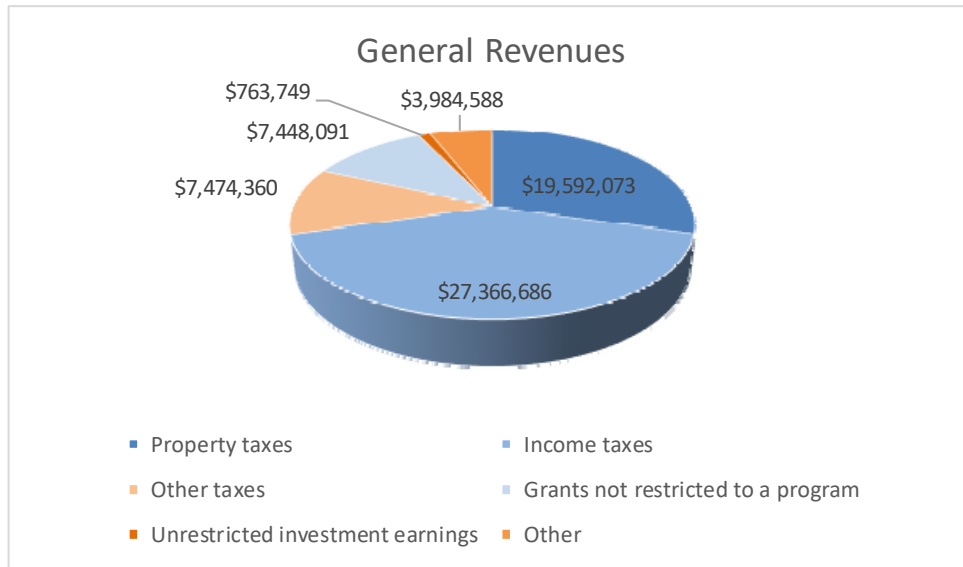
Taxes, as in prior years, were the County's major source of revenue supporting its activities, primarily in the area of general government, public safety, and highways and streets. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following 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, 2021

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, 2021

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$86,378,726, an increase of \$6,566,276 in comparison with the prior year. The fund balance has restricted fund balance of \$55,351,143, committed fund balance of \$186,129, assigned fund balance of \$224,267 and unassigned fund balance of \$30,617,187.

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 \$30,644,115. 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 \$35,273,089, excluding transfers. Unassigned fund balance represents 86.88% of total general fund expenditures, while total fund balance represents 87.51% of the same amount. The fund balance of the County general fund increased by \$4,265,220 during the current fiscal year. See below for notable changes from 2020.

- Income taxes decreased by \$4,272,015 from 2020.
- Other taxes decreased \$143,853 from 2020.
- Intergovernmental revenues decreased \$3,597,657 in 2020, due to \$6,105,448 in CARES Act received in 2020 (a decrease was expected in 2021).
- Major general fund expenditures include general government, \$20,989,900; public safety \$12,950,396; culture and recreation \$298,355; health and welfare \$930,567; and debt service \$103,871.

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 \$825,968 and actual excess of \$3,076,686 (cash basis). Below is a summary of the key highlights of the budget.

- The final budgeted revenue, \$38,774,790, for the general fund comprised of property taxes of \$15,839,154, income taxes of \$15,897,033; other taxes of \$103,365; licenses and permits of \$207,000, intergovernmental of \$2,713,873 charges for services of \$2,323,851, interest of \$728,584 and miscellaneous of \$961,930.
 - Actual revenues exceeded the budget by \$805,409.
 - Property taxes were under budget by \$1,101,338 (7%).
 - Licenses and permits exceeded the budget by \$281,641 (136.1%)
 - Intergovernmental charges exceeded budget by \$1,900,435 (70%)
 - Charges for services were under budget by \$688,310 (29.6%)
 - Income taxes exceed the budget by \$520,200 (3.3%)
- The final General Fund budgeted expenditures of \$37,948,822 were distributed across multiple County departments comprised of general government \$19,243,812 public safety of \$16,851,982 Culture, Recreation and Education of \$159,256 and Health and Human Services of \$1,693,772.
- All departments were under budget on a budgetary basis, revenues exceeded expenditures, excluding other financing sources (uses) for the general fund by \$3,076,686.

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of December 31, 2021 amounts to \$104,785,135 (net of accumulated depreciation). This investment in capital assets includes land and construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included additions of \$7,675,746 to construction in progress for the new jail project.

The following table displays the County's capital assets.

Johnson County, Indiana

Capital Assets

	Year Ended December 31,	
	2021	2020
Land	\$ 4,680,575	\$ 4,535,360
Construction in progress	24,019,075	16,343,329
Buildings	48,863,016	47,995,300
Improvements other than buildings	1,401,792	1,306,032
Machinery and equipment	17,763,461	16,957,155
Infrastructure	123,326,227	123,326,226
Total capital assets	220,054,146	210,463,402
Accumulated depreciation	(115,269,011)	(111,814,297)
Net capital assets	104,785,135	98,649,105

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 \$24,787,898. Of this amount, \$8,559,783 is due in 2022. Bonded indebtedness consists of \$6,137,338 of general obligation debt and \$18,650,560 of revenue bond debt. The county has \$453,946 of capital leases outstanding at year end.

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

The remainder of the County's long-term obligations consist of \$2,716,439 of other post-employment benefits and \$8,819,622 of net pension liability. The following table reflects the County's long-term obligations:

	Governmental Activities	
	2021	2020
General Obligation Bonds	\$ 6,137,338	\$ 5,064,834
Revenue Bonds	18,650,560	23,871,676
Subtotal	24,787,898	29,936,510
Capital lease obligations	453,946	545,385
Net pension liability	8,819,622	15,875,903
Total OPEB liability	2,716,439	2,351,639
Subtotal	11,990,007	18,772,927
Less current portion	(8,559,783)	(6,973,095)
Total long-term obligations	\$ 28,218,122	\$ 40,736,342

The County's total long-term debt obligations decreased by \$12,518,220, during the current fiscal year.

- Bond Debt decreased \$4,148,612 due to principal payments of \$6,840,000 offset by a new General Obligation bond issuance of \$3,135,000.
- Other obligations decreased \$ 6,782,920 during the year due to increase in other postemployment benefits, \$364,800; offset by a reduction in the net pension liability, \$7,056,281; and a reduction in capital leases, \$91,439.
- 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.

JOHNSON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2021

Economic Factors and Next Year's Budget and Rates

- The 2022 tax rate for the County of \$.3012 per \$100 of assessed value is no change from the 2021 tax rate. The overall increase in the County's assessed value (approximately 9.6% from 2021 to 2022) has helped the County's levy to increase to \$25,615,304 from \$23,363,141.
- 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.
- The county received \$15,233,806, in 2021 from the American Rescue Plan Fiscal Recover Fund. It is expected the County will receive an additional \$15,233,806 in 2022.

All the above factors were considered in preparing the County's budget for the 2021 calendar year.

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.

Johnson County, Indiana

Statement of Net Position
December 31, 2021

	<u>Primary Government</u>		<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Johnson County Memorial Hospital</u>	<u>Nonmajor Component Units</u>	
Assets				
Current assets:				
Cash and cash equivalents	\$ 75,467,966	\$ 23,839,079	\$ 25,856,628	
Investments	8,000,000	-	-	
Receivables:				
Accounts	859,047	-	-	
Patient accounts (net of \$18,094,307 allowance)		54,141,894		
Interest	25,422	-	-	
Taxes	30,775,838	-	19,732,889	
Intergovernmental	1,693,379	-	701,380	
Miscellaneous	-	11,304,672		
Estimated third-party settlements	-	1,065,000		
Supplies		2,914,936		
Prepays	346,716	1,954,650		
Restricted assets:				
Net pension asset	447,852	-	3,341,190	
Noncurrent cash and investments				
Internally designated	-	51,705,718	-	
Held by Foundation	-	2,164,921	-	
Cash and cash equivalents	16,452,259	-	-	
Capital assets:				
Land and construction in progress	28,699,651	-	17,413,897	
Other capital assets, net of depreciation	76,085,484	92,304,114	19,563,961	
Investments in affiliates	-	2,361,233	-	
	<u>238,853,614</u>	<u>243,756,217</u>	<u>86,609,945</u>	
Deferred Outflows of Resources				
Pension related	5,511,565	-	3,729,582	
OPEB related	508,634	-	-	
	<u>6,020,199</u>	<u>-</u>	<u>3,729,582</u>	

See notes to financial statements

Johnson County, Indiana

Statement of Net Position
December 31, 2021

	Primary Government	Component Units	
	Governmental Activities	Johnson County Memorial Hospital	Nonmajor Component Units
Liabilities			
Accounts payable	\$ 2,461,563	\$ 49,660,539	\$ 29,518
Accrued payroll and withholdings payable	1,299,806	-	-
Accrued interest payable	314,195	-	-
Compensated absences	712,356	-	-
Claims payable	215,779	-	-
Estimated third-party settlements	-	1,727,789	-
Unearned revenues	15,230,622	-	-
Noncurrent liabilities:			
Due within one year:			
Capital lease obligations	174,783	-	378,957
Loans	-	-	954,895
Revenue bonds	4,895,000	-	-
General obligation bonds	3,490,000	-	1,673,886
Current maturities of long-term debt	-	1,107,076	-
Due in more than one year:			
Capital lease obligations	279,163	-	944,468
Revenue bonds (net of discounts, premiums)	13,755,560	-	-
General obligation bonds (net of discounts, premiums)	2,647,338	-	7,200,000
Loans	-	-	274,574
Long-term debt	-	12,983,623	-
Other accrued liabilities	-	13,319,280	-
Other long-term payables:			
Net pension liability	8,819,622	-	606,607
Total OPEB liability	2,716,439	-	-
Total liabilities	<u>57,012,226</u>	<u>78,798,307</u>	<u>12,062,905</u>
Deferred Inflows of Resources			
Pension related	10,292,445	-	7,471,134
OPEB related	183,185	-	-
Unavailable revenue	24,761,426	-	19,306,900
Total deferred inflows of resources	<u>35,237,056</u>	<u>-</u>	<u>26,778,034</u>
Net Position			
Net investment in capital assets	82,631,006	77,843,415	26,780,547
Net position, restricted for:			
Public safety	19,094,198	-	-
Highways and streets	15,230,757	-	-
Health and welfare	2,469,095	-	-
General government	6,696,630	30,165	-
Culture and recreation	1,017,619	-	-
Economic development	4,351,608	-	-
Debt service	1,645,958	-	-
Property reassessment	2,069,023	-	-
Drainage maintenance	1,340,218	-	-
Pension	447,852	-	-
Net position, unrestricted	15,630,567	87,084,330	24,718,041
Total net position	<u>\$ 152,624,531</u>	<u>\$ 164,957,910</u>	<u>\$ 51,498,588</u>

See notes to financial statements

Johnson County, Indiana

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government	Component Units	
				Governmental Activities	Johnson County Memorial Hospital	Other
Primary Government						
Governmental activities						
General government	\$ 27,979,083	\$ 6,117,840	\$ 4,879,640	\$ (16,981,603)	\$ -	\$ -
Public safety	22,225,923	4,100,603	1,115,961	(17,009,359)	-	-
Highways and streets	11,653,920	20,049	3,685,917	(7,947,954)	-	-
Health and welfare	3,197,704	432,208	1,102,750	(1,662,746)	-	-
Culture and recreation	856,499	-	4,500	(851,999)	-	-
Interest on long-term debt	699,290	-	-	(699,290)	-	-
Total primary government	<u>66,612,419</u>	<u>10,670,700</u>	<u>10,788,768</u>	<u>(45,152,951)</u>	<u>-</u>	<u>-</u>
Component Unit						
Johnson County Memorial Hospital	318,062,654	317,135,873	7,682,842	-	6,756,061	-
Other	28,645,324	2,588,495	-	-	-	(26,056,829)
	<u>\$ 346,707,978</u>	<u>\$ 319,724,368</u>	<u>\$ 7,682,842</u>	<u>-</u>	<u>6,756,061</u>	<u>(26,056,829)</u>
General Revenues						
Taxes:						
Property taxes				19,592,073	-	14,721,576
Income taxes				27,366,686	-	11,122,426
Food and beverage taxes				-	-	892,474
Innkeepers tax				-	-	1,410,706
Other taxes				7,474,360	-	70,038
Local shared revenue				7,448,091	-	48,199
Unrestricted investment earnings				763,749	3,533,420	1,131,595
Transfers				-	-	39,674
Other:						
Sale of property				-	959,556	-
Contributions				-	100,000	-
Miscellaneous				3,984,588	900,610	-
Total general revenues				<u>66,629,547</u>	<u>5,493,586</u>	<u>29,436,688</u>
Change in net position				<u>21,476,596</u>	<u>12,249,647</u>	<u>3,379,859</u>
Net position, beginning as previously stated				129,659,230	-	48,118,729
Prior period adjustment (See note 3H)				1,488,705	-	-
Net Position, Beginning, as restated				<u>131,147,935</u>	<u>152,708,263</u>	<u>48,118,729</u>
Net Position, Ending				<u>\$ 152,624,531</u>	<u>\$ 164,957,910</u>	<u>\$ 51,498,588</u>

See notes to financial statements

Johnson County, Indiana

 Balance Sheet -
 Governmental Funds
 December 31, 2021

	General	LIT Correctional/ Rehab Facility	American Rescue Plan Act 2021	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 21,610,946	\$ -	\$ 15,233,806	\$ 38,623,214	\$ 75,467,966
Investments	8,000,000	-	-	-	8,000,000
Receivables:					
Taxes	18,919,192	2,322,347	-	9,534,299	30,775,838
Interest	25,234	-	-	188	25,422
Accounts	346,988	-	-	512,059	859,047
Intergovernmental	1,060,213	-	-	633,166	1,693,379
Restricted:					
Cash and cash equivalents	-	12,468,834	-	3,983,425	16,452,259
Interfund receivables	41,739	-	-	10,597	52,336
	<u>50,004,312</u>	<u>14,791,181</u>	<u>15,233,806</u>	<u>53,296,948</u>	<u>133,326,247</u>
Total assets					
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 619,442	\$ 52,973	\$ 3,184	\$ 1,785,964	\$ 2,461,563
Accrued payroll and withholdings payable	817,086	-	-	482,720	1,299,806
Claims payable	215,779	-	-	-	215,779
Unearned revenue	-	-	15,230,622	-	15,230,622
Interfund payable	-	-	-	52,336	52,336
	<u>1,652,307</u>	<u>52,973</u>	<u>15,233,806</u>	<u>2,321,020</u>	<u>19,260,106</u>
Total liabilities					
Deferred Inflows of Resources					
Unavailable revenue	<u>17,483,623</u>	<u>667,749</u>	<u>-</u>	<u>9,536,043</u>	<u>27,687,415</u>
	<u>17,483,623</u>	<u>667,749</u>	<u>-</u>	<u>9,536,043</u>	<u>27,687,415</u>
Total deferred inflows of resources					
Fund Balances					
Restricted	-	14,070,459	-	41,280,684	55,351,143
Committed	-	-	-	186,129	186,129
Assigned	224,267	-	-	-	224,267
Unassigned	30,644,115	-	-	(26,928)	30,617,187
	<u>30,868,382</u>	<u>14,070,459</u>	<u>-</u>	<u>41,439,885</u>	<u>86,378,726</u>
Total fund balances					
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,004,312</u>	<u>\$ 14,791,181</u>	<u>\$ 15,233,806</u>	<u>\$ 53,296,948</u>	<u>\$ 133,326,247</u>

See notes to financial statements

Johnson County, Indiana

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

Fund Balance - Governmental Funds		\$ 86,378,726
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	\$ 28,699,651	
Capital assets net of depreciation	<u>76,085,484</u>	
		104,785,135
Prepays are not current financial resources and, therefore, are not reported in the funds.		346,716
Pension and OPEB asset and liability is not paid from current financial resources and, therefore, is not shown in the funds.		
Net pension asset	\$ 447,852	
OPEB liability	(2,716,439)	
Net pension liability	<u>(8,819,622)</u>	(11,088,209)
Deferred outflows of resources OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position		508,634
Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position		5,511,565
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position		(10,292,445)
Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position		(183,185)
Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		2,925,989
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(712,356)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(314,195)
Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds.		(453,946)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	\$ (6,137,338)	
Revenue bonds	<u>(18,650,560)</u>	<u>(24,787,898)</u>
Net Position of Governmental Activities		<u>\$ 152,624,531</u>

See notes to financial statements

Johnson County, Indiana

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2021

	General	LIT Correctional/ Rehab Facility	American Rescue Plan Act 2021	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 14,440,546	\$ -	\$ -	\$ 7,036,435	\$ 21,476,981
Income	16,385,759	10,778,498	-	-	27,164,257
Other	1,586,991	-	-	5,887,369	7,474,360
Licenses and permits	488,088	-	-	408,805	896,893
Intergovernmental	2,871,645	-	130,421	12,511,232	15,513,298
Charges for services	1,573,426	-	-	5,055,649	6,629,075
Fines and forfeits	412,333	-	-	870,760	1,283,093
Investment earnings	725,051	-	-	(358,799)	366,252
Other:					
Miscellaneous	1,054,221	-	-	2,946,720	4,000,941
Total revenues	39,538,060	10,778,498	130,421	34,358,171	84,805,150
Expenditures					
Current:					
General government	20,989,900	52,973	-	6,859,473	27,902,346
Public safety	12,950,396	-	87,500	8,912,471	21,950,367
Highways and streets	-	-	-	9,502,570	9,502,570
Health and welfare	930,567	-	-	2,336,240	3,266,807
Culture and recreation	298,355	-	-	366,316	664,671
Debt service:					
Principal	-	4,725,000	-	2,115,000	6,840,000
Interest	11,183	750	-	886,501	898,434
Capital lease	92,688	-	-	117,196	209,884
Bond issue costs	-	-	-	11,229	11,229
Capital outlay	-	-	42,921	10,272,817	10,315,738
Total expenditures	35,273,089	4,778,723	130,421	41,379,813	81,562,046
Excess (deficiency) of revenues over (under) expenditures	4,264,971	5,999,775	-	(7,021,642)	3,243,104
Other Financing Sources (Uses)					
Bond proceeds	-	-	-	3,135,000	3,135,000
Premium on bonds issued	-	-	-	69,727	69,727
Capital lease proceeds	-	-	-	118,445	118,445
Transfers in	249	-	-	-	249
Transfers out	-	-	-	(249)	(249)
Total other financing sources and uses	249	-	-	3,322,923	3,323,172
Net change in fund balances	4,265,220	5,999,775	-	(3,698,719)	6,566,276
Fund Balances, Beginning as previously stated	22,787,753	9,493,630	-	45,138,604	77,419,987
Prior period adjustment	3,815,409	(1,422,946)	-	-	2,392,463
Fund Balances, Beginning as restated	26,603,162	8,070,684	-	45,138,604	79,812,450
Fund Balances, Ending	\$ 30,868,382	\$ 14,070,459	\$ -	\$ 41,439,885	\$ 86,378,726

See notes to financial statements

Johnson County, Indiana

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2021

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

Net change in fund balances, total governmental funds (statement of revenues, expenditures and changes in fund balances)	\$ 6,566,276
--	--------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as in the current period:

Capital outlays	10,315,738
Loss on capital disposal of assets	(51,242)
Depreciation expense	(4,128,467)

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

Principal payments	\$ 6,840,000
Par amount of bonds issued	(3,135,000)
Bond premium	(69,727)
New capital lease	(118,445)
Amortization of bond discount/premium	513,339
Principal paid on capital lease	209,884
	<u>4,240,051</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred inflows, pensions	(6,073,609)
Deferred inflows, OPEB	(76,048)
Unavailable revenue	1,041,080

Expenses in the Statement of Activities that do not provide current financial resources are not reported as expenditures in the funds:

Deferred outflows of resources, pensions	2,421,941
Deferred outflows of resources, OPEB	284,404

Compensated absences reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds.	(97,466)
---	----------

Prepays amortized in the Statement of Activities require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid.	212,777
---	---------

Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	83,303
--	--------

Pension assets are considered revenues of the general government and, therefore, are not reported as current revenues in the funds.	46,376
---	--------

Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds.	7,056,282
--	-----------

OPEB liability reported in the Statement of Activities does not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.	<u>(364,800)</u>
--	------------------

Change in Net Position of Governmental Activities (Statement of Activities)	<u>\$ 21,476,596</u>
--	-----------------------------

Johnson County, Indiana

Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2021

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 1,334,616	\$ 22,187,429
Receivables:		
Taxes	-	171,589,171
County contributions	8,981	-
Employee contributions	53,177	-
Intergovernmental	-	2,402,299
Accrued interest and dividends	110,180	-
Accounts	8,339	16,172
Total receivables	<u>180,677</u>	<u>174,007,642</u>
Investments at fair value:		
Fixed income securities	3,997,146	-
Domestic and foreign equities	15,420,473	-
Total investments	<u>19,417,619</u>	<u>-</u>
Total assets	<u>20,932,912</u>	<u>196,195,071</u>
Liabilities		
Transfers out of trust	34,745	-
Due to broker for unsettled trades	11,767	-
Intergovernmental payable	-	11,427,682
Accounts payable	8,339	1,900,847
Trust payable	-	9,265,403
Total liabilities	<u>54,851</u>	<u>22,593,932</u>
Deferred Inflows		
Uncollected taxes	-	159,507,947
Net Position		
Restricted for pensions	20,878,061	-
Restricted for individuals, organizations and other governments	-	14,093,192
Total net position	<u>\$ 20,878,061</u>	<u>\$ 14,093,192</u>

See notes to financial statements

Johnson County, Indiana

Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended December 31, 2021

	Pension Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer contributions	\$ 1,242,263	\$ -
Employee contributions	103,369	-
Other	<u>108,380</u>	<u>-</u>
Total contributions	<u>1,454,012</u>	<u>-</u>
Investment income:		
Interest	899,831	-
Net increase (decrease) in fair value of investments	1,897,178	-
Less investment expense, other than securities lending	<u>(99,502)</u>	<u>-</u>
Total investment income	<u>2,697,507</u>	<u>-</u>
Taxes collected for other governments	-	238,041,208
Collections from other governments	-	4,024,850
Miscellaneous	<u>8,341</u>	<u>26,604,420</u>
Total additions	<u>4,159,860</u>	<u>268,670,478</u>
Deductions		
Benefit payments (including refunds of employee contributions)	1,095,741	-
Other trust activities	108,380	81,701,407
Transfers out of trust	34,745	-
Taxes distributed to other governments	<u>32,564</u>	<u>185,500,326</u>
Total deductions	<u>1,271,430</u>	<u>267,201,733</u>
Change in fiduciary net position	2,888,430	1,468,745
Net Position, Beginning	17,989,631	-
Prior period adjustment	<u>-</u>	<u>12,624,447</u>
Net Position, Beginning as Adjusted	<u>17,989,631</u>	<u>12,624,447</u>
Net Position, Ending	<u>\$ 20,878,061</u>	<u>\$ 14,093,192</u>

See notes to financial statements

Johnson County, Indiana

Index to Notes to Financial Statements

December 31, 2021

	<u>Page</u>
1. Summary of Significant Accounting Policies	26
Reporting Entity	26
Government-Wide and Fund Financial Statements	28
Measurement Focus, Basis of Accounting and Financial Statement Presentation	30
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	31
Deposits and Investments	31
Receivables	32
Inventories and Prepaid Items	32
Restricted Assets	33
Capital Assets	33
Deferred Outflows of Resources	33
Compensated Absences	33
Long-Term Obligations	34
Deferred Inflows of Resources	34
Equity Classifications	34
Postemployment Benefits Other Than Pensions (OPEB)	35
Pension Plans	35
2. Stewardship, Compliance and Accountability	36
Budgetary Information	36
Deficit Balances	36
3. Detailed Notes on All Funds	37
Deposits and Investments	37
Receivables	40
Capital Assets	40
Interfund Receivables/Payables and Transfers	41
Long-Term Obligations	42
Lease Disclosures	43
Net Position/Fund Balances	44
Restatement of Fund Balances/Net Position	45
Component Unit	46
4. Other Information	49
Employees' Retirement System	49
Risk Management	64
Commitments and Contingencies	65
Other Postemployment Benefits	66
Subsequent Event	69
Tax Abatement	69

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

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).

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, 2021

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 Building Corporation currently does not have any debt outstanding.

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 Authority currently has no balances or activity. 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 Johnson County, Indiana. 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, 2021

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 Johnson County, Indiana. The Primary Government appoints a voting majority of the Solid Waste District's board and has the ability to unilaterally dissolve the 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 Protection Districts provide fire protection services to the residents of the County. The Primary Government approves the Fire District's budget and appoints a majority of the Fire District's Board.

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

<u>Component Unit</u>	<u>Address</u>
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

Johnson County Public Library

The government-wide financial statements include the Johnson County Public Library as a component unit. The Johnson County Public Library is a legally separate organization. The County appoints the voting majority of the Library Board and the library has declared the County as its fiscal oversight body and the County has the ability to impose their will on the library. The library does not issue separate financial statements.

Government-Wide Fund Financial Statements

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. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. The Primary Government is reported separately from certain legally separate component units for which the Primary Government is financially accountable.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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.

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 statements. An emphasis is placed on major funds within the governmental category. 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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. The County's Rainy Day Fund is combined with the General Fund for reporting purposes.

LIT Correctional/Rehab Facility is used to pay bond payments related to the Correctional and Rehabilitation facilities project.

American Rescue Plan Act 2021 accounts for money received and disbursed under the American Rescue Plan.

The County reports the following nonmajor governmental funds:

Special Revenue Funds are 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 are 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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Capital Projects Funds are 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:

Pension Trust Funds are 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 are 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.

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.

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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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.

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

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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.

The County follows state investment policies, addressing various investment risks. No additional investment policy exists for the County related to investments.

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.

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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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 3. for further information.

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 interfund receivables and payables." 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.

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 the government-wide.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. 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.

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.

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. The County is reporting deferred outflows of resources for OPEB and pension related items.

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.

All vested vacation pay is accrued when incurred in the government-wide 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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Compensated Absences

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from governmental 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.

For the government-wide statement, bond premiums and discounts are amortized over the life of the bond. The balance at year-end is shown as an increase or decrease in the liability section of the statement of net position.

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. The County is reporting deferred inflows of resources for property taxes related to the approved levy for 2022, OPEB and pension related items.

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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

- 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.
- 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.

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 3. for further information.

Fiduciary fund net position is classified as restricted for pensions and 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total net 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.

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, 2021

2. Stewardship, Compliance and Accountability

Budgetary Information

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.

Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally-approved budgets.

Deficit Balances

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

As of December 31, 2021, the following individual funds held a deficit fund balance:

<u>Funds</u>	<u>Amount</u>	<u>Reason</u>
COVID Funds	\$ 26,928	Reimbursement grant

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, 2021

3. Detailed Notes on All Funds

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:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Checking accounts	\$ 70,056,176	\$ 71,188,816	Custodial credit risk
Certificates of deposit	8,000,000	8,000,000	Custodial credit risk
Money market accounts	45,386,093	45,399,917	Custodial credit risk
US agencies	754,208	754,208	Custodial credit risk
Corporate bonds	801,583	801,583	Credit risk, Custodial credit risk, Interest rate risk
Mutual funds, other than bonds	2,264,906	2,264,906	Credit risk, custodial credit risk, interest rate risk
Equity securities/stocks	15,420,473	15,420,473	Custodial credit risk
State and local bonds	<u>176,450</u>	<u>176,450</u>	Custodial credit risk, credit risk, interest rate risk
Total deposits and investments	<u>\$142,859,889</u>	<u>\$144,006,353</u>	
Unrestricted cash and investments	\$ 83,467,966		
Restricted cash and investments	16,452,259		
Per statement of net position, fiduciary funds			
Custodial funds	22,187,429		
Pension cash	1,334,616		
Pension investments	<u>19,417,619</u>		
Total deposits and investments	<u>\$142,859,889</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. All other bank balances at December 31, 2021 were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

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:

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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.

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, 2021			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000
Corporate Bonds	-	801,583	-	801,583
US Agencies	-	754,208	-	754,208
Mutual Funds	2,264,906	-	-	2,264,906
Equity Securities	15,420,473	-	-	15,420,473
State and Local Bonds	-	176,450	-	176,450
Total	<u>\$ 25,685,379</u>	<u>\$ 1,732,241</u>	<u>\$ -</u>	<u>\$ 27,417,620</u>

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.

The County 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 County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2021, the County's investments were rated as follows:

<u>S& P Rating</u>	<u>Certificates of Deposit</u>	<u>Corporate Bonds</u>	<u>Mutual Funds</u>	<u>State and Local Bonds</u>	<u>US Agencies</u>
A	\$ -	\$ 99,571	\$ -	\$ -	\$ -
A+	-	392,705	-	-	-
A-	-	202,675	-	-	-
AA-	-	106,632	-	-	-
AA+	-	-	-	102,747	369,062
Unrated	<u>8,000,000</u>	-	<u>2,264,906</u>	<u>73,703</u>	<u>385,146</u>
Total	<u>\$ 8,000,000</u>	<u>\$ 801,583</u>	<u>\$ 2,264,906</u>	<u>\$ 176,450</u>	<u>\$ 754,208</u>

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.

At December 31, 2021, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Mutual Savings Bank	Certificates of Deposit	14.59%
National Bank of Indianapolis	Certificates of Deposit	14.59%

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, 2021, the County's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>More than 5</u>
Certificates of Deposit	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -
Corporate Bonds	801,583	-	698,039	103,544
State and Local Bonds	176,450	-	176,450	-
US Agencies	754,208	100,597	387,331	266,280
Mutual Funds	<u>2,264,906</u>	<u>2,264,906</u>	-	-
Total	<u>\$ 11,997,147</u>	<u>\$ 2,365,503</u>	<u>\$ 9,261,820</u>	<u>\$ 369,824</u>

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

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Receivables

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

Governmental funds report *unavailable 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* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Taxes receivable	\$ -	\$ 27,687,415
ARPA funds not obligated	<u>15,230,622</u>	<u>-</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 15,230,622</u>	<u>\$ 27,687,415</u>

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land and construction in progress	\$ 20,878,689	\$ 7,820,962	\$ -	\$ 28,699,651
Total capital assets not being depreciated	<u>20,878,689</u>	<u>7,820,962</u>	<u>-</u>	<u>28,699,651</u>
Capital assets being depreciated:				
Buildings	47,995,300	867,716	-	48,863,016
Improvements other than buildings	1,306,032	95,760	-	1,401,792
Machinery and equipment	16,957,154	1,531,301	724,995	17,763,460
Infrastructure	<u>123,326,227</u>	<u>-</u>	<u>-</u>	<u>123,326,227</u>
Total capital assets being depreciated	<u>189,584,713</u>	<u>2,494,777</u>	<u>724,995</u>	<u>191,354,495</u>
Total capital assets	<u>210,463,402</u>	<u>10,315,739</u>	<u>724,995</u>	<u>220,054,146</u>
Less accumulated depreciation for:				
Buildings	(32,602,432)	(651,282)	-	(33,253,714)
Improvements other than buildings	(142,355)	(27,722)	-	(170,077)
Machinery and equipment	(7,950,198)	(1,447,815)	673,753	(8,724,260)
Infrastructure	<u>(71,119,312)</u>	<u>(2,001,648)</u>	<u>-</u>	<u>(73,120,960)</u>
Total accumulated depreciation	<u>(111,814,297)</u>	<u>(4,128,467)</u>	<u>673,753</u>	<u>(115,269,011)</u>
Net capital assets being depreciated	<u>77,770,416</u>	<u>(1,633,690)</u>	<u>51,242</u>	<u>76,085,484</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 98,649,105</u>	<u>\$ 6,187,272</u>	<u>\$ 51,242</u>	<u>\$ 104,785,135</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 484,004
Public safety	1,009,830
Highways and streets	2,417,790
Health and welfare	33,153
Culture and recreation	<u>183,690</u>
Total governmental activities depreciation expense	<u>\$ 4,128,467</u>

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 41,739
Nonmajor governmental funds	Nonmajor governmental funds	<u>10,597</u>
Total, fund financial statements		52,336
Less government-wide eliminations		<u>(52,336)</u>
Total internal balances, government-wide statement of net position		<u>\$ -</u>

All amounts are due within one year.

The principal purpose of these interfunds is to cover negative cash balances.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Nonmajor funds	\$ <u>249</u>	Levy excess transfer
Subtotal, fund financial statements		249	
Less government-wide eliminations		<u>(249)</u>	
Total transfers, government-wide statement of activities		<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, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
General obligation debt	\$ 5,040,000	\$ 3,135,000	\$ 2,115,000	\$ 6,060,000	\$ 3,490,000
Revenue bonds	22,670,000	-	4,725,000	17,945,000	4,895,000
(Discounts)/premiums	<u>1,226,510</u>	<u>69,727</u>	<u>513,339</u>	<u>782,898</u>	<u>-</u>
Subtotal	<u>28,936,510</u>	<u>3,204,727</u>	<u>7,353,339</u>	<u>24,787,898</u>	<u>8,385,000</u>
Other liabilities:					
Capital leases	545,385	118,445	209,883	453,947	174,783
Other postemployment benefits	2,351,639	525,566	160,766	2,716,439	-
Net pension liability	<u>15,875,903</u>	<u>3,911,444</u>	<u>10,967,725</u>	<u>8,819,622</u>	<u>-</u>
Total other liabilities	<u>18,772,927</u>	<u>4,555,455</u>	<u>11,338,374</u>	<u>11,990,008</u>	<u>174,783</u>
Total governmental activities long-term liabilities	<u>\$ 47,709,437</u>	<u>\$ 7,760,182</u>	<u>\$ 18,691,713</u>	<u>\$ 36,777,906</u>	<u>\$ 8,559,783</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.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
General Obligation Debt					
GO Bonds, 2019A	12/18/2019	12/31/2023	2.00%	\$ 3,560,000	\$ 1,450,000
GO Bonds, 2020A	11/02/2020	12/31/2022	.75 to .87	2,510,000	1,475,000
GO Bonds, 2021A	12/01/2021	12/31/2023	2.00	3,135,000	<u>3,135,000</u>
Total governmental activities, general obligation debt					<u>\$ 6,060,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,490,000	\$ 93,838
2023	<u>2,570,000</u>	<u>38,550</u>
Total	<u>\$ 6,060,000</u>	<u>\$ 132,388</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Revenue Debt

The County has pledged future local income tax revenues to repay revenue bonds issued in 2020. Proceeds from the bonds provided financing for acquiring, constructing, installing, rehabilitating and equipping certain correctional facilities and rehabilitation facilities and buildings related at or near the existing County jail. The bonds are payable solely from local income tax revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 55.01% in 2020 (58% for future years) of gross revenues. The total principal and interest remaining to be paid on the bonds is \$19,276,500. Principal and interest paid for the current year and total customer gross revenues were \$5,533,300 and \$10,058,187, respectively.

Revenue debt payable at December 31, 2021, consists of the following:

Governmental Activities Revenue Debt

<u>Revenue Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
Local Income Tax Revenue Bonds, Series 2020A	01/15/2020	01/15/2025	2.00% to 4.00%	\$ 25,000,000	\$ 17,945,000
Total governmental activities, revenue debt					<u>\$ 17,945,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 4,895,000	\$ 617,800
2023	5,095,000	420,000
2024	5,280,000	240,200
2025	2,675,000	53,500
Total	<u>\$ 17,945,000</u>	<u>\$ 1,331,500</u>

Lease Disclosures

Lessee - Capital Leases

The County has acquired capital assets through capital lease purchase agreements. The gross amount of these assets under capital leases is \$1,002,692, which are included in capital assets in the governmental activities, less accumulated depreciation of \$321,344, for a total book value of \$681,348. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2021, are as follows:

<u>Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 174,783	\$ 14,060	\$ 188,843
2023	224,881	9,158	234,039
2024	54,282	1,038	55,320
Total	<u>\$ 453,946</u>	<u>\$ 24,256</u>	<u>\$ 478,202</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets	
Land and construction in progress	\$ 28,699,651
Other capital assets, net of accumulated depreciation	76,085,484
Less long-term debt outstanding	(24,787,898)
Less unspent capital related debt proceeds	3,087,715
Less capital leases outstanding	<u>(453,946)</u>
 Total net investment in capital assets	 <u><u>\$ 82,631,006</u></u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	<u>General Fund</u>	<u>LIT Correctional Rehab Facility</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances				
Restricted for:				
General Government	\$ -	\$ -	\$ 6,696,630	\$ 6,696,630
Public Safety	-	14,070,459	5,724,859	19,795,318
Economic Development	-	-	4,351,608	4,351,608
Highways and Streets	-	-	15,420,621	15,420,621
Culture and Recreation	-	-	1,017,619	1,017,619
Health and Welfare	-	-	2,509,142	2,509,142
Debt service	-	-	2,109,739	2,109,739
Property Reassessment	-	-	2,110,248	2,110,248
Drainage Maintenance	-	-	1,340,218	1,340,218
Subtotal	<u>-</u>	<u>14,070,459</u>	<u>41,280,684</u>	<u>55,351,143</u>
Committed to:				
Public Safety	-	-	186,129	186,129
Subtotal	<u>-</u>	<u>-</u>	<u>186,129</u>	<u>186,129</u>
Assigned to:				
General government	224,267	-	-	224,267
Subtotal	<u>224,267</u>	<u>-</u>	<u>-</u>	<u>224,267</u>
Unassigned (Deficit):	<u>30,644,115</u>	<u>-</u>	<u>(26,928)</u>	<u>30,617,187</u>
Total fund balances (deficit)	<u><u>\$ 30,868,382</u></u>	<u><u>\$ 14,070,459</u></u>	<u><u>\$ 41,439,885</u></u>	<u><u>\$ 86,378,726</u></u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Restatement of Fund Balances/Net Position

Fund balance has been restated to correct reporting of the internal service fund balance:

General Fund

General fund balance, December 31, 2021 (as reported)	\$ 22,787,753
Add internal service fund balances	903,758
Less change in intergovernmental receivable	<u>2,911,651</u>
Fund balance, December 31, 2021 (as restated)	<u><u>\$ 26,603,162</u></u>

Proprietary Funds

Proprietary funds net position, December 31, 2021 (as reported)	\$ 903,758
Less internal service funds	<u>(903,758)</u>
Net position, December 31, 2021 (as restated)	<u><u>\$ -</u></u>

LIT Correctional Rehab Facility Fund

LIT Correctional Rehab Facility Fund balance, December 31, 2021 (as reported)	\$ 9,493,630
Less change in intergovernmental receivable	<u>(1,422,946)</u>
Fund balance, December 31, 2021 (as restated)	<u><u>\$ 8,070,684</u></u>

Custodial Fund

Custodial Fund net position, December 31, 2021 (as reported)	\$ -
Add custodial net position	<u>12,624,447</u>
Net position, December 31, 2021 (as restated)	<u><u>\$ 12,624,447</u></u>

Government Wide

Government-wide net position - December 31, 2021 (as reported)	\$ 129,659,230
Add change in intergovernmental receivable	<u>1,488,705</u>
Net position, December 31, 2021 (as restated)	<u><u>\$ 131,147,935</u></u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Component Unit

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	\$ 34,775,658
Investments	<u>42,934,060</u>
Total deposits and investments	<u>\$ 77,709,718</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.

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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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
Debt securities	\$ 4,978,660	\$ 1,384,570	\$ 3,594,090
Mutual funds, equities	9,913,016	9,913,016	-
Equities	12,490,534	12,490,534	-
Mutual funds, fixed income	15,551,850	15,551,850	-
Total	<u>\$ 42,934,060</u>	<u>\$ 39,339,970</u>	<u>\$ 3,594,090</u>

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

c. Capital Assets

	Beginning Balance	Transfers	Additions	Deletions	Ending Balance
Land	\$ 4,743,426	\$ -	\$ 601,487	\$ 418,304	\$ 4,926,609
Construction in progress	41,613,854	(41,693,843)	483,345	-	403,356
Land improvements	2,886,743	-	-	159,127	2,727,616
Buildings	69,291,605	36,957,986	-	1,595,164	104,654,427
Equipment	56,694,358	4,735,857	1,249,507	1,282,204	61,397,518
Computer software	10,729,489	-	-	-	10,729,489
Less accumulated depreciation	<u>(87,727,556)</u>	<u>-</u>	<u>(7,749,449)</u>	<u>(2,942,104)</u>	<u>(92,534,901)</u>
Total	<u>\$ 98,231,919</u>	<u>\$ -</u>	<u>\$ (5,415,110)</u>	<u>\$ 512,695</u>	<u>\$ 92,304,114</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% 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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Changes in long term debt are shown below:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Revenue bonds payable, Series 2017	\$ 14,907,585	\$ -	\$ (1,005,283)	\$ 13,902,302	\$ 1,036,118
Capital lease obligations	259,635	-	(71,538)	188,097	70,958
Deferred FICA taxes	1,604,754	-	(802,377)	802,377	802,377
Medicare advance payments	<u>14,116,179</u>	<u>-</u>	<u>(7,245,574)</u>	<u>6,870,605</u>	<u>6,870,605</u>
Total	<u>\$ 30,888,153</u>	<u>\$ -</u>	<u>\$ (9,124,772)</u>	<u>\$ 21,763,381</u>	<u>\$ 8,780,058</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,167,041	406,929	1,573,970
2026	1,214,279	359,691	1,573,970
2027-2031	6,848,782	1,021,068	7,869,850
2032-2033	<u>1,437,946</u>	<u>136,024</u>	<u>1,573,970</u>
Total	<u>\$ 13,902,602</u>	<u>\$ 3,411,068</u>	<u>\$ 17,313,670</u>

The following is a schedule of future minimum lease payments at December 31, 2020:

	<u>Principal</u>
2022	\$ 77,834
2023	77,834
2024	60,593
Total minimum lease payments	216,261
Less amount representing interest	<u>(28,164)</u>
Total	<u>\$ 188,097</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% of the employee contribution up to 3% 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 \$773,000 for 2021.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

4. Other Information

Employees' Retirement System

	<u>Net Pension Liability(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
PERF	\$ 5,058,777	\$ 4,351,383	\$ 7,890,257	\$ (249,004)
Sheriff's Retirement Plan	3,760,845	1,136,492	2,107,554	562,000
Sheriff's Benefit Plan	<u>(447,852)</u>	<u>23,690</u>	<u>294,634</u>	<u>(48,628)</u>
Total	<u>\$ 8,371,770</u>	<u>\$ 5,511,565</u>	<u>\$ 10,292,445</u>	<u>\$ 264,368</u>

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. Details of the Public Employees' Defined Benefit Plan (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.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report is available online at www.in.gov/inprs or may be obtained by contacting:

Indiana Public Retirement System
One North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. 844 464 6777

Contributions. Members are required to contribute 3% of their annual covered salary to their defined contribution account. The Primary Government is required to contribute 11.20% for 2021. 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 \$2,500,270 for the calendar year ended December 31, 2021.

Johnson County, Indiana

Notes to Financial Statements

December 31, 2021

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.

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% of the pension benefit component. This annual pension benefit is equal to 1.1% 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% 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% 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%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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.

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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 25.46%.

Net Pension Liability. At December 31, 2021, the County reported a liability of \$5,058,777 for its proportionate share of the net pension liability. 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, 2021, the County's proportion was 0.38445%. At December 31, 2020, the County's proportionate share was .37410%, for an increase of .01035%. The net pension liability for fiscal year December 31, 2021 is calculated as set forth in the following table:

	PERF Plan Total
Net pension liability, beginning December 31, 2021	\$ 11,299,296
Differences between expected and actual experience	23,533
Net difference between projected and actual investment activity	(7,535,396)
Change of assumptions	3,762,602
Change in proportionate share of contributions	125,309
Pension expense	(249,004)
Contributions	<u>(2,367,563)</u>
Net pension liability, December 31, 2021	<u>\$ 5,058,777</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2021, 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	\$ 173,025	\$ 101,009
Changes in assumptions	2,544,599	1,136,297
Net differences between projected and actual earnings on pension plan investments	-	6,568,360
Changes in proportion and differences between employer contributions and proportionate share of contributions	275,159	84,591
Employer contributions subsequent to the measurement date	<u>1,358,600</u>	<u>-</u>
Total	<u>\$ 4,351,383</u>	<u>\$ 7,890,257</u>

\$1,358,600 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 December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2022	\$ (1,321,535)
2023	(1,075,206)
2024	(623,179)
2025	(1,877,554)

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

Pension Expense	
Proportionate share of plan pension expense	\$ (436,763)
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>187,759</u>
Total	<u>\$ (249,004)</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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

Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2021 and is equal to the long-term expected return on plan investments.

Valuation Date:

Assets	June 30, 2021
Liabilities	June 30, 2020 - Member census data as of June 30, 2020 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 measurement date.

Actuarial Cost Method	Entry Age Normal (Level percent of payroll)
Experience Study Date	Period of 5 years ended June 30, 2019
Investment Rate of Return	6.25%, net of investment expense, including inflation
Cost of Living Increases	Beginning January 1, 2024 - 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Salary Increases, including inflation	2.65% - 8.65%
Inflation	2.00%
Mortality:	
Healthy	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Disabled	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Funding Policy Location	www.in.gov/inprs/files/INPRS_Funding_Policy.pdf

Change in Assumptions

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Plan Amendments

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

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.

Global Asset Class	Long-Term Expected Rate of Return (Geometric Basis)	Target Asset Allocation
Public Equity	3.6%	20.0%
Private Markets	7.3	15.0
Fixed Income, Ex Inflation-Linked	1.5	20.0
Fixed Income, Inflation-Linked	(0.3)	15.0
Commodities	0.8	10.0
Real Estate	4.2	10.0
Absolute Return	2.5	5.0
Risk Parity	4.4	20.0
Leverage Offset	(1.4)	(15.0)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease to Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase to Discount Rate (7.25%)
County's proportionate share of the net pension liability	\$ 13,230,918	\$ 5,058,777	\$ (1,757,871)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Annual Comprehensive Financial Report and Actuarial Valuations. These reports can be found at:

https://www.in.gov/inprs/files/2021ActuarialReport_PERF.pdf
https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY21.pdf

Sheriff's Retirement Plan

Plan Description. The 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 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, 2021, 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	56
Total	99

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 five (5) 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.

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 April 1, 2019) 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 April 1, 2019), 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.

Johnson County, Indiana

Notes to Financial Statements

December 31, 2021

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 April 1, 2019) 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 April 1, 2019) 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.

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, 2021, the actuarially determined Employer's contribution rate was 33.32% of annual payroll, \$1,205,555 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 asset allocation policy is presented below:

Asset Class	Target Asset Allocation %
Equities	65%
Fixed income	25%
Nontraditional assets	10%

Rate of Return. For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 15.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Deferred Retirement Option Program. The Deferred Retirement Option Program (DROP) for the Plan was established on July 1, 2006 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.

A member who has attained age fifty-two (52) prior to December 31, 2022 or attained age fifty-five (55) and completed at least ten (10) years of service (age fifty-five for participants hired prior to April 1, 2019) 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, 2021, the balance of the amounts held by the plan pursuant to the DROP is \$0.

Net Pension Liability

The components of the net pension liability of the Plan at December 31, 2021 were as follows:

Total pension liability	\$ 23,499,486
Plan fiduciary net position	<u>(19,738,641)</u>
Plan's net pension liability	<u>\$ 3,760,845</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.00 %</u>

Pension Expense of the Plan. Pension expense of \$562,000 was recognized for fiscal year ending December 31, 2021.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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, 2021
Valuation Date:	
Assets	December 31, 2021
Liabilities	December 31, 2021, Actual member census data as of December 31, 2021 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	6.50%, 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-2021 (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 6.50% as of December 31, 2021 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease to Discount Rate (5.50%)	Current Discount Rate (6.50%)	1% Increase to Discount Rate (7.50%)
Total pension liability	\$ 26,486,646	\$ 23,499,486	\$ 21,010,390
Plan fiduciary net position	<u>(19,738,641)</u>	<u>(19,738,641)</u>	<u>(19,738,641)</u>
Total	<u>\$ 6,748,005</u>	<u>\$ 3,760,845</u>	<u>\$ 1,271,749</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 428,955	\$ 236,086
Changes in assumptions	707,537	36,940
Net differences between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,834,528</u>
Total	<u>\$ 1,136,492</u>	<u>\$ 2,107,554</u>

The balances as of December 31, 2021 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2022	\$ (76,462)
2023	(497,343)
2024	(296,709)
2025	(100,548)

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 4.831 years, the average remaining service of all members with any liability in the plan as of January 1, 2021. 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, 2021 reflect the change from the use of the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables) and a discount rate of 6.75% to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2021 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables) and a discount rate of 6.50%.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Sheriff's Benefit Plan

Plan Description. The Johnson County, Indiana 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 Johnson County, Indiana 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, 1983 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, 2021, 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>82</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. In addition, in the case of disability which is the result of line of duty activities, the Sheriff and the Merit Board may direct that an additional monthly benefit be paid at the same time as the insurance benefit commences, payable until the member dies. Such additional benefit shall not exceed a reasonable amount. 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 same amount as the insured disability benefit..

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.

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, 2021, the actuarially determined Employer's contribution rate was 1.10% of annual payroll, \$36,708 which was contributed by the County.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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 County's investment policy is identified below:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	65%
Fixed income	25%
Nontraditional assets	10%

Net Pension Asset

The components of the net pension asset of the Plan at December 31, 2021 were as follows:

Total pension liability	\$ 691,568
Plan fiduciary net position	<u>(1,139,420)</u>
Plan's net pension asset	<u><u>\$ (447,852)</u></u>
Plan fiduciary net position as a % of the total pension asset	<u><u>164.76 %</u></u>

Pension Expense of the Plan. Pension expense of \$(48,628) was recognized for fiscal year ending December 31, 2021.

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, 2021
Valuation Date:	
Assets	December 31, 2021
Liabilities	December 31, 2021, Actual member census data as of December 31, 2021 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	6.50%, 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-2021 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables)

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Discount Rate. The discount rate used to measure the total pension liability was 6.50% as of December 31, 2021 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease to Discount Rate (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase to Discount Rate (7.50%)</u>
Total pension liability	\$ 819,343	\$ 691,568	\$ 589,379
Plan fiduciary net position	<u>(1,139,420)</u>	<u>(1,139,420)</u>	<u>(1,139,420)</u>
Net pension liability/(asset)	<u>\$ (320,077)</u>	<u>\$ (447,852)</u>	<u>\$ (550,041)</u>

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 154,841
Changes in assumptions	23,690	28,635
Net differences between projected and actual earnings on pension plan investments	<u>-</u>	<u>111,158</u>
Total	<u>\$ 23,690</u>	<u>\$ 294,634</u>

The balances as of December 31, 2021 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2022	\$ (86,419)
2023	(85,826)
2024	(62,796)
2025	(35,558)
2026	(345)

Johnson County, Indiana

Notes to Financial Statements

December 31, 2021

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 5.832 years, the average remaining service of all members with any liability in the plan as of January 1, 2021. 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, 2021 reflect the change from the use of the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables) and a discount rate of 6.75% to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2021 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables) and a discount rate of 6.50%.

Statement of Fiduciary Net Position as of December 31, 2021

	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>
Assets		
Cash and cash equivalents	\$ 1,244,263	\$ 90,353
Receivables:		
Employer contributions	8,981	-
Employee contributions	53,177	-
Accrued interest and dividends	95,027	15,153
Due from broker unsettled claims	-	-
Investments at fair value:		
Fixed income securities	3,770,064	227,082
Domestic and foreign equities	14,578,363	842,110
Other	-	-
	<u>19,749,875</u>	<u>1,174,698</u>
Total assets		
Liabilities		
Transfers out of trust	-	34,745
Due to broker for unsettled trades	11,234	533
	<u>11,234</u>	<u>35,278</u>
Total liabilities		
Net position restricted for pensions	<u>\$ 19,738,641</u>	<u>\$ 1,139,420</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Statement of Changes in Fiduciary Net Position for the Year Ended December 31, 2021

	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>
Additions		
County contributions	\$ 1,205,555	\$ 36,708
Employee contributions	103,369	-
Interest and dividends	831,392	68,439
Net increase (decrease) in fair value of investments	1,812,542	84,636
Less investment expense	(94,029)	(5,473)
Other	-	34,745
	<u>3,858,829</u>	<u>219,055</u>
Deductions		
Benefit payments (including refunds of employee contributions)	1,081,341	14,400
Administrative expense	14,029	18,535
Other	-	-
Transfers out of trust	-	34,745
	<u>1,095,370</u>	<u>67,680</u>
Total deductions	<u>1,095,370</u>	<u>67,680</u>
Change in fiduciary net position	2,763,459	151,375
Net Position, Beginning	<u>16,975,182</u>	<u>988,045</u>
Net Position, Ending	<u>\$ 19,738,641</u>	<u>\$ 1,139,420</u>

Schedule of Changes in the Net Pension Liability for the Year Ended December 31, 2020

	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>
Service costs	\$ 538,557	\$ 51,107
Interest	1,451,561	44,298
Changes in plan provisions	-	-
Difference between expected and actual experience	353,074	(30,743)
Change in assumptions	685,846	28,333
Benefit payments	<u>(1,081,341)</u>	<u>(14,400)</u>
Net change in total pension liability	1,947,697	78,595
Total Pension Liability, Beginning	<u>21,551,789</u>	<u>612,973</u>
Total Pension Liability, Ending	<u>\$ 23,499,486</u>	<u>\$ 691,568</u>
Plan Fiduciary Net Position, Ending	<u>\$ 19,738,641</u>	<u>\$ 1,139,420</u>
Net Pension Liability (Asset), Ending	<u>\$ 3,760,845</u>	<u>\$ (447,852)</u>

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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund and/or participation in a risk pool. The County has some self insurance with purchased insurance for certain level of claims.

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, workers compensation. The risk financing fund is accounted for in the self-insurance fund, which is combined with the general fund. 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.

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.

Changes in the balance of claims payable during 2021 is as follows:

Claims Liability

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims, beginning	\$ 202,211	\$ 519,502
Current year claims and changes in estimates	6,290,686	5,360,785
Claim payments	<u>(6,277,118)</u>	<u>(5,678,076)</u>
Unpaid claims, ending	<u>\$ 215,779</u>	<u>\$ 202,211</u>

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 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.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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

General fund	\$	224,267
Nonmajor funds:		
Nonmajor funds		683,690

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, 2021, there were 449 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, 2021, no contributions were made by plan members and \$53,447 was contributed by the employer. Plan provisions and contribution requirements are established and may be amended by the County Council.

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, 2021, the following employees were covered by the benefit terms:

Retirees	4
Active plan members	<u>445</u>
Total	<u><u>449</u></u>

Total OPEB Liability

The County's total OPEB liability of \$2,716,439 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date.

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	For fiscal year ending December 31, 2021, a January 1, 2021 measurement date was used
Actuarial Valuation Date	January 1, 2021; Liabilities as of January 1, 2020 are based on an actuarial valuation date of January 1, 2021 actuarially rolled back to January 1, 2020 on a "no loss/no gain" basis
Inflation	2.00% per year
Salary Increases	General wage inflation of 2.65%, plus merit raises based on INPRS' actuarial valuation as of June 30, 2021
Healthcare Cost Trend Rates	7.0% in 2023, decreasing by .5% until 2028 and after
Retirees' Share of Benefit-Related Costs	100%

The discount rate was based on S&P Municipal Bond 20-Year High Grade Rate Index. 2.12% as of January 1, 2021 and 3.26% as of January 1, 2020 for accounting disclosure purposes. Mortality rates were based on SOA Pub-2010 Headcount Weighted Mortality Table, fully generational using scale MP-2021. Separate tables for merit deputies and surviving spouses.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2020	\$ 2,351,639
Changes for the year:	
Service cost	132,556
Interest	80,120
Differences between expected and actual experience	(107,319)
Changes in assumptions or other inputs	312,890
Benefit payments	<u>(53,447)</u>
Net changes	<u>364,800</u>
Balances at December 31, 2021	<u>\$ 2,716,439</u>

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 (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	<u>\$ 3,012,265</u>	<u>\$ 2,716,439</u>	<u>\$ 2,447,719</u>

Johnson County, Indiana

Notes to Financial Statements
December 31, 2021

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 (1.0% decreasing to 3.5%) or 1-percentage-point higher (1.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (1.00% Decreasing to 3.50%)	(0.00% Decreasing to 3.50%)	1% Increase (1.00% Decreasing to 5.50%)
Total OPEB liability	\$ 2,364,695	\$ 2,716,439	\$ 3,137,027

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$252,548. At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,565	\$ 93,904
Changes of assumptions or other inputs	421,412	89,281
Contributions subsequent to the measurement date	<u>42,657</u>	<u>-</u>
Total	<u>\$ 508,634</u>	<u>\$ 183,185</u>

\$42,657 reported as deferred outflows of resources resulting from cash contributions after the measurement date will be recognized as a reduction of total pension liability in 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	Net Deferred Outflows of Resources
2022	\$ 39,872
2023	39,872
2024	39,872
2025	39,872
2026	39,871
Thereafter	<u>83,433</u>
Total	<u>\$ 282,792</u>

Subsequent Event

Bond Issuance

The County issued General Obligation Bonds in the amount of \$4,600,000 on November 30, 2022 to acquire and install equipment, complete projects, and make improvements and renovations for its governmental functions and responsibilities. The County will begin making payments on this bond in 2023.

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.

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 cease 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.

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 Johnson County's property tax revenues (payable 2021 taxes) were reduced as a result of the aforementioned County abatement programs, totaled \$680,524. The abatements for the County of Johnson included abatements for the following programs:

Real Estate Tax Abatement	\$ 515,480
Personal Property Tax Abatements	<u>165,044</u>
Total	<u><u>\$ 680,524</u></u>

Johnson County, Indiana

Notes to Financial Statements

December 31, 2021

While the County has calculated the potential impact of existing tax abatements on its property tax revenues for 2021 to approximate \$680,524 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.

REQUIRED SUPPLEMENTARY INFORMATION

Johnson County, Indiana

Required Supplementary Information
 Budgetary Comparison Schedule GAAP Budgetary Basis -
 General Fund
 Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 15,839,154	\$ 15,839,154	\$ 14,737,816	\$ (1,101,338)
Income	15,897,033	15,897,033	16,417,253	520,220
Other	103,365	103,365	4,857	(98,508)
Intergovernmental	2,714,679	2,713,873	4,614,308	1,900,435
Licenses and permits	207,000	207,000	488,641	281,641
Charges for services	2,323,851	2,323,851	1,635,541	(688,310)
Interest	728,584	728,584	715,686	(12,898)
Miscellaneous	961,930	961,930	966,097	4,167
	<u>38,775,596</u>	<u>38,774,790</u>	<u>39,580,199</u>	<u>805,409</u>
Expenditures				
General Government:				
Clerk:				
Personal services	497,388	497,388	489,868	7,520
Supplies	17,000	17,000	16,925	75
Other services and charges	9,900	9,900	7,898	2,002
Capital outlays	2,000	2,000	550	1,450
Other disbursements	-	-	27	(27)
Auditor:				
Other disbursements	-	-	1,235	(1,235)
Prosecuting Attorney:				
Personal services	1,482,482	1,482,482	1,456,180	26,302
Assessor:				
Personal services	408,868	408,868	386,001	22,867
Supplies	4,000	4,000	3,772	228
Other services and charges	13,400	13,400	11,611	1,789
Capital outlays	4,000	4,000	1,239	2,761
Other disbursements	-	-	2,590	(2,590)
Election Board:				
Personal services	123,733	123,733	122,916	817
Supplies	6,000	6,217	6,217	-
Other services and charges	69,505	69,288	23,427	45,861
Co-Operative Extension Service:				
Personal services	81,720	79,020	76,949	2,071
Supplies	8,732	5,285	5,216	69
Other services and charges	131,696	137,428	137,097	331
Capital outlays	-	414	414	-
Planning & Zoning:				
Other disbursements	-	-	414	(414)
Veterans Affairs:				
Personal services	78,776	78,776	64,548	14,228
Supplies	1,200	1,009	994	15
Other services and charges	1,160	1,351	1,050	301

See notes to required supplementary information

Johnson County, Indiana

Required Supplementary Information
 Budgetary Comparison Schedule GAAP Budgetary Basis -
 General Fund
 Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Board of Commissioners:				
Personal services	\$ 9,828,608	\$ 9,692,493	\$ 9,512,458	\$ 180,035
Supplies	1,000	1,100	1,031	69
Other services and charges	1,474,000	1,636,288	1,516,231	120,057
Capital outlays	-	159,189	124,489	34,700
Council:				
Personal services	282,000	282,000	227,250	54,750
Other disbursements	-	-	160	(160)
Courthouse Maintenance:				
Personal services	455,852	455,852	444,896	10,956
Supplies	75,000	75,000	68,854	6,146
Other services and charges	360,200	360,200	334,020	26,180
Circuit Court:				
Personal services	537,575	537,575	532,911	4,664
Supplies	11,800	5,775	4,801	974
Other services and charges	443,320	449,345	446,101	3,244
Capital outlays	2,000	2,000	1,459	541
Superior Court #1:				
Personal services	233,112	236,146	233,143	3,003
Supplies	8,600	8,360	8,283	77
Other services and charges	15,875	12,081	9,793	2,288
Capital outlays	1,000	3,500	3,355	145
Superior Court #2:				
Personal services	190,664	190,664	182,582	8,082
Supplies	7,543	7,543	2,825	4,718
Other services and charges	93,726	93,726	72,711	21,015
Capital outlays	1,770	1,770	372	1,398
Superior Court #3:				
Personal services	245,906	245,906	192,458	53,448
Supplies	15,500	15,522	10,873	4,649
Other services and charges	169,440	169,446	120,577	48,869
Capital outlays	1,000	1,000	356	644
Superior Court #4:				
Personal services	178,516	178,516	169,113	9,403
Supplies	13,500	13,635	3,889	9,746
Other services and charges	33,075	33,075	11,556	21,519
Capital outlays	1,200	1,200	1,141	59
Magistrate Court:				
Personal services	182,816	182,816	181,543	1,273
Supplies	7,625	6,825	6,258	567
Other services and charges	8,490	7,590	4,212	3,378
Capital outlays	803	2,503	2,215	288
Title IV-D Juvenile Court:				
Personal services	255,595	255,595	203,047	52,548
Supplies	8,834	8,834	7,342	1,492
Other services and charges	15,270	15,270	6,452	8,818
Capital outlays	1,000	1,000	405	595

See notes to required supplementary information

Johnson County, Indiana

Required Supplementary Information
 Budgetary Comparison Schedule GAAP Budgetary Basis -
 General Fund
 Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fleet:				
Personal services	\$ 163,773	\$ 163,773	\$ 157,647	\$ 6,126
Supplies	731,000	751,000	740,310	10,690
Other services and charges	36,140	37,140	26,800	10,340
Capital outlays	2,000	1,000	888	112
Redevelopment Commission:				
Supplies	1,000	-	-	-
Other services and charges	21,500	-	-	-
Non-Department:				
Other disbursements	-	-	414,942	(414,942)
Total general government	<u>19,059,188</u>	<u>19,243,812</u>	<u>18,806,887</u>	<u>436,925</u>
Public Safety:				
Sheriff:				
Personal services	4,941,953	4,941,953	4,911,632	30,321
Supplies	116,050	116,605	110,581	6,024
Other services and charges	197,528	197,560	123,379	74,181
Capital outlays	20,000	20,000	16,818	3,182
Jail:				
Personal services	3,818,889	3,818,889	3,515,002	303,887
Supplies	741,923	953,401	870,620	82,781
Other services and charges	1,653,856	1,554,021	1,461,331	92,690
Capital outlays	45,000	45,000	37,278	7,722
Other disbursements	-	-	7,241	(7,241)
Emergency Management:				
Personal services	146,303	146,303	144,964	1,339
Supplies	1,800	1,800	1,253	547
Other services and charges	6,101	131,101	89,494	41,607
Capital outlays	1,300	35,700	20,319	15,381
Probation:				
Personal services	1,963,329	1,963,329	1,946,907	16,422
Juvenile Detention Facility:				
Personal services	1,709,534	1,539,534	1,455,849	83,685
Supplies	100,350	100,350	86,749	13,601
Other services and charges	167,895	176,895	160,710	16,185
Capital outlays	-	161,000	8,800	152,200
Communications Department:				
Personal services	101,455	101,455	70,861	30,594
Supplies	9,000	9,000	6,431	2,569
Other services and charges	814,604	814,604	791,940	22,664
Community Corrections:				
Personal services	<u>23,482</u>	<u>23,482</u>	<u>22,575</u>	<u>907</u>
Total public safety	<u>16,580,352</u>	<u>16,851,982</u>	<u>15,860,734</u>	<u>991,248</u>

See notes to required supplementary information

Johnson County, Indiana

Required Supplementary Information
 Budgetary Comparison Schedule GAAP Budgetary Basis -
 General Fund
 Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Human Services				
Prosecutor Child Support IV-D:				
Personal services	\$ 619,335	\$ 619,335	\$ 610,183	\$ 9,152
Adult Mental Health Center:				
Personal services	930,566	930,566	930,566	-
Soil and Water Conservation:				
Personal services	85,805	85,905	85,492	413
Supplies	57,966	57,966	57,966	-
Total health and human services	<u>1,693,672</u>	<u>1,693,772</u>	<u>1,684,207</u>	<u>9,565</u>
Culture, Recreation and Education:				
Museum:				
Personal services	108,062	108,062	105,952	2,110
Supplies	500	500	494	6
Other services and charges	50,694	50,694	45,488	5,206
Total culture, recreation and education	<u>159,256</u>	<u>159,256</u>	<u>151,934</u>	<u>7,322</u>
Total expenditures	<u>37,492,468</u>	<u>37,948,822</u>	<u>36,503,762</u>	<u>1,445,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,283,128</u>	<u>825,968</u>	<u>3,076,437</u>	<u>2,250,469</u>
Other Financing Sources (Uses)				
Transfers in	-	-	249	249
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>249</u>	<u>249</u>
Net change in fund balances	1,283,128	825,968	3,076,686	2,250,718
Fund Balances, Beginning	<u>16,879,552</u>	<u>16,879,552</u>	<u>16,879,552</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 18,162,680</u>	<u>\$ 17,705,520</u>	<u>\$ 19,956,238</u>	<u>\$ 2,250,718</u>

See notes to required supplementary information

Johnson County, Indiana

Supplementary Information

Budget/GAAP Reconciliation - General Fund

Year Ended December 31, 2021

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>
Net changes in fund balances (budgetary basis)	\$ 3,076,686
Adjustments:	
To adjust revenues for accruals	1,885,153
Changes due to self insurance funds	(490,405)
To adjust expenditures for accruals	<u>(206,214)</u>
Net change in fund balances (GAAP basis)	<u><u>\$ 4,265,220</u></u>

Johnson County, Indiana

Schedule of County's Proportionate Share of Net Pension Liability

Public Employees' Retirement Fund

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.38445%	0.37410%	0.37732%	0.37611%	0.36260%	0.35800%	0.34562%	0.32081%
County's proportionate share of the net pension liability	\$ 5,058,777	\$ 11,299,295	\$ 12,470,666	\$ 12,776,627	\$ 16,177,557	\$ 16,247,631	\$ 14,076,764	\$ 8,430,679
County's covered payroll	\$ 21,196,235	\$ 20,196,154	\$ 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	24.0%	56.1%	63.5%	66.8%	89.3%	93.2%	84.8%	53.7%
Plan fiduciary net position as a percentage of total pension liability *	92.5%	81.4%	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:

Interest rate/investment rate of return changed from 6.75% to 6.25%

Inflation assumption changed from 2.25 percent to 2.00 percent

Future salary scale assumption changed from 2.75% to 8.75% to 2.65% - 8.65%

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 recategorized 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

Schedule of County's Proportionate Share of Net Pension Liability

Schedule of County Contributions

Public Employees' Retirement Fund

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 2,500,270	\$ 2,355,919	\$ 2,236,594	\$ 2,141,552	\$ 2,072,824
Contributions in relation to the contractually required contributions	<u>(2,500,270)</u>	<u>(2,355,919)</u>	<u>(2,236,594)</u>	<u>(2,141,552)</u>	<u>(2,072,824)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 22,323,839	\$ 21,034,991	\$ 19,969,589	\$ 19,121,000	\$ 18,507,357
Contributions as a percentage of covered payroll	11.20%	11.20%	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

Schedule of County Contributions

Schedule of Changes in County's Net Pension Liability and Related Ratios

Sheriff's Retirement Plan

Available Data: Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 538,557	\$ 547,754	\$ 497,712	\$ 480,271	\$ 457,675	\$ 445,180	\$ 441,669	\$ 437,368
Interest	1,451,561	1,417,566	1,325,316	1,261,626	1,188,599	1,135,101	1,075,476	1,041,570
Changes in plan provisions	-	-	136,652	-	-	-	-	65,719
Difference between expected and actual experience	353,074	(394,230)	170,478	350,070	(104,945)	86,150	97,879	(335,176)
Changes in assumptions	685,846	(44,196)	352,179	(50,986)	250,320	(166,729)	10,688	22,806
Benefit payments	(1,081,341)	(934,538)	(1,438,923)	(731,891)	(732,929)	(703,901)	(795,495)	(661,960)
Net change in total pension liability	1,947,697	592,356	1,043,414	1,309,090	1,058,720	795,801	830,217	570,327
Total pension liability, beginning	21,551,789	20,959,433	19,916,019	18,606,929	17,548,209	16,752,408	15,922,191	15,351,864
Total pension liability, ending (1)	<u>\$ 23,499,486</u>	<u>\$ 21,551,789</u>	<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>	<u>\$ 15,922,191</u>
Plan Fiduciary Net Position								
County contributions	\$ 1,205,555	\$ 960,714	\$ 902,415	\$ 924,432	\$ 1,023,601	\$ 826,849	\$ 849,546	\$ 760,611
Employee contributions	103,369	100,752	96,561	83,204	81,830	78,657	82,913	81,198
Net transfers into (out of) trust	-	-	-	-	-	-	-	(177)
Net investment income	2,549,905	1,919,952	2,209,275	(866,160)	1,422,216	141,125	(123,480)	401,686
Benefit payments	(1,081,341)	(934,538)	(1,438,923)	(731,891)	(732,929)	(703,901)	(795,495)	(661,960)
Administrative expenses	(14,029)	(11,721)	(11,892)	(11,112)	(10,146)	(18,676)	(18,194)	(16,546)
Other	-	-	-	-	-	-	-	177
Net change in plan fiduciary net position	2,763,459	2,035,159	1,757,436	(601,527)	1,784,572	324,054	(4,710)	564,989
Plan fiduciary net position, beginning	16,975,182	14,940,023	13,182,587	13,784,114	11,999,542	11,675,488	11,680,198	11,115,209
Plan fiduciary net position, ending (2)	<u>\$ 19,738,641</u>	<u>\$ 16,975,182</u>	<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>	<u>\$ 11,680,198</u>
Net pension liability (asset), ending (1) - (2)	<u>\$ 3,760,845</u>	<u>\$ 4,576,607</u>	<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>	<u>\$ 4,241,993</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.00%</u>	<u>78.76%</u>	<u>71.28%</u>	<u>66.19%</u>	<u>74.08%</u>	<u>68.38%</u>	<u>69.69%</u>	<u>73.36%</u>
Covered payroll	\$ 3,618,154	\$ 3,346,173	\$ 3,341,989	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925	\$ 2,781,646
County's net pension liability as a percentage of covered payroll	<u>103.94%</u>	<u>136.77%</u>	<u>180.11%</u>	<u>215.01%</u>	<u>159.46%</u>	<u>188.88%</u>	<u>178.02%</u>	<u>152.50%</u>

Notes:

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

See notes to required supplementary information

Johnson County, Indiana

Schedule of County Contributions

Schedule of Changes in County's Net Pension Liability and Related Ratios

Sheriff's Benefit Plan

Available Data: Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 51,107	\$ 51,877	\$ 52,054	\$ 51,361	\$ 49,054	\$ 47,745	\$ 45,223	\$ 43,398
Interest	44,298	44,954	47,331	42,986	44,748	44,526	39,204	34,015
Changes in plan provisions	-	-	-	-	-	-	-	(3,478)
Difference between expected and actual experience	(30,743)	(89,546)	(68,993)	(16,473)	(105,803)	(74,880)	(16,659)	14,258
Changes in assumptions	28,333	(1,832)	(51,031)	211	(2,291)	(1,335)	22,953	(109)
Benefit payments	(14,400)	(14,400)	(14,400)	(14,400)	(13,800)	(14,400)	(14,400)	(11,400)
Net change in total pension liability	78,595	(8,947)	(35,039)	63,685	(28,092)	1,656	76,321	76,684
Total pension liability, beginning	612,973	621,920	656,959	593,274	621,366	619,710	543,389	466,705
Total pension liability, ending (1)	<u>\$ 691,568</u>	<u>\$ 612,973</u>	<u>\$ 621,920</u>	<u>\$ 656,959</u>	<u>\$ 593,274</u>	<u>\$ 621,366</u>	<u>\$ 619,710</u>	<u>\$ 543,389</u>
Plan Fiduciary Net Position								
County contributions	\$ 36,708	\$ 47,599	\$ 41,964	\$ 48,108	\$ 53,153	\$ 43,941	\$ 35,748	\$ 30,246
Net transfers into (out of) trust	(34,745)	(33,161)	-	-	-	-	(7,350)	177
Net investment income	147,602	114,068	128,368	(42,410)	74,078	(29,611)	(1,993)	20,383
Benefit payments	(14,400)	(14,400)	(14,400)	(14,400)	(13,800)	(14,400)	(14,400)	(11,400)
Administrative expenses	(18,535)	(17,448)	(16,937)	(720)	(38,049)	(665)	(20,048)	(40,682)
Other	34,745	33,101	(155)	-	-	-	7,350	(152)
Net change in plan fiduciary net position	151,375	129,759	138,840	(9,422)	75,382	(735)	(693)	(1,428)
Plan fiduciary net position, beginning	988,045	858,286	719,446	728,868	653,486	654,221	654,914	656,342
Plan fiduciary net position, ending (2)	<u>\$ 1,139,420</u>	<u>\$ 988,045</u>	<u>\$ 858,286</u>	<u>\$ 719,446</u>	<u>\$ 728,868</u>	<u>\$ 653,486</u>	<u>\$ 654,221</u>	<u>\$ 654,914</u>
Net pension liability (asset), ending (1) - (2)	<u>\$ (447,852)</u>	<u>\$ (375,072)</u>	<u>\$ (236,366)</u>	<u>\$ (62,487)</u>	<u>\$ (135,594)</u>	<u>\$ (32,120)</u>	<u>\$ (34,511)</u>	<u>\$ (111,525)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>164.76%</u>	<u>161.19%</u>	<u>138.01%</u>	<u>109.51%</u>	<u>122.86%</u>	<u>105.17%</u>	<u>105.57%</u>	<u>120.52%</u>
Covered payroll	\$ 3,618,154	\$ 3,346,173	\$ 3,341,989	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925	\$ 2,781,646
County's net pension liability as a percentage of covered payroll	<u>-12.38%</u>	<u>-11.21%</u>	<u>-7.07%</u>	<u>-2.00%</u>	<u>-4.48%</u>	<u>-1.09%</u>	<u>-1.21%</u>	<u>-4.01%</u>

Notes:

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

See notes to required supplementary information

Johnson County, Indiana

Schedule of Changes in County's Net Pension Liability and Related Ratios
 Schedule of County Contributions
 Sheriff's Retirement Plan
 Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 1,096,678	\$ 934,160	\$ 862,640	\$ 821,278	\$ 797,747	\$ 756,757	\$ 756,649	\$ 682,336	\$ 663,829	\$ 634,967
Contributions in relation to the Actuarially required contributions	<u>(1,205,555)</u>	<u>(960,714)</u>	<u>(902,415)</u>	<u>(924,432)</u>	<u>(1,023,601)</u>	<u>(826,849)</u>	<u>(849,546)</u>	<u>(760,611)</u>	<u>(707,069)</u>	<u>(747,816)</u>
Contribution (excess)	<u>\$ (108,877)</u>	<u>\$ (26,554)</u>	<u>\$ (39,775)</u>	<u>\$ (103,154)</u>	<u>\$ (225,854)</u>	<u>\$ (70,092)</u>	<u>\$ (92,897)</u>	<u>\$ (78,275)</u>	<u>\$ (43,240)</u>	<u>\$ (112,849)</u>
County's covered payroll	\$ 3,618,154	\$ 3,346,173	\$ 3,341,989	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925	\$ 2,781,646	\$ 2,729,374	\$ 2,635,081
Contributions as a percentage of covered payroll	<u>33.32%</u>	<u>28.71%</u>	<u>27.00%</u>	<u>29.52%</u>	<u>33.84%</u>	<u>28.15%</u>	<u>29.79%</u>	<u>27.34%</u>	<u>25.91%</u>	<u>28.38%</u>

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	Entry Age Normal Cost
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 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 earlier of 1) the later of age 55 and 10 years of service (age 55 if hired prior to January 1, 2019), or 2) attainment of age 52 if attained prior to December 31, 2022, but not earlier than one year from the valuation date
Mortality	Pu-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables)

Other Information:

None

Johnson County, Indiana

Schedule of Changes in County's Net Pension Liability and Related Ratios

Schedule of County Contributions

Sheriff's Benefit Plan

Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 36,708	\$ 47,599	\$ 41,964	\$ 48,108	\$ 53,153	\$ 43,941	\$ 35,748	\$ 30,246	\$ 26,780	\$ 24,718
Contributions in relation to the Actuarially required contributions	(36,708)	(47,599)	(41,964)	(48,108)	(53,153)	(43,941)	(35,748)	(30,246)	(26,780)	(24,718)
Contribution (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 3,618,154	\$ 3,346,173	\$ 3,341,989	\$ 3,131,674	\$ 3,024,465	\$ 2,937,593	\$ 2,851,925	\$ 2,781,646	\$ 2,729,374	\$ 2,635,081
Contributions as a percentage of covered payroll	1.01%	1.42%	1.26%	1.54%	1.76%	1.50%	1.25%	1.09%	0.98%	0.94%

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 earlier of 1) the later of age 55 and 10 years of service (age 55 if hired prior to January 1, 2019), or 2) attainment of age 52 if attained prior to December 31, 2022, but not earlier than one year from the valuation date
Mortality	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)

Other Information:

None

See notes to required supplementary information

Johnson County, Indiana

Schedule of Investment Returns

Sheriff's Retirement and Benefit Plans

Available Data: Last 10 Fiscal Years

	Annual Money-Weighted Rate of Return	
	Sheriff's Retirement Plan	Sheriff's Benefit Plan
2021	15.44%	14.67%
2020	13.20%	13.71%
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%	

See notes to required supplementary information

Johnson County, Indiana

Schedule of Changes in County's Total OPEB Liability

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 132,556	\$ 106,567	\$ 116,291
Interest	80,120	83,920	71,034
Changes of assumptions	312,890	196,843	(142,849)
Differences between expected and actual experience	(107,319)	59,419	-
Benefit payments	<u>(53,447)</u>	<u>(60,155)</u>	<u>(55,699)</u>
Net change in total OPEB liability	364,800	386,594	(11,223)
Total OPEB liability, beginning	<u>2,351,639</u>	<u>1,965,045</u>	<u>1,976,268</u>
Total pension liability, ending (1)	<u>\$ 2,716,439</u>	<u>\$ 2,351,639</u>	<u>\$ 1,965,045</u>
Plan Fiduciary Net Position			
Contributions	\$ 53,447	\$ 60,155	\$ 55,699
Benefit payments	<u>(53,447)</u>	<u>(60,155)</u>	<u>(55,699)</u>
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending (2)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total OPEB liability, ending (1) - (2)	<u>\$ 2,716,439</u>	<u>\$ 2,351,639</u>	<u>\$ 1,965,045</u>

Notes to schedule:

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

Johnson County, Indiana

Schedule of Net OPEB Liability

Available Data: Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
1. Total OPEB liability	\$ 2,716,439	\$ 2,351,639	\$ 1,965,045
2. Plan fiduciary net position	-	-	-
3. Net OPEB liability	<u>\$ 2,716,439</u>	<u>\$ 2,351,639</u>	<u>\$ 1,965,045</u>
4. Plan fiduciary net position as a percentage of total OPEB liability = (2) / (1)	0.00%	0.00%	0.00%
5. Covered payroll	\$ 18,892,524	\$ 24,524,210	\$ 18,793,015
6. Total OPEB liability as a percentage of covered payroll = (1) / (5)	14.38%	9.59%	10.46%

Notes to schedule:

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

Johnson County, Indiana

Notes to Required Supplementary Information

December 31, 2021

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, LIT Correctional/Rehab Facility

Special Revenue Funds

2015 Reassessment, Animal Shelter, Highway, Local Road & Street, County 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/County Re-entry Court, 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, LOIT Special Distribution, Identification Security Protection, Enhanced Access, Animal Shelter Donation, LECE Animal Control, Sara Woods Memorial Fund, Panda Bear Memorial Donation, Animal Adoption Fee Fund, Interpreter Fees, Fur Ball Donation Fund, Extradition, Firearms Training Fund

Debt Service Funds

Bond 3, Sinking Fund Jail LIT Revenue

Johnson County, Indiana

Notes to Required Supplementary Information
December 31, 2021

Capital Project Funds

Cumulative Bridge, Park Non-Revert Capital Improv

Financial Reporting – Pension Plans

PERF Plan

Actuarial cost method	Entry age normal (level percent of payroll)
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.25%, net of investment expense, including inflation
Asset valuation method	Fair market value adjusted for a 5-year phase-in of asset gains and losses
Inflation	2.25%
Salary increases	2.65% to 8.65% based on age
Mortality	Pubs 2010 Public Retirement Plans Mortality Table with fully generational improvements using SOA scale MP-2019

Change in Assumptions for 2021:

- The Interest Rate / Investment Return assumption changed from 6.75 percent to 6.25 percent.
- The inflation assumption changed from 2.25 percent to 2.00 percent.
- The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

Changes in Actuarial Methods: There were no changes to the actuarial methods during the fiscal year.

Plan Amendments: HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

Sheriff Retirement and Benefit Plan

The changes in assumptions for base year ending December 31, 2021 reflect the change from the use of the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables) and a discount rate of 6.75% to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2021 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables) and a discount rate of 6.50%.

The changes in assumptions for base year ending December 31, 2020 reflect the change from the use of 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) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2020 (separate employee, retiree, contingent survivor and disabled retiree tables and male & female tables).

The following changes in assumptions were made for the Sheriff's Retirement and Sheriff's Benefit plan for the base year ending December 31, 2020. 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).

Johnson County, Indiana

Notes to Required Supplementary Information

December 31, 2021

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 change in assumptions for base year ending December 31, 2014 reflect the change from the use of 2014 IRS Combined Mortality Table for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the 2015 IRS Combined Mortality Table for Small Plans (separate male and female tables) as prescribed for use in corporate valuations.

Johnson County, Indiana

Notes to Required Supplementary Information
December 31, 2021

Sheriff Retirement Plan

Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.50%
Mortality	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP 2021 (separate employee, retiree, contingent survivor and disabled retiree tables and male and female tables)

Sheriff Benefit Plan

Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.50%
Mortality	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP 2021 (separate employee, retiree, contingent survivor and disabled retiree tables and male and female tables)

OPEB Plan

Cost Method	Entry Age Normal Level % of Salary
Amortization	Not Applicable
Discount rate	2.12% as of January 1, 2021, 3.26% as of December 31, 2020
Discount rate basis	Bond Buyer GO 20-Bond Municipal Bond Index
Inflation rate	2.00%
Investment rate of return	Not applicable since the plan is not currently prefunded
Disability	None assumed
Mortality – General	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
Mortality – Deputies	SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021
Mortality – Surviving Spouse	SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
Coverage Rate	Active employees with current coverage 35% Inactive employees with current coverage 100% No coverage 0%

Johnson County, Indiana

Notes to Required Supplementary Information
December 31, 2021

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					
YOS	Rates	YOS	Rates	YOS	Rates
0	24.00%	10	7.00%	20	4.00%
1	20.00%	11	6.50%	21	4.00%
2	18.00%	12	6.00%	22	4.00%
3	16.00%	13	5.75%	23	4.00%
4	14.00%	14	5.50%	24	4.00%
5	12.00%	15	5.25%	25	4.00%
6	11.00%	16	5.00%	26	4.00%
7	10.00%	17	4.75%	27+	1.00%
8	9.00%	18	4.50%		
9	8.00%	19	4.23%		

Merit Deputy	
Age	Rates
20	5.40%
30	5.10%
40	3.50%
50	0.40%

Per capita Costs Annual per capita costs were calculated on the 2021 premium rates

Age	HDHP
<55	\$ 11,000
55 - 59	\$ 13,600
60 - 64	\$ 17,300

Johnson County, Indiana

Notes to Required Supplementary Information
December 31, 2021

Healthcare Cost Trend Rate

FYE	Medical/RX	FYE	Medical/RX
2022	0%*	2026	5.5%
2023	7.0%	2027	5.0%
2024	6.5%	2028+	4.5%
2025	6.0%		

*The trend rate for FYE 2022 is based on actual premium and expected cost increases from 2021-2022

SUPPLEMENTARY INFORMATION

Johnson County, Indiana

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 32,389,176	\$ -	\$ 6,234,038	\$ 38,623,214
Receivables:				
Taxes	5,499,568	3,369,079	665,652	9,534,299
Interest	-	188	-	188
Accounts	507,380	-	4,679	512,059
Intergovernmental	451,386	149,586	32,194	633,166
Restricted:				
Cash and cash equivalents	-	2,387,475	1,595,950	3,983,425
Interfund receivables	<u>10,597</u>	<u>-</u>	<u>-</u>	<u>10,597</u>
 Total assets	<u>\$ 38,858,107</u>	<u>\$ 5,906,328</u>	<u>\$ 8,532,513</u>	<u>\$ 53,296,948</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,126,200	\$ 277,924	\$ 381,840	\$ 1,785,964
Accrued payroll and withholdings payable	472,532	-	10,188	482,720
Interfund payable	<u>52,336</u>	<u>-</u>	<u>-</u>	<u>52,336</u>
 Total liabilities	<u>1,651,068</u>	<u>277,924</u>	<u>392,028</u>	<u>2,321,020</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>5,319,532</u>	<u>3,518,665</u>	<u>697,846</u>	<u>9,536,043</u>
 Total deferred inflows of resources	<u>5,319,532</u>	<u>3,518,665</u>	<u>697,846</u>	<u>9,536,043</u>
Fund Balances				
Restricted	31,728,306	2,109,739	7,442,639	41,280,684
Committed	186,129	-	-	186,129
Unrestricted	<u>(26,928)</u>	<u>-</u>	<u>-</u>	<u>(26,928)</u>
 Total fund balances	<u>31,887,507</u>	<u>2,109,739</u>	<u>7,442,639</u>	<u>41,439,885</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,858,107</u>	<u>\$ 5,906,328</u>	<u>\$ 8,532,513</u>	<u>\$ 53,296,948</u>

Johnson County, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Nonmajor Governmental Funds

Year Ended December 31, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Taxes:				
Property	\$ 4,443,905	\$ 2,011,082	\$ 581,448	\$ 7,036,435
Other	5,620,913	203,645	62,811	5,887,369
Licenses and permits	408,805	-	-	408,805
Intergovernmental	12,511,232	-	-	12,511,232
Charges for services	5,055,497	152	-	5,055,649
Fines and forfeits	870,760	-	-	870,760
Investment earnings	(420,193)	61,394	-	(358,799)
Other:				
Miscellaneous	<u>2,747,759</u>	<u>-</u>	<u>198,961</u>	<u>2,946,720</u>
Total revenues	<u>31,238,678</u>	<u>2,276,273</u>	<u>843,220</u>	<u>34,358,171</u>
Expenditures				
Current:				
General government	5,456,797	9,566	1,393,110	6,859,473
Public safety	8,912,471	-	-	8,912,471
Highways and streets	8,952,784	-	549,786	9,502,570
Health and welfare	2,336,240	-	-	2,336,240
Culture and recreation	297,265	-	69,051	366,316
Debt service:				
Principal	-	2,115,000	-	2,115,000
Interest	13,122	873,379	-	886,501
Capital lease	117,196	-	-	117,196
Bond issue costs	-	11,229	-	11,229
Capital outlay	<u>2,050,716</u>	<u>7,771,857</u>	<u>450,244</u>	<u>10,272,817</u>
Total expenditures	<u>28,136,591</u>	<u>10,781,031</u>	<u>2,462,191</u>	<u>41,379,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,102,087</u>	<u>(8,504,758)</u>	<u>(1,618,971)</u>	<u>(7,021,642)</u>
Other Financing Sources (Uses)				
Bond proceeds	-	-	3,135,000	3,135,000
Bond premium (discount)	-	69,727	-	69,727
Proceeds from capital leases	118,445	-	-	118,445
Transfers out	<u>(249)</u>	<u>-</u>	<u>-</u>	<u>(249)</u>
Total other financing sources and uses	<u>118,196</u>	<u>69,727</u>	<u>3,135,000</u>	<u>3,322,923</u>
Net change in fund balances	3,220,283	(8,435,031)	1,516,029	(3,698,719)
Fund Balances, Beginning	<u>28,667,224</u>	<u>10,544,770</u>	<u>5,926,610</u>	<u>45,138,604</u>
Fund Balances, Ending	<u>\$ 31,887,507</u>	<u>\$ 2,109,739</u>	<u>\$ 7,442,639</u>	<u>\$ 41,439,885</u>

Johnson County, Indiana

Combining Balance Sheet -
Special Revenue Funds
December 31, 2021

	<u>Clerks Perpetuation</u>	<u>Food and Beverage Tax</u>	<u>County Health</u>	<u>Levy Excess</u>	<u>Local Road And Street</u>	<u>Cumulative Capital Development</u>	<u>Planning and Zoning Impact</u>	<u>Reassessment</u>
Assets								
Cash and cash equivalents	\$ 137,158	\$ 1,780,479	\$ 865,390	\$ -	\$ 2,101,549	\$ 5,171,929	\$ 20,573	\$ 2,057,601
Receivables:								
Taxes	-	335,885	826,562	-	-	2,703,198	-	855,536
Accounts	2,862	-	81,496	-	-	-	7,973	-
Intergovernmental	19	-	40,047	-	-	154,058	-	41,225
Interfund receivable:								
Interfund receivables	-	-	-	-	10,597	-	-	-
Total assets	\$ 140,039	\$ 2,116,364	\$ 1,813,495	\$ -	\$ 2,112,146	\$ 8,029,185	\$ 28,546	\$ 2,954,362
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 13,703	\$ 58,114	\$ 3,502	\$ -	\$ 97,835	\$ 275,685	\$ -	\$ 51,903
Accrued payroll and withholdings payable	1,708	89,531	40,031	-	-	5,296	-	18,209
Interfund payable:								
Interfund payable	-	-	-	-	-	-	-	-
Total liabilities	15,411	147,645	43,533	-	97,835	280,981	-	70,112
Deferred Inflows of Resources								
Unavailable revenue	-	-	866,609	-	-	2,833,939	-	896,761
Total deferred inflows of resources	-	-	866,609	-	-	2,833,939	-	896,761
Fund Balances								
Restricted	124,628	1,968,719	903,353	-	2,014,311	4,914,265	28,546	1,987,489
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	124,628	1,968,719	903,353	-	2,014,311	4,914,265	28,546	1,987,489
Total liabilities, deferred inflows of resources and fund balances	\$ 140,039	\$ 2,116,364	\$ 1,813,495	\$ -	\$ 2,112,146	\$ 8,029,185	\$ 28,546	\$ 2,954,362

Johnson County, Indiana

Combining Balance Sheet -
Special Revenue Funds
December 31, 2021

	User Fee/County Re-entry Court	JC Redevelopment Commission	Access Johnson Co Grant	Problem Solving Grant	Court Interpreter Grant 2020	Sheriff's Investigation Special Fund	Sheriff's Investigations Property Fund
Assets							
Cash and cash equivalents	\$ 6,625	\$ 82,074	\$ -	\$ 1,570	\$ -	\$ 57,658	\$ 128,471
Receivables:							
Taxes	-	-	-	-	-	-	-
Accounts	399	40,685	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Interfund receivable:							
Interfund receivables	-	-	-	-	-	-	-
Total assets	\$ 7,024	\$ 122,759	\$ -	\$ 1,570	\$ -	\$ 57,658	\$ 128,471
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 65	\$ -	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	-	-
Interfund payable:							
Interfund payable	-	-	-	-	-	-	-
Total liabilities	-	-	-	65	-	-	-
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Restricted	7,024	122,759	-	1,505	-	-	-
Committed	-	-	-	-	-	57,658	128,471
Unassigned	-	-	-	-	-	-	-
Total fund balances	7,024	122,759	-	1,505	-	57,658	128,471
Total liabilities, deferred inflows of resources and fund balances	\$ 7,024	\$ 122,759	\$ -	\$ 1,570	\$ -	\$ 57,658	\$ 128,471

Johnson County, Indiana

Combining Balance Sheet -
Special Revenue Funds
December 31, 2021

	Sheriff's Commissary Fund	Community Corrections Commissary	Animal Shelter Funds	CASA Funds	Ditch Funds	Drainage Funds	Educational Grants	Fines and Fees
Assets								
Cash and cash equivalents	\$ 898,816	\$ 91,621	\$ 469,582	\$ 114,192	\$ 1,346,761	\$ 105,184	\$ 4,316	\$ 1,006,599
Receivables:								
Taxes	-	-	688,851	-	-	-	-	-
Accounts	-	-	8,758	-	-	-	4,293	15,602
Intergovernmental	-	-	33,372	-	-	-	-	-
Interfund receivable:								
Interfund receivables	-	-	-	-	-	-	-	-
Total assets	<u>\$ 898,816</u>	<u>\$ 91,621</u>	<u>\$ 1,200,563</u>	<u>\$ 114,192</u>	<u>\$ 1,346,761</u>	<u>\$ 105,184</u>	<u>\$ 8,609</u>	<u>\$ 1,022,201</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 19,569	\$ 6,298	\$ 6,543	\$ -	\$ -	\$ 21,889
Accrued payroll and withholdings payable	-	-	25,263	-	-	-	1,607	3,546
Interfund payable:								
Interfund payable	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>44,832</u>	<u>6,298</u>	<u>6,543</u>	<u>-</u>	<u>1,607</u>	<u>25,435</u>
Deferred Inflows of Resources								
Unavailable revenue	-	-	722,223	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>722,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Restricted	898,816	91,621	433,508	107,894	1,340,218	105,184	7,002	996,766
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>898,816</u>	<u>91,621</u>	<u>433,508</u>	<u>107,894</u>	<u>1,340,218</u>	<u>105,184</u>	<u>7,002</u>	<u>996,766</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 898,816</u>	<u>\$ 91,621</u>	<u>\$ 1,200,563</u>	<u>\$ 114,192</u>	<u>\$ 1,346,761</u>	<u>\$ 105,184</u>	<u>\$ 8,609</u>	<u>\$ 1,022,201</u>

Johnson County, Indiana

Combining Balance Sheet -
 Special Revenue Funds
 December 31, 2021

	<u>Health and Wellness Funds</u>	<u>Highways and Streets</u>	<u>Homeland Security Grants</u>	<u>Map Funds</u>	<u>Miscellaneous</u>	<u>Park Funds</u>	<u>Probation Funds</u>	<u>VASIA Funds</u>
Assets								
Cash and cash equivalents	\$ 1,166,359	\$ 843,505	\$ 74,700	\$ 236,261	\$ 1,005,050	\$ 339,444	\$ 264,872	\$ 36,704
Receivables:								
Taxes	-	-	-	-	-	112	-	-
Accounts	1,199	-	-	670	20,100	9,491	36,507	3,465
Intergovernmental	42,257	-	-	-	-	-	-	-
Interfund receivable:								
Interfund receivables	-	-	-	-	-	-	-	-
Total assets	\$ 1,209,815	\$ 843,505	\$ 74,700	\$ 236,931	\$ 1,025,150	\$ 349,047	\$ 301,379	\$ 40,169
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 18,791	\$ 237,666	\$ -	\$ -	\$ 4,672	\$ 13,759	\$ 4,987	\$ 1,314
Accrued payroll and withholdings payable	12,387	-	1,506	2,274	230	-	8,936	1,948
Interfund payable:								
Interfund payable	-	10,597	-	-	-	-	-	-
Total liabilities	31,178	248,263	1,506	2,274	4,902	13,759	13,923	3,262
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances								
Restricted	1,178,637	595,242	73,194	234,657	1,020,248	335,288	287,456	36,907
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	1,178,637	595,242	73,194	234,657	1,020,248	335,288	287,456	36,907
Total liabilities, deferred inflows of resources and fund balances	\$ 1,209,815	\$ 843,505	\$ 74,700	\$ 236,931	\$ 1,025,150	\$ 349,047	\$ 301,379	\$ 40,169

Johnson County, Indiana

Combining Balance Sheet -
Special Revenue Funds
December 31, 2021

	Public Safety Funds	Public Safety Grants	Motor Vehicle Highway	Recorder Fund	Title IV-D Funds	Local Income Tax Funds	COVID Funds	Total
Assets								
Cash and cash equivalents	\$ 3,608,321	\$ 387,313	\$ 5,561,952	\$ 2,156,324	\$ 260,223	\$ -	\$ -	\$ 32,389,176
Receivables:								
Taxes	-	-	89,424	-	-	-	-	5,499,568
Accounts	96,944	-	112,094	64,842	-	-	-	507,380
Intergovernmental	50,376	19,302	6,545	-	22,446	-	41,739	451,386
Interfund receivable:								
Interfund receivables	-	-	-	-	-	-	-	10,597
Total assets	\$ 3,755,641	\$ 406,615	\$ 5,770,015	\$ 2,221,166	\$ 282,669	\$ -	\$ 41,739	\$ 38,858,107
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 54,836	\$ 9,020	\$ 210,445	\$ 5,356	\$ 44	\$ -	\$ 10,204	\$ 1,126,200
Accrued payroll and withholdings payable	128,659	29,476	71,468	13,459	274	-	16,724	472,532
Interfund payable:								
Interfund payable	-	-	-	-	-	-	41,739	52,336
Total liabilities	183,495	38,496	281,913	18,815	318	-	68,667	1,651,068
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	-	5,319,532
Total deferred inflows of resources	-	-	-	-	-	-	-	5,319,532
Fund Balances								
Restricted	3,572,146	368,119	5,488,102	2,202,351	282,351	-	-	31,728,306
Committed	-	-	-	-	-	-	-	186,129
Unassigned	-	-	-	-	-	-	(26,928)	(26,928)
Total fund balances	3,572,146	368,119	5,488,102	2,202,351	282,351	-	(26,928)	31,887,507
Total liabilities, deferred inflows of resources and fund balances	\$ 3,755,641	\$ 406,615	\$ 5,770,015	\$ 2,221,166	\$ 282,669	\$ -	\$ 41,739	\$ 38,858,107

Johnson County, Indiana

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Special Revenue Funds
Year Ended December 31, 2021

	Clerks Perpetuation	Food and Beverage Tax	County Health	Levy Excess	Local Road And Street	Cumulative Capital Development	Planning and Zoning Impact	Reassessment
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ 686,267	\$ -	\$ -	\$ 2,359,977	\$ -	\$ 823,882
Other	-	3,056,041	75,843	-	-	255,076	-	85,643
Licenses and permits	-	-	367,902	-	-	-	-	-
Intergovernmental	970	-	-	-	2,208,820	91,287	-	-
Charges for services	-	-	7,923	-	-	-	-	-
Fines and forfeits	42,551	-	-	-	-	-	28,546	-
Investment earnings	-	-	7	-	-	-	-	-
Miscellaneous	-	434	54,764	-	10,597	82,998	-	-
Total revenues	43,521	3,056,475	1,192,706	-	2,219,417	2,789,338	28,546	909,525
Expenditures								
Current:								
General government	76,026	2,493,514	-	-	-	-	-	889,437
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	1,353,941	2,237,898	-	-
Health and welfare	-	-	1,087,212	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Interest	-	2,352	-	-	-	-	-	-
Capital lease	-	35,548	-	-	-	-	-	-
Capital outlay	-	41,080	-	-	149,322	968,037	-	-
Total expenditures	76,026	2,572,494	1,087,212	-	1,503,263	3,205,935	-	889,437
Excess (deficiency) of revenues over (under) expenditures	(32,505)	483,981	105,494	-	716,154	(416,597)	28,546	20,088
Other Financing Sources (Uses)								
Proceeds from capital leases	-	118,445	-	-	-	-	-	-
Transfers out	-	-	-	(249)	-	-	-	-
Total other financing sources and uses	-	118,445	-	(249)	-	-	-	-
Net change in fund balances	(32,505)	602,426	105,494	(249)	716,154	(416,597)	28,546	20,088
Fund Balances, Beginning	157,133	1,366,293	797,859	249	1,298,157	5,330,862	-	1,967,401
Fund Balances, Ending	\$ 124,628	\$ 1,968,719	\$ 903,353	\$ -	\$ 2,014,311	\$ 4,914,265	\$ 28,546	\$ 1,987,489

Johnson County, Indiana

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances -
 Special Revenue Funds
 Year Ended December 31, 2021

	User Fee/County Re-entry Court	JC Redevelopment Commission	Access Johnson Co Grant	Problem Solving Grant	Sheriff's Investigation Special Fund	Sheriff's Investigations Property Fund
Revenues						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	78,360	-	-	-	-
Fines and forfeits	5,259	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	-	23,619	-	31,531	42,724
	<u>-</u>	<u>-</u>	<u>23,619</u>	<u>-</u>	<u>31,531</u>	<u>42,724</u>
Total revenues	<u>5,259</u>	<u>78,360</u>	<u>23,619</u>	<u>-</u>	<u>31,531</u>	<u>42,724</u>
Expenditures						
Current:						
General government	-	33,491	-	7,592	-	-
Public safety	-	-	-	-	42,988	6,754
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	23,619	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>33,491</u>	<u>23,619</u>	<u>7,592</u>	<u>42,988</u>	<u>6,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,259</u>	<u>44,869</u>	<u>-</u>	<u>(7,592)</u>	<u>(11,457)</u>	<u>35,970</u>
Other Financing Sources (Uses)						
Proceeds from capital leases	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,259	44,869	-	(7,592)	(11,457)	35,970
Fund Balances, Beginning	<u>1,765</u>	<u>77,890</u>	<u>-</u>	<u>9,097</u>	<u>69,115</u>	<u>92,501</u>
Fund Balances, Ending	<u>\$ 7,024</u>	<u>\$ 122,759</u>	<u>\$ -</u>	<u>\$ 1,505</u>	<u>\$ 57,658</u>	<u>\$ 128,471</u>

Johnson County, Indiana

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances -
 Special Revenue Funds
 Year Ended December 31, 2021

	Sheriff's Commissary Fund	Community Corrections Commissary	Animal Shelter Funds	CASA Funds	Ditch Funds	Drainage Funds	Educational Grants	Fines and Fees
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ 573,779	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	61,681	-	287,942	-	-	2,400
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	64,419	-	-	27,030	-
Charges for services	-	-	58,975	4,100	400	-	-	197,223
Fines and forfeits	-	-	12	-	3,157	72,722	-	145,480
Investment earnings	-	-	2	-	(401,250)	(19,000)	-	-
Miscellaneous	1,072,584	120,630	18,865	5,375	440,326	11,795	-	68,346
Total revenues	1,072,584	120,630	713,314	73,894	330,575	65,517	27,030	413,449
Expenditures								
Current:								
General government	-	-	713,608	-	211,057	616	-	440,842
Public safety	1,132,379	343,930	-	3,023	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	56,387	-	-	20,028	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service:								
Interest	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	1,132,379	343,930	713,608	59,410	211,057	616	20,028	440,842
Excess (deficiency) of revenues over (under) expenditures	(59,795)	(223,300)	(294)	14,484	119,518	64,901	7,002	(27,393)
Other Financing Sources (Uses)								
Proceeds from capital leases	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	(59,795)	(223,300)	(294)	14,484	119,518	64,901	7,002	(27,393)
Fund Balances, Beginning	958,611	314,921	433,802	93,410	1,220,700	40,283	-	1,024,159
Fund Balances, Ending	\$ 898,816	\$ 91,621	\$ 433,508	\$ 107,894	\$ 1,340,218	\$ 105,184	\$ 7,002	\$ 996,766

Johnson County, Indiana

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances -
 Special Revenue Funds
 Year Ended December 31, 2021

	Health and Wellness Funds	Highways and Streets	Homeland Security Grants	Map Funds	Miscellaneous	Park Funds	Probation Funds	VASIA Funds
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	960,814	1,061,286	276,732	-	24,022	-	-	71,040
Charges for services	39,456	-	-	94,738	192,390	-	320,665	12,110
Fines and forfeits	-	-	-	-	-	-	116,319	-
Investment earnings	-	-	-	-	-	8	-	-
Miscellaneous	225	110,166	8,057	4	38,528	326,014	-	10,086
Total revenues	1,000,495	1,171,452	284,789	94,742	254,940	326,022	436,984	93,236
Expenditures								
Current:								
General government	-	-	-	68,037	101,021	-	-	-
Public safety	1,538	1,576	104,276	-	-	-	318,437	-
Highways and streets	-	338,106	-	-	-	-	-	-
Health and welfare	897,338	91,244	-	-	-	-	-	76,149
Culture and recreation	-	-	-	-	-	294,765	-	2,500
Debt service:								
Interest	-	-	-	-	4,968	5,802	-	-
Capital lease	-	-	-	-	8,261	73,387	-	-
Capital outlay	-	-	132,910	-	-	-	-	-
Total expenditures	898,876	430,926	237,186	68,037	114,250	373,954	318,437	78,649
Excess (deficiency) of revenues over (under) expenditures	101,619	740,526	47,603	26,705	140,690	(47,932)	118,547	14,587
Other Financing Sources (Uses)								
Proceeds from capital leases	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	101,619	740,526	47,603	26,705	140,690	(47,932)	118,547	14,587
Fund Balances, Beginning	1,077,018	(145,284)	25,591	207,952	879,558	383,220	168,909	22,320
Fund Balances, Ending	\$ 1,178,637	\$ 595,242	\$ 73,194	\$ 234,657	\$ 1,020,248	\$ 335,288	\$ 287,456	\$ 36,907

Johnson County, Indiana

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances -
 Special Revenue Funds
 Year Ended December 31, 2021

	Public Safety Funds	Public Safety Grants	Motor Vehicle Highway	Recorder Fund	Title IV-D Funds	Local Income Tax Funds	COVID Funds	Total
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,443,905
Other	-	-	1,796,287	-	-	-	-	5,620,913
Licenses and permits	20,854	-	20,049	-	-	-	-	408,805
Intergovernmental	69,094	933,089	4,968,376	-	47,423	-	1,706,830	12,511,232
Charges for services	3,195,740	-	-	821,892	31,525	-	-	5,055,497
Fines and forfeits	456,714	-	-	-	-	-	-	870,760
Investment earnings	40	-	-	-	-	-	-	(420,193)
Miscellaneous	49,392	24,672	157,531	38,496	-	-	-	2,747,759
Total revenues	3,791,834	957,761	6,942,243	860,388	78,948	-	1,706,830	31,238,678
Expenditures								
Current:								
General government	-	-	-	421,556	-	-	-	5,456,797
Public safety	3,523,487	940,562	-	-	-	-	2,493,521	8,912,471
Highways and streets	-	-	4,930,210	-	-	92,629	-	8,952,784
Health and welfare	400	-	-	-	83,863	-	-	2,336,240
Culture and recreation	-	-	-	-	-	-	-	297,265
Debt service:								
Interest	-	-	-	-	-	-	-	13,122
Capital lease	-	-	-	-	-	-	-	117,196
Capital outlay	-	12,215	747,152	-	-	-	-	2,050,716
Total expenditures	3,523,887	952,777	5,677,362	421,556	83,863	92,629	2,493,521	28,136,591
Excess (deficiency) of revenues over (under) expenditures	267,947	4,984	1,264,881	438,832	(4,915)	(92,629)	(786,691)	3,102,087
Other Financing Sources (Uses)								
Proceeds from capital leases	-	-	-	-	-	-	-	118,445
Transfers out	-	-	-	-	-	-	-	(249)
Total other financing sources and uses	-	-	-	-	-	-	-	118,196
Net change in fund balances	267,947	4,984	1,264,881	438,832	(4,915)	(92,629)	(786,691)	3,220,283
Fund Balances, Beginning	3,304,199	363,135	4,223,221	1,763,519	287,266	92,629	759,763	28,667,224
Fund Balances, Ending	\$ 3,572,146	\$ 368,119	\$ 5,488,102	\$ 2,202,351	\$ 282,351	\$ -	\$ (26,928)	\$ 31,887,507

Johnson County, IndianaCombining Balance Sheet -
Debt Service Funds
December 31, 2021

	<u>Bond 3</u>	<u>Sinking Fund Jail LIT Revenue</u>	<u>Project Fund Jail LIT Revenue</u>	<u>Total</u>
Assets				
Receivables:				
Taxes	\$ 3,369,079	\$ -	\$ -	\$ 3,369,079
Interest	-	39	149	188
Intergovernmental	149,586	-	-	149,586
Restricted:				
Cash and cash equivalents	<u>475,020</u>	<u>458,407</u>	<u>1,454,048</u>	<u>2,387,475</u>
Total assets	<u>\$ 3,993,685</u>	<u>\$ 458,446</u>	<u>\$ 1,454,197</u>	<u>\$ 5,906,328</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,924</u>	<u>\$ 277,924</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>277,924</u>	<u>277,924</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>3,518,665</u>	<u>-</u>	<u>-</u>	<u>3,518,665</u>
Total deferred inflows of resources	<u>3,518,665</u>	<u>-</u>	<u>-</u>	<u>3,518,665</u>
Fund Balances				
Restricted	<u>475,020</u>	<u>458,446</u>	<u>1,176,273</u>	<u>2,109,739</u>
Total fund balances	<u>475,020</u>	<u>458,446</u>	<u>1,176,273</u>	<u>2,109,739</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,993,685</u>	<u>\$ 458,446</u>	<u>\$ 1,454,197</u>	<u>\$ 5,906,328</u>

Johnson County, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Debt Service Funds

Year Ended December 31, 2021

	Bond 3	Sinking Fund Jail LIT Revenue	Project Fund Jail LIT Revenue	Total
Revenues				
Taxes:				
Property	\$ 2,011,082	\$ -	\$ -	\$ 2,011,082
Other	203,645	-	-	203,645
Charges for services	-	-	152	152
Investment earnings	-	6,616	54,778	61,394
	<u>2,214,727</u>	<u>6,616</u>	<u>54,930</u>	<u>2,276,273</u>
Total revenues				
Expenditures				
Current:				
General government	1,500	-	8,066	9,566
Debt service:				
Principal	2,115,000	-	-	2,115,000
Interest	65,079	808,300	-	873,379
Bond issue costs	11,229	-	-	11,229
Capital outlay	-	-	7,771,857	7,771,857
	<u>2,192,808</u>	<u>808,300</u>	<u>7,779,923</u>	<u>10,781,031</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>21,919</u>	<u>(801,684)</u>	<u>(7,724,993)</u>	<u>(8,504,758)</u>
Other Financing Sources (Uses)				
Bond premium (discount)	<u>69,727</u>	-	-	<u>69,727</u>
Total other financing sources and uses	<u>69,727</u>	-	-	<u>69,727</u>
Net change in fund balances	91,646	(801,684)	(7,724,993)	(8,435,031)
Fund Balances, Beginning	<u>383,374</u>	<u>1,260,130</u>	<u>8,901,266</u>	<u>10,544,770</u>
Fund Balances, Ending	<u>\$ 475,020</u>	<u>\$ 458,446</u>	<u>\$ 1,176,273</u>	<u>\$ 2,109,739</u>

Johnson County, IndianaCombining Balance Sheet -
Capital Project Funds
December 31, 2021

	<u>Cumulative Bridge</u>	<u>Park Non- Revert Capital Improv</u>	<u>GO Bond Funds</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 2,465,015	\$ 681,308	\$ 3,087,715	\$ 6,234,038
Receivables:				
Taxes	665,652	-	-	665,652
Accounts	-	4,679	-	4,679
Intergovernmental	32,194	-	-	32,194
Restricted:				
Cash and cash equivalents	-	-	1,595,950	1,595,950
Total assets	<u>\$ 3,162,861</u>	<u>\$ 685,987</u>	<u>\$ 4,683,665</u>	<u>\$ 8,532,513</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 46,127	\$ 3,656	\$ 332,057	\$ 381,840
Accrued payroll and withholdings payable	<u>10,188</u>	<u>-</u>	<u>-</u>	<u>10,188</u>
Total liabilities	<u>56,315</u>	<u>3,656</u>	<u>332,057</u>	<u>392,028</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>697,846</u>	<u>-</u>	<u>-</u>	<u>697,846</u>
Total deferred inflows of resources	<u>697,846</u>	<u>-</u>	<u>-</u>	<u>697,846</u>
Fund Balances				
Restricted	<u>2,408,700</u>	<u>682,331</u>	<u>4,351,608</u>	<u>7,442,639</u>
Total fund balances	<u>2,408,700</u>	<u>682,331</u>	<u>4,351,608</u>	<u>7,442,639</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,162,861</u>	<u>\$ 685,987</u>	<u>\$ 4,683,665</u>	<u>\$ 8,532,513</u>

Johnson County, Indiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -

Capital Project Funds

Year Ended December 31, 2021

	<u>Cumulative Bridge</u>	<u>Park Non- Revert Capital Improv</u>	<u>GO Bond Funds</u>	<u>Total</u>
Revenues				
Taxes:				
Property	\$ 581,448	\$ -	\$ -	\$ 581,448
Other	62,811	-	-	62,811
Other:				
Miscellaneous	-	198,961	-	198,961
Total revenues	<u>644,259</u>	<u>198,961</u>	<u>-</u>	<u>843,220</u>
Expenditures				
Current:				
General government	-	-	1,393,110	1,393,110
Highways and streets	549,786	-	-	549,786
Culture and recreation	-	69,051	-	69,051
Capital outlay	-	-	450,244	450,244
Total expenditures	<u>549,786</u>	<u>69,051</u>	<u>1,843,354</u>	<u>2,462,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>94,473</u>	<u>129,910</u>	<u>(1,843,354)</u>	<u>(1,618,971)</u>
Other Financing Sources (Uses)				
Bond proceeds	-	-	3,135,000	3,135,000
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>3,135,000</u>	<u>3,135,000</u>
Net change in fund balances	94,473	129,910	1,291,646	1,516,029
Fund Balances, Beginning	<u>2,314,227</u>	<u>552,421</u>	<u>3,059,962</u>	<u>5,926,610</u>
Fund Balances, Ending	<u>\$ 2,408,700</u>	<u>\$ 682,331</u>	<u>\$ 4,351,608</u>	<u>\$ 7,442,639</u>

Johnson County, Indiana

Combining Statement of Fiduciary Net Position -

Pension Trust Funds

December 31, 2021

	Sheriff's Pension Trust	Sheriff Retirement Plan	Sheriff Benefit Plan	Total Pension Trust Funds
Assets				
Cash and cash equivalents	\$ -	\$ 1,244,263	\$ 90,353	\$ 1,334,616
Receivables:				
Employer contributions	-	8,981	-	8,981
Employee contributions	-	53,177	-	53,177
Accrued interest and dividends	-	95,027	15,153	110,180
Accounts	8,339	-	-	8,339
	<u>8,339</u>	<u>-</u>	<u>-</u>	<u>8,339</u>
Total receivables	<u>8,339</u>	<u>157,185</u>	<u>15,153</u>	<u>180,677</u>
Investments at fair value:				
Fixed income securities	-	3,770,064	227,082	3,997,146
Domestic and foreign equities	-	14,578,363	842,110	15,420,473
	<u>-</u>	<u>18,348,427</u>	<u>1,069,192</u>	<u>19,417,619</u>
Total investments	<u>-</u>	<u>18,348,427</u>	<u>1,069,192</u>	<u>19,417,619</u>
Total assets	<u>8,339</u>	<u>19,749,875</u>	<u>1,174,698</u>	<u>20,932,912</u>
Liabilities				
Accounts payable	8,339	-	-	8,339
Transfers out of trust	-	-	34,745	34,745
Due to broker for unsettled trades	-	11,234	533	11,767
	<u>8,339</u>	<u>11,234</u>	<u>35,278</u>	<u>54,851</u>
Total liabilities	<u>8,339</u>	<u>11,234</u>	<u>35,278</u>	<u>54,851</u>
Net Position				
Restricted for pensions	<u>\$ -</u>	<u>\$ 19,738,641</u>	<u>\$ 1,139,420</u>	<u>\$ 20,878,061</u>

Johnson County, Indiana

Combining Statement of Changes in Fiduciary Net Position -
Pension Trust Funds
Year Ended December 31, 2021

	Sheriff's Pension Trust	Sheriff Retirement Plan	Sheriff Benefit Plan	Total Pension Trust Funds
Additions				
Contributions:				
Employer contributions	\$ -	\$ 1,205,555	\$ 36,708	\$ 1,242,263
Employee contributions	-	103,369	-	103,369
Contributions from nonemployee contributing entities	108,380	-	-	108,380
	<u>108,380</u>	<u>-</u>	<u>-</u>	<u>108,380</u>
 Total contributions and transfers	 <u>108,380</u>	 <u>1,308,924</u>	 <u>36,708</u>	 <u>1,454,012</u>
 Investment income:				
Interest	-	831,392	68,439	899,831
Net Increase (decrease) in fair value of investments	-	1,812,542	84,636	1,897,178
Less investment expense, other than securities lending	-	(94,029)	(5,473)	(99,502)
	<u>-</u>	<u>2,549,905</u>	<u>147,602</u>	<u>2,697,507</u>
 Total investment income	 <u>-</u>	 <u>2,549,905</u>	 <u>147,602</u>	 <u>2,697,507</u>
 Other	 <u>-</u>	 <u>-</u>	 <u>8,341</u>	 <u>8,341</u>
 Total additions	 <u>108,380</u>	 <u>3,858,829</u>	 <u>192,651</u>	 <u>4,159,860</u>
 Deductions				
Benefit payments (including refunds of employee contributions)	-	1,081,341	14,400	1,095,741
Other trust activities	108,380	-	-	108,380
Transfers out of trust	-	-	34,745	34,745
Administrative expense	-	14,029	18,535	32,564
	<u>-</u>	<u>14,029</u>	<u>18,535</u>	<u>32,564</u>
 Total deductions	 <u>108,380</u>	 <u>1,095,370</u>	 <u>67,680</u>	 <u>1,271,430</u>
 Change in fiduciary net position	 <u>-</u>	 <u>2,763,459</u>	 <u>124,971</u>	 <u>2,888,430</u>
 Net Position, Beginning	 <u>-</u>	 <u>16,975,182</u>	 <u>1,014,449</u>	 <u>17,989,631</u>
 Net Position, Ending	 <u>\$ -</u>	 <u>\$ 19,738,641</u>	 <u>\$ 1,139,420</u>	 <u>\$ 20,878,061</u>

Johnson County, Indiana

Combining Statement of Fiduciary Net Position -
Custodial Funds
December 31, 2021

	Bid Bond	City & Town	Economic		Clerk's Court		Special	All Sewer		
	Checks	Court Cost (3%)	Development	Surplus Tax	Order	Settlement	Assessment	Settlements	Treasurer	Clerk
			Svc		Investments					
Assets										
Cash and cash equivalents	\$ 3,777	\$ 1,428	\$ 29,490	\$ 656,344	\$ 6,090,185	\$ -	\$ -	\$ -	\$ 6,686,388	\$ 4,858,952
Receivables										
Taxes	-	-	-	-	-	159,507,947	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Accounts	-	1,322	-	-	-	-	-	-	-	-
Total receivables	-	1,322	-	-	-	159,507,947	-	-	-	-
Total assets	3,777	2,750	29,490	656,344	6,090,185	159,507,947	-	-	6,686,388	4,858,952
Liabilities										
Accounts payable	-	-	40,685	9,215	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-
Trust payable	-	-	-	-	-	-	-	-	6,686,388	-
Total liabilities	-	-	40,685	9,215	-	-	-	-	6,686,388	-
Deferred Inflows										
Uncollected taxes	-	-	-	-	-	159,507,947	-	-	-	-
Net Position										
Restricted for individuals, organizations and other governments	\$ 3,777	\$ 2,750	\$ (11,195)	\$ 647,129	\$ 6,090,185	\$ -	\$ -	\$ -	\$ -	\$ 4,858,952

Johnson County, Indiana

Combining Statement of Fiduciary Net Position -
Custodial Funds
December 31, 2021

	Clerk's Juvenile Account	Clerk's Child Support	Sheriff's Inmate Trust	Sheriff's Office Reserve	Convention, Visitor and Tourism	Juvenile Detention Coin- Phone	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	Total Custodial Funds
Assets										
Cash and cash equivalents	\$ 2,260	\$ 5,359	\$ 93,358	\$ 5,880	\$ 489,392	\$ 10,249	\$ 28,476	\$ 1,233,726	\$ 1,992,165	\$ 22,187,429
Receivables										
Taxes	-	-	-	-	-	-	-	12,081,224	-	171,589,171
Intergovernmental	-	-	-	-	-	-	10,330	2,391,969	-	2,402,299
Accounts	-	-	-	-	-	-	14,850	-	-	16,172
Total receivables	-	-	-	-	-	-	25,180	14,473,193	-	174,007,642
Total assets	2,260	5,359	93,358	5,880	489,392	10,249	53,656	15,706,919	1,992,165	196,195,071
Liabilities										
Accounts payable	-	-	-	-	-	-	350	1,700,222	150,375	1,900,847
Due to other governments	-	-	-	-	-	-	-	11,427,682	-	11,427,682
Trust payable	-	-	-	-	-	-	-	2,579,015	-	9,265,403
Total liabilities	-	-	-	-	-	-	350	15,706,919	150,375	22,593,932
Deferred Inflows										
Uncollected taxes	-	-	-	-	-	-	-	-	-	159,507,947
Net Position										
Restricted for individuals, organizations and other governments	\$ 2,260	\$ 5,359	\$ 93,358	\$ 5,880	\$ 489,392	\$ 10,249	\$ 53,306	\$ -	\$ 1,841,790	\$ 14,093,192

Johnson County, Indiana

Combining Statement of Changes in Fiduciary Net Position -

Custodial Funds

Year Ended December 31, 2021

	Bid Bond	City & Town	Economic		Clerk's Court		Special	All Sewer		
	Checks	Court Cost (3%)	Development	Surplus Tax	Order	Settlement	Assessment	Settlements	Treasurer	Clerk
			Svc		Investments					
Additions										
Taxes collected for other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,261,152	\$ -	\$ -	\$ 7,239,174	\$ -
Collections for other governments	-	22,883	-	-	-	-	-	-	-	-
Miscellaneous	3,777	-	29,490	656,938	2,335,636	-	57,313	126,624	-	19,692,288
Total additions	3,777	22,883	29,490	656,938	2,335,636	178,261,152	57,313	126,624	7,239,174	19,692,288
Deductions										
Other trust activities	-	20,133	40,685	9,809	2,007,392	-	57,313	126,624	-	19,399,871
Taxes distributed to other governments	-	-	-	-	-	178,261,152	-	-	7,239,174	-
Total deductions	-	20,133	40,685	9,809	2,007,392	178,261,152	57,313	126,624	7,239,174	19,399,871
Change in fiduciary net position	3,777	2,750	(11,195)	647,129	328,244	-	-	-	-	292,417
Net Position, Beginning	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	5,761,941	-	-	-	-	4,566,535
Net Position, Beginning as restated	-	-	-	-	5,761,941	-	-	-	-	4,566,535
Net Position, Ending	\$ 3,777	\$ 2,750	\$ (11,195)	\$ 647,129	\$ 6,090,185	\$ -	\$ -	\$ -	\$ -	\$ 4,858,952

Johnson County, Indiana

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended December 31, 2021

	Clerk's Juvenile Account	Clerk's Child Support	Sheriff's Inmate Trust	Sheriff's Office Reserve	Convention, Visitor and Tourism	Juvenile Detention Coin- Phone	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	Total Custodial Funds
Additions										
Taxes collected for other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,540,882	\$ -	\$ 238,041,208
Collections for other governments	-	-	-	-	-	-	271,786	-	3,730,181	4,024,850
Miscellaneous	43,458	591,931	2,424,956	5,880	625,018	10,249	862	-	-	26,604,420
Total additions	43,458	591,931	2,424,956	5,880	625,018	10,249	272,648	52,540,882	3,730,181	268,670,478
Deductions										
Other trust activities	41,198	586,572	2,331,598	-	135,626	-	219,342	52,540,882	4,184,362	81,701,407
Taxes distributed to other governments	-	-	-	-	-	-	-	-	-	185,500,326
Total deductions	41,198	586,572	2,331,598	-	135,626	-	219,342	52,540,882	4,184,362	267,201,733
Change in fiduciary net position	2,260	5,359	93,358	5,880	489,392	10,249	53,306	-	(454,181)	1,468,745
Net Position, Beginning	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	2,295,971	12,624,447
Net Position, Beginning as restated	-	-	-	-	-	-	-	-	2,295,971	12,624,447
Net Position, Ending	\$ 2,260	\$ 5,359	\$ 93,358	\$ 5,880	\$ 489,392	\$ 10,249	\$ 53,306	\$ -	\$ 1,841,790	\$ 14,093,192

Johnson County, Indiana

Combining Statement of Component Units - Statement of Net Position

December 31, 2021

	Component Units								Total	
	Amity Fire Protection District	Bargersville Fire Protection District	Hensley Fire Protection District	Needham Fire Protection District	Nineveh Fire Protection District	White River		Johnson County Public Library		Johnson County Solid Waste District
						Township Fire Protection District	Johnson County Solid Waste District			
Assets										
Cash and cash equivalents	\$ 344,539	\$ 6,023,464	\$ 826,826	\$ 1,637,015	\$ 249,182	\$ 5,810,454	\$ 9,818,721	\$ 1,146,427	\$ 25,856,628	
Receivables:										
Taxes	188,814	4,565,404	400,137	437,928	147,417	7,504,400	5,902,439	586,350	19,732,889	
Intergovernmental	-	172,100	-	-	-	320,431	208,849	-	701,380	
Capital assets:										
Land and construction in progress	-	392,671	-	-	-	9,225,013	7,796,213	-	17,413,897	
Other capital assets, net of depreciation	-	6,243,864	250,017	1,021,635	-	5,248,087	6,667,981	132,377	19,563,961	
Net pension asset	-	1,114,267	-	-	-	2,226,923	-	-	3,341,190	
Total assets	<u>533,353</u>	<u>18,511,770</u>	<u>1,476,980</u>	<u>3,096,578</u>	<u>396,599</u>	<u>30,335,308</u>	<u>30,394,203</u>	<u>1,865,154</u>	<u>86,609,945</u>	
Deferred Outflows of Resources										
Pension Related	-	1,052,160	-	-	-	2,337,888	339,534	-	3,729,582	
Total deferred outflow of resources	<u>-</u>	<u>1,052,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,337,888</u>	<u>339,534</u>	<u>-</u>	<u>3,729,582</u>	
Liabilities										
Accounts payable	-	-	-	80	-	-	15,943	13,495	29,518	
Noncurrent liabilities:										
Due within one year:										
General obligation bonds	23,886	580,000	-	-	-	-	1,070,000	-	1,673,886	
Loans payable	-	-	954,895	-	-	-	-	-	954,895	
Capital lease obligations	-	-	-	-	-	354,441	2,735	21,781	378,957	
Due in more than one year:										
General obligation bonds (net of discounts, premiums)	-	870,000	-	-	-	-	6,330,000	-	7,200,000	
Loans payable	-	-	177,646	96,928	-	-	-	-	274,574	
Capital lease obligations	-	-	-	-	-	920,014	3,934	20,520	944,468	
Net pension liability	-	-	-	-	-	-	606,607	-	606,607	
Total liabilities	<u>23,886</u>	<u>1,450,000</u>	<u>1,132,541</u>	<u>97,008</u>	<u>-</u>	<u>1,274,455</u>	<u>8,029,219</u>	<u>55,796</u>	<u>12,062,905</u>	
Deferred Inflows of Resources										
Pension related	-	2,101,927	-	-	-	4,393,647	975,560	-	7,471,134	
Unavailable revenue	188,814	4,398,994	400,137	437,928	147,417	7,270,087	5,877,173	586,350	19,306,900	
Total deferred inflow of resources	<u>188,814</u>	<u>6,500,921</u>	<u>400,137</u>	<u>437,928</u>	<u>147,417</u>	<u>11,663,734</u>	<u>6,852,733</u>	<u>586,350</u>	<u>26,778,034</u>	
Net Position										
Net investment in capital assets	(23,886)	5,186,535	250,017	1,021,635	-	13,198,645	7,057,525	90,076	26,780,547	
Net position, unrestricted	344,539	6,426,474	(305,715)	1,540,007	249,182	6,536,362	8,794,260	1,132,932	24,718,041	
Total net position	<u>\$ 320,653</u>	<u>\$ 11,613,009</u>	<u>\$ (55,698)</u>	<u>\$ 2,561,642</u>	<u>\$ 249,182</u>	<u>\$ 19,735,007</u>	<u>\$ 15,851,785</u>	<u>\$ 1,223,008</u>	<u>\$ 51,498,588</u>	

Johnson County, Indiana

Combining Schedule of Component Units - Statement of Activities
 Year Ended December 31, 2021

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position								Total
	Expenses	Charges for Services	Component Units								
			Amity Fire Protection District	Bargersville Fire Protection District	Hensley Fire Protection District	Needham Fire Protection District	Nineveh Fire Protection District	Township Fire Protection District	Johnson County Public Library	Johnson County Solid Waste District	
Component Units											
Amity Fire Protection District	\$ 195,445	\$ -	\$ (195,445)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (195,445)
Bargersville Fire Protection District	7,851,111	907,588	-	(6,943,523)	-	-	-	-	-	-	(6,943,523)
Hensley Fire Protection District	490,181	1,800	-	-	(488,381)	-	-	-	-	-	(488,381)
Needham Fire Protection District	672,011	6	-	-	-	(672,005)	-	-	-	-	(672,005)
Nineveh Fire Protection District	319,104	-	-	-	-	-	(319,104)	-	-	-	(319,104)
White River Township Fire Protection District	12,809,174	1,610,686	-	-	-	-	-	(11,198,488)	-	-	(11,198,488)
Johnson County Public Library	5,939,436	62,185	-	-	-	-	-	-	(5,877,251)	-	(5,877,251)
Johnson County Solid Waste District	368,862	6,230	-	-	-	-	-	-	-	(362,632)	(362,632)
Total component units	\$ 28,645,324	\$ 2,588,495	(195,445)	(6,943,523)	(488,381)	(672,005)	(319,104)	(11,198,488)	(5,877,251)	(362,632)	(26,056,829)
General Revenues											
Taxes:											
Property taxes			203,457	3,610,650	390,210	397,422	134,438	5,537,189	3,916,965	531,245	14,721,576
Income taxes			94,850	2,682,391	139,796	300,692	90,194	4,445,964	3,368,539	-	11,122,426
Other taxes			-	374,944	-	-	-	-	458,430	59,100	892,474
Grants and contributions not restricted to specific programs			-	113,443	44,690	41,680	19,096	1,162,400	29,397	-	1,410,706
Investment income			735	-	753	1,822	21	43,787	20,949	1,971	70,038
Donations			83	-	-	244	-	-	47,872	-	48,199
Miscellaneous			-	1,095,602	100	-	-	19,451	16,192	250	1,131,595
Transfers			-	-	-	-	-	37,387	2,287	-	39,674
Total general revenues and transfers			299,125	7,877,030	575,549	741,860	243,749	11,246,178	7,860,631	592,566	29,436,688
Change in net position			103,680	933,507	87,168	69,855	(75,355)	47,690	1,983,380	229,934	3,379,859
Net Position, Beginning			216,973	10,679,502	(142,866)	2,491,787	324,537	19,687,317	13,868,405	993,074	48,118,729
Net Position, Ending			\$ 320,653	\$ 11,613,009	\$ (55,698)	\$ 2,561,642	\$ 249,182	\$ 19,735,007	\$ 15,851,785	\$ 1,223,008	\$ 51,498,588

**JOHNSON COUNTY, INDIANA
FEDERAL SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**JOHNSON COUNTY, INDIANA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	14



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

County Officials
Johnson County, Indiana
Franklin, Indiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Indiana (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2023. Our report includes a reference to other auditors who audited the financial statements of Johnson Memorial Hospital, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we considered to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 29, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

County Officials
Johnson County, Indiana
Franklin, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Johnson County, Indiana's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Johnson Memorial Hospital which expended \$22,856,924 in federal awards which is not included in the County's schedule of expenditures of federal awards during the year ended December 31, 2021. Our audit, described below, did not include the operations of Johnson Memorial Hospital because Johnson Memorial Hospital engaged other auditors to perform an audit of compliance.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-003, to be a significant deficiency.

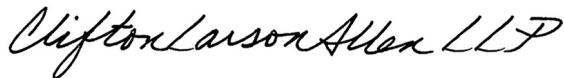
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2021, and have issued our report thereon dated March 29, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 29, 2023

**JOHNSON COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Agriculture					
Child Nutrition Cluster:					
School Breakfast Program:					
Calendar 2021 Juvenile Detention School Breakfast	Indiana Department of Education	10.553			
			Not available	\$ -	\$ 15,117
National School Lunch Program:					
Calendar 2021 Juvenile Detention School Lunch - Commodities	Indiana Department of Education	10.555			
			Not available	-	2,323
Calendar 2021 Juvenile Detention School Lunch			Not available	-	26,114
Total National School Lunch Program				<u>-</u>	<u>28,437</u>
Total Child Nutrition Cluster				-	43,554
Special Supplemental Nutrition Program for Women, Infants, and Children:					
WIC - Breastfeeding/Peer Counselor	Indiana Department of Education	10.557			
			46319	-	766,245
Child and Adult Care Food Program:					
Calendar 2021 Juvenile Detention School Snacks	Indiana Department of Education	10.558			
			Not available	-	4,437
Total Department of Agriculture				-	814,236
Department of Justice					
Coronavirus Emergency Supplemental Funding Program:					
COVID-19 Emergency Supplemental	Indiana Department of Justice	16.034	2020-VD-BX-0081	-	9,890

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Justice (Continued)					
Crime Victim Assistance: Victim Assistance Program (10/01/20-09/30/22)	Indiana Criminal Justice Institute	16.575	VOCA-2020-00008	\$ -	\$ 44,266
Violence Against Women Formula Grants: STOP Grant Domestic Violence Intervention Program (10/1/20-9/30/21)	Indiana Criminal Justice Institute	16.588	2020-WF-AX-0031	-	40,800
Edward Byrne Memorial Justice Assistance Grant Program: Justice Assistance Grant Program	City of Greenwood	16.738	2020-DJ-BX-0907	-	5,133
Total Department of Justice				-	100,089
Department of Transportation					
Highway Planning and Construction Cluster: Highway Planning and Construction: Replacement of Bridge 96 Connector Rd from Worthsville Rd to South Franklin Rd/Worthsville Rd/Clark School Rd	Indiana Department of Transportation	20.205	1005699	-	99,104
Connector Rd from Worthsville Rd to South Franklin Rd/Worthsville Rd/Clark School Rd			1005947	-	8,957
Reconstruction on 200 N Beginning at SR 144 Ending West of Centerline Road			1005947	-	146,781
Reconstruction on 200 N Beginning at SR 144 Ending West of Centerline Road			1173122	-	15,694
Connector Rd from Worthsville Rd to South Franklin Rd/Worthsville Rd/Clark School Rd			1173122	-	59,773
Reconstruction on 200 N Beginning at SR 144 Ending West of Centerline Road			1173573	-	4,173
			1173573	-	8,846

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Transportation (Continued)					
Highway Planning and Construction Cluster (Continued):					
Highway Planning and Construction (Continued):					
Connector Rd from Worthsville Road to South Franklin Road/Worthsville Road/Clark School Road					
			1173573	\$ -	\$ 47,791
Federal Bridge Inspection Phase 1 (2018) and Phase 2 (2020)					
			1500209	-	67,970
Total Highway Planning and Construction Cluster					
				-	459,089
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	18039270	2,009,607	2,009,607
Highway Safety Cluster:					
State and Community Highway Safety: LEC CHIRP 2021					
	Indiana Criminal Justice Institute	20.600	69A37519300001640INA 69A37519	48,593	50,439
Minimum Penalties for Repeat Offenders for Driving While Intoxicated: LEC CHIRP 2021					
	Indiana Criminal Justice Institute	20.608	69A37519300001640INA 69A37519	12,158	12,895
Interagency Hazardous Materials Public Sector Training and Planning Grants: HMEP/LEPC					
	Indiana Department of Homeland Security	20.703	51041	-	15,000
Total Department of Transportation					
				2,070,358	2,547,030
Department of the Treasury					
Equitable Sharing Program: Sheriff DOT Equitable Share					
	U.S. Department of Treasury	21.016	Not applicable	-	16,768

See accompanying Notes to Schedule of Expenditures of Federal Awards.

JOHNSON COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of the Treasury (Continued)					
Coronavirus Relief Fund: COVID-19 Safety Awareness	Indiana Finance Authority	21.019	Not available	\$ -	\$ 506,853
Coronavirus State and Local Fiscal Recovery Funds: COVID -19 American Rescue Plan Act 2021	U.S. Department of Treasury	21.027	Not applicable	-	127,237
Total Department of the Treasury				-	650,858
Department of Health and Human Services					
Public Health Emergency Preparedness: Base BP1 (2020/2021) CRI BP1 (2020/2021) Total Public Health Emergency Preparedness	Indiana Department of Health	93.069	43922 43922	- -	31,895 35,346
Total Public Health Emergency Preparedness				-	67,241
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements: District 5 DPC HPP	Indiana Department of Health	93.074	19366	-	599
Immunization Cooperative Agreements: COVID-19 Mass Vaccination COVID-19 Vaccination Total Immunization Cooperative Agreements	Indiana Department of Health	93.268	NH23IP000723 NH23IP922631	- -	45,670 120,960
Total Immunization Cooperative Agreements				-	166,630
Immunization and Vaccine Child COVID: COVID-19 Immunization Cooperative Agreements	Indiana Department of Health	93.268	NH23IP922631	-	72,754

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Health and Human Services (Continued):					
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC): COVID-19 SARS COVID 2 Community Testing	Indiana Department of Health	93.323	NU50CK000503	\$ -	\$ 27,581
Child Support Enforcement:	Indiana Department of Child Services	93.563			
Calendar 2021 Clerk Expenditures			Not available	-	31,580
Calendar 2021 Prosecutor Expenditures			Not available	-	461,227
Calendar 2021 Juvenile Court Expenditures			Not available	-	53,228
Prosecutor Collection Incentives			Not available	-	44,917
Clerk Collection Incentives			Not available	-	41,528
County Collection Incentives			Not available	-	29,006
Indirect Costs - Cost Allocation Plan			Not available	-	124,016
Pretrial Diversion Program (fund #2509)			Not available	-	1,193
Calendar 2021 Clerk Expenditures (Clerk Perpetuation Fund)			Not available	-	1,034
Prosecutor Deferral Program (fund #2508)			Not available	-	2,339
Total Child Support Enforcement				-	790,068
Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems: Election Reform Payments	Indiana Secretary of State	93.617	Not available	-	11,118
Opioid STR:	Indiana Department of Health & Human Services	93.788			
Indiana State Opioid Response			20-5JC89-C41-039	-	43,640
Opioid STR:	Indiana Office of Court Services	93.788			
Justice Assistance Grant Program			21-5JC89-C41-001	-	3,641
Total - Opioid STR				-	47,281
Total Department of Health and Human Services				-	1,183,272

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Homeland Security					
Disaster Grants - Public Assistance (Presidentially Declared Disasters): COVID 19- Johnson County COVID-19 Project	Indiana Department of Homeland Security	97.036	135996	\$ -	\$ 834
Emergency Management Performance Grants: EMPG - Salaries	Indiana Department of Homeland Security	97.042	41155	-	55,000
Homeland Security Grant Program: SHSP Terrorism Equip 2021	Indiana Department of Homeland Security	97.067	EMW-2020-55-00009-S01	-	201,732
Total Department of Homeland Security				-	257,566
Total Federal Expenditures				\$ 2,070,358	\$ 5,553,051

See accompanying Notes to Schedule of Expenditures of Federal Awards.

JOHNSON COUNTY, INDIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Johnson County, Indiana under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Johnson County, Indiana, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as defined by the Indiana State Code. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Under the regulatory basis, when federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Pass-through entity identifying numbers are presented where available.

NOTE 3 INDIRECT COSTS

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? x yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Number

Name of Federal Program or Cluster

21.019
20.509

Coronavirus Relief Fund
Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes x no

JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings

2021-001 – Financial Statement Corrections

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting, Noncompliance

Condition: Several corrections were made to the financial statements, as follows:

- Internal services funds were being shown in the financial statements; however, these did not operate as an internal service fund (self-insurance) under the GASB 34 definition. These funds are now combined into the general fund to properly reflect the activity. Beginning fund balance of the general fund was restated, increasing it \$903,758.
- The risk management footnote originally misstated claims incurred and paid by approximately \$5 million.
- Errors were noted in several discretely presented component units balances, including (approximately) taxes receivable (\$19 million), net pension assets (\$3 million), deferred inflows for pensions (\$6 million), unavailable revenue (\$18 million), intergovernmental receivables (\$700,000), and capital assets (\$5 million), and other related revenues and expenses, which have been corrected.
- All custodial funds reported remaining balances as liabilities in the prior year financial statements. These funds were analyzed and corrected this year to comply with GASB 84, thus many balances are now reflected in net position. Beginning net position was restated for those that had a significant correction, increasing it \$12,624,447.
- Local income tax (LIT) receivable balance was calculated incorrectly at the end of last year as \$2,911,651 should have been allocated to the general fund but was all recorded in the LIT correctional rehab facility fund. In addition, an error was made in the calculation of the LIT receivable which resulted in the general fund receivable being overstated by \$1,206,652 and the LIT correctional rehab facility fund being overstated by \$7,605,236, which has been corrected.
- Cash held in a custodial fund at year-end, that will be distributed to County funds, was not reclassified to the appropriate County fund at December 31, 2021. An adjustment of \$552,786 was made to correct the 2021 year-end balances for the general fund and the custodial fund.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

2021-001 – Financial Statement Corrections (Continued)

Criteria or specific requirement: The County is responsible for the accuracy of the financial statements in accordance with generally accepted accounting principles. The County is required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1).

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, Uniform Internal Control Standards for Indiana Political Subdivisions. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties....

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk....

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes:

Accurate and timely recording of transactions."

Cause: Management of the County had not established an effective system of internal control that would have ensured proper reporting of the financial statements.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

2021-001 – Financial Statement Corrections (Continued)

Effect: Failure to establish an effective internal control can enable material misstatements to occur in financial reporting.

Repeat finding: A similar finding was reported in the prior year as Finding 2020-001.

Recommendation: We recommend the County strengthen its process for reviewing the financial statements for compliance with generally accepted accounting principles, including the component units.

Views of responsible officials: We will work harder to adequately ensure that the annual financial statements are materially accurate and do reviews of the journal entries.

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

2021-002 – Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting, Noncompliance

Condition: A federal program with expenditures of \$2,009,607 was reported under the incorrect Assistance Listing Number on the original SEFA.

Criteria or specific requirement: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, Uniform Internal Control Standards for Indiana Political Subdivisions. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must: (a) Establish and maintain effective internal control . . ."

2 CFR 200.1 states in part:

". . . Internal controls for non-Federal entities means:

(1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

(i) Effectiveness and efficiency of operations;

(ii) Reliability of reporting for internal and external use; . . ."

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

2021-002 – Preparation of the Schedule of Expenditures of Federal Awards (SEFA) (Continued)

Criteria or specific requirement (Continued):

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings (Continued)

2021-002 – Preparation of the Schedule of Expenditures of Federal Awards (SEFA) (Continued)

Cause: Management of the County had not established an effective system of internal control that would have ensured proper reporting of the SEFA.

Effect: Failure to establish an effective internal control can enable material misstatements to occur in the SEFA.

Repeat finding: No

Recommendation: We recommend the County strengthen its process for reviewing the SEFA to ensure compliance with Uniform Grant Guidance.

Views of responsible officials: We will work harder to ensure that the correct CFDA/Assistance Listing Number is listed for each grant. If we are unsure, we will contact the department to verify the number from the entity issuing the grant. *Note: even though the ALN was wrong, all the federal dollars listed were correct.*

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

2021-003 – Subrecipient Monitoring

Federal Agency: U.S. Department of Transportation

Federal Program Title: Formula Grants for Rural Areas

Assistance Listing Number: 20.509

Federal Award Identification Number and Year: IN-2020-007-00; 2021

Pass-Through Agency: Indiana Department of Transportation

Pass-Through Number: 18039270

Award Period: July 1, 2020 to July 1, 2022

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matter

Criteria or Specific Requirement: Under, 2 CFR Part 200 (Uniform Guidance), an entity must establish an internal control system to prevent or detect material noncompliance with the federal requirements for subrecipient monitoring. 2 CFR 200.303 states in part:

“The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in ‘Standards for Internal Control in the Federal Government’ issued by the Comptroller General of the United States or the ‘Internal Control Integrated Framework’, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)....”

Condition: The agreement with the subrecipient did not include the Assistance Listing Number.

Questioned Costs: None

Context: 1 of 1 subrecipient tested.

Cause: Management had not developed an effective system of internal controls that would have ensured compliance with the grant agreements, and the subrecipient monitoring requirement.

Effect: Lack of a proper control environment could allow for improper use of federal funding.

Repeat Finding: No

**JOHNSON COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

2021-003 – Subrecipient Monitoring (Continued)

Recommendation: We recommend that the County review subrecipient requirements under Uniform Grant Guidance and implement the proper processes, including internal controls, to ensure it complies with requirements for subrecipient monitoring, which includes monitoring subrecipient agreements for required components.

Views of Responsible Officials: There is no disagreement with audit finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



Elizabeth Ann Alvey
Auditor of Johnson County

86 W Court St, Franklin, IN 46131

Office
317-346-4310

Direct
317-346-4312

Fax
317-736-7021

ealvey@co.johnson.in.us

**JOHNSON COUNTY, INDIANA
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2021**

U.S. Department of Treasury

Johnson County, Indiana respectfully submits the following corrective action plan for the year ended December 31, 2021.

Audit period: January 1, 2021 - December 31, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

2021-001 Financial Statement Corrections

Recommendation: We recommend the County strengthen its process for reviewing the financial statements for compliance with generally accepted accounting principles, including the component units.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: **Work harder to adequately ensure that the annual financial statements are materially accurate and do reviews of the journal entries.**

Name(s) of the contact person(s) responsible for corrective action: Elizabeth A. Alvey

Planned completion date for corrective action plan: 12/31/23

2021-002 Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Recommendation: We recommend the County strengthen its process for reviewing the SEFA to ensure compliance with Uniform Grant Guidance.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.



Elizabeth Ann Alvey
Auditor of Johnson County

86 W Court St, Franklin, IN 46131

Office
317-346-4310

Direct
317-346-4312

Fax
317-736-7021

ealvey@co.johnson.in.us

Action planned in response to finding: **Work harder to ensure that the correct CFDA/Assisted Listing Number is listed for each grant. If we are unsure, we will contact the department to verify the number from the entity issuing the grant. Note: even though the ALN was wrong, all the federal dollars were correct.**

Name(s) of the contact person(s) responsible for corrective action: Elizabeth A. Alvey

Planned completion date for corrective action plan: 12/31/23

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

SIGNIFICANT DEFICIENCY

U.S. Department of Treasury

2021-003 Formula Grants for Rural Areas – Assistance Listing No. 20.509

Recommendation: We recommend that the County review subrecipient requirements under Uniform Grant Guidance and implement the proper processes, including internal controls, to ensure it complies with requirements for subrecipient monitoring, which includes monitoring subrecipient agreements for the required components.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **County Auditor and Staff will work with the subrecipient to ensure that a procedure is in place to review that the subrecipient's records are materially accurate. The County will also make sure the ALN is included on any future agreements.**

Name(s) of the contact person(s) responsible for corrective action: Elizabeth A. Alvey

Planned completion date for corrective action plan: 12/31/23

If the U.S. Department of Treasury has questions regarding this plan, please call Elizabeth Alvey, Johnson County Auditor, at 317-346-4312.