

Debt Management

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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 (\$13.8 million in budgeted expenditures for FY 2017);
- 1/4-cent sales tax to fund public safety projects approved in August 2008
- While not included in the Adopted FY 2017 budget, the voters approved 1/4-cent sales tax (to be collected from April 2017 through March 2027) to fund a new courthouse, demolish the existing courthouse and a coroner’s facility in November 2016;
- Dedicated funding for the County Assistance Road System (CARS) capital program (\$14.1 million in budgeted expenditures for FY 2017);
- On-going ad valorem support for various infrastructure maintenance capital projects (\$5.3 million in budgeted expenditures for FY 2017).

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.

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 November 1, 2016, 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	
		12/31/15
<u>Purpose of Debt</u>	<u>Maximum % of ETV</u>	<u>Maximum Amount of Debt</u>
General	3.00%	283,574,637
Airport	1.00%	94,524,879
Streets	2.00%	189,049,758
Library	2.00%	156,279,112

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, 2015, and the estimated debt capacity available as of December 31, 2017:

	Legal Debt Margin			
	12/31/15	12/31/15	12/31/17	12/31/17
<u>Purpose of Debt</u>	<u>Debt Margin (\$)</u>	<u>Debt Margin (%)</u>	<u>Debt Margin (\$)</u>	<u>Debt Margin (%)</u>
General	283,574,637	100.00%	302,418,572	99.52%
Airport	93,009,254	98.40%	98,209,209	96.95%
Streets	189,049,758	100.00%	202,589,048	100.00%
Library	156,279,112	100.00%	166,818,686	99.86%

*Calculations as of 12/31/17 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 2017. 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 November 1, 2016, is provided on pages I.13 and I.14. 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 September 27, 2016 are reflected in the table on the next page:

Credit Ratings as of September 27, 2016	
<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 and upgrade reflects:

- Johnson County's sizable and wealthy tax base located within the Kansas City metropolitan area.
- Well managed finances and manageable debt burden.
- Financial operations to remain sound due to prudent financial management.
- Low net direct debt burden.

Moody's Investors Service also assigned an Aaa to the Public Building Commission's (PBC) Lease Purchase Revenue bonds, an upgrade from Aa2 at the same time. 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 also stated, "Furthermore, the county must levy taxes, if necessary, to pay debt service on these bonds and previous issued parity bonds."

In assigning the 'AAA' to the County's bonds, Standard & Poor's Rating Services stated that the "stable outlook reflects the expectation that the County will continue to maintain its strong financial practices which will allow it to maintain its very strong financial operation." It also reflects the expectation that "prudent management of its ongoing capital improvement program will likely allow debt levels to remain manageable."

In assigning the 'AAA' to the County's bonds, Standard & Poor's Rating Services ratings reflect their view that:

- Very strong, broad and diverse economy.
- Very strong management and financial operations supported by established fiscal policies.
- Strong budgetary performance, with balanced operating results in the general fund.
- Very strong budgetary flexibility.
- Very strong liquidity and debt and contingent liability position.
- Strong institutional framework score.

Standard & Poor's Rating Services also deems Johnson County's management practices "very strong" under its Financial Management Assessment, indicating that "practices are strong, well embedded, and likely sustainable."

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, 2015. The rationale for the County's AAA rating is based on the following factors:

- Johnson County is an affluent, well-educated community located near Kansas City and residents display a superior socioeconomic profile.

- Diverse local economy, augmented by extensive employment opportunities.
- Officials have demonstrated consistent judicious financial management driven by conservative budgeting and prudent formal financial policies.
- Sufficient reserves after draws, indicating the County's superior degree of financial flexibility.
- Overall debt burden is low, coupled with a supportable five-year capital improvement plan.

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 2012 is reflected in the following table:

Budget Year	Total Capital Appropriation	Pay-As-You-Go Portion	Debt Portion
2012	\$123,684,107	43%	57%
2013	\$97,721,468	56%	44%
2014	\$110,696,655	58%	42%
2015	\$134,449,279	43%	57%
2016	\$163,306,555	47%	53%
2017*	\$128,624,204	53%	47%
Total	\$758,482,268		
Annual Average	\$126,413,711	49.3%	50.7%

*The 2017 capital appropriation does not include the proposed courthouse and coroner's facility to be financed with the recently approved Public Safety Sales Tax III.

For FY 2017, the ratio of pay-as-you-go versus debt financing is 53% pay-as-you-go, and 47% debt. This compares to a six-year average of 49.3% pay-as-you-go, and 50.7% 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
2012	\$34,355,342	54%	46%
2013	\$16,126,555	100%	—%
2014	\$23,207,315	51%	49%
2015	\$38,017,043	36%	64%
2016	\$68,377,368	42%	58%
2017*	\$34,599,755	50%	50%
Total	\$214,683,378		
Annual Average	\$35,780,563	49.4%	50.6%

*The 2017 capital appropriation does not include the proposed courthouse and coroner's facility to be financed with the recently approved Public Safety Sales Tax III.

For FY 2017, the ratio of pay-as-you-go versus debt financing is 50% pay-as-you-go and 50% debt. This is comparable to the six-year average of 49.4% pay-as-you-go, and 50.6% 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 2017 budgeted debt service by fund is provided below.

Fund	Principal Payments	Interest Payments	Total Payments
General Fund - PBC Lease Payments	\$5,561,928	\$2,327,833	\$7,889,761
Public Safety Sales Tax 2 (General Fund) - PBC Lease Payments	\$5,835,000	\$3,841,778	\$9,676,778
Debt Service Fund	\$1,094,200	\$632,172	\$1,726,372
County Building Fund - PBC Lease Payments	\$1,403,072	\$767,710	\$2,170,782
Library Special Use Fund - PBC Lease Payments	\$1,090,000	\$637,164	\$1,727,164
Airport Fund	\$455,155	\$148,782	\$603,937
Transit Fund - PBC Lease Payments	\$135,000	\$16,118	\$151,118
Wastewater SRCFP Fund	\$20,449,115	\$15,908,964	\$36,358,079
Park & Recreation Funds	\$4,030,000	\$1,212,513	\$5,242,513
Total	\$40,053,470	\$25,493,034	\$65,546,504

The total budgeted debt service for FY 2017 is approximately \$65.5 million.

Total FY 2017 - FY 2021 estimated debt service payments by fund are provided below.

Fund	FY 2017 Total Payments	FY 2018 Total Payments	FY 2019 Total Payments	FY 2020 Total Payments	FY 2021 Total Payments
General Fund - PBC Lease Payments	\$7,889,761	\$8,441,393	\$8,315,847	\$8,285,516	\$8,243,239
Public Safety Sales Tax 2 - General Fund - PBC Lease Payments	\$9,676,778	\$9,638,203	\$9,395,876	\$9,304,405	\$9,288,924
Debt Service Fund	\$1,726,372	\$2,927,616	\$3,003,291	\$2,498,143	\$2,176,325
County Building Fund - PBC Lease Payments	\$2,170,782	\$1,858,384	\$1,850,034	\$1,855,634	\$1,850,534
Library Special Use Fund - PBC Lease Payments	\$1,727,164	\$3,584,831	\$3,591,300	\$3,587,300	\$3,592,510
Airport Fund	\$603,937	\$299,027	\$286,598	\$277,875	\$269,375
Transit Fund - PBC Lease Payments	\$151,118	\$145,920	\$150,655	\$0	\$0
Wastewater SRCFP Fund	\$36,358,079	\$39,960,800	\$43,434,900	\$45,434,900	\$48,025,000
Park & Recreation Funds	\$5,242,513	\$5,468,229	\$6,051,229	\$3,541,363	\$3,379,878
Total Budgeted Debt Service	\$65,546,504	\$72,324,403	\$76,079,730	\$74,785,136	\$76,825,785

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 2017 and beyond.

SUMMARY OF OUTSTANDING DEBT AS OF NOVEMBER 1, 2016
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	01-Dec-99		01-Sep-19	\$ 60,470
<u>Library Refunding Bonds, Series 2004B</u> <i>Refunding of a portion of the Library 1999B Series Bonds.</i>	\$ 4,445,000	01-Oct-04		01-Sep-19	\$ 1,405,000
<u>Airport Improvement Bonds, Series 2008A</u> <i>Includes airport improvements at the Johnson County New Century AirCenter.</i>	\$ 1,960,000	01-May-08	01-Sep-18	01-Sep-28	\$ 185,000
<u>Airport Refunding Bonds, Series 2008B</u> <i>Refunding of the Airport 1994 Series Bonds.</i>	\$ 1,505,000	01-May-08		01-Sep-17	\$ 115,000
<u>Library Refunding Bonds, Series 2008C</u> <i>Refunding the Library 1997B Series Bonds.</i>	\$ 1,410,000	01-May-08		01-Sep-17	\$ 135,000
<u>Library Refunding Bonds, Series 2010B</u> <i>Refunding the Library 1998B, 2001B and 2002C Series Bonds.</i>	\$ 4,470,000	03-Jun-10		01-Sep-20	\$ 875,000
<u>Parks Refunding Bonds, Series 2010A</u> <i>Refunding Parks Series 1999 - Big Bull Creek</i>	\$ 3,625,000	11-Feb-10		01-Sep-19	\$ 1,215,000
<u>Refunding Bonds, Series 2010D</u> <i>Refunding 2003A and 2003B Series Bonds</i>	\$ 1,125,000	28-Oct-10		01-Sep-12	\$ 175,000
<u>Library Bonds, Series 2010E</u> <i>Land acquisition for future library site</i>	\$ 740,000	28-Oct-10		01-Sep-20	\$ 310,000
<u>Refunding Bonds, Series 2012B</u> <i>Refunding of Series 2005A</i>	\$ 730,000	15-Aug-12		01-Sep-25	\$ 665,000
<u>Airport Improvement Bonds, Series 2015A</u> <i>Land acquisition at Johnson County New Century Airport</i>	\$ 1,910,000	17-Dec-15		01-Sep-35	\$ 1,830,000
<u>Airport Refunding Bonds, Series 2015B</u> <i>Refunding of Series 2008A</i>	\$ 1,125,000	17-Dec-15		01-Sep-28	\$ 1,125,000
<u>Internal Improvement Bonds, Series 2016A</u> <i>Refunding of Series 2005A</i>	\$ 1,580,000	27-Oct-16		01-Sep-26	\$ 1,580,000
Total General and Special Obligation Bonds:	\$ 32,607,376				\$ 9,675,470

SUMMARY OF OUTSTANDING DEBT AS OF NOVEMBER 1, 2016
JOHNSON COUNTY, KANSAS

Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
Road Benefit Special Assessment Bonds					
<i>Road Improvements to be repaid by property owners in the Benefit District</i>					
<u>Special Assessment Bonds, Series 2016A</u>					
115th Street West of Homestead Road	\$ 44,400	27-Oct-16		01-Sep-26	\$ 44,400
182nd Street and Wildcat Road	\$ 62,500	27-Oct-16		01-Sep-26	\$ 62,500
Total Special Assessment Bonds:	<u>\$ 106,900</u>				<u>\$ 106,900</u>

SUMMARY OF OUTSTANDING DEBT AS OF NOVEMBER 1, 2016
JOHNSON COUNTY, KANSAS

Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
Wastewater General Obligation Bonds:					
<u>Wastewater, Series 2007A</u> <i>Includes improvements to the wastewater system.</i>	\$ 42,220,000	01-Mar-07	01-Sep-17	01-Sep-26	\$ 2,040,000
<u>Wastewater, Series 2007B</u> <i>Includes improvements to the wastewater system.</i>	\$ 24,590,000	15-Nov-07	01-Sep-17	01-Sep-27	\$ 1,425,000
<u>Wastewater, Series 2008A</u> <i>Includes improvements to the wastewater system.</i>	\$ 26,585,000	1-May-08	01-Sep-18	01-Sep-28	\$ 2,835,000
<u>Wastewater, Series 2008D</u> <i>Includes improvements to the wastewater system.</i>	\$ 10,425,000	01-Nov-08	01-Sep-18	01-Sep-28	\$ 1,090,000
<u>Wastewater, Series 2009A</u> <i>Includes improvements to the wastewater system.</i>	\$ 16,345,000	15-May-09	01-Sep-19	01-Sep-29	\$ 2,495,000
<u>Wastewater, Series 2009B - Taxable Build America Bonds</u> <i>Includes improvements to the wastewater system.</i>	\$ 20,925,000	17-Dec-09		01-Sep-29	\$ 16,855,000
<u>Wastewater, Series 2009C</u> <i>Refunding of outstanding Series 2001A, 2001C and 2002B Bonds</i>	\$ 14,463,175	17-Dec-09		01-Sep-29	\$ 6,835,000
<u>Wastewater, Series 2010C</u> <i>Includes improvements to the wastewater system.</i>	\$ 8,605,000	28-Oct-10		01-Sep-30	\$ 6,965,000
<u>Wastewater, Series 2010D</u> <i>Refunding of outstanding Series 2003A and 2004A</i>	\$ 11,725,000	28-Oct-10		01-Sep-24	\$ 8,350,000
<u>Wastewater, Series 2011A</u> <i>Includes improvements to the wastewater system.</i>	\$ 16,790,000	10-Nov-11		01-Sep-31	\$ 13,815,000
<u>Wastewater, Series 2012A</u> <i>Includes improvements to the wastewater system.</i>	\$ 37,350,000	15-Aug-12		01-Sep-32	\$ 31,720,000
<u>Wastewater, Series 2012B</u> <i>Refunding of outstanding series 2005A</i>	\$ 26,275,000	15-Aug-12		01-Sep-25	\$ 23,945,000
<u>Wastewater, Series 2013A</u> <i>Includes improvements to the wastewater system.</i>	\$ 40,685,000	22-Oct-13		01-Sep-33	\$ 36,355,000
<u>Wastewater, Series 2014A</u> <i>Includes improvements to the wastewater system.</i>	\$ 20,205,000	25-Nov-14		01-Sep-34	\$ 18,735,000
<u>Wastewater, Series 2014B</u> <i>Refunding of outstanding series 2007A & 2007B</i>	\$ 38,480,000	25-Nov-14		01-Sep-27	\$ 38,480,000
<u>Wastewater, Series 2015A</u> <i>Includes improvements to the wastewater system.</i>	\$ 28,605,000	17-Dec-15		01-Sep-35	\$ 27,380,000
<u>Wastewater, Series 2015B</u> <i>Refunding of outstanding series 2008A & 2008D</i>	\$ 24,415,000	17-Dec-15		01-Sep-28	\$ 24,415,000
<u>Wastewater, Series 2016A</u> <i>Includes improvements to the wastewater system.</i>	\$ 32,758,100	27-Oct-16		01-Sep-36	\$ 32,758,100
<u>Wastewater, Series 2016B</u> <i>Refunding of outstanding series 2009A</i>	\$ 10,570,000	27-Oct-16		01-Sep-29	\$ 10,570,000
Total Wastewater General Obligation Bonds:	<u>\$452,016,275</u>				<u>\$ 307,063,100</u>

SUMMARY OF OUTSTANDING DEBT AS OF NOVEMBER 1, 2016
JOHNSON COUNTY, KANSAS

Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
Revenue Bonds:					
<u>Park Revenue Bonds, Series 2010B</u> <i>Refunding of Series 1998 and 2001A bonds.</i>	\$ 3,310,000	11-Feb-10		01-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		01-Sep-18	\$ 1,075,000
<u>Park Revenue Bonds, Series 2010D</u> <i>New Century Fieldhouse</i>	\$ 4,145,000	01-Nov-10		01-Sep-30	\$ 3,135,000
<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		01-Sep-22	\$ 7,395,000
<u>Park Revenue Bonds, Series 2013A (COP Issue)</u> <i>Refunding of Foundation Series 2003A and 2004</i>	\$ 15,670,000	01-Nov-10		01-Sep-23	\$ 11,605,000
<u>Park Revenue Bonds, Series 2015A</u> <i>Park Police Building</i>	\$ 2,490,000	17-Aug-11		01-Sep-35	\$ 2,410,000
Total Revenue Bonds:	<u>\$ 41,370,000</u>				<u>\$ 26,690,000</u>
Wastewater State Revolving Loans:					
<u>Blue River</u> <i>Includes inflow and infiltration.</i>	\$ 14,290,397	01-Sep-98		01-Sep-17	\$ 1,808,059
<u>Mill Creek Regional Plant</u> <i>Includes plant, sewer, and force main.</i>	\$ 13,583,500	01-Jun-04		01-Mar-26	\$ 6,598,536
<u>Middle Basin Green Project</u> <i>Includes digester, gas storage, grease receiving station and electricity generators.</i>	\$ 10,655,100	16-Nov-09		01-Mar-31	\$ 7,664,131
<u>Lone Elm</u> <i>Includes sewer and pump work</i>	\$ 1,452,921	01-Sep-13		01-Sep-33	\$ 766,168
<u>Gardner Lake</u> <i>Includes sewer and pump work</i>	\$ 10,705,671	01-Sep-13		01-Sep-34	\$ 5,875,796
Total Wastewater State Revolving Loans:	<u>\$ 50,687,589</u>				<u>\$ 22,712,690</u>
Wastewater Special Assessment Bonds:					
<i>Wastewater Improvements to be repaid by property owners in the District.</i>					
<u>Joint and Lateral, Series 1999A</u>	\$ 96,891	1-Dec-99		01-Sep-19	\$ 14,530
	<u>\$ 96,891</u>				<u>\$ 14,530</u>

SUMMARY OF OUTSTANDING DEBT AS OF NOVEMBER 1, 2016
JOHNSON COUNTY, KANSAS

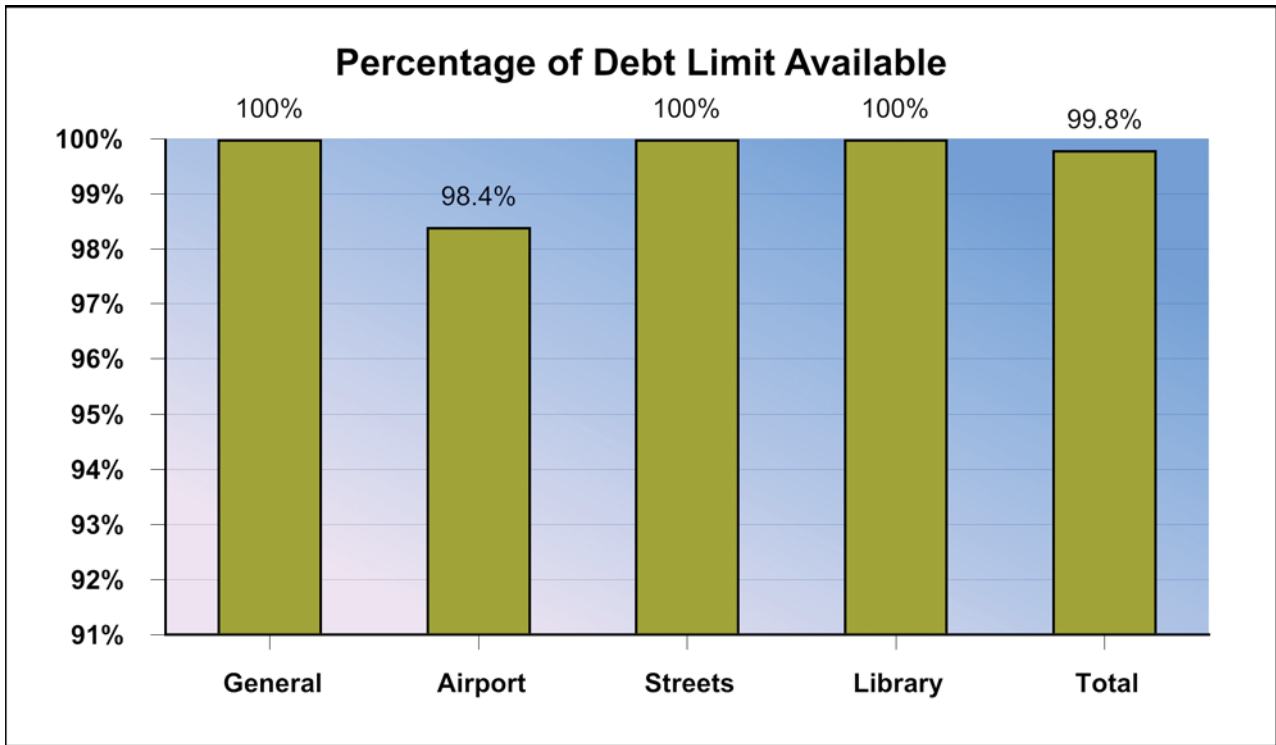
Issue and Purpose	Original Amount	Issue Date	Call Date	Maturity Date	Amount Outstanding
<u>Lease Purchase Revenue Bonds</u>					
<u>Lease Purchase Revenue Bonds, Series 2007A</u>					
Adult Detention Center Expansion, Phase II	\$ 10,500,000				\$ 510,000
Series 2007A Total:	\$ 10,500,000	01-Mar-07	01-Sep-17	01-Sep-26	\$ 510,000
<u>Lease Purchase Revenue Bonds, Series 2007B</u>					
Refund 1997A - Courthouse, Juv. Detention, Med-Act	\$ 3,560,000				\$ 315,000
Refund 1999A - Transit Maintenance Facility	\$ 1,290,000				\$ 415,000
Series 2007B Total:	\$ 4,850,000	01-Mar-07		01-Sep-19	\$ 730,000
<u>Lease Purchase Revenue Bonds, Series 2008A</u>					
Communications Center	\$ 9,050,000				\$ 840,000
Adult Detention Center, Phase II	\$ 33,540,000				\$ 3,115,000
Youth & Family Services Center	\$ 2,340,000				\$ 215,000
Elmore Center (Developmental Supports)	\$ 3,895,000				\$ 360,000
Series 2008A Total:	\$ 48,825,000	01-May-08	01-Sep-18	01-Sep-28	\$ 4,530,000
<u>Lease Purchase Revenue Bonds, Series 2008C</u>					
Adult Detention Center, Phase II	\$ 10,750,000				\$ 960,000
Series 2008C Total:	\$ 10,750,000	01-Nov-08	01-Sep-18	01-Sep-28	\$ 960,000
<u>Lease Purchase Revenue Bonds, Series 2009A</u>					
Youth & Family Services Center	\$ 11,815,000				\$ 1,610,000
Criminal Laboratory	\$ 3,180,000				\$ 435,000
Series 2009A Total:	\$ 14,995,000	15-May-09	01-Sep-19	01-Sep-29	\$ 2,045,000
<u>Lease Purchase Revenue Bonds, Series 2010A - Recovery Zone Economic Development Taxable Bonds</u>					
Public Works Building	\$ 13,245,000				\$ 9,990,000
Series 2010A Total:	\$ 13,245,000	03-Jun-10		01-Sep-30	\$ 9,990,000
<u>Lease Purchase Revenue Refunding Bonds, Series 2010B</u>					
Church Property	\$ 1,500,000				\$ 495,000
Refund 2002B - County Buildings	\$ 4,620,000				\$ —
Series 2010B Total:	\$ 6,120,000	03-Jun-10		01-Sep-22	\$ 495,000
<u>Lease Purchase Revenue Refunding Bonds, Series 2010C</u>					
Refund 2003A - Corrections, Med-Act, Sunset Office	\$ 15,920,000				\$ 10,055,000
Refund 2004A - Sunset Office Building	\$ 15,590,000				\$ 11,050,000
Series 2010C Total:	\$ 31,510,000	03-Jun-10		01-Sep-24	\$ 21,105,000
<u>Lease Purchase Revenue Bonds, Series 2010D</u>					
Criminal Laboratory	\$ 7,830,000				\$ 5,790,000
Youth & Family Services Center	\$ 3,315,000				\$ 2,450,000
Olathe Adult Detention Center	\$ 3,105,000				\$ 2,300,000
Series 2010D Total:	\$ 14,250,000	28-Oct-10		01-Sep-30	\$ 10,540,000

SUMMARY OF OUTSTANDING DEBT AS OF NOVEMBER 1, 2016
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 Bonds, Series 2011A</u>					
Criminal Laboratory	\$ 17,155,000				\$ 14,055,000
Elmore Center (Developmental Supports Building)	\$ 490,000				\$ 400,000
Olathe Adult Detention Center	\$ 17,750,000				\$ 14,545,000
Series 2011A Total:	\$ 35,395,000	28-Oct-10		01-Sep-30	\$ 29,000,000
<u>Lease Purchase Revenue Bonds, Series 2011B</u>					
Criminal Laboratory	\$ 1,405,000				\$ 1,100,000
Olathe Adult Detention Center	\$ 3,505,000				\$ 2,750,000
Northeast Office Remodel	\$ 2,975,000				\$ 2,335,000
Justice Annex/Courthouse	\$ 8,915,000				\$ 6,990,000
Series 2011B Total:	\$ 16,800,000	13-Oct-11		01-Sep-31	\$ 13,175,000
<u>Lease Purchase Revenue Refunding Bonds, Series 2012A</u>					
Refund 2005A - Sunset Office Building	\$ 255,000				\$ 230,000
Refund 2005A - Warehouse	\$ 2,890,000				\$ 2,640,000
Refund 2005A - Remodel Admin/Courthouse Bldgs	\$ 3,995,000				\$ 3,670,000
Refund 2005A - Communications Center	\$ 6,795,000				\$ 6,185,000
Refund 2005A - Adult Detention Center Expansion, Phase II	\$ 2,700,000				\$ 2,480,000
Series 2012A Total:	\$ 16,635,000	15-Aug-12		01-Sep-25	\$ 15,205,000
<u>Lease Purchase Revenue Bonds, Series 2014A</u>					
Courthouse	\$ 1,995,000				\$ 1,715,000
Series 2014A Total:	\$ 1,995,000	25-Nov-14		01-Sep-24	\$ 1,715,000
<u>Library Lease Purchase Revenue Bonds, Series 2014B</u>					
Central Resource & Monticello Library	\$ 4,000,000				\$ 3,250,000
Series 2014B Total:	\$ 4,000,000	25-Nov-14		01-Sep-24	\$ 3,250,000
<u>Lease Purchase Revenue Bonds, Series 2015A</u>					
Arts & Heritage Center	\$ 21,460,000				\$ 20,770,000
Series 2015A Total:	\$ 21,460,000	30-Jun-15		01-Sep-35	\$ 20,770,000
<u>Lease Purchase Revenue Bonds, Series 2015B</u>					
Refund 2007A - Adult Detention Center, Phase II	\$ 5,435,000				\$ 5,435,000
Refund 2008A - Communications Center	\$ 5,530,000				\$ 5,530,000
Refund 2008A - Adult Detention Center, Phase II	\$ 20,490,000				\$ 20,490,000
Refund 2008A - Youth & Family Services	\$ 1,430,000				\$ 1,430,000
Refund 2008A - Elmore Center	\$ 2,380,000				\$ 2,380,000
Refund 2008C - Adult Detention Center, Phase II	\$ 6,460,000				\$ 6,460,000
Series 2015B Total:	\$ 41,725,000	17-Dec-15		01-Sep-31	\$ 41,725,000
<u>Library Lease Purchase Revenue Bonds, Series 2016A</u>					
Monticello Library	\$ 12,720,000				\$ 12,720,000
Refund 2008B - Leawood Library	\$ 3,645,000				\$ 3,645,000
Series 2016A Total:	\$ 16,365,000	27-Oct-16		01-Sep-36	\$ 16,365,000
<u>Lease Purchase Revenue Bonds, Series 2016A</u>					
Youth & Family Services	\$ 7,220,000				\$ 7,220,000
Criminal Laboratory	\$ 1,955,000				\$ 1,955,000
Series 2016A Total:	\$ 9,175,000	27-Oct-16		01-Sep-29	\$ 9,175,000
Total Debt of Public Building Commission:	<u>\$318,595,000</u>				<u>\$ 201,285,000</u>

Johnson County, Kansas
Legal General Obligation Debt Margin Computation
12/31/15

	<u>General</u>	<u>Airport</u>	<u>Streets</u>	<u>Library (3)</u>	<u>Total</u>
Assessed Valuation for Debt Limitation Purposes	\$9,452,487,892	\$9,452,487,892	\$9,452,487,892	\$7,813,955,589	\$36,171,419,265
Percentage Limitation (1)	3.0%	1.0%	2.0%	2.0%	
Dollar Debt Limit	283,574,637	94,524,879	189,049,758	156,279,112	723,428,386
Outstanding Debt (2)	40,000	1,515,625	0	385,000	1,940,625
Amount Set Aside for Repayment of G.O. Debt	40,000	0	0	385,000	425,000
Net Outstanding Debt	0	1,515,625	0	0	0
Available Legal Debt Margin	<u>\$283,574,637</u>	<u>\$93,009,254</u>	<u>\$189,049,758</u>	<u>\$156,279,112</u>	<u>\$723,428,386</u>



- (1) Source: 2015 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.