



Revenue Summary

This Section Includes:

- FY 2009 Revenues by Category (Page G.2)
- 2007 through 2009 Revenue Breakdown (Page G.4)
- 32 Major Revenue Sources (Page G.5)

FY 2009 Johnson County Revenues

Introduction

The Johnson County Government has developed a diverse base of revenues to fund its unique operational and capital needs. The County has increased efforts to reduce reliance on Ad Valorem Taxes and increase Charges for Services and other revenues. These results have been achieved by reviewing user fees and charges for services on a periodic basis, and implementing several dedicated revenue sources for major infrastructure projects.

The purpose of this section is to describe the major revenue trends and how these affect Johnson County. Special emphasis is placed on the County's thirty-two (32) major revenue sources. This set of revenues is significant in that they collectively represent at least 74% of the County's projected revenues in FY 2009. Each major source of revenue is described on the following pages.

Revenue Estimating Committee

The Revenue Estimating Committee reviews projections of the County's major revenue sources and provides recommendations on projected revenues to the County Manager. The County Manager considers these recommendations in preparing the proposed annual budget that is submitted to the Board of County Commissioners in June of each year. The County Manager may alter the committee's projected revenues in preparing the proposed budget, and the Board of County Commissioners may alter projected revenues as part of the annual budget process.

The County Manager determines the membership of the Revenue Estimating Committee as part of the County's financial procedures. The current membership of the committee is as follows:

County Manager	County Appraiser	Records and Tax Administration
County Treasurer	Budget Director	Revenue Coordinator
OFM Representative		

*OFM is Office of Financial Management.

For FY 2009, the Revenue Estimating Committee determined a minimum threshold of \$500,000 for a major revenue source. The Committee identified 32 major revenue sources for FY 2009. Delinquent Wastewater User Charges have fallen below the minimum threshold and have been removed, however, Diversion Fees from the District Attorney's office are at levels above the threshold and are now included as a major revenue source. In order to avoid budgetary shortfalls during the fiscal year, revenues are estimated using a conservative approach.

Revenues by Category

The table on the following page provides a breakdown of FY 2009 budgeted revenues (excluding transfers and use of carryover). Taxes account for 46.55% of Johnson County's total revenues. Charges for Service comprise 29.44% of the revenue base. Intergovernmental Revenues, Use of Assets/Miscellaneous, and Licenses & Permits represent 9.78%, 13.59%, and 0.64% of the FY 2009 revenue budget, respectively.

FY 2009 Revenue Distribution		
Revenue Category	FY 2009 Budget Amount	% of FY 2009 Budget Amount
Taxes	\$252,904,224	46.55%
Intergovernmental	\$53,118,219	9.78%
Licenses & Permits	\$3,473,510	00.64%
Charges for Service	\$159,932,701	29.44%
Use of Assets/Miscellaneous	\$73,835,091	13.59%
Totals	\$543,263,745	100.00%

Revenues outlined in this section are those funds which the County has budgeted to collect in FY 2009. These revenues exclude transfers and use of carryover. Revenues are categorized into the following groups:

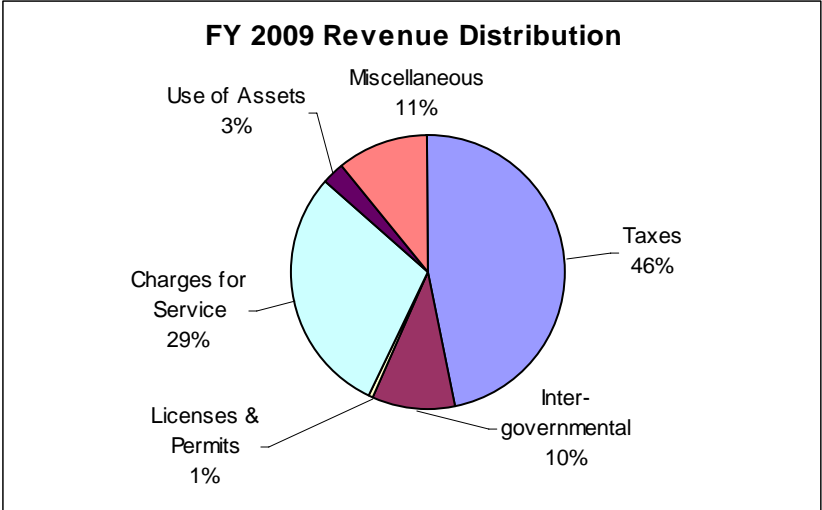
- **Taxes** – This group is comprised of Ad Valorem Support (property taxes), Sales, Motor Vehicle, Delinquent, and several other taxes including 911 service, minerals, liquor, recreational vehicles, car rentals, and compensating use taxes. Taxes represent the largest source of revenue for the County.

- **Intergovernmental** – This group includes revenues from federal, state and city grants, as well as Special Highway (Gas Tax) funds which are dedicated for road and bridge maintenance and construction.

- **Licenses & Permits** – This group has been an insignificant portion of the revenue picture in the last decade.

- **Charges for Service** – This group has grown dramatically since the Wastewater Connection Fee and Equivalent Dwelling Unit (EDU) Fee were instituted in the early 1990s, and the new user fee for Wastewater operations and maintenance activities beginning in FY 2003.

- **Use of Assets/Miscellaneous** – This group includes Investment Interest, land and building rentals, and sale of County assets.



2007 Through 2009 Revenue Breakdown

The table below summarizes Actual 2007, Estimated 2008, and Budget 2009 revenues for Johnson County (excluding transfers and use of carryover). The County's 32 major revenue sources are indicated with an asterisk (*). As demonstrated, the 32 major revenue sources are projected to contribute 74% of total revenues in FY 2009.

Revenues by Category

Revenues:	Actual FY 2007	Estimated FY 2008	Budget FY 2009
Taxes			
* Ad Valorem Tax	\$171,840,665	\$181,385,170	\$181,990,973
* Local Sales Tax (County share of 1/2 cent)	13,435,845	13,704,562	13,978,653
* Stormwater Sales Tax (1/10 cent)	9,687,410	9,881,158	10,078,781
* Public Safety Sales Tax (County share of 1/4 cent)	15,468,118	15,777,480	16,093,030
* Economic Development Sales Tax (County share of 1/4 cent granted to schools)	15,468,118	15,777,480	0
* Local Use Tax	3,155,517	2,366,638	2,413,971
* Stormwater Use Tax	2,292,365	1,719,274	1,753,659
* Public Safety Use Tax	3,654,343	2,740,757	2,795,572
* Economic Development Use Tax	3,654,343	2,740,757	0
* Motor Vehicle Tax	17,939,644	18,297,285	18,330,820
* Interest on Delinquent Taxes	1,528,221	1,400,000	1,400,000
* Delinquent Real Property Tax	1,482,833	1,071,445	1,065,821
* 911 Wireline Telephone Tax	1,244,302	1,032,770	875,000
Other Taxes	3,956,719	2,327,285	2,127,944
Subtotal	264,808,443	270,222,061	252,904,224
Intergovernmental			
* Special Highway Fund	12,732,160	12,731,066	12,731,066
* Section 8 Rental Assistance	8,700,300	9,822,061	10,000,000
* Community Development Block Grant	1,439,572	1,256,000	1,256,000
Federal/State/Local Government Grants	30,214,159	28,428,907	29,131,153
Subtotal	53,086,191	52,238,034	53,118,219
Licenses & Permits	2,797,981	3,445,817	3,473,510
Charges for Service			
* Mortgage Registration Fee	18,631,995	16,000,000	16,431,000
* Heritage Trust Fund Fee	743,277	640,000	657,240
* Recording Fees	1,638,990	1,530,000	1,530,000
* Motor Vehicle Registration Fee	3,305,225	3,305,225	3,305,225
* Prisoner Boarding Charges	1,101,053	1,050,000	1,000,000
* Police Protection Charges	774,599	785,372	794,436
* 911 Wireless Telephone Fee	1,370,520	1,300,000	1,326,000
* Contractor Licensing Fees	759,891	675,000	673,200
* Med-Act User Fees	5,280,049	4,800,000	4,900,000
* System Development Charge	1,382,783	687,617	595,708

Charges for Service (continued)			
* Wastewater Connection Fee	3,973,600	2,775,026	2,404,107
* Equivalent Dwelling Unit (EDU) Charge	23,116,944	24,845,366	30,721,162
* Wastewater User Charge	29,396,597	30,552,506	32,457,330
* Delinquent Wastewater User Charge **	604,655	500,000	n/a
* Diversion Fees	760,246	807,442	839,191
* Parks Enterprise Charges	17,352,554	18,732,137	18,757,259
Other Charges for Service	37,119,032	41,204,028	43,540,843
Subtotal	147,312,010	150,189,719	159,932,701
Use of Assets			
* Investment Interest	20,119,085	13,980,835	11,250,681
Other Use of Assets	3,249,868	3,807,776	3,788,625
Subtotal	23,368,953	17,788,611	15,039,306
Miscellaneous	72,948,303	48,836,882	58,795,785
Total Major Revenues (indicated with "**")	\$414,035,819	\$414,670,429	\$402,405,885
Total Revenues (excluding transfers)	\$564,321,881	\$542,721,124	\$543,263,745
Major Revenues as a Percent of Total ***	73%	76%	74%

** Delinquent Wastewater User charge is no longer a Major Revenue Source for FY 2009

*** The 2009 Public Safety Sales Tax was approved August 5th, 2008. The Major Revenues do not include this additional sales tax revenue. With the inclusion of this Public Safety Sales Tax revenue for FY 2009, the Major Revenues would be projected at 77% of total revenues.

32 Major Revenue Sources

The table below provides a summary of the Estimated 2008 and Budget 2009 amounts for the 32 major revenue sources. Following the table is a description of each of the 32 revenues.

Johnson County Major Revenue Sources

Revenue Source:	Estimated FY 2008	Budget FY 2009	% Change
Ad Valorem Tax	\$181,385,170	\$181,990,973	0.33%
Local Sales Tax (County share of 1/2 cent)	13,704,562	13,978,653	2.00%
Stormwater Sales Tax (1/10 cent)	9,881,158	10,078,781	2.00%
Public Safety Sales Tax (County share of 1/4 cent)	15,777,480	16,093,030	2.00%
Economic Development Sales Tax (County share of 1/4 cent granted to schools)	15,777,480	0	-100.00%
Local Use Tax	2,366,638	2,413,971	2.00%
Stormwater Use Tax	1,719,274	1,753,659	2.00%
Public Safety Use Tax	2,740,757	2,795,572	2.00%
Economic Development Use Tax	2,740,757	0	-100.00%
Interest on Delinquent Taxes	1,400,000	1,400,000	0.00%
Delinquent Real Property Tax	1,071,445	1,065,821	-0.52%
Motor Vehicle Tax	18,297,285	18,330,820	0.18%
Special Highway Fund	12,731,066	12,731,066	0.00%
Motor Vehicle Registration Fee	3,305,225	3,305,225	0.00%
Investment Interest	13,980,835	11,250,681	-19.53%
Mortgage Registration Fee	16,000,000	16,431,000	2.69%

Heritage Trust Fund Fee	640,000	657,240	2.69%
Recording Fees	1,530,000	1,530,000	0.00%
Prisoner Boarding Charges	1,050,000	1,000,000	-4.76%
Police Protection Charges	785,372	794,436	1.15%
911 Wireline Telephone Tax	1,032,770	875,000	-15.28%
911 Wireless Telephone Fee	1,300,000	1,326,000	2.00%
Contractor Licensing Fees	675,000	673,200	-0.27%
Med-Act User Fees	4,800,000	4,900,000	2.08%
Section 8 Rental Assistance	9,822,061	10,000,000	1.81%
Community Development Block Grant	1,256,000	1,256,000	0.00%
Parks Enterprise Charges	18,732,137	18,757,259	0.13%
System Development Charge	687,617	595,708	-13.37%
Wastewater Connection Fee	2,775,026	2,404,107	-13.37%
Capital Finance Charge (EDU)	24,845,366	30,721,162	23.65%
Wastewater User Charge	30,552,506	32,457,330	2.39%
Delinquent Wastewater User Charge *	500,000	n/a	n/a
Diversion Fees	807,442	839,191	3.93%
Total **	\$414,670,429	\$402,405,885	-2.96%

* Delinquent Wastewater User charge is no longer a Major Revenue Source for FY 2009

** The 2009 Public Safety Sales Tax was approved August 5th, 2008. The Major Revenues do not include this additional sales tax revenue.

1. Ad Valorem Tax

The Ad Valorem Tax is the largest single revenue source available to Kansas counties. These revenues are derived from taxes levied on real property, personal property, and state assessed utilities. The Johnson County Appraiser values real and personal properties, while the State of Kansas assigns values to state assessed utilities.

The Ad Valorem Tax generates \$182 million for the FY 2009 Budget. Ad Valorem Taxes are generated from the County's assessed valuation, which is \$8.25 billion for the FY 2009 Budget. The growth in assessed valuation by taxing district is reflected in the following table.

Comparison of FY 2008 and FY 2009 Assessed Valuation by Taxing District

Taxing District:	2008 Assessed Valuation	2009 Assessed Valuation*	\$ Increase	% Increase
County	\$8,168,949,925	\$8,249,456,410	\$80,506,485	0.99%
Park & Recreation	\$8,168,949,925	\$8,249,456,410	\$80,506,485	0.99%
Library	\$6,815,886,262	\$6,871,037,270	\$55,151,008	0.81%

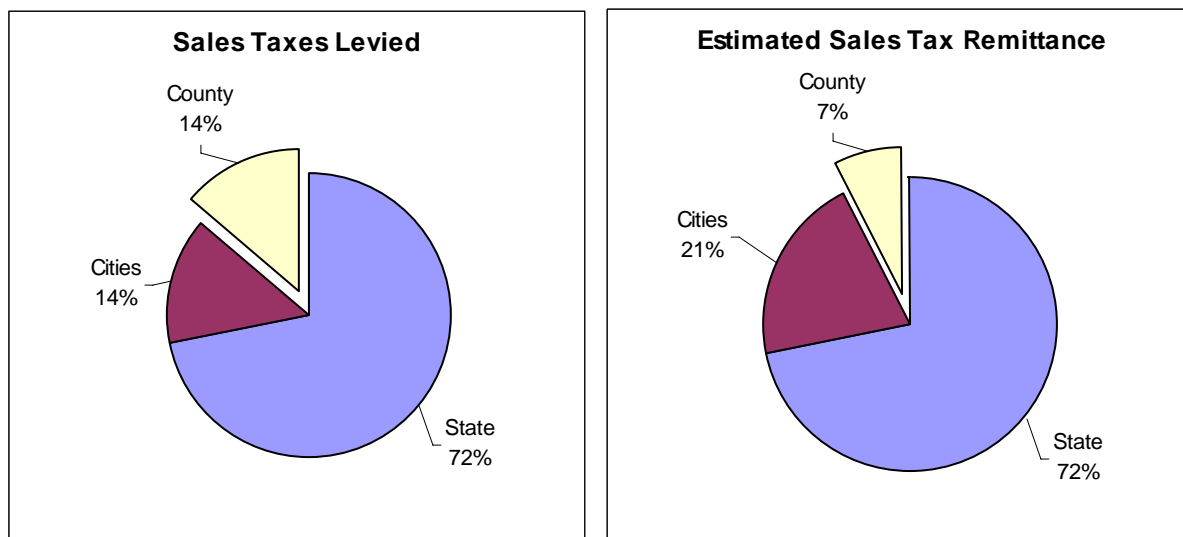
*The assessed valuation for FY 2009 is an estimate. The final assessed valuation for FY 2009 will be published by the County Clerk in mid-December.

2-5. Sales Taxes (Local, Stormwater, and Public Safety Sales Tax).

The total sales tax rate in Johnson County for FY 2009 is 7.40%. The State levies 5.3% while most cities levy 1%. Some cities levy more than 1% with an additional sales tax. In FY 2009, Johnson County will levy four Countywide sales taxes totaling 1.10% (Local - 0.5%, Stormwater - 0.1%, Public Safety - 0.25%, Public Safety 2009 – 0.25%). The Economic Development Sales Tax of .25% will sunset December 31, 2008. In August 2008, an election was held, and passed to renew the existing Economic Development quarter cent sales tax, with no sunset provision, to be used for public safety programs. Due to of the timing of this election, the continuation of this .25% sales tax is not part of the FY 2009 budget.

While the County will levy a rate of 1.10%, an estimated rate of .555% is retained by the County. The reason for the variation is that a portion of both the Local Sales Tax and the Public Safety Sales Tax is remitted to the cities.

Comparison of Sales Taxes Levied and Retained



The "Sales Taxes Levied" pie chart above includes the amounts levied by the various jurisdictions. In contrast, the "Estimated Sales Tax Remittance" chart includes the sales taxes that are received by each entity. The "County" share of remittance represents the taxes that fund County programs and services.

Fluctuations in annual growth rates for each of the four sales taxes are demonstrated in the table below.

Actual/Projected Sales Tax Collections

Fiscal Year	Local Collections	Local Growth	SW Collections	SW Growth	PS Collections	PS Growth	Econ. Dev. Collections	Econ. Dev. Growth
2000	\$11,533,959	11.12%	\$8,314,694	5.05%	\$13,276,851	6.31%	0	N/A
2001	\$11,898,206	3.16%	\$8,586,784	3.27%	\$13,708,025	3.25%	0	N/A
2002	\$12,099,201	1.69%	\$8,739,648	1.78%	\$13,951,221	1.77%	0	N/A
*2003	\$11,866,042	-1.93%	\$8,647,845	-1.05%	\$13,726,320	-1.61%	\$13,839,828	N/A
2004	\$12,023,597	1.33%	\$8,860,899	2.46%	\$14,082,054	2.59%	\$14,082,054	1.75%
2005	\$12,210,529	1.55%	\$9,140,255	3.15%	\$14,477,986	2.81%	\$14,477,986	2.81%
2006	\$12,855,163	5.28%	\$9,299,258	1.74%	\$14,837,759	2.48%	\$14,837,759	2.48%
2007	\$13,435,845	4.52%	\$9,687,410	4.17%	\$15,468,118	4.25%	\$15,468,118	4.25%
2008	\$13,704,562	2.00%	\$9,881,158	2.00%	\$15,777,480	2.00%	\$15,777,480	2.00%
**2009	\$13,978,653	2.00%	\$10,078,781	2.00%	\$16,093,030	2.00%	\$0	0.00%

* The 2003 Economic Development Sales Tax revenue does not equal the 2003 Public Safety Sales Tax revenue due to an accounting adjustment.

**The 2009 Public Safety Sales Tax that was approved August 5th, 2008, is not included in the FY 2009 Budget.

- Local Sales Tax** – The first sales tax is referred to as the Local Sales Tax and equals one-half of one cent (0.50%). Local Sales Tax revenues are distributed to the County and each of the cities in the County according to a state-mandated formula based upon population and ad valorem taxing effort. The Local Sales Tax is credited to the General Fund. In general, the County receives approximately 27% of these revenues, while cities receive approximately 73%. This tax can be used to support general government services. Projections indicate that Local Sales Tax receipts will increase 2% in FY 2009. The 2% estimate is based on previous history, and the expectation of minimal growth in the economy. The County's share of this revenue source is budgeted at \$13,978,653 for FY 2009.

- **Stormwater Sales Tax** – The second sales tax is known as the Stormwater Sales Tax and equals one-tenth of one cent (0.10%). All of the funds from this tax are remitted to the County to be used for the construction of stormwater management projects. Because the Stormwater Sales Tax is not formula based, projections are based on expected growth rates in taxable sales. Projections indicate that Stormwater Sales Tax receipts will increase 2.00% in FY 2009. The 2% estimate is based on previous history, and the expectation of minimal growth in the economy. Stormwater Sales Tax revenues are budgeted at \$10,078,781 for FY 2009.
- **Public Safety Sales Tax** – Equaling one-quarter of one cent (0.25%), the third sales tax is commonly referred to as the Public Safety Sales Tax because the County's share of the revenues has been specifically dedicated for public safety purposes. The Public Safety Sales Tax went into effect on July 1, 1995 and is distributed to the County and cities under a formula which differs from the one applied to the Local Sales Taxes. The first 50% of the proceeds of the one-quarter cent tax go directly to the County with the second 50% of the proceeds distributed with the same methodology as the Local Sales Tax. In general, the County receives approximately 64% of these revenues, while cities receive approximately 36%. Projections indicate that Public Safety Sales Tax receipts will increase 2.00% in FY 2009. The 2% estimate is based on previous history, and the expectation of minimal growth in the economy. The County's share of this revenue source is budgeted at \$16,093,030 for FY 2009.
- **2009 Public Safety Sales Tax** – The fourth sales tax is the 2009 Public Safety Sales Tax and equals one-quarter of one cent (0.25%). This sales tax is referred to as the 2009 Public Safety Sales Tax because the County's share of the revenues has been specifically dedicated for public safety purposes and approved to begin in FY 2009. The County's share is computed with the same formula as the Public Safety Sales Tax. In general, the County receives approximately 64% of these revenues, while cities receive approximately 36%. Due to timing, the 2009 Public Safety Sales Tax approved August 5th, 2008 is not included within the FY 2009 Budget.

6-9. Use Taxes (Local, Stormwater, and Public Safety Sales Tax).

The Use Tax is a tax applied to goods purchased outside of the State. The tax is imposed on the use, storage, or consumption of tangible personal property in the State. The two different kinds of use tax are the retailers' use tax and the consumers' use tax. The out-of-state retailer remits the use tax on behalf of their Kansas customer for the retailers' use tax, while the purchaser remits the use tax on purchases originating out-of -state for the consumers' use tax.

In the past, collections mainly came from the purchase of vehicles and certain boats. In July 2003, the State legislature passed the Streamlined Sales Tax. This expanded the use tax to include all goods purchased out-of state. Businesses are taxed on the goods they consume for processing, etc. The new legislation caused the County's revenue from use tax to increase at the end of FY 2003. The compliance date for the new legislation was January 1, 2005.

All businesses should be in compliance with the Streamlined Sales Tax. Through the first half of FY 2008, the County has experienced decreased revenues from Use Taxes due to large refunds issued by the Kansas Department of Revenue. These refunds are expected to continue through 2009, thus reducing revenues until all refund issues are resolved. According to the Kansas Department of Revenue all major refunds should be completed by EOY 2009. FY 2008 estimates are expected to decrease 25% and FY 2009 projections are estimated to increase 2.00% compared to FY 2008.

Actual/Projected Use Tax Collections

Fiscal Year	Local Collections	Local Growth	SW Collections	SW Growth	PS Collections	PS Growth	Econ. Dev. Collections	Econ. Growth
2001	\$638,864	N/A	\$461,129	N/A	\$736,125	N/A	N/A	N/A
2002	\$730,117	14.28%	\$530,383	15.02%	\$841,873	14.37%	N/A	N/A
2003	\$997,524	36.63%	\$723,812	36.47%	\$1,153,460	37.01%	\$1,067,646	N/A
2004	\$2,774,698	178.16%	\$2,045,024	182.54%	\$3,249,961	181.76%	\$3,249,961	204.40%
2005	\$3,207,300	15.59%	\$2,396,961	17.21%	\$3,798,035	16.86%	\$3,798,035	16.86%
2006	\$3,287,124	2.49%	\$2,373,744	-0.97%	\$3,788,969	-0.24%	\$3,788,969	-0.24%
2007	\$3,155,517	-4.00%	\$2,292,365	-3.43%	\$3,654,343	-3.55%	\$3,654,343	-3.55%
2008	\$2,366,638	-25.00%	\$1,719,274	-25.00%	\$2,740,757	-25.00%	\$2,740,757	-25.00%
2009	\$2,413,971	2.00%	\$1,753,659	2.00%	\$2,795,572	2.00%	\$0	-100.00%

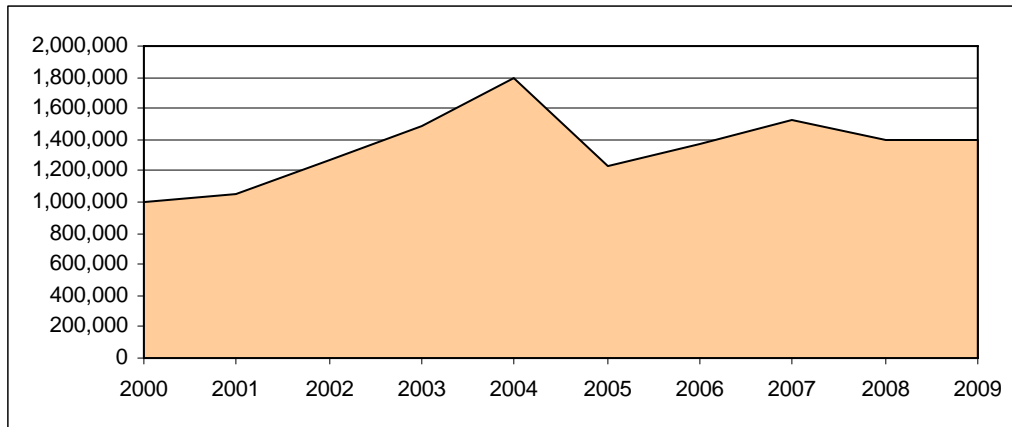
* The 2003 Economic Development Use Tax reflects only 10 months of revenue because the tax started in January 2003, and there is a two month lag in State distributions.

10. Interest from Delinquent Taxes

This revenue reflects interest and penalty payments on unpaid ad valorem or special assessment taxes. This revenue is recognized immediately when the property owner pays the late tax. All of the revenues from this source are credited to the General Fund.

Projections indicate that collections of Interest on Delinquent Taxes for FY 2009 are budgeted to remain flat at \$1,400,000 compared to FY 2008. This is a volatile revenue source, and fluctuates from year to year. The County has projected the revenue to remain flat compared to the 2008 estimate due to the trend which relates to the increased collection efforts of delinquent taxes in the Treasurer's Office. Estimates are conservative, though, because as the Treasurer's Office collects more outstanding delinquent taxes, there will be less to collect in the future. Estimates have also remained conservative due to: 1) a leveling off in the number of tax sales per year; and 2) a reduction in the amount of total outstanding taxes. The graph below provides a ten-year history of Interest on Delinquent Taxes revenue.

Interest on Delinquent Taxes Collections



11. Delinquent Real Property Tax

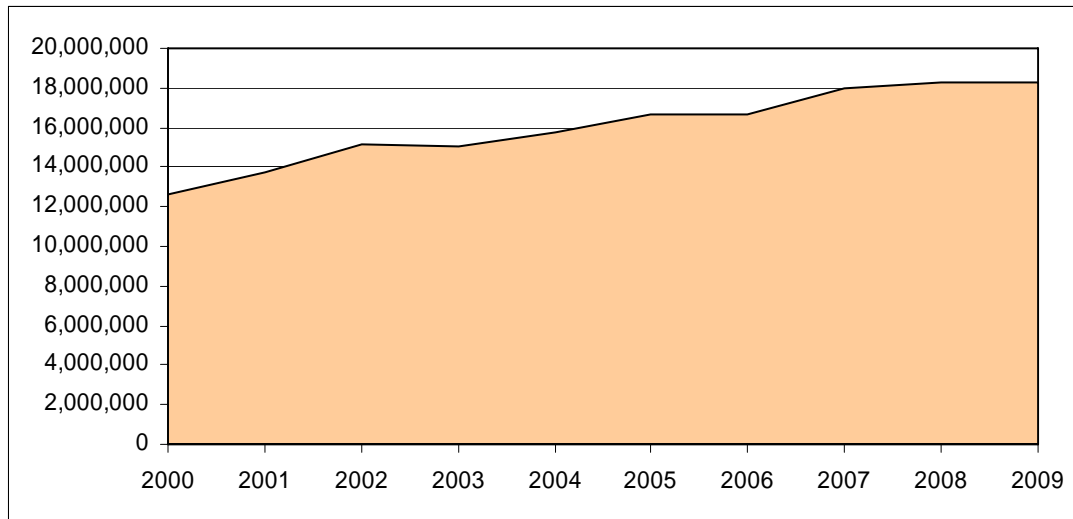
Delinquent Real Property Tax revenues are collected after the close of the current tax year, which closes on the first Tuesday after the first Monday in September. Any collections of real estate taxes after this cutoff date are recorded as delinquent and distributed as such. Delinquent Real Property Tax collections are distributed once annually. This distribution is comprised of the collections for the previous calendar year and normally occurs as part of the January 20th distribution.

FY 2008 revenue was \$1,071,445 and the FY 2009 budget remains relatively flat at \$1,065,821. The FY 2009 budget was calculated by reviewing the percentage increase from the 1st quarter collections in 2008 compared to the 1st quarter collections in 2007, and making a conservative estimate for FY 2009.

12. Motor Vehicle Tax

The Motor Vehicle Tax is applied to vehicles registered in Johnson County. The County Treasurer collects and distributes this tax to all taxing subdivisions according to a state-mandated formula. The chart below provides a ten-year history of the motor vehicle tax.

Motor Vehicle Tax Collections



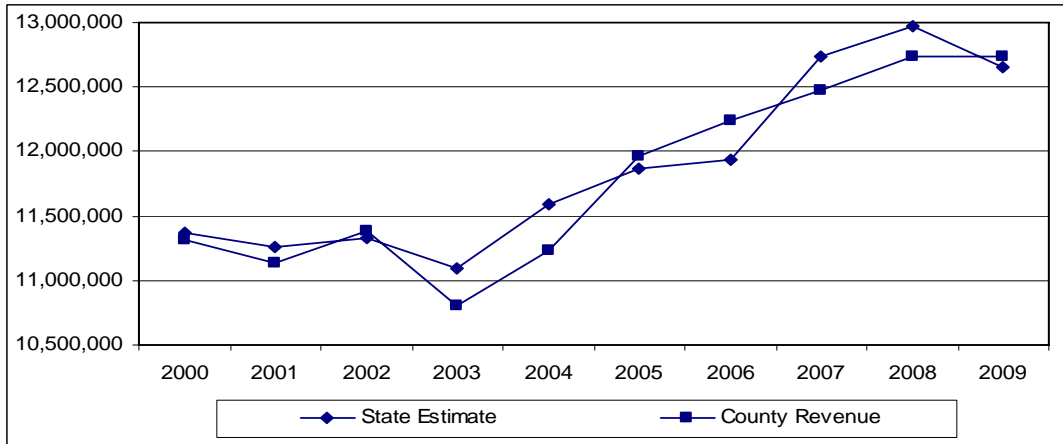
Reacting to the feeling that Kansas car taxes were too high, the 1995 State Legislature passed a bill that reduced the assessment rate from 30% to 20% over five years. Overall, the change in state statutes has a negative impact on the growth of this revenue source, and reduces the rate of growth.

The FY 2009 Motor Vehicle Tax budget is \$18,330,820, an increase of 0.18% from the FY 2008 estimate of \$18,297,285. The increase is based on: 1) expected growth in the market and assessed value of motor vehicles in Johnson County; 2) the stabilization of the assessment rate at 20%; and 3) an increase in the County's share of the average motor vehicle tax rate. The County's share of this revenue source is credited to several County funds.

13. Special Highway Fund

This revenue source represents funds received from the State Gasoline Tax and other fuel taxes. 43% of the receipts are remitted to cities while the remaining 57% is distributed to counties. Johnson County dedicated a portion of its share for the County Assistance Road System (CARS) Program. Projections indicate that FY 2009 collections of Special Highway revenues will remain at the same levels as FY 2008, \$12,731,066. The County compares the State estimate of the revenues to the actual County collections. A conservative estimate is then projected based on these two factors. Revenues from this source are credited to the Public Works Fund. The chart on the following page shows the State's estimates for 2000-2009, and the County's actual collections for 2000-2007 and estimates for 2008-2009.

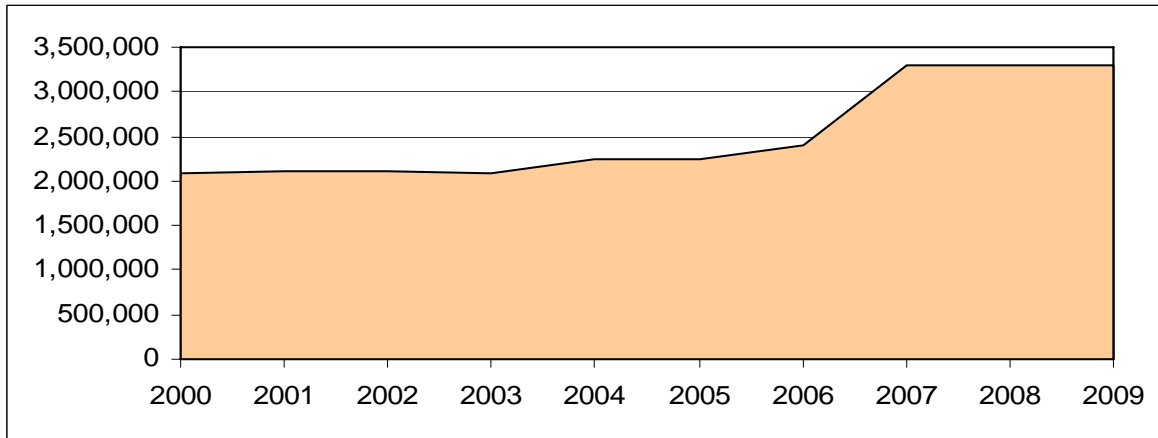
Special Highway Tax



14. Motor Vehicle Registration Fee

This revenue source is composed of fees for administration of the State's annual registration and license fees. The State's annual registration fee is applied to all motor vehicles registered in the County and is based upon classifications of motor vehicles according to weight. The State increased the vehicle registration service fee in 1999 from \$2.25 to \$3.00. During the 2006 legislative session, the State increased the fee from \$3.00 to \$5.00 beginning in FY 2007 which created an increase of 37.75% for FY 2007. The FY 2009 Motor Vehicle Registration Fee is budgeted to remain flat at \$3,305,225. Projections are based on the number of vehicles registered in the County, and the required registration fee for the vehicles. The Motor Vehicle Registration Fee is credited to the General Fund.

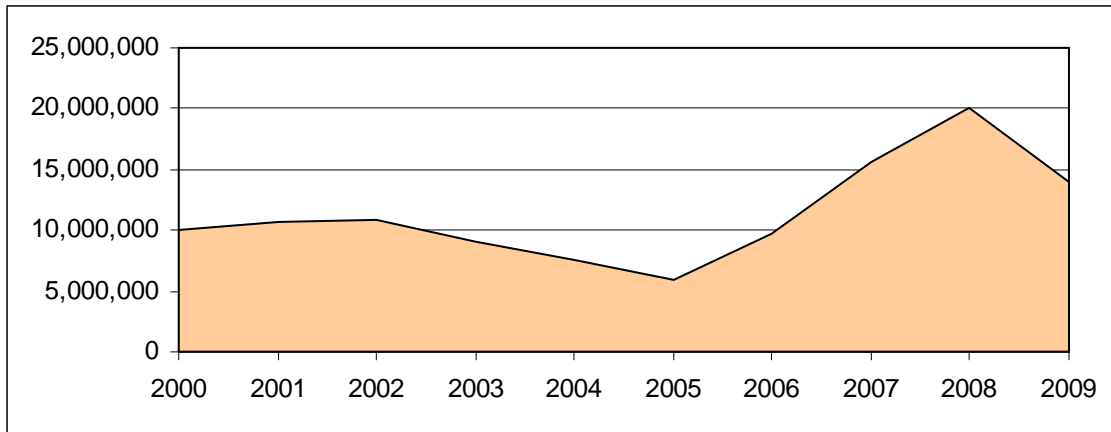
Motor Vehicle Registration Fees



15. Investment Interest

This revenue source reflects interest earned on public funds being held by the County Treasurer until distributed to other taxing subdivisions, as well as interest on County funds held until expended. Two factors which determine investment income are: 1) interest rates, and 2) cash balances available for investment. The rate of return in FY 2009 is projected to range from 2.75% to 3.25%. The chart on the following page provides a ten-year history of Investment Interest collections.

Investment Interest Collections

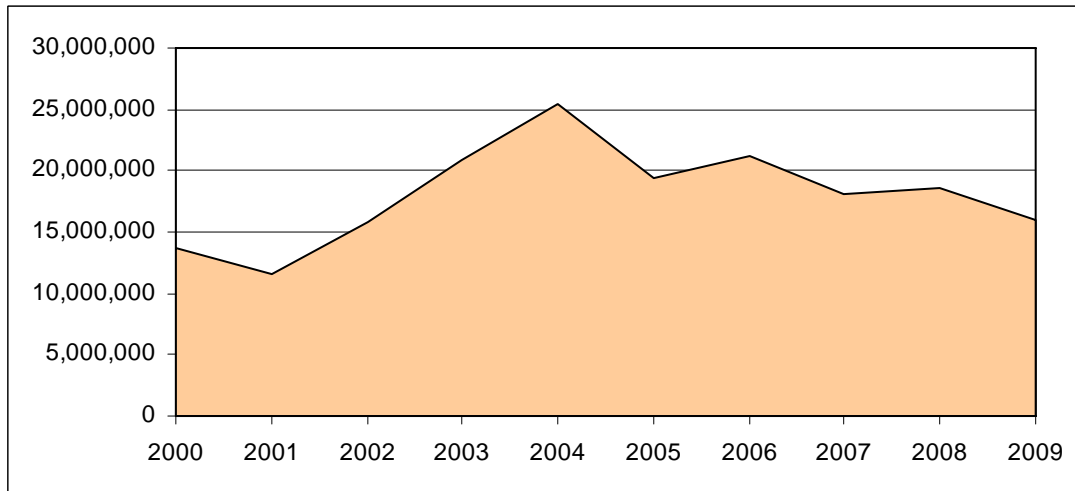


The FY 2009 Investment Interest budget is \$11,250,681, a decrease of (19.53%) from the FY 2008 estimate of \$13,980,835. The budgeting philosophy for Investment Interest is conservative. Generally, cash balances available for investment and the interest rates are estimated at a minimum amount. The return on investment for FY 2007 was 4.96% but is expected to decrease to 3.81% in FY 2008. With the volatility in the market, the FY 2009 return on investment has been conservatively projected at 2.95%. Investment Interest is credited to several County funds based on average cash balances.

16. Mortgage Registration Fee

This revenue source represents fees collected by the Register of Deeds on recorded Johnson County mortgages. The current fee equals .26% of the full indebtedness of the mortgage. One-quarter of one percent (.25%) is distributed to the General Fund and .01% is distributed to the Heritage Trust Fund.

Mortgage Registration Fee Collections



The Mortgage Registration Fee is a highly volatile revenue source as evidenced by the fluctuations in the growth rate illustrated in the chart. The major reasons for these fluctuations are mortgage refinancing activity and interest rate fluctuations. After the decline in the economy and interest rates from FY 2001 to FY 2003, revenues rose to record highs due to an increase in home sales and refinancing activity. Revenue in FY 2004 declined as refinancing activity started to drop off. The FY 2009 Mortgage Registration Fee estimate of \$16,431,000 reflects a 2.69% increase compared to the FY 2008 estimate. This is due to the expectation that the housing market will begin to rebound in FY 2009. The Mortgage Registration Fees are

estimated by analyzing the fee as a percentage of total sales values, and by adding an additional estimate for refinancing activity. These projections only reflect the General Fund revenue.

17. Heritage Trust Fund Fee

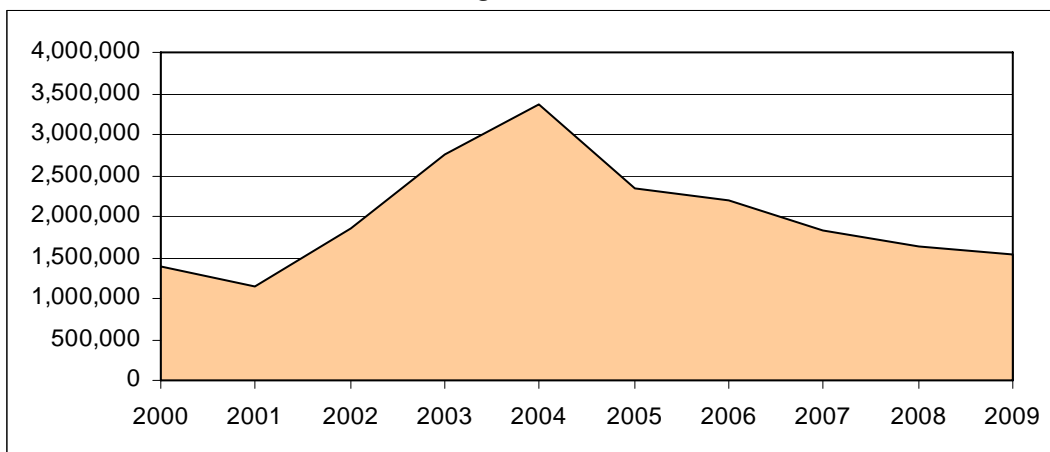
In 1990, the Kansas Legislature increased mortgage registration fees to approximately .26% of the full indebtedness of the mortgage. One quarter of one percent (.25%) is distributed to the General Fund and .01% is sent to the State for the State of Kansas Heritage Trust Fund. In 1991, Johnson County adopted a resolution stating that any additional revenue from the .01% fee, in excess of the first \$100,000, should be kept as a Johnson County Heritage Trust Fund. The establishment of the Johnson County Heritage Trust Fund recognizes the importance of preserving the valuable heritage and history of Johnson County. The Board of County Commissioners intends for the fund to be used to promote, recognize and/or preserve the history and heritage of Johnson County.

The Heritage Trust Fund Fee equals approximately 4% of the Mortgage Registration Fees. This revenue source is similar to the Mortgage Registration Fees, in that, it moves opposite of interest rates. FY 2007 actual collections were \$743,277. FY 2008 is estimated at \$640,000 and FY 2009 at \$657,240.

18. Recording Fee

This revenue source represents fees collected by the Register of Deeds for recording documents. Documents recorded pertain to land transactions, Federal and State tax liens and Uniform Commercial Code filings. Filing fees vary according to the type of documents recorded. The revenues are projected using estimated number of pages recorded and the fees associated with the pages. The chart below provides a ten-year history of Recording Fees revenue. The Recording Fee revenue increased from 2000 to 2003 due to a drop in interest rates causing an increase in documents recorded, and more pages being filed with the Register of Deeds. The increase in revenue was also due to an increase in the size of the required margin of recorded documents. The change in margins caused more pages to be recorded, increasing revenue. Since the change, entities have now started to reduce the number of pages in their documents to cut down on costs, which has also begun to decrease Recording Fee revenue as shown in the graph in 2004. The increase in interest rates and current status of housing market has also caused a decrease in revenue due to a reduction in the number of mortgages being recorded. The FY 2008 and FY 2009 Recording Fee budgets are estimated to remain constant at \$1,530,000 which is a (6.65%) decrease from FY 2007. Recording Fees revenue is credited to the General Fund.

Recording Fees Collections



19-20. Prisoner Boarding Charges and Police Protection Charges

- **Prisoner Boarding Charges** - Revenue is generated from holding municipal prisoners and State parole violators. The charge is \$35 per day for the municipal prisoners, which amounts to approximately 33% of the cost. The State legislature has reduced the reimbursement to the County over the last few years for the State parole violators. The total revenue fluctuates because of the volatility of the number of local prisoners being held each year. Projections are based on the estimated number of local prisoners provided by the Sheriff's Office. FY 2007 actual revenues were \$1,101,053. FY 2008 and FY 2009 are estimated at \$1,050,000 and \$1,000,000.
- **Police Protection Charges** - Revenue is generated from contracted police services with the cities of Edgerton and De Soto. These contracts are only a portion of the total Police Protection Charges revenue. Revenue estimates for the Police Protection Charges are provided by the Sheriff's Office. FY 2007 actual revenues were \$774,599. FY 2008 and FY 2009 are estimated at \$785,372 and \$794,436.

21-22. 9-1-1 Wireline and Wireless Telephone Fee

- **9-1-1 Wireline Telephone Fee** - Revenues are assessed at 2% of the base tariff charges for residential and commercial telephone lines. Presently, that is equivalent to 35 cents per month for residential lines and 75 cents per month for commercial lines. This revenue is decreasing due to customers converting to wireless only phones or eliminating their second phone line in homes, and growth from population/commercial growth is limited. Revenue estimated for the 9-1-1 Wireline Telephone Fee is provided by the Emergency Communications Department. FY 2007 actual revenues were \$1,244,302. FY 2008 and FY 2009 are estimated at \$1,032,770 and \$875,000 respectively.
- **9-1-1 Wireless Telephone Fee** - The 2004 legislature authorized Wireless 9-1-1 Telephone Fee revenues with SB 153. Beginning in July 2004, wireless carriers began collecting a 25 cent fee per month per wireless phone based in Johnson County, and remitting it to the Kansas Association of Counties (KAC) and Kansas League of Municipalities (KLM) who distribute the fees to the counties, and who can keep up to 2% as an administrative fee. This revenue is based on the estimated number of phones in the County. FY 2007 actual revenues were \$1,370,520. FY 2008 and FY 2009 revenues are estimated at \$1,300,000 and \$1,326,000 respectively.

23. Contractor Licensing Fee

The Board of County Commissioners adopted a resolution creating the Contractor Licensing Fund beginning in January 2002. A License Review Board was created, and rules and regulations were adopted for the program.

Contractor Licensing Fees are collected from contractors obtaining their licenses in Johnson County. The registration fee for the first year is \$100, and the annual fee is \$200. This totals a startup fee of \$300 per contractor, with an on-going fee of \$200 per year. FY 2007 actual revenue was \$759,891. FY 2008 and FY 2009 are estimated at \$675,000 and \$673,200 respectively.

24. Med-Act User Fee

Med-Act User Fees are collected when Med-Act transports a patient to the hospital. The rates were increased in January 2005 by 10%. The average charge is \$372 per visit. The transport numbers have stabilized in the last few years.

The collection rate for the revenue is 70%. A collection agency collects the revenue and receives 6.25% of collections as their payment. Med-Act writes off 30% of collections. Revenue estimates are provided by the Med-Act Department based on estimated transports and collection rate. FY 2007 actual revenue was \$5,280,049. FY 2008 and FY 2009 are estimated at \$4,800,000 and \$4,900,000 respectively.

25. Section 8 Rental Assistance

The Section 8 Housing Choice Voucher (HCV) Program is a federally funded program designed to provide subsidies to very low and extremely low-income families, allowing them to locate decent, safe housing while maintaining their rental payments at an affordable level. The program also offers an incentive to private property owners to rent to low-income families by offering timely, consistent subsidy payments.

The Housing Authority administers Section 8 (HCV) for the cities of De Soto, Edgerton, Gardner, Lenexa, Merriam, Mission, Overland Park, Prairie Village, Roeland Park, Shawnee, Springhill and Westwood areas. FY 2008 is estimated at \$9,822,061 and FY 2009 at \$10,000,000.

26. Community Development Block Grant

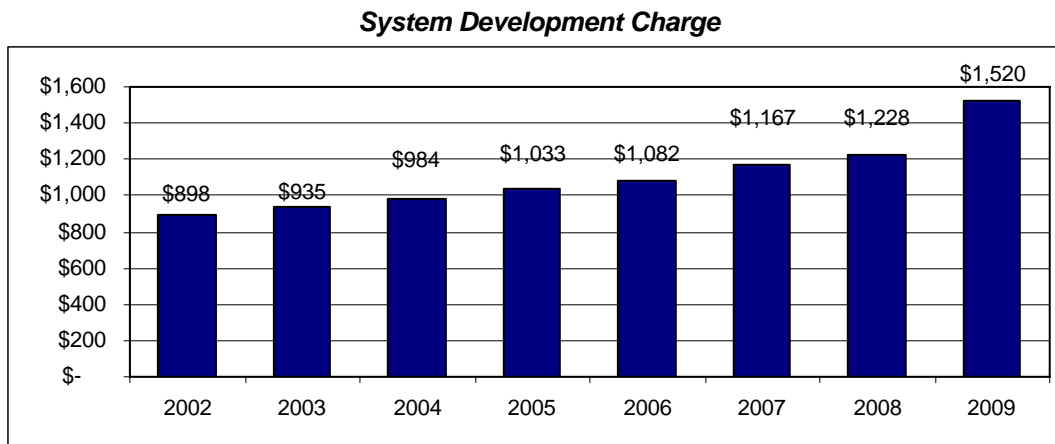
The Community Development Block Grant funds community development activities for low to moderate-income residents throughout Johnson County. FY 2007 actual revenue was \$1,439,572. FY 2008 and FY 2009 are estimated at \$1,256,000.

27. Parks Enterprise Charges

The Park & Recreation Enterprise Fund includes all functions and activities of the District pertaining to recreational activities and facilities which are supported by revenues other than tax dollars, with the exception of employee fringe benefits. Projections are provided by the Park & Recreation Department. FY 2008 and FY 2009 revenues are estimated at \$18,732,137 and \$18,757,259.

28. Wastewater System Development Charge

The System Development Charge is a one-time hookup fee to help fund new sewer construction throughout the district. The charge applies to hookups in districts created since the Sewer Repair and Construction Finance Plan (SRCFP) was approved in 1992. The rate of the System Development Charge is 50% of the Wastewater Connection Fee. The fee has increased from \$825 in FY 2000 to \$1,228 in FY 2008. The FY 2009 fee is set at \$1,520. Projections indicate that FY 2009 collections of the Wastewater System Development Charge will be \$595,708, a 13.37% decrease from the estimated FY 2008 amount of \$687,617. Revenues from this source are credited to the Wastewater SRCFP Fund. Below is a graph that shows the fee from 2002 to 2009.

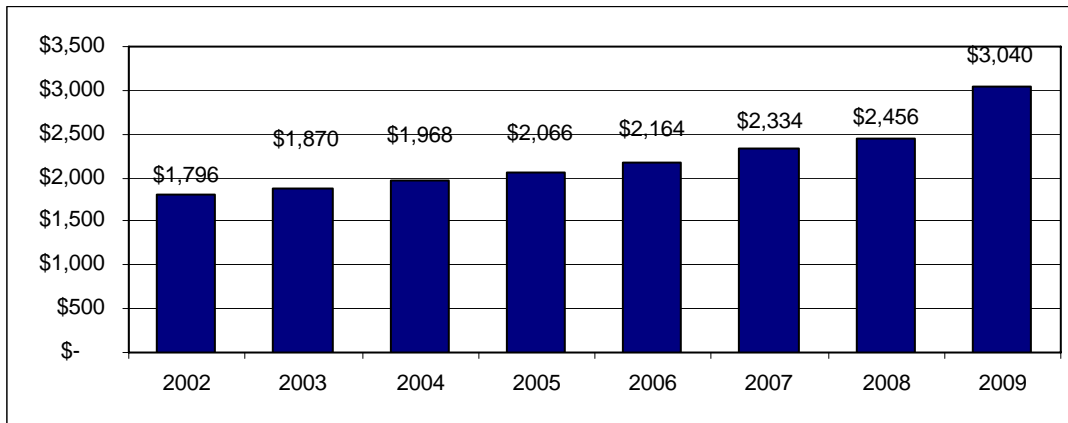


29. Wastewater Connection Fee

The Wastewater Connection Fee is a one-time hookup fee to help fund new sewer construction and repairs of existing facilities and lines throughout the district. Implemented in 1992, the fee remained constant at \$1,500 from 1992 through 1998, and then increased to \$1,575 in FY 1999. The fee increased from \$1,650

in FY 2000 to \$2,456 in FY 2008. The FY 2009 fee is set at \$3,040. Each year, the base connection fee rate is established and adopted in the annual budget resolution. Projections indicate that FY 2009 collections of the Wastewater Connection Fee will be \$2,404,107, a 13.37% decrease from the estimated FY 2008 amount of \$2,775,026. Revenues from this source are credited to the Wastewater SRCFP Fund. Below is a graph that shows the fee from 2002 to 2009.

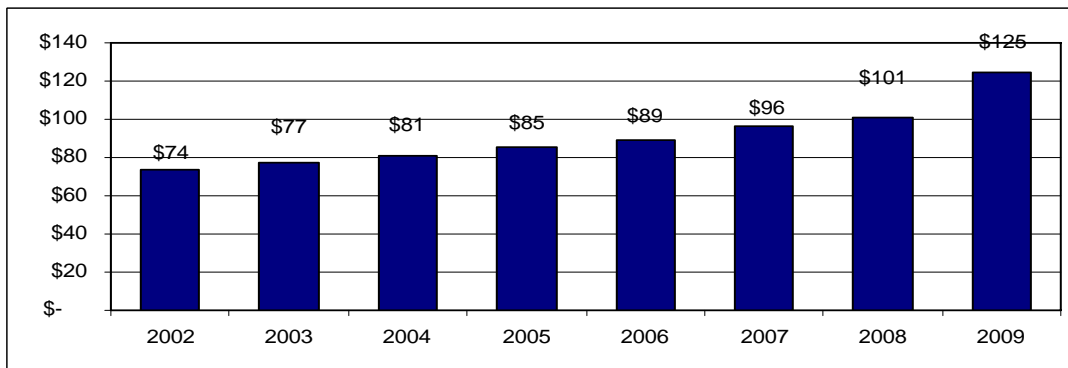
Connection Fee



30. Capital Finance Equivalent Dwelling Unit (EDU) Charge

The Capital Finance EDU Charge is based upon usage characteristics of homes and businesses. This annual charge is placed on a property owner's tax statement. It was first put into effect in FY 1993, and remained constant at \$62 through FY 1998. The fee increased from \$74 in FY 2002 to \$101 in FY 2008. The FY 2009 fee is set at \$125. Each year, the base fee rate is established and adopted in the annual budget resolution. Projections indicate that FY 2009 collections of the EDU charge will be \$30,721,162, a 23.65% increase from the estimated FY 2008 amount of \$24,845,366. Revenues from this source are credited to the Wastewater SRCFP Fund.

Equivalent Dwelling Unit Charge



31. Wastewater User Charge

The Wastewater User Charge System was established in FY 2003 to increase reliance on user fees and decrease reliance on the mill levy. The user charge system was implemented for Johnson County Wastewater to collect charges from all users of the sewer districts based upon the proportional use of the wastewater treatment facilities by the user's class. The user charge system was established for the purpose of payment for the costs of operation and maintenance of the wastewater collection and treatment facilities of the Johnson County Unified Wastewater Districts. The FY 2008 user charge revenue is estimated at \$30,552,506 and the FY 2009 revenue is estimated at \$32,457,330.

32. Diversion Fees

This revenue source represents diversion fees collected from individuals. In 2005 the District Attorney's Office implemented the Traffic Infraction Diversion Program. This program allows individuals, who infrequently receive traffic citations, to enter a program in which they can divert the citations and avoid any convictions on their driving records. Diversion Fees is a new major revenue source for FY 2009 due to the increase in revenue for the New Traffic Diversion Program implemented in October FY 2005. FY 2007 revenues increased 3.4% over FY 2006. Fees are estimated at \$807,442 and \$839,191 for FY 2008 and FY 2009 respectively.

Diversion Fees

