

Debt Management

This Section Includes:

- Debt Management Policies (Page I.2)
- Outstanding County Debt (Page I.3)
- Future Debt Planning (Page I.6)
- Budgeted Debt Service (Page I.7)
- Summary of Outstanding Debt Issues (Page I.9)
- Debt Margin Computation (Page I.14)

Johnson County Debt Management

Overview

In Johnson County, the demand for services continues to increase due to significant population growth. As a result, investments in capital infrastructure are required to maintain the quality of life that attracts people to Johnson County. These investments are financed by the County through both debt instruments and “pay-as-you-go” methods.

It is the County’s policy to consider “pay-as-you-go” methods before issuing any tax-supported debt. Examples of these methods include:

- 1/10-cent sales tax to fund stormwater capital improvements (\$14 million in budgeted expenditures for FY 2016);
- 1/4-cent sales tax to fund public safety projects approved in August 2008;
- Dedicated funding for the County Assistance Road System (CARS) capital program (\$13.7 million in budgeted expenditures for FY 2016);
- On-going ad valorem support for various infrastructure maintenance capital projects (\$5.6 million in budgeted expenditures for FY 2016).

However, it is not feasible for the County to fund all capital improvements with “pay-as-you-go” methods as capital infrastructure requirements increase with the population. Funding for infrastructure maintenance capital projects for FY 2016 has been increased from a historical \$1.8 million to \$5.6 million and is being funded with a slight increase to ad valorem taxes.

Each year, the County prepares a five-year Capital Improvement Program (CIP) that includes “pay-as-you-go” and debt-financed capital improvement projects. With the annual CIP, the County is able to integrate capital improvement financing with the annual operating budget. This integration allows the County to assess and manage CIP impacts on tax rates, user fee rates, fund balances, and the level of outstanding debt.

Debt Management Policies

The County adopted revised debt management policies on December 19, 2002 through Resolution 122-02. On May 2, 2013, the County amended these policies to clarify the County’s intent to comply with regulatory standards as noted in the eighth objective below. An overall summary of all County financial policies has been included in the section Budget Structure and Policies. The objectives for adopting such policies are:

1. To preserve the public trust and prudently manage public assets to minimize costs to the taxpayers and ensure current decisions do not adversely affect future generations.
2. To maintain the County’s ability to obtain access to the municipal bond market at favorable interest rates in amounts needed for capital improvements, economic development, and facilities or equipment to provide essential County services.
3. To minimize borrowing costs and preserve access to credit markets.
4. To seek to minimize debt interest costs whenever prudent in consideration of other cost factors and/or tax burden.
5. To maintain a balanced relationship between debt service requirements and current operating costs, encourage growth of the tax base, actively seek alternative funding sources, minimize interest costs and maximize investment returns.
6. To assess all financial alternatives for capital improvements prior to issuing debt. These could include categorical grants, loans, or state/federal aid.
7. To preserve the County’s flexibility in capital financing by maintaining an adequate margin of statutory debt capacity.
8. To maintain compliance with regulatory standards such as, but not limited to, Internal Revenue Service (IRS) codes and regulations.

The County lists forty specific debt management guidelines in Resolution 122-02 in accordance with the objectives stated above. Key guidelines are:

1. The County shall maintain good communications with bond rating agencies to ensure a complete and clear understanding of the creditworthiness of the County.
2. The County should market its debt issues on a competitive basis, unless specific criteria are met.
3. If a negotiated sale is advised, the County will competitively select the underwriter(s) needed to accomplish the structuring, marketing, pricing, and sale of the bonds.
4. For capital needs of enterprise operations, debt financing should be considered so that the ratepayers who utilize the capital improvement over the life of the improvement are required to support the capital financing. Although a pay-as-you-go (cash) strategy for enterprise operations may reduce interest costs, it may also increase user rates well above equitable and affordable levels.
5. The County shall identify a reserve level for debt service equal to a minimum of 5% of the annual principal and interest due on outstanding debt in order to ensure adequate debt service liquidity while minimizing the exposure to arbitrage liability, subject to debt covenants requiring a specific reserve in excess of this amount.
6. Proceeds from long-term debt should not be used to fund current operating costs.
7. The scheduled maturities of long-term obligations should be less than the expected economic life of the capital project or asset(s) financed.
8. The County shall seek to maintain a minimum of 20% of its statutory debt capacity.
9. The County shall establish and maintain limitations on the issuance of new property tax-base supported bonded indebtedness which will promote a balanced relationship between expenditures for debt service and current County costs while assisting in minimizing the overall property tax burden.
10. General obligation bonds supported by property taxes should be used to finance only those capital improvements and long-term assets which have been determined to be essential to the maintenance or development of the County.
11. General obligation bonds supported by property taxes should be used only after considering alternative funding sources, such as federal and state grants and other revenues.
12. Revenue-supported bonds should be used to limit potential dependence on property taxes for those projects with available revenue sources, whether self-generated or dedicated from other sources.

In addition, it is the policy of the Board of County Commissioners (BOCC) for the County to cautiously plan for the potential use of any derivative products. The County will carefully examine these products which usually take the form of non-traditional financing structures, on a case-by-case basis with particular attention to the life-cycle costs and benefits of the given product.

Outstanding County Debt

Johnson County's authority to issue debt is governed by several State of Kansas statutes. Generally, debt can be issued after a majority vote at an election or after publication of the intention of the County to issue debt. Once published, the intent to issue debt becomes subject to a general election only if a protest petition signed by the required percentage of qualified electors is filed with the County Election Commissioner (within a certain number of days after publication).

The Kansas legislature has designated Johnson County as an urban county. This designation permits the County, under "Home Rule" charter resolutions, to issue debt for sewer construction purposes by action of the BOCC without a vote of the residents. The "Home Rule" charter does provide for public hearings on the establishment of special districts and the funding of the improvements for those districts. Also, "Home Rule" charter resolutions allow the County to issue debt for computer hardware/software, radio equipment, and transportation vehicles by action of the BOCC without voter approval.

The County historically has used the following debt instruments to finance investments in capital infrastructure:

- General Obligation bonds and notes (Wastewater and other improvements).
- Special Assessment bonds and notes (Sewer and Road improvements).
- Revenue bonds (Airport and Park and Recreation projects).
- State of Kansas revolving loans (Airport and Wastewater projects).
- Capital Lease obligations (includes leases with the Public Building Commission).

A summary of the County's outstanding debt as of October 1, 2015, is provided on pages I.9 through I.14. State of Kansas statutes impose limits on the amount of outstanding debt issued for certain purposes. These limits are based on the County's ETV, or Equalized Tangible Valuation (which is the sum of the County's tax roll value, motor vehicle value, and recreational vehicle value), and are summarized as follows:

	Legal Debt Limit	
		12/31/14
Purpose of Debt	Maximum % of ETV	Maximum Amount of Debt
General	3.00%	\$266,670,103
Airport	1.00%	\$87,434,446
Streets	2.00%	\$178,079,372
Library	2.00%	\$147,574,034

As previously stated in this document, the County seeks to maintain a minimum of 20% of the statutory debt capacity for each debt purpose. The following chart summarizes the County's debt capacity available as of December 31, 2014, and the estimated debt capacity available as of December 31, 2016:

	Legal Debt Margin			
	12/31/14	12/31/14	12/31/16*	12/31/16*
Purpose of Debt	Debt Margin (\$)	Debt Margin (%)	Debt Margin (\$)	Debt Margin (%)
General	\$266,670,103	99.83%	\$281,169,840	99.99%
Airport	\$87,434,446	98.2%	\$90,357,810	96.4%
Streets	\$178,079,372	100.00%	\$187,466,560	100.00%
Library	\$147,574,034	100.00%	\$155,309,837	99.98%

*Calculations as of 12/31/13 are based on conservative estimates for the County's Equalized Tangible Valuation (ETV).

The Debt Margin (\$) is the maximum amount of debt that may be issued. Debt Margin (%) is the percentage of debt capacity available to be issued.

Based on current estimates, the County will maintain in excess of 20% of the statutory debt capacity for each purpose of debt through the year 2016. It is important to note that State of Kansas statutes impose no limit on the amount of sewer debt. Also, no State debt limitations exist for any items that are funded with revenue bonds.

In accordance with State of Kansas statutes, Johnson County has created its own Public Building Commission (PBC). The PBC is a separate legal entity with a governing body comprised of the members of the BOCC. The PBC has the authority to acquire, build, and/or renovate facilities, and to lease these facilities to the County. In addition, the PBC has authority to issue revenue bonds to finance the acquisition, construction, and/or renovation of facilities, with repayment of the bonds financed with lease revenues from Johnson County. A summary of the PBC's outstanding debt as of October 1, 2015, is provided on pages I.12 and I.13. State of Kansas statutes impose no limit on the amount of PBC debt that can be outstanding.

One objective of the County's debt management policies is to maintain and improve the County's current credit ratings so that borrowing costs are minimized and access to credit is preserved. In general, a credit

rating is an independent summary judgment on the willingness and ability of a debt issuer to make full and timely debt service payments to investors. Both the County's general obligation bonds and the PBC's lease purchase revenue bonds are rated by Moody's Investors Service and Standard & Poor's Ratings Services.

The County's credit ratings as of June 11, 2015 are reflected in the table below:

Credit Ratings as of June 11, 2015	
<u>Rating Entity</u>	<u>County Bond Rating</u>
Moody's Investors Service	Aaa/Stable
Standard & Poor's Ratings Services	AAA/Stable
Fitch's Ratings	AAA/Stable

Moody's Investors Service has assigned an Aaa rating with the issuance of the Johnson County's \$42.2 million Internal Improvement general obligation bonds, Series 2007A. This rating reflects an upgrade from Aa1 for the general obligation bonds. When rating the County's debt, Moody's Investors Service commented that the "highest quality Aaa rating" reflects:

- Johnson County's sizable and wealthy tax base located within the Kansas City metropolitan area
- Well-managed finances with ample reserves
- Stable financial operations and strong management team
- Affordable debt levels with average principal retirement

Moody's Investors Service also assigned an Aaa to Public Building Commission's (PBC) Lease Purchase Revenue bonds, an upgrade from Aa2, affecting \$148 million of outstanding debt. According to Moody's Investors Service, the highest quality Aaa rating reflect the strong legal provisions that provide bondholder security as well as the credit strength inherent in the County's long-term General Obligation rating of Aaa.

Johnson County has been rated 'AAA' from Standard & Poor's Rating Services since 1999 for its general obligation bonds. In February 2007, Standard & Poor's Rating Services also upgraded the Public Building Commission's rating to 'AAA,' the highest rating that can be attained. Standard & Poor's Rating Services upgrade of PBC's bond rating by one notch from 'AA+' to 'AAA' reflects a lease amendment with annual base rentals no longer subject to annual renewal; therefore, constituting eliminating the appropriation risk by the County. Standard & Poor's Rating Services stated that the 'AAA' rating reflects their assessment of the following factors:

- Economy that benefits from participation in the broad and diverse economy of the Kansas City metropolitan area
- Very strong budgetary flexibility, performance and projected structural improvement
- Very strong liquidity providing very strong cash levels to cover debt service and expenditures
- Strong management conditions with strong financial practices and policies
- Very strong debt and contingent liabilities position, driven by county's low direct debt burden
- Strong institutional framework

Fitch Ratings has assigned Johnson County its AAA, the highest rating that can be attained. The rating was first received in November 2009 and was recently reaffirmed in November, 2014. Fitch Ratings has assigned the Public Building Commission AA+. The rationale for the County's AAA rating is based on the following factors:

- Local economy is deep and diverse and residents display a superior socioeconomic profile.
- Officials have demonstrated judicious financial management driven by conservative budgeting and prudent formal financial policies.

- County's financial flexibility should remain strong even after planned reduction of reserves for the next several years, and the county's low tax rate provides additional flexibility.
- County's fixed-cost burden is low, helped by the county's practice of funding a substantial amount of its capital needs on a pay-as-you-go basis.
- Overall debt burden is manageable and pension costs, though increasing, are still moderate.

Johnson County, Kansas is one of approximately forty counties in the United States to earn the "Triple A" designation from all three rating agencies.

Future Debt Planning

The County prepares a five-year Capital Improvement Plan (CIP) which is updated annually. This plan is developed to reflect the County's strategic planning regarding future development and proactive control over debt issuance and management.

A history of the percentage of budgeted pay-as-you-go versus debt financing for the County's CIP since 2011 is reflected in the following table:

Budget Year	Total Capital Appropriation	Pay-As-You-Go Portion	Debt Portion
2011	\$96,535,850	42%	58%
2012	\$123,684,107	43%	57%
2013	\$97,721,468	56%	44%
2014	\$110,696,655	58%	42%
2015	\$132,589,279	43%	57%
2016	\$122,722,599	59%	41%
Total	\$683,949,958		
Annual Average	\$113,991,660	50.1%	49.9%

For FY 2016, the ratio of pay-as-you-go versus debt financing is 59% pay-as-you-go, and 41% debt. This compares to a six-year average of 50.1% pay-as-you-go, and 49.9% debt.

The County has several capital projects that are self-funded with dedicated revenue sources. These include Airport, CARS, Stormwater, Wastewater, and Park and Recreation projects. A second chart excluding the self-funded projects is presented below:

Budget Year	Total Capital Appropriation	Pay-As-You-Go Portion	Debt Portion
2011	\$13,550,060	100%	0%
2012	\$34,355,342	54%	46%
2013	\$16,126,555	100%	0%
2014	\$23,207,315	51%	49%
2015	\$36,157,043	33%	67%
2016	\$26,664,345	85%	15%
Total	\$150,060,660		
Annual Average	\$25,010,110	63.1%	36.9%

For FY 2016, the ratio of pay-as-you-go versus debt financing is 85% pay-as-you-go and 15% debt. This is comparable to the six-year average of 63% pay-as-you-go, and 37% debt.

Budgeted Debt Service

The County's budgeted debt service includes general obligation bonds and notes, special assessment bonds and notes, revenue bonds, State of Kansas revolving loans, and capital lease obligations (including leases with Public Building Commission) for existing debt and estimated payments for all pending debt. A breakdown of the FY 2016 budgeted debt service by fund is provided below.

Fund	Principal Payments	Interest Payments	Total Payments
General Fund - PBC Lease Payments	\$6,036,928	\$3,306,560	\$9,343,488
Public Safety Sales Tax 2 (General Fund) – PBC Lease Payments	\$5,620,000	\$4,030,613	\$9,650,613
Debt Service Fund	\$920,000	\$147,450	\$1,067,450
County Building Fund - PBC Lease Payments	\$568,072	\$88,253	\$656,325
Library Special Use Fund – PBC Lease Payments	\$610,000	\$293,156	\$903,156
Airport Fund	\$410,155	\$93,605	\$503,760
Transit Fund – PBC Lease Payments	\$125,000	\$20,868	\$145,868
Wastewater SRCFP Fund	\$20,115,000	\$14,152,900	\$34,267,900
Park & Recreation Funds	\$3,985,000	\$1,287,685	\$5,272,685
Total	\$38,390,155	\$23,421,090	\$61,811,245

The total budgeted debt service for FY 2016 is approximately \$61.8 million.

Total FY 2016 – FY 2020 estimated debt service payments by fund are provided below.

Fund	FY 2016 Total Payments	FY 2017 Total Payments	FY 2018 Total Payments	FY 2019 Total Payments	FY 2020 Total Payments
General Fund – PBC Lease Payments	\$9,343,488	\$9,385,761	\$9,355,393	\$9,296,453	\$9,263,415
Public Safety Sales Tax 2 – General Fund – PBC Lease Payments	\$9,650,613	\$9,676,778	\$9,682,765	\$9,682,375	\$9,689,735
Debt Service Fund	\$1,067,450	\$1,351,372	\$1,202,616	\$1,278,291	\$773,143
County Building Fund – PBC Lease Payments	\$656,325	\$648,848	\$780,850	\$774,300	\$777,000
Library Special Use Fund – PBC Lease Payments	\$903,156	\$900,750	\$902,831	\$909,300	\$905,300
Airport Fund	\$503,760	\$466,362	\$164,702	\$164,404	\$154,681
Transit Fund – PBC Lease Payments	\$145,868	\$151,118	\$145,920	\$150,655	\$0
Wastewater SRCFP Fund	\$34,267,900	\$37,256,700	\$39,960,800	\$45,434,900	\$45,434,900
Park & Recreation Funds	\$5,272,685	\$5,261,779	\$5,508,716	\$4,444,951	\$3,997,097
Total Budgeted Debt Service	\$61,811,245	\$65,099,468	\$67,704,593	\$72,135,629	\$70,995,271

Summary

The BOCC has adopted debt management policies to ensure that Johnson County is able to make all debt service payments in a timely manner. The County integrates capital improvement planning with an annual operating budget to assess and manage tax rates, user fees, fund balances, and outstanding debt. This integration is essential to address the capital infrastructure requirements that come with rapid population growth.

The County's financial position is favorable, as can be seen by the "Triple A" credit rating assigned to the County's general obligation and PBC lease revenue bonds by Standard & Poor's Rating Services and Moody's Investors Service. Current debt levels are manageable and the County's financial reserves remain stable. Sound financial policies, including debt management policies, are in place to maintain the County's financial health in FY 2016 and beyond.

SUMMARY OF OUTSTANDING DEBT ISSUES AS OF OCTOBER 1, 2015
JOHNSON COUNTY, KANSAS

Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
General and Special Obligation Bonds:					
<u>Internal Improvement Bonds, Series 1999A</u> <i>Includes airport improvements, acquisition of computer and radio equipment, and other projects</i>	\$7,982,376	1-Dec-99		1-Sep-19	\$80,625
<u>Library Refunding Bonds, Series 2004B</u> <i>Refunding of a portion of the Library 1999B Series Bonds.</i>	\$4,445,000	1-Oct-04		1-Sep-19	\$1,835,000
<u>Internal Improvement Bonds, Series 2005A</u> <i>Includes constructing combined Crisis Residential and Adult Detoxification Unit</i>	\$1,245,000	15-Nov-05	1-Sep-15	1-Sep-25	\$0
<u>Airport Improvement Bonds, Series 2008A</u> <i>Includes airport improvements at the Johnson County New Century AirCenter.</i>	\$1,960,000	1-May-08		1-Sep-28	\$1,475,000
<u>Airport Refunding Bonds, Series 2008B</u> <i>Refunding of the Airport 1994 Series Bonds.</i>	\$1,505,000	1-May-08		1-Sep-17	\$270,000
<u>Library Refunding Bonds, Series 2008C</u> <i>Refunding the Library 1997B Series Bonds.</i>	\$1,410,000	1-May-08		1-Sep-17	\$270,000
<u>Library Refunding Bonds, Series 2010B</u> <i>Refunding the Library 1998B, 2001B and 2002C Series Bonds.</i>	\$4,470,000	3-Jun-10		1-Sep-20	\$1,080,000
<u>Parks Refunding Bonds, Series 2010A</u> <i>Refunding Parks Series 1999 - Big Bull Creek</i>	\$3,625,000	11-Feb-10		1-Sep-19	\$1,595,000
<u>Refunding Bonds, Series 2010D</u> <i>Refunding 2003A and 2003B Series Bonds</i>	\$1,125,000	28-Oct-10		1-Sep-12	\$335,000
<u>Library Bonds, Series 2010E</u> <i>Land acquisition for future library site</i>	\$740,000	28-Oct-10		1-Sep-20	\$385,000
<u>Refunding Bonds, Series 2012B</u> <i>Refunding of Series 2005A</i>	\$730,000	15-Aug-12		1-Sep-25	\$730,000
Total General and Special Obligation Bonds:	<u>\$29,237,376</u>				<u>\$8,055,625</u>

SUMMARY OF OUTSTANDING DEBT ISSUES AS OF OCTOBER 1, 2015
JOHNSON COUNTY, KANSAS

Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
Wastewater General Obligation Bonds:					
<u>Wastewater, Series 2005A</u> <i>Includes improvements to the wastewater system.</i>	\$44,935,000	15-Nov-05	1-Sep-15	1-Sep-25	\$0
<u>Wastewater, Series 2007A</u> <i>Includes improvements to the wastewater system.</i>	\$42,220,000	1-Mar-07	1-Sep-17	1-Sep-26	\$4,000,000
<u>Wastewater, Series 2007B</u> <i>Includes improvements to the wastewater system.</i>	\$24,590,000	15-Nov-07	1-Sep-17	1-Sep-27	\$2,800,000
<u>Wastewater, Series 2008A</u> <i>Includes improvements to the wastewater system.</i>	\$26,585,000	1-May-08		1-Sep-28	\$22,890,000
<u>Wastewater, Series 2008B</u> <i>Refunding of outstanding Series 1996A and 1998A Bonds</i>	\$475,000	1-May-08		1-Sep-16	\$25,000
<u>Wastewater, Series 2008D</u> <i>Includes improvements to the wastewater system.</i>	\$10,425,000	1-Nov-08		1-Sep-28	\$9,010,000
<u>Wastewater, Series 2009A</u> <i>Includes improvements to the wastewater system.</i>	\$16,345,000	15-May-09		1-Sep-29	\$14,100,000
<u>Wastewater, Series 2009B - Taxable Build America Bonds</u> <i>Includes improvements to the wastewater system.</i>	\$20,925,000	17-Dec-09		1-Sep-29	\$17,905,000
<u>Wastewater, Series 2009C</u> <i>Refunding of outstanding Series 2001A, 2001C and 2002B Bonds</i>	\$14,463,175	17-Dec-09		1-Sep-29	\$8,140,000
<u>Wastewater, Series 2010C</u> <i>Includes improvements to the wastewater system.</i>	\$8,605,000	28-Oct-10		1-Sep-30	\$7,385,000
<u>Wastewater, Series 2010D</u> <i>Refunding of outstanding Series 2003A and 2004A</i>	\$11,725,000	28-Oct-10		1-Sep-24	\$9,200,000
<u>Wastewater, Series 2011A</u> <i>Includes improvements to the wastewater system.</i>	\$16,790,000	10-Nov-11		1-Sep-31	\$14,570,000
<u>Wastewater, Series 2012A</u> <i>Includes improvements to the wastewater system.</i>	\$37,350,000	15-Aug-12		1-Sep-32	\$33,200,000
<u>Wastewater, Series 2012B</u> <i>Refunding of outstanding series 2005A</i>	\$26,275,000	15-Aug-12		1-Sep-25	\$26,275,000
<u>Wastewater, Series 2013A</u> <i>Includes improvements to the wastewater system.</i>	\$40,685,000	22-Oct-13		1-Sep-33	\$37,765,000
<u>Wastewater, Series 2014A</u> <i>Includes improvements to the wastewater system.</i>	\$20,205,000	25-Nov-14		1-Sep-34	\$19,390,000
<u>Wastewater, Series 2014B</u> <i>Refunding of outstanding series 2007A & 2007B</i>	\$38,480,000	25-Nov-14		1-Sep-27	\$38,480,000
Total Wastewater General Obligation Bonds:	<u>\$401,078,175</u>				<u>\$265,135,000</u>
Wastewater Special Assessment Bonds: <i>Wastewater Improvements to be repaid by property owners in the District.</i>					
Joint and Lateral, Series 1999A	\$96,891	1-Dec-99		1-Sep-19	\$19,375
	<u>\$96,891</u>				<u>\$19,375</u>

**SUMMARY OF OUTSTANDING DEBT ISSUES AS OF OCTOBER 1, 2015
JOHNSON COUNTY, KANSAS**

Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
Revenue Bonds:					
<u>Park Revenue Bonds, Series 2000</u> <i>Theatre Renovation</i>	\$877,800	1-Jan-00		1-Sep-15	\$0
<u>Park Revenue Bonds, Series 2003A (COP Issue)</u> <i>MAP2020</i>	\$28,255,000	1-Dec-03		1-Sep-23	\$13,705,000
<u>Park Revenue Bonds, Series 2003B (COP Issue)</u> <i>Okun Fieldhouse</i>	\$2,760,000	1-Dec-03		1-Sep-24	\$1,505,000
<u>Park Revenue Bonds, Series 2010B</u> <i>Refunding of Series 1998 and 2001A bonds.</i>	\$3,310,000	11-Feb-10		1-Dec-18	\$1,070,000
<u>Park Revenue Bonds, Series 2010C (COP Issue)</u> <i>Refunding of Series 1998B bonds</i>	\$3,280,000	11-Feb-10		1-Sep-18	\$1,425,000
<u>Park Revenue Bonds, Series 2010D</u> <i>New Century Fieldhouse</i>	\$4,145,000	1-Nov-10		1-Sep-30	\$3,310,000
<u>Park Revenue Bonds, Series 2011A (COP Issue)</u> <i>Refunding of Foundation Series 2001 and 2002A COP</i>	\$12,475,000	17-Aug-11		1-Sep-22	\$8,500,000
Total Revenue Bonds:	<u>\$55,102,800</u>				<u>\$29,515,000</u>
Wastewater State Revolving Loans:					
<u>Mill Creek</u> <i>Includes plant, sewer, and force main.</i>	\$47,190,000	1-Mar-95		1-Mar-14	\$0
<u>Blue River</u> <i>Includes inflow and infiltration.</i>	\$14,290,397	1-Sep-98		1-Sep-17	\$2,667,512
<u>Mill Creek Regional Plant</u> <i>Includes plant, sewer, and force main.</i>	\$13,583,500	1-Jun-04		1-Mar-26	\$7,195,124
<u>Middle Basin Green Project</u> <i>Includes digester, gas storage, grease receiving station and electricity generators.</i>	\$10,655,100	16-Nov-09		1-Mar-31	\$8,090,124
<u>Lone Elm</u> <i>Includes sewer and pump work</i>	\$1,452,921	1-Sep-13		1-Sep-33	\$836,565
<u>Gardner Lake</u> <i>Includes sewer and pump work</i>	\$8,131,778	1-Sep-13		1-Sep-33	\$4,682,125
Total Wastewater State Revolving Loans:	<u>\$95,303,696</u>				<u>\$23,471,450</u>
 Total Debt of Johnson County:	 <u>\$580,818,938</u>				 <u>\$326,196,450</u>

SUMMARY OF OUTSTANDING DEBT ISSUES AS OF OCTOBER 1, 2015
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS

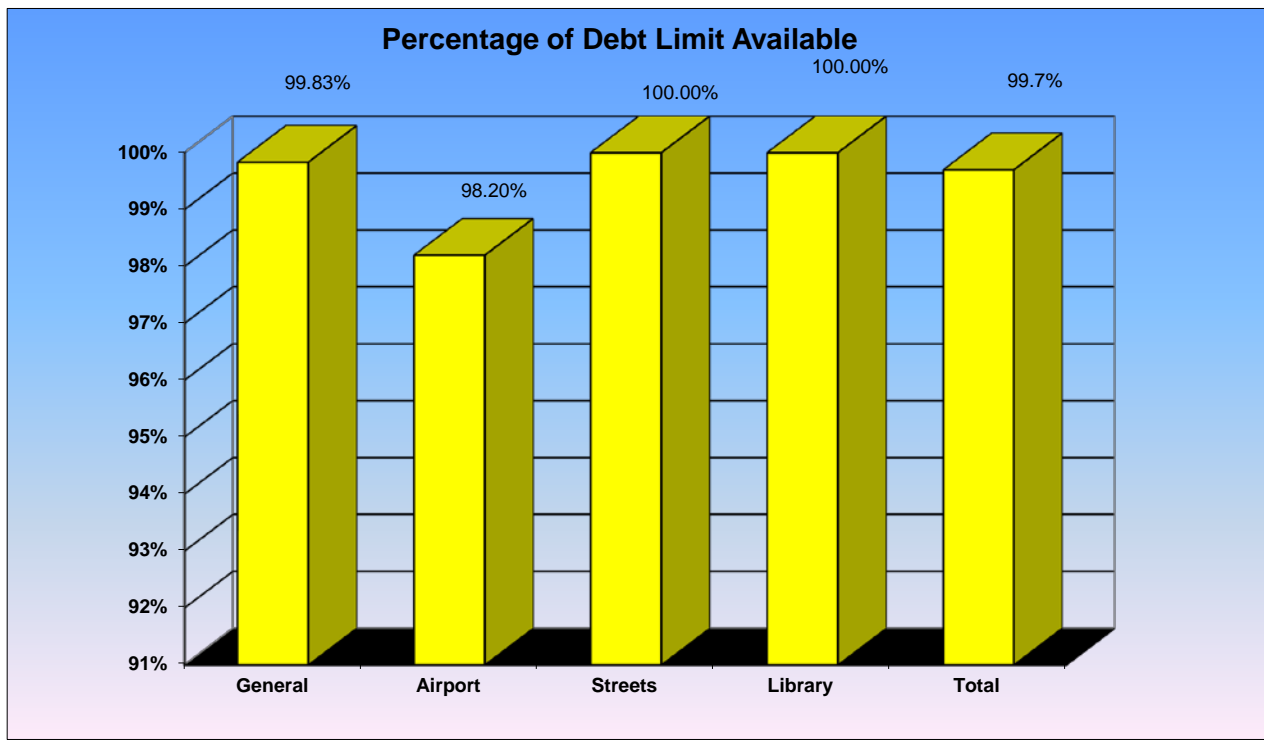
Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
<u>Lease Purchase Revenue Bonds</u>					
<u>Lease Purchase Revenue Bonds, Series 2005A</u>					
Office Building (119th & Ridgeview)	\$355,000				\$0
Warehouse	\$4,905,000				\$0
Remodel	\$6,780,000				\$0
Communications Center	\$11,635,000				\$0
Adult Detention Center Expansion, Phase II	\$4,585,000				\$0
Series 2005A Total:	<u>\$28,260,000</u>	15-Nov-05	1-Sep-15	1-Sep-25	<u>\$0</u>
<u>Lease Purchase Revenue Bonds, Series 2007A</u>					
Adult Detention Center Expansion, Phase II	\$10,500,000				\$6,660,000
Series 2007A Total:	<u>\$10,500,000</u>	1-Mar-07		1-Sep-26	<u>\$6,660,000</u>
<u>Lease Purchase Revenue Bonds, Series 2007B</u>					
Refund 1997A (Current Refunding)	\$3,560,000				\$630,000
Refund 1999A (Crossover Refunding)	\$1,290,000				\$540,000
Series 2007B Total:	<u>\$4,850,000</u>	1-Mar-07		1-Sep-19	<u>\$1,170,000</u>
<u>Lease Purchase Revenue Bonds, Series 2008A</u>					
Communications Center	\$9,050,000				\$6,830,000
Adult Detention Center, Phase II	\$33,540,000				\$25,315,000
Youth & Family Services Center	\$2,340,000				\$1,760,000
JCDS Building (Elmore Center)	\$3,895,000				\$2,940,000
Series 2008A Total:	<u>\$48,825,000</u>	1-May-08		1-Sep-28	<u>\$36,845,000</u>
<u>Library Lease Purchase Revenue Bonds, Series 2008B</u>					
Leawood Pioneer Library	\$5,640,000				\$4,245,000
Series 2008B Total:	<u>\$5,640,000</u>	1-Mar-07		1-Sep-28	<u>\$4,245,000</u>
<u>Lease Purchase Revenue Bonds, Series 2008C</u>					
Adult Detention Center, Phase II	\$10,750,000				\$7,945,000
Series 2008C Total:	<u>\$10,750,000</u>	1-Nov-08		1-Sep-28	<u>\$7,945,000</u>
<u>Lease Purchase Revenue Bonds, Series 2009A</u>					
Youth & Family Services Center	\$11,815,000				\$9,220,000
Criminal Laboratory	\$3,180,000				\$2,495,000
Series 2009A Total:	<u>\$14,995,000</u>	15-May-09		1-Sep-29	<u>\$11,715,000</u>
<u>Lease Purchase Revenue Bonds, Series 2010A - Recovery Zone Economic Development Taxable Bonds</u>					
Public Works Building	\$13,245,000				\$10,580,000
Series 2010A Total:	<u>\$13,245,000</u>	3-Jun-10		1-Sep-30	<u>\$10,580,000</u>

SUMMARY OF OUTSTANDING DEBT ISSUES AS OF OCTOBER 1, 2015
PUBLIC BUILDING COMMISSION OF JOHNSON COUNTY, KANSAS

Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
<u>Lease Purchase Revenue Bonds (Continued)</u>					
<u>Lease Purchase Revenue Refunding Bonds, Series 2010B</u>					
Refund 2002A	\$1,500,000				\$570,000
Refund 2002B	\$4,620,000				\$0
Series 2010B Total:	<u>\$6,120,000</u>	3-Jun-10		1-Sep-22	<u>\$570,000</u>
<u>Lease Purchase Revenue Refunding Bonds, Series 2010C</u>					
Refund 2003A	\$15,920,000				\$11,300,000
Refund 2004A	\$15,590,000				\$12,240,000
Series 2010C Total:	<u>\$31,510,000</u>	3-Jun-10		1-Sep-24	<u>\$23,540,000</u>
<u>Lease Purchase Revenue Bonds, Series 2010D</u>					
Criminal Laboratory	\$7,830,000				\$6,135,000
Youth & Family Services Center	\$3,315,000				\$2,595,000
Olathe Adult Detention Center	\$3,105,000				\$2,435,000
Series 2010D Total:	<u>\$14,250,000</u>	28-Oct-10		1-Sep-30	<u>\$11,165,000</u>
<u>Lease Purchase Revenue Bonds, Series 2011A</u>					
Criminal Laboratory	\$17,155,000				\$14,755,000
Elmore Center (Development Supports Building)	\$490,000				\$420,000
Olathe Adult Detention Center	\$17,750,000				\$15,270,000
Series 2011A Total:	<u>\$35,395,000</u>	28-Oct-10		1-Sep-30	<u>\$30,445,000</u>
<u>Lease Purchase Revenue Bonds, Series 2011B</u>					
Criminal Laboratory	\$1,405,000				\$1,160,000
Olathe Adult Detention Center	\$3,505,000				\$2,900,000
Northeast Office Remodel	\$2,975,000				\$2,465,000
Interim Courthouse	\$8,915,000				\$7,370,000
Series 2011B Total:	<u>\$16,800,000</u>	13-Oct-11		1-Sep-31	<u>\$13,895,000</u>
<u>Lease Purchase Revenue Refunding Bonds, Series 2012A</u>					
Refund 2005A - Office Building (119th & Ridgeview)	\$255,000				\$255,000
Refund 2005A - Warehouse	\$2,890,000				\$2,890,000
Refund 2005A - Remodel Admin/Courthouse Bldgs	\$3,995,000				\$3,995,000
Refund 2005A - Communications Center	\$6,795,000				\$6,795,000
Refund 2005A - Adult Detention Center Expansion, Phase II	\$2,700,000				\$2,700,000
Series 2012A Total:	<u>\$16,635,000</u>	15-Aug-12		1-Sep-25	<u>\$16,635,000</u>
<u>Lease Purchase Revenue Bonds, Series 2014A</u>					
Courthouse	\$1,995,000				\$1,910,000
Series 2014ATotal:	<u>\$1,995,000</u>	25-Nov-14		1-Sep-24	<u>\$1,910,000</u>
<u>Library Lease Purchase Revenue Bonds, Series 2014B</u>					
Central Resource & Monticello Library	\$4,000,000				\$3,615,000
Series 2014B Total:	<u>\$4,000,000</u>	25-Nov-14		1-Sep-24	<u>\$3,615,000</u>
<u>Lease Purchase Revenue Bonds, Series 2015A</u>					
Arts & Heritage Center	\$21,460,000				\$21,460,000
Series 2014ATotal:	<u>\$21,460,000</u>	30-Jun-15		1-Sep-35	<u>\$21,460,000</u>
Total Debt of Public Building Commission:	<u><u>\$285,230,000</u></u>				<u><u>\$202,395,000</u></u>

Johnson County, Kansas
Legal General Obligation Debt Margin Computation
12/31/14

	General	Airport	Streets	Library (3)	Total
Assessed Valuation for Debt Limitation Purposes	\$ 8,903,968,615	\$ 8,903,968,615	\$ 8,903,968,615	\$ 7,378,701,685	\$ 34,090,607,530
Percentage Limitation (1)	3.0%	1.0%	2.0%	2.0%	
Dollar Debt Limit	267,119,058	89,039,686	178,079,372	147,574,034	681,812,150
Outstanding Debt (2)	845,000	1,605,240	-	460,000	2,910,240
Amount Set Aside for Repayment of G.O. Debt	396,045	-	-	460,000	856,045
Net Outstanding Debt	448,955	1,605,240	-	-	2,054,195
Available Legal Debt Margin	<u>\$ 266,670,103</u>	<u>\$ 87,434,446</u>	<u>\$ 178,079,372</u>	<u>\$ 147,574,034</u>	<u>\$ 679,757,955</u>



- (1) Source: 2014 Annual Abstract of Taxes, Johnson County Clerk, Kansas Statutes. General K.S.A. 10-306, Airport K.S.A. 3-307, Streets K.S.A. 68-584, Library K.S.A. 12-1257, Park and Recreation K.S.A. 19-2874.
- (2) Includes all general obligation bonds and notes except voting machine bonds, which are not subject to debt limitation. Also excludes Wastewater General Obligation debt (which is supported by user charges). Does not include debt obligation exempt from statutory limitations. General K.S.A. 25-134, 10-307, 10-427A, 10-311, Airport K.S.A. 3-304, Street K.S.A. 68-728.
- (3) Library total equalized tangible valuation excludes real and personal property located within the city limits of the City of Olathe, Kansas, and the City of Bonner Springs, Kansas.