PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 24, 2020

NEW ISSUES	**Moody's Ratings: Requested**
NOT BANK QUALIFIED	**S&P Ratings: Requested**
	Fitch Ratings: Requested

In the opinion of Gilmore & Bell, P.C. Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the interest on the County Series 2020C Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and not an item of tax preference for purposes of the federal alternative minimum tax; (2) interest on the County Bonds is exempt from income taxation by the State of Kansas; and (3) the County Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). The interest on the County Series 2020D Bonds is included in gross income for federal income tax purposes. See "TAX MATTERS" herein.

Johnson County, Kansas

$5,080,000*	**$52,185,000***
General Obligation Refunding Bonds, Series 2020C	**Taxable General Obligation Refunding Bonds, Series 2020D**
(the "County Series 2020C Bonds")	**(the "County Series 2020D Bonds")**

(General Obligation Bonds Payable From Unlimited Ad Valorem Taxes)

(Book Entry Only)

Dated Date: Date of Delivery

Interest Due: Each March 1 and September 1, commencing March 1, 2021

The County Bonds (as defined herein) will mature as shown on the inside front cover of this Official Statement.

A bidder may elect to have all or a portion of each of the County Bonds scheduled to mature in consecutive years issued as term bonds (the "Term Bonds") scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth on the following page, subject to the following conditions: (a) not less than all County Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY®.

The County Bonds shall be general obligations of the County payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the County. The full faith, credit and resources of the County are irrevocably pledged for the prompt payment of the principal of and interest on the County Bonds as the same become due.

A separate bid must be submitted for each series of County Bonds in the amounts shown below, plus accrued interest, if any. Bidders shall specify rates in integral multiples of 1/100 or 1/8 of 1%. **No interest rate shall exceed a rate equal to the daily yield for the 10-year Treasury Bonds as published by The Bond Buyer in New York, New York, on the Monday preceding the day on which the County Bonds are sold, plus (i) 3% for the County Series 2020C Bonds and (ii) 4% for the County Series 2020D Bonds.** The initial price to the public for each maturity as stated on the bid must be 98.0% or greater. Following receipt of bids for each issue, a good faith deposit will be required to be delivered to the County by the lowest bidder as described in the "Notice of Bond Sale" herein. Award of the County Bonds will be made on a True Interest Cost (TIC) basis (see "Notice of Bond Sale" herein).

	Minimum Bid
The County Series 2020C Bonds	$5,080,000 (Par)
The County Series 2020D Bonds	$51,767,520 (99.2% of Par)

The County will not designate the County Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The County Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the County Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof (the "Authorized Denomination"). Investors will not receive physical certificates representing their interest in the County Bonds purchased. (See "Book Entry System" herein.) The Treasurer of the State of Kansas, Topeka, Kansas will act as registrar and paying agent (the "Registrar and Paying Agent") for the County Bonds. The County Bonds will be available for delivery at DTC on or about November 10, 2020.

PROPOSALS RECEIVED:	**Wednesday, October 14, 2020 until 10:30 A.M., Central Time**
CONSIDERATION OF AWARD:	**Board meeting commencing at 9:30 A.M., Central Time on Thursday, October 15, 2020**

bakertilly MUNICIPAL ADVISORS

Further information may be obtained from Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* *Preliminary; subject to change.*

Johnson County, Kansas

$5,080,000* General Obligation Refunding Bonds, Series 2020C

The **County Series 2020C Bonds** will mature September 1 in the years and amounts* as follows:

2021	$500,000	2024	$485,000	2027	$520,000	2029	$540,000
2022	$475,000	2025	$495,000	2028	$525,000	2030	$550,000
2023	$480,000	2026	$510,000				

The County Series 2020C Bonds will not be subject to optional redemption and payment in advance of their respective stated maturity dates.

$52,185,000* Taxable General Obligation Refunding Bonds, Series 2020D

The **County Series 2020D Bonds** will mature September 1 in the years and amounts* as follows:

2021	$ 840,000	2025	$4,620,000	2029	$4,875,000	2032	$5,135,000
2022	$ 705,000	2026	$4,665,000	2030	$4,940,000	2033	$2,720,000
2023	$4,550,000	2027	$4,725,000	2031	$5,040,000		
2024	$4,580,000	2028	$4,790,000				

At the option of the County, the County Series 2020D Bonds maturing on September 1, 2031, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2030, and thereafter, as a whole or in part (selection of maturities and the amount of the County Series 2020D Bonds of each maturity to be redeemed to be determined by the County in such equitable manner as it may determine) at any time at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

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* *Preliminary; subject to change.*

JOHNSON COUNTY, KANSAS

111 South Cherry Street
Olathe, Kansas 66061

BOARD OF COUNTY COMMISSIONERS

Ed Eilert, Chairman
Becky Fast, First District, Commissioner
James Allen, Second District, Commissioner
Steven Klika, Third District, Commissioner
Janeé Hanzlick, Fourth District, Commissioner
Michael Ashcraft, Fifth District, Commissioner
Mike Brown, Sixth District, Commissioner

COUNTY STAFF

Penny Postoak Ferguson, County Manager
Scott A. Neufeld, Budget Director
Thomas G. Franzen, Finance Director and County Treasurer
Cynthia Dunham, Interim Chief Counsel to the Board and Deputy Director of Legal Services

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Kansas City, Missouri and Saint Paul, Minnesota

INDEPENDENT AUDITOR

Rubin Brown, LLP
Kansas City, Missouri

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the County from time to time, may be treated as a Preliminary Official Statement with respect to the County Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the County.

By awarding the County Bonds to any underwriter or underwriting syndicate submitting a Bid therefor, the County agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the County Bonds are awarded copies of the Final Official Statement in the amount specified in the Notice of Bond Sale.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the County Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the County Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the County Bonds are assigned by an organization unaffiliated with the County. The County is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the County Bonds or as set forth in the Final Official Statement. No assurance can be given by the County that the CUSIP numbers for the County Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the County Bonds.

TABLE OF CONTENTS

NOTICE OF BOND SALE

JOHNSON COUNTY, KANSAS

$5,080,000*
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2020C

$52,185,000*
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
SERIES 2020D

(GENERAL OBLIGATION BONDS PAYABLE
FROM UNLIMITED AD VALOREM TAXES)

Bids. Bids for the purchase of the above-referenced bonds (collectively, the "Bonds") of Johnson County, Kansas (the "Issuer" or "County") herein described will be received on behalf of the undersigned Budget Director of the Issuer, on **October 14, 2020** (the "Sale Date") until the following times:

Issue	Bid Time (the "Submittal Hour")
Series 2020C Bonds	10:30 a.m. Central Time
Series 2020D Bonds	10:30 a.m. Central Time

Bids may only be submitted via ***PARITY®*** or via email to the Municipal Advisor at bondservice@bakertilly.com. Fax bids and hand-delivered written bids **will not** be accepted.

All bids will be publicly evaluated at said time and place and the award of the Bonds to the successful bidder(s) (the "Successful Bidder(s)") will be acted upon by the Board of County Commissioners of the Issuer (the "Governing Body") at its meeting to be held at 9:30 a.m. on October 15, 2020. No oral or auction bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Bonds.

THE SERIES 2020C BONDS

Terms of the Series 2020C Bonds. The Series 2020C Bonds will consist of fully registered bonds in the denomination of $5,000 or any integral multiple thereof (the "Authorized Denomination"). The Series 2020C Bonds will be dated November 10, 2020 (the "Dated Date"), and will become due in principal installments on September 1 in the years as follows:

Year	Principal Amount*	Year	Principal Amount*
2021	$500,000	2026	$510,000
2022	475,000	2027	520,000
2023	480,000	2028	525,000
2024	485,000	2029	540,000
2025	495,000	2030	550,000

The Series 2020C Bonds will bear interest from the Dated Date at rates to be determined when the Series 2020C Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2021 (the "Interest Payment Dates").

* *Preliminary; subject to change.*

THE SERIES 2020D BONDS

Terms of the 2020D Bonds. The Series 2020D Bonds will consist of fully registered bonds in the denomination of $5,000 or any integral multiple thereof (the "Authorized Denomination"). The Series 2020D Bonds will be dated November 10, 2020 (the "Dated Date"), and will become due in principal installments on September 1 in the years as follows:

Year	Principal Amount*	Year	Principal Amount*
2021	$ 840,000	2028	$4,790,000
2022	705,000	2029	4,875,000
2023	4,550,000	2030	4,940,000
2024	4,580,000	2031	5,040,000
2025	4,620,000	2032	5,135,000
2026	4,665,000	2033	2,720,000
2027	4,725,000		

The Series 2020D Bonds will bear interest from the Dated Date at rates to be determined when the Series 2020D Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2021 (the "Interest Payment Dates").

PROVISIONS APPLICABLE TO BOTH SERIES OF BONDS

Authority, Purpose and Security of the Bonds. The Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-427 *et seq.*, K.S.A 10-620 *et seq.*, K.S.A. 19-101 *et seq.*, and Charter Resolution No. 29-92 Version 2013 of the Issuer, amending Charter Resolution No. 18-84, all as amended and supplemented from time to time, and a resolution adopted by the Governing Body for the purpose of refunding a portion of the Issuer's outstanding general obligation bonds. The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Bonds as the same become due.

Adjustment of Issue Size. The Issuer reserves the right to increase or decrease the total principal amount of the Bonds or the schedule of principal payments described above, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder(s). The principal amount of any maturity may be adjusted by the Issuer in order to properly size the Bonds based on the discount and interest rates bid on the Bonds. The Successful Bidder(s) may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Bonds or principal of any maturity as described herein. If there is an increase or decrease in the final aggregate principal amount of the Bonds or the schedule of principal payments as described above, the Issuer will notify the Successful Bidder(s) by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 4:00 p.m. applicable Central Time, on the Sale Date. The actual purchase price for the Bonds shall be calculated by applying the percentage of par value bid by the Successful Bidder(s) against the final aggregate principal amount of the Bonds, as adjusted, plus accrued interest from the Dated Date to the Closing Date (as hereinafter defined).

Place of Payment. The principal of and interest on the Bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the "Paying Agent" and "Bond Registrar"). The principal of each Bond will be payable at maturity or earlier redemption to the owner thereof whose name is on the registration books (the "Bond Register") of the Bond Registrar (the "Registered Owner") upon presentation and surrender at the principal office of the Paying

Agent. Interest on each Bond will be payable to the Registered Owner of such Bond as of the fifteenth day (whether or not a business day) of the calendar month next preceding each Interest Payment Date (the "Record Date") (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of $500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

Bond Registration. The Bonds will be registered pursuant to a plan of registration approved by the Issuer and the Attorney General of the State of Kansas (the "State"). The Issuer will pay for the fees of the Bond Registrar for registration and transfer of the Bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, will be the responsibility of the Owners.

Book-Entry-Only System. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will initially be issued exclusively in "book entry" form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Bonds. During the term of the Bonds, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Bonds to DTC or its nominee as the Registered Owner of the Bonds, DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Bonds to its participants who shall be responsible for transmitting payments to beneficial owners of the Bonds in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Bonds in the form of fully registered certificates. Reference is made to the Official Statement for further information regarding the book-entry-only system of registration of the Bonds and DTC.

Redemption of Bonds Prior to Maturity.

General. Whenever the Issuer is to select Bonds for the purpose of redemption, it will, in the case of Bonds in denominations greater than the minimum Authorized Denomination, if less than all of the Bonds then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face value of each such fully registered Bond as though it were a separate Bond in the minimum Authorized Denomination.

Optional Redemption.

Series 2020C Bonds. The Series 2020C Bonds are **not** subject to optional redemption prior to maturity.

Series 2020D Bonds. At the option of the Issuer, Series 2020D Bonds maturing on September 1 in the years 2031, and thereafter, will be subject to redemption and payment prior to maturity on September 1, 2030, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

Mandatory Redemption. A bidder may elect to have all or a portion of a series of Bonds scheduled to mature in consecutive years issued as term bonds (the "Term Bonds") scheduled to mature in the latest of said consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth above, subject to the following conditions: (a) not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements; and (b) a bidder shall make such an election by completing the applicable paragraph on the Official Bid Form or completing the applicable information on PARITY®.

Notice and Effect of Call for Redemption. Unless waived by any owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the registered owners of said Bonds. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the Redemption Date. All notices of redemption shall state the Redemption Date, the redemption price, the Bonds to be redeemed, the place of surrender of Bonds so called for redemption and a statement of the effect of the redemption. The Issuer shall also give such additional notice as may be required by State law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Bond be called for redemption and payment as aforesaid, all interest on such Bond shall cease from and after the Redemption Date, provided funds are available for its payment at the price hereinbefore specified.

Submission of Bids. Electronic bids via PARITY® must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. If provisions of this Notice of Bond Sale conflict with those of PARITY®, this Notice of Bond Sale shall control. Emailed bids may be submitted to the Municipal Advisor at bondservice@bakertilly.com. Bids must be received prior to the Submittal Hour on the Sale Date accompanied by the Deposit (as hereinafter defined), which may be submitted separately. Neither the Issuer nor the Municipal Advisor shall be responsible for failure of transmission of any bid. ***Any bidder desiring to have the Municipal Advisor assist in the delivery of such bidder's bid should provide pertinent bidding information to the Municipal Advisor not later than 30 minutes prior to the Submittal Hour on the Sale Date***.

PARITY®. Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

Conditions of Bids. Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Bonds of the same maturity year; (b) **no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by *THE BOND BUYER*, in New York, New York, on the Monday next preceding the day on which the Bonds are sold, plus 3.00% for the Series 2020C Bonds or plus 4.00% for the Series 2020D Bonds**; (c) no supplemental interest payments will be considered; and (d) each interest rate specified shall be a multiple of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98.0% or greater. No bid for less than ***100.00%*** of the principal amount of the Series 2020C Bonds and accrued interest thereon to the date of delivery will be considered, and no bid for less than ***99.20%*** of the principal amount of the Series 2020D Bonds and accrued interest thereon to the date of delivery will be considered. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Bonds on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form; the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Bonds, it will provide the certification described under the caption "Establishment of Issue Price" in this Notice.

Good Faith Deposit. The Successful Bidders(s) must supply a good faith deposit (the "Deposit") in the amount of 2.00% of the principal amount of the applicable series of Bonds, payable to the order of the Issuer to secure the Issuer from any loss resulting from the failure of the Successful Bidder(s) to comply with the terms of its bid. The Deposit ***must be received by the Issuer prior to 2:00 p.m. Central Time on the Sale Date***. The Deposit shall be submitted by wire transfer in federal funds, immediately available for use by the Issuer (wire transfer information may be obtained from the Issuer or the Municipal Advisor at the addresses set forth under the caption "Additional Information" below).

Contemporaneously with the submission of a wire transfer Deposit, such bidder shall send an email to Leslie.Friedel@jocogov.org and bondservice@bakertilly.com including notification that a wire transfer has been made and the amount of the wire transfer. No interest on the Deposit will be paid by the Issuer. The Deposit will be held by the Issuer until the Successful Bidder(s) has complied with all of the terms and conditions of this Notice at which time the amount of said Deposit shall be returned to the Successful Bidder(s) or deducted from the purchase price at the option of the Issuer. If the Issuer fails to deliver the Bonds to the Successful Bidder(s) in accordance with the terms and conditions of this Notice, said Deposit will be returned to the Successful Bidder(s). If the Successful Bidder(s) defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such Deposit will be retained by the Issuer as and for liquidated damages.

Basis of Award. Subject to the timely receipt of the Deposit set forth above, the award of the Bonds will be made on the basis of the lowest true interest cost ("TIC"), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Bonds on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the Issuer or the bidder. The Issuer or its Municipal Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the Governing Body will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will be returned to the bidder. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within the State with regard to such dispute. The award of the Bonds is predicated upon the Issuer achieving a certain level of savings in conjunction with the bonds to be refunded with the proceeds of the Bonds, such amount to be solely determined by the Issuer.

The Issuer's acceptance, including electronic acceptance through PARITY®, of the Successful Bidder's proposal for the purchase of the Bonds in accordance with this Notice of Bond Sale shall constitute a bond purchase agreement between the Issuer and the Successful Bidder(s) for purposes of the laws of the State and a contract between the Issuer and the Successful Bidder(s) for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and Rule G-32 of the Municipal Securities Rulemaking Board ("Rule G-32"). The method of acceptance shall be determined solely by the Governing Body.

Bond Ratings. The outstanding general obligation bonds of the Issuer are rated "Aaa" by Moody's Investors Service, "AAA" by Fitch Ratings, and "AAA" by S&P Global Ratings, a division of S&P Global

Inc. The Issuer has applied to Moody's Investors Service, Fitch Ratings and S&P Global Ratings, a division of S&P Global Inc., for a rating on the Bonds herein offered for sale.

CUSIP Numbers. CUSIP identification numbers will be assigned and printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. The Municipal Advisor will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the Issuer.

Delivery and Payment. The Issuer will pay for preparation of the Bonds and will deliver the Bonds properly prepared, executed and registered without cost on or about **NOVEMBER 10, 2020** (the "Closing Date"), to DTC for the account of the Successful Bidder(s). The Successful Bidder(s) will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Bond of each maturity registered in the nominee name of DTC.

Establishment of Issue Price.

In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Successful Bidder for the Series 2020C Bonds will be required to assist the Issuer in establishing the "issue price" of the Series 2020C Bonds and complete, execute and deliver to the Issuer prior to the Closing Date, a written certification in a form acceptable to the Successful Bidder, the Issuer and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Series 2020C Bonds: (1) the interest rate; (2) the reasonably expected initial offering price to the "public" (as said term is used in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (3) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Series 2020C Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Series 2020C Bonds for sale to the public. Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received by the Municipal Advisor or Bond Counsel on behalf of the Issuer.

The Issuer intends that the sale of the Series 2020C Bonds pursuant to this Notice shall constitute a "competitive sale" as defined in the Regulation. In support thereof: (1) the Issuer shall cause this Notice to be disseminated to potential bidders in a manner reasonably designed to reach potential bidders; (2) all bidders shall have an equal opportunity to submit a bid; (3) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 2020C Bonds; and (4) the Issuer anticipates awarding the sale of the Series 2020C Bonds to the bidder that provides a bid with the lowest TIC in accordance with the section hereof entitled "Basis of Award."

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Series 2020C Bonds as specified therein. The Successful Bidder shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its bid, the Successful Bidder confirms that it shall require any agreement among underwriters, a selling group agreement or other agreement to which it is a party relating to the initial sale of the Series 2020C Bonds, to include provisions requiring compliance with provisions of the Code and the Regulation regarding the initial sale of the Series 2020C Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the Issuer shall advise the Successful Bidder of such fact at the time of award of the sale of the Series 2020C Bonds to the Successful Bidder and the following provisions shall apply to the Series 2020C Bonds. ***In such event, any bid submitted will not be subject to cancellation or withdrawal***. Within twenty-four (24) hours of the notice of award of the sale of the Series 2020C Bonds, the Successful Bidder shall advise the Issuer if a "substantial amount" (as defined in the Regulation (10%)) of any maturity of the Series 2020C Bonds has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The Issuer will ***not*** require the Successful Bidder to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Successful Bidder may elect such option. If the Successful Bidder exercises such option, the Issuer will apply the initial offering price to the public provided in the bid as the issue price for such maturities. If the Successful Bidder does not exercise that option, it shall thereafter promptly provide the Issuer the prices at which a substantial amount of such maturities are sold to the public. ***Any change in the issue price of any of the Series 2020C Bonds after the Submittal Hour will not affect the purchase price for the Series 2020C Bonds submitted in the bid of the Successful Bidder***.

This agreement by the Successful Bidder(s) for each series of Bonds to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the "IRS") or the Securities and Exchange Commission (the "SEC") or (b) the information is required to be retained by the Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

Preliminary Official Statement and Official Statement. The Issuer has prepared a Preliminary Official Statement dated on or about September 24, 2020, "deemed final" by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Issuer or from the Municipal Advisor. Upon the sale of the Bonds, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder(s), without cost, within seven business days of the acceptance of the Successful Bidder's proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder(s) to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder(s) at its expense.

Continuing Disclosure. In the resolutions authorizing the issuance of the Bonds, the Issuer has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the Bonds. For further information, reference is made to the caption "CONTINUING DISCLOSURE" in the Preliminary Official Statement.

Assessed Valuation and Indebtedness. The total assessed valuation of the taxable tangible property within the Issuer for the year 2019 was $12,157,684,293. The total general obligation indebtedness of the Issuer as of the Dated Date, including the Bonds being sold and excluding the bonds being refunded with proceeds of the Bonds, is $576,110,000.

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel to the Issuer, which opinion will be furnished and paid for by the Issuer, will be printed on the Bonds, if the Bonds are printed, and will be delivered to the Successful Bidder(s) when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Series 2020C Bonds being excludable from gross income for federal income tax purposes and the interest on the Bonds being exempt from income taxation by the State. Reference is made to the Preliminary Official Statement for further discussion of federal and State income tax matters relating to the interest on the Bonds.

Electronic Transactions. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means. All bid documents, closing documents, certificates, resolutions and related instruments may be executed by electronic transmission.

Additional Information. Additional information regarding the Bonds may be obtained from the undersigned or from the Municipal Advisor at the addresses set forth below:

DATED: September 24, 2020.

JOHNSON COUNTY, KANSAS
By: Scott A. Neufeld, Budget Director
111 South Cherry Street, Suite 2300
Olathe, Kansas 66061
Phone No.: (913) 715-0564
Fax No.: (913) 715-0558
Email: Scott.Neufeld@jocogov.org

Municipal Advisor – Email Bid Address:
Baker Tilly Municipal Advisors, LLC
380 Jackson Street, Suite 300
Saint Paul, Minnesota 55101
Attn: Bond Services
Phone No.: (651) 223-3000
Fax No.: (651) 223-3046
Email: bondservice@bakertilly.com

OFFICIAL STATEMENT

JOHNSON COUNTY, KANSAS

$5,080,000*
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C

$52,185,000*
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

(GENERAL OBLIGATION BONDS PAYABLE FROM UNLIMITED AD VALOREM TAXES)

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

General

This Official Statement contains certain information relating to Johnson County, Kansas (the "County") and its issuance of $5,080,000* General Obligation Refunding Bonds, Series 2020C (the "County Series 2020C Bonds") and $52,185,000* Taxable General Obligation Refunding Bonds, Series 2020D (the "County Series 2020D Bonds" and, together with the County Series 2020C Bonds, the "County Bonds").

The County Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State of Kansas (the "State"), including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 19-101 *et seq.*, all as amended, Charter Resolution No. 29-92 Version 2013, of the County, amending Charter Resolution No. 18-84, and resolutions adopted by the Governing Body of the County (together, the "County Bond Resolutions").

The proceeds of the County Bonds will be used to refund certain outstanding bond issues of the County as further described herein.

Inquiries may be directed to Mr. Scott A. Neufeld, Budget Director, or Ms. Leslie M. Friedel, Budget and Financial Planning, Johnson County, Kansas, 111 South Cherry Street, Suite 2300, Olathe, Kansas 66061, by telephoning (913) 715-0564, or by e-mailing scott.neufeld@jocogov.org or leslie.friedel@jocogov.org. Inquiries may also be made to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, by telephoning (651) 223-3000, or by e-mailing bondservice@bakertilly.com. If information of a specific legal nature is desired, requests may be directed to Ms. Gina Riekhof, Gilmore & Bell P.C., Bond Counsel, 2405 Grand Boulevard, Suite 1100, Kansas City, Missouri 64108 by telephoning (816) 221-1000, or by e-mailing griekhof@gilmorebell.com.

Potential Impacts Resulting from Coronavirus (COVID-19)

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets. The emergence of COVID-19 and the spread thereof is an emerging and evolving issue. As the federal, state, and local governments, including the County, continue efforts to contain and limit the spread COVID-19 disease, future tax and other revenue collections may deviate from historical or anticipated collections and may have an adverse impact on the financial position and operations

* *Preliminary; subject to change.*

of the County and its ability to fund debt obligations, including the County Bonds in accordance with its terms. The County is not able to predict and makes no representations as to the economic impact of the COVID-19 pandemic on the County or its financial position.

In response to the global COVID-19 pandemic, the Governor of the State of Kansas issued an Executive Order instituting a temporary State-wide stay-at-home order. The stay-at-home order expired on May 4, 2020, and the Governor has provided the framework for a phased reopening of the State's economy. Governmental authorities, including the County, continue efforts to contain and limit the spread of COVID-19.

As of August 31, 2020, the County received approximately $130 million from the Federal government pursuant to the Coronovirus Aid, Relief, and Economic Security Act (the "CARES Act"). Such funds are required to be spent by the County prior to December 31, 2020. County staff provides a weekly update to the Board of County Commissioners regarding expenditures from these and other funds received due to the pandemic.

A budget amendment is necessary to provide for the expenditure of the funds received by the County from the CARES Act. The budget amendment to the fiscal year (FY) 2020 budget was adopted by the Board of County Commissioners on July 16, 2020, and the FY 2021 budget was adopted by the Board of County Commissioners on August 20, 2020.

In March 2020, the County began work estimating the impact of COVID-19 to the County's FY 2020 budget. Based on the preliminary conservative estimates, the County began efforts to freeze vacant positions and furlough some employees. The County also froze discretionary spending in the budget and halted certain capital projects. With the expenditure savings, the County projected covering the County's March 2020 estimates of revenue losses for FY 2020, resulting in a minimal impact on projected reserves. Revenue losses for FY 2020 through August 31, 2020 have not been as high as March projections. The ultimate impact of COVID-19 on the County's 2020 budget is unknown currently.

CONCURRENT FINANCING

The Public Building Commission of Johnson County, Kansas (the "PBC"), while not the issuer of the County Bonds, by means of separate Preliminary Official Statements, expects to offer for sale the $6,175,000* Lease Purchase Revenue Bonds (Central Resource Library Project), Series 2020C (the "PBC Series 2020C Bonds") and the $7,280,000* Lease Purchase Revenue Refunding Bonds, Series 2020D (the "PBC Series 2020D Bonds" and, together with the PBC Series 2020C Bonds, the "PBC Bonds") on Wednesday, October 14, 2020.

The proceeds of the PBC Series 2020C Bonds are being issued to finance a portion of the Central Resource Library Central Staffing and Space Consolidation project.

The proceeds of the PBC Series 2020D Bonds are being issued to refund the September 1, 2021 through September 1, 2030 maturities of the PBC's Taxable Lease Purchase Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds – Direct Pay to the Issuer), dated June 3, 2010.

The PBC Bonds are ultimately secured by lease payments from the County to the PBC. The lease payments are not subject to annual appropriation. Settlement of the PBC Bonds is expected to take place on or about November 10, 2020.

* *Preliminary; subject to change.*

CONTINUING DISCLOSURE

In order to permit bidders for the County Bonds and other participating underwriters in the primary offering of the County Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the County will enter into a Continuing Disclosure Undertaking pursuant to which it will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding County Bonds, to provide annual reports of specified information and notice of the occurrence of certain events, if material. The information to be provided on an annual basis, the events as to which notice is to be given, if material, and other provisions of the Continuing Disclosure Undertaking, including termination, amendment and remedies, are set forth in Appendix III to this Official Statement.

In the past five years, the County has filed its Comprehensive Annual Financial Report (the "CAFR") (or a draft thereof) within the time period prescribed by all previous undertakings entered into pursuant to the Rule. The CAFRs contain the audited financial statements of, and statistical information regarding the County.

Breach of the Continuing Disclosure Undertaking will not constitute a default or an "Event of Default" under the County Bonds, or the County Bond Resolutions. A broker or dealer is to consider a known breach of the Continuing Disclosure Undertaking, however, before recommending the purchase or sale of the County Bonds in the secondary market. Thus, a failure on the part of the County to observe the Continuing Disclosure Undertaking may adversely affect the transferability and liquidity of the County Bonds and their market price.

THE COUNTY BONDS

General Description

The County Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the County Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Bond Registrar

The County will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the County Bond Resolutions. The County reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the County shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent") has been designated by the County as paying agent for the payment of principal of and interest on the County Bonds and bond registrar with respect to the registration, transfer and exchange of County Bonds.

Method and Place of Payment of the County Bonds

The principal of, or Redemption Price, and interest on the County Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each County Bond shall be paid at Maturity to the Person in whose name such County Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such County Bond at the principal office of the Paying Agent.

The interest payable on each County Bond on any Interest Payment Date shall be paid to the Owner of such County Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of $500,000 or more in aggregate principal amount of County Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

"Record Date" for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

Notwithstanding the foregoing, any Defaulted Interest with respect to any County Bond shall cease to be payable to the Owner of such County Bond on the relevant Record Date and shall be payable to the Owner in whose name such County Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The County shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each County Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the County of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a County Bond entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE COUNTY BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See "THE COUNTY BONDS – Book-Entry Bonds; Securities Depository."

Payments Due on Saturdays, Sundays and Holidays

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Book-Entry Bonds; Securities Depository

The County Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the County Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the County Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the County Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The County may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository)**,** and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the County determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any County Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the County Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the County Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any County Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the County Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement County Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the County, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one County Bond. Upon the issuance of Replacement County Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement County Bonds. If the Securities Depository resigns and the County, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar shall authenticate and cause delivery of Replacement County Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the County Bonds. The cost of printing, registration, authentication, and delivery of Replacement County Bonds shall be paid for by the County.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the County may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a County Bond or County Bonds for cancellation shall cause the delivery of the County Bonds to the successor Securities Depository in appropriate denominations and form as provided in the County Bond Resolutions.

Registration, Transfer and Exchange of County Bonds

As long as any of the County Bonds remain Outstanding, each County Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. County Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any County Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such County Bond for a new

County Bond or County Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the County Bond that was presented for transfer or exchange. County Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging County Bonds is exercised, the County Bond Registrar shall authenticate and deliver County Bonds in accordance with the provisions of the County Bond Resolution. The County shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of County Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the County Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The County and the Bond Registrar shall not be required (a) to register the transfer or exchange of any County Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any County Bond during a period beginning at the opening of business on the day after receiving written notice from the County of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

Mutilated, Lost, Stolen or Destroyed County Bonds

If (a) any mutilated County Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any County Bond, and (b) there is delivered to the County and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the County or the Bond Registrar that such County Bond has been acquired by a bona fide purchaser, the County shall execute and, upon the County's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen County Bond, a new County Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen County Bond has become or is about to become due and payable, the County, in its discretion, may pay such County Bond instead of issuing a new County Bond. Upon the issuance of any new County Bond, the County may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentment of County Bonds

If any County Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such County Bond have been made available to the Paying Agent all liability of the County to the Owner thereof for the payment of such County Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such County Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this County Bond Resolution or on, or with respect to, said County Bond. If any County Bond is not presented for payment within four (4) years following the date when such County Bond becomes due at Maturity, the Paying Agent shall repay to the County the funds theretofore held by it for payment of such County Bond, and such County Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the County, and the Owner thereof shall be entitled to look only to the County for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the County shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption

The County Series 2020C Bonds will not be subject to optional redemption in advance of their respective stated maturity dates.

At the option of the County, the County Series 2020D Bonds maturing September 1, 2031 and thereafter, are subject to redemption and payment prior to their Stated Maturity on September 1, 2030, and thereafter, as a whole or in part (selection of maturities and the amount of the County Series 2020D Bonds of each maturity to be redeemed to be determined by the County in such equitable manner as it may determine) at any time at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.

Selection of County Series 2020D Bonds for Redemption

County Series 2020D Bonds shall be redeemed only in increments of $5,000 or any integral multiples thereof (an "Authorized Denomination"). When less than all of the County Series 2020D Bonds are to be redeemed and paid prior to their Stated Maturity, such County Series 2020D Bonds shall be redeemed in such manner as the County shall determine. County Series 2020D Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in a minimum Authorized Denomination of principal amount in such equitable manner as the Bond Registrar may determine.

In the case of a partial redemption of County Series 2020D Bonds by lot when County Series 2020D Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption a minimum Authorized Denomination of face value shall be treated as though it were a separate County Series 2020D Bond of the denomination of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any County Series 2020D Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such County Series 2020D Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new County Series 2020D Bond or County Series 2020D Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such County Series 2020D Bond. If the Owner of any such County Series 2020D Bond fails to present such County Series 2020D Bond to the Paying Agent for payment and exchange as aforesaid, such County Series 2020D Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption

Unless waived by any Owner of County Series 2020D Bonds to be redeemed, if the County shall call any County Series 2020D Bonds for redemption and payment prior to the Stated Maturity thereof, the County shall give written notice of its intention to call and pay said County Series 2020D Bonds to the Bond Registrar and the State Treasurer. In addition, the County shall cause the Bond Registrar to give written notice of redemption to the Owners of said County Series 2020D Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding County Series 2020D Bonds are to be redeemed, the identification (and, in the case of partial redemption of any County Series 2020D Bonds, the respective principal amounts) of the County Series 2020D Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such County Series 2020D Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such County Series 2020D Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the County shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the County Series 2020D Bonds or portions of County Series 2020D Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the County Series 2020D Bonds or portions of County Series 2020D Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the County defaults in the payment of the Redemption Price) such County Series 2020D Bonds or portion of County Series 2020D Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the County Series 2020D Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a County Series 2020D Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the County Series 2020D Bond so affected, shall not affect the validity of the redemption of such County Series 2020D Bond.

In addition to the foregoing notice, the County shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any County Series 2020D Bond.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the County Bonds. The County Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the County Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect

Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of County Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the County Bonds on DTC's records. The ownership interest of each actual purchaser of each County Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the County Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the County Bonds, except in the event that use of the book-entry system for the County Bonds is discontinued.

To facilitate subsequent transfers, all County Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of County Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the County Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such County Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of County Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the County Bonds, such as redemptions, tenders, defaults, and proposed amendments to the County Bonds documents. For example, Beneficial Owners of the County Bonds may wish to ascertain that the nominee holding the County Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the County Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the County Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the County Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the County Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the County Bonds at any time by giving reasonable notice to the County or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY SERIES 2020C BONDS

Authority And Purpose

The County Series 2020C Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State, including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 19-101 *et seq.*, all as amended, Charter Resolution No. 29-92 Version 2013, of the County, amending Charter Resolution No. 18-84, and a resolution adopted by the Governing Body of the County.

The proceeds of the County Series 2020C Bonds will be used to refund the September 1, 2021 through September 1, 2030 maturities (the "County Series 2010C Refunded Maturities") of the County's Taxable Internal Improvement Bonds (Build America Bonds – Direct Pay to the Issuer), Series 2010C, dated October 28, 2010. It is anticipated that the County Series 2010C Refunded Maturities will be called and prepaid at a price of par plus accrued interest on December 15, 2020, which is within 90 days of settlement of the County Series 2020C Bonds.

<u>The Refunding Plan</u>

Taxable Internal Improvement Bonds (Build America Bonds – Direct Pay to Issuer), Series 2010C

Maturity Amount	Maturity Date (September 1)	CUSIP	Interest Rate	Redemption Date	Redemption Price
$ 460,000	2021	47844P AJ 4	3.700%	December 15, 2020	100%
1,965,000	2025*	47844P AN 5	4.000	December 15, 2020	100
525,000	2026	47844P AP 0	4.500	December 15, 2020	100
1,095,000	2028*	47844P AR 6	4.650	December 15, 2020	100
1,170,000	2030*	47844P AT 2	4.800	December 15, 2020	100

* *Final maturity of a term bond.*

Sources And Uses Of Funds

The composition of the County Series 2020C Bonds is estimated to be as follows:

Sources of Funds:	
Principal Amount	$5,080,000
Estimated Reoffering Premium	306,080
Total Sources of Funds	$5,386,080
Uses of Funds:	
Deposit to Redemption Fund	$5,280,382
Costs of Issuance	65,058
Estimated Underwriter's Compensation	40,640
Total Uses of Funds	$5,386,080

Security

The County Series 2020C Bonds shall be general obligations of the County payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the County. The full faith, credit and resources of the County are irrevocably pledged for the prompt payment of the principal of and interest on the County Series 2020C Bonds as the same become due.

Levy and Collection of Annual Tax, Transfer to Debt Service Account

The governing body of the County shall annually make provision for the payment of principal of, premium, if any, and interest on the County Series 2020C Bonds as the same become due by, to the extent necessary, by levying and collecting the necessary taxes upon all of the taxable tangible property within the County in the manner provided by law. Such taxes shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the County are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the County, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the County Series 2020C Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

The Kansas Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes. Taxpayers may also challenge the fair market value of property assigned by the County appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the County's property tax collections. If a taxpayer valuation challenge is successful, the liability of the County to refund property taxes previously paid under protest may have a material impact on the County's financial situation.

Capital Finance Charges

The County intends to pay the portion of the County Series 2020C Bonds that refinanced wastewater projects from Capital Finance Charges established under Charter Resolution 29-92, Version 2013. However, such Capital Finance Charges are **not** pledged to repayment of the County Series 2020C Bonds.

The County covenants and agrees that it will fix, establish, maintain and collect the Capital Finance Charges in each fiscal year, in an amount not less than 110% of the amount of total debt service for such fiscal year on any outstanding general obligation bonds of County that were issued to finance wastewater improvements.

The County covenants and agrees that, so long as any of the County Series 2020C Bonds remain outstanding, the County will not issue any Obligations payable from Capital Finance Charges that are superior to the County Series 2020C Bonds.

The County covenants and agrees that so long as any of the County Series 2020C Bonds remain outstanding, the County will not issue any obligations payable out of the Capital Finance Charges that are on a parity with the County Series 2020C Bonds or junior and subordinate to the County Series 2020C Bonds, unless (a) the County shall not be in default in the payment of the principal of or interest on the County Series 2020C Bonds; and (b) the County shall not be in default of the covenant described above regarding debt service coverage and the covenant not to issue of senior lien bonds.

THE COUNTY SERIES 2020D BONDS

Authority And Purpose

The County Series 2020D Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State, including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 19-101 *et seq.*, all as amended, Charter Resolution No. 29-92 Version 2013, of the County, amending Charter Resolution No. 18-84, and a resolution adopted by the Governing Body of the County.

The proceeds of the County Series 2020D Bonds will be used to refund (i) the September 1, 2023 through September 1, 2032 maturities (the "County Series 2012A Refunded Maturities") of the County's Internal Improvement Bonds, Series 2012A, dated August 15, 2012 (the "County Series 2012A Bonds"); and (ii) the September 1, 2023 through September 1, 2033 maturities (the "County Series 2013A Refunded Maturities") of the County's Internal Improvement Bonds, Series 2013A, dated October 22, 2013 (the "County Series 2013A Bonds").

The Refunding Plan

The County Series 2020D Bonds are being issued to advance refund certain maturities of the County Series 2012A Bonds and the County Series 2013A Bonds as described below:

Internal Improvement Bonds, Series 2012A

Maturity Amount	Maturity Date (September 1)	CUSIP	Interest Rate	Redemption Date	Redemption Price
$1,855,000	2023	47844P CY 9	4.000%	September 1, 2022	100%
1,935,000	2024	47844P CZ 6	3.000	September 1, 2022	100
1,990,000	2025	47844P DA 0	4.000	September 1, 2022	100
2,070,000	2026	47844P DB 8	3.000	September 1, 2022	100
2,135,000	2027	47844P DC 6	4.000	September 1, 2022	100
2,220,000	2028	47844P DD 4	4.000	September 1, 2022	100
2,320,000	2029	47844P DE 2	3.000	September 1, 2022	100
2,380,000	2030	47844P DF 9	3.000	September 1, 2022	100
2,460,000	2031	47844P DG 7	3.000	September 1, 2022	100
2,535,000	2032	47844P DH 5	3.000	September 1, 2022	100

Internal Improvement Bonds, Series 2013A

Maturity Amount	Maturity Date (September 1)	CUSIP	Interest Rate	Redemption Date	Redemption Price
$1,985,000	2023	47844P ED 3	5.000%	September 1, 2022	100%
2,080,000	2024	47844P EE 1	3.000	September 1, 2022	100
2,145,000	2025	47844P EF 8	3.000	September 1, 2022	100
2,210,000	2026	47844P EG 6	3.000	September 1, 2022	100
2,275,000	2027	47844P EH 4	3.250	September 1, 2022	100
2,350,000	2028	47844P EJ 0	4.000	September 1, 2022	100
2,445,000	2029	47844P EK 7	4.000	September 1, 2022	100
2,540,000	2030	47844P EL 5	4.000	September 1, 2022	100
2,645,000	2031	47844P EM 3	4.000	September 1, 2022	100
2,750,000	2032	47844P EN 1	4.125	September 1, 2022	100
2,860,000	2033	47844P EP 6	4.125	September 1, 2022	100

The Escrow Agreement

An Escrow Fund will be established pursuant to the terms of the Escrow Trust Agreement dated as of the Dated Date, by and between the County and Security Bank of Kansas City, Kansas City, Kansas (the "Escrow Agent"). See *APPENDIX III – SUMMARY OF FINANCING DOCUMENTS RELATED TO THE COUNTY SERIES 2020D BONDS* – THE ESCROW TRUST AGREEMENT for a discussion of the manner in which the Escrow Fund is administered.

With the establishment of the Escrow Fund upon delivery of the County Series 2020D Bonds, the principal of and interest on the County Series 2012A Refunded Maturities and the County Series 2013A Refunded Maturities will be defeased.

Verification Report

Ritz & Associates PA, an independent certified public accounting firm, will verify the arithmetical accuracy of certain schedules provided to them by the Municipal Advisor on behalf of the County supporting the conclusion that there will be sufficient funds in the Escrow Find to provide timely payment of the principal and interest payments for which the Escrow Fund is obligated to pay. Ritz & Associates PA will express no opinion on the assumptions provided to them.

Sources And Uses Of Funds

The composition of the County Series 2020D Bonds is estimated to be as follows:

Sources of Funds:	
Principal Amount	$52,185,000
Total Sources of Funds	$52,185,000
Uses of Funds:	
Deposit to Escrow Fund	$51,539,463
Allowance for Discount Bidding	417,480
Costs of Issuance	228,057
Total Uses of Funds	$52,185,000

Security

The County Series 2020D Bonds shall be general obligations of the County payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the County. The full faith, credit and resources of the County are irrevocably pledged for the prompt payment of the principal of and interest on the County Series 2020D Bonds as the same become due.

Levy and Collection of Annual Tax, Transfer to Debt Service Account

The governing body of the County shall annually make provision for the payment of principal of, premium, if any, and interest on the County Series 2020D Bonds as the same become due by, to the extent necessary, by levying and collecting the necessary taxes upon all of the taxable tangible property within the County in the manner provided by law. Such taxes shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the County are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the County, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the County Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

The Kansas Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes. Taxpayers may also challenge the fair market value of property assigned by the County appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the County's property tax collections. If a taxpayer valuation challenge is successful, the liability of the County to refund property taxes previously paid under protest may have a material impact on the County's financial situation.

Capital Finance Charges

The County intends to pay the portion of the County Series 2020D Bonds that refinanced wastewater projects from Capital Finance Charges established under Charter Resolution 29-92, Version 2013. However, such Capital Finance Charges are **not** pledged to repayment of the County Series 2020D Bonds.

The County covenants and agrees that it will fix, establish, maintain and collect the Capital Finance Charges in each fiscal year, in an amount not less than 110% of the amount of total debt service for such fiscal year on any outstanding general obligation bonds of County that were issued to finance wastewater improvements.

The County covenants and agrees that, so long as any of the County Bonds remain outstanding, the County will not issue any Obligations payable from Capital Finance Charges that are superior to the County Series 2020D Bonds.

The County covenants and agrees that so long as any of the County Series 2020D Bonds remain outstanding, the County will not issue any obligations payable out of the Capital Finance Charges that are on a parity with the County Series 2020D Bonds or junior and subordinate to the County Series 2020D Bonds, unless (a) the County shall not be in default in the payment of the principal of or interest on the County Series 2020D Bonds; and (b) the County shall not be in default of the covenant described above regarding debt service coverage and the covenant not to issue of senior lien bonds.

THE CAPITAL FINANCE CHARGE

The Board of County Commissioners (the "Board") is authorized to levy a Capital Finance Charge pursuant to Charter Resolution 29-92, Version 2013 (the "Charter Resolution"). The Capital Finance Charge funds sanitary sewer capital improvements for Johnson County Wastewater. While Capital Finance Charges are not formally pledged to repayment of the County Bonds, the Capital Finance Charges have been, and are expected to be in the future, the primary source of repayment of the portion of the County Bonds issued to finance or refinance wastewater improvements.

The boundaries of Johnson County Wastewater include most of the urban areas of Johnson County, serving approximately 500,000 of the estimated 602,401 residents of the County, covering 175 square miles and 16 cities.

Capital Finance Charge revenues may be used to pay sanitary sewer capital improvements, to pay the principal and interest due on general obligation bonds issued for such capital improvements, or to pay contract obligations incurred for capital projects.

The Capital Finance Charge is established each year by a resolution of the Board. The Capital Finance Charge is equal to a base fee rate multiplied times the sewer usage determined for each property and may include a customer service charge component.

The base fee rate is required to be determined and established each year by the Board as a part of the budget process. The base fee rate cannot be changed or modified except as part of the annual budget. The base fee rate cannot be increased in any given year by more than ten (10% percent) over the prior year base fee rate, after adjustment to reflect any annual or cumulative increase reflected in the established construction cost index, unless approved by five-sevenths (5/7ths) of the members of the Board.

Under the Charter Resolution, sewerage system usage shall include consideration of, but not be limited to, the quantity, quality and rate of wastewater discharged or dischargeable into the sewerage system. Usage of the sewerage system shall be determined annually for each property located within Johnson County Wastewater boundaries.

Prior to January 1, 2014, usage was determined by reference to equivalent dwelling units ("EDU"). The base EDU refers to a single family residential property, and each property within the Johnson County Wastewater territory was assigned additional EDUs, if necessary, based on comparable EDUs above the base EDU. In 2013, the EDU Charge was transitioned from the tax rolls to the customer bills. Beginning in FY 2014, the majority of customers received a true combined bill where the former EDU charge was replaced by the Capital Finance Charge based on similar criteria that has been used for the Wastewater Operations and Maintenance fund since 2003. These charges are based on a combination of customer service charges and volumetric charges.

Beginning January 1, 2014, the County began determining billing Capital Finance Charges using the similar methodology that has been used for the Operations and Maintenance fund since 2003. Capital Finance Charges may be certified to the Office of Records and Tax Administration and placed on the ad valorem tax rolls of individual tracts or parcels of land or may be billed and collected as a component of a User Charge or System of User Charges in the manner provided by ordinary resolution of the Board. Currently, Capital Finance Charges are billed and collected bi-monthly for residential customers and monthly for commercial customers.

Property owners may request variances from the adopted fee schedule. The General Manager of Johnson County Wastewater is authorized to establish and implement procedures for review and appeal of the Capital Finance Charge for property.

The Board may approve deferments of Capital Finance Charges for certain properties for certain properties used in an agricultural use and for certain single family residences that cannot be connected to the sewerage system. The deferment period is generally ten (10) years. The Board may also grant credits against payment of the Capital Finance Charge, and can also approve refunds, rebate or abatement of all or part of the Capital Finance Charge applicable to certain properties.

As of August 31, 2020, the Capital Finance Charge revenues are slightly under 2019 collection rates during the same time period. Johnson County Wastewater has not seen material impacts from COVID-19, with delinquency rates and most revenues comparable to prior year. There has been little impact to the services provided to ratepayers.

FUTURE FINANCING

With the exception of the issues discussed in the "CONCURRENT FINANCING" section herein, the County and the PBC do not anticipate issuing any additional long-term debt within the next 90 days.

ABSENCE OF LITIGATION

There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the County or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the transcript evidencing the issuance of the County Bonds, or the constitutionality or validity of the indebtedness represented by the County Bonds shown to be authorized in said transcript, or the validity of the County Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof. In the ordinary course of business, the County does have tax appeals and tax protests, which, while not specifically challenging a tax or the particular tax for these County Bonds, do challenge the collection of the amount of tax from that taxpayer.

LEGAL MATTERS

All matters incident to the authorization and issuance of the County Bonds are subject to the approval of Bond Counsel. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the County and its certified public accountants, as referred to herein, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE COUNTY BONDS" (except "THE COUNTY BONDS – Book Entry System"), "THE COUNTY SERIES 2020C BONDS – Authority And Purpose," "THE COUNTY SERIES 2020D BONDS -- Authority And Purpose," "TAX MATTERS," "APPENDIX I – PROPOSED FORMS OF BOND COUNSEL OPINIONS," "APPENDIX II – SUMMARY OF FINANCING DOCUMENTS RELATED TO THE COUNTY BONDS," AND "APPENDIX III – FORM OF THE DISCLOSURE UNDERTAKING."

TAX MATTERS

General

The following is a summary of the material federal and state income tax consequences of holding and disposing of the County Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the County Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local, or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the County Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the County Bonds. For purposes of the following discussion, the County Series 2020C Bonds are referred to as the "Tax-Exempt Bonds" and the County Series 2020D Bonds are referred to as the "Taxable Bonds."

Tax-Exempt Bonds

Opinion of Bond Counsel. In the opinion of Bond Counsel, under the law existing as of the issue date of the Tax-Exempt Bonds:

Federal Tax Exemption. The interest on the Tax-Exempt Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Tax-Exempt Bonds have **not** been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

Kansas Tax Exemption. The interest on the Tax- Exempt Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel's opinions are provided as of the date of the original issue of the Tax-Exempt Bonds, subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Tax-Exempt Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Tax-Exempt Bonds.

Other Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a bond over its issue price. The stated redemption price at maturity of a bond is the sum of all payments on the bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a bond is generally the first price at which a substantial amount of the bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a bond during any accrual period generally equals (1)

the issue price of that bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a bond over its stated redemption price at maturity. The stated redemption price at maturity of a bond is the sum of all payments on the bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a bond is generally the first price at which a substantial amount of the bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a bond, an owner of the bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the bond. To the extent the bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on bonds, and to the proceeds paid on the sale of bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Tax-Exempt Bonds should be aware that ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Tax-Exempt Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Tax-Exempt Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Tax-Exempt, including the possible application of state, local, foreign and other tax laws.

Taxable Bonds

<u>Opinion of Bond Counsel</u>. In the opinion of Bond Counsel, under the law existing as of the issue date of the Taxable Bonds:

Kansas Tax Exemption. The interest on the Taxable Bonds is exempt from income taxation by the State of Kansas.

No Other Opinions. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Taxable Bonds. Purchasers of the Taxable Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Taxable Bonds, including the possible application of state, local, foreign and other tax laws.

<u>Other Tax Consequences.</u>

General. Interest on the Taxable Bonds is included in gross income for federal income tax purposes.

[*Original Issue Discount.* For Federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a bond over its issue price. The stated redemption price at maturity of a bond is the sum of all payments on the bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a bond is the first price at which a substantial amount of the bonds of that maturity have been sold to the public. If the original issue discount on a bond is more than a de minimis amount (generally ¼ of 1% of the stated redemption price at maturity of the bond multiplied by either (a) the number of complete years to the maturity date of the bond, or (b) the weighted average maturity of the bond, in the case of a bond providing for the mandatory, or in certain cases optional, payment prior to its maturity date), then that bond will be treated as issued with original issue discount. The amount of original issue discount that accrues to an owner of a bond during any accrual period generally equals (1) the issue price of that bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be included in gross income for federal income tax purposes, and will increase the owner's tax basis in that bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[*Original Issue Premium*. For federal income tax purposes, premium is the excess of the issue price of a bond over its stated redemption price at maturity. The stated redemption price at maturity of a bond is the sum of all payments on the bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a bond is generally the first price at which a substantial amount of the bonds of that maturity have been sold to the public. Under Section 171 of the Code, the owner of a bond having bond premium may elect to amortize the premium over the term of the bond using constant yield principles, based on the purchaser's yield to maturity. An owner of a bond amortizes bond premium by offsetting the qualified stated interest allocable to an accrual period with the bond premium allocable to that accrual period. This offset occurs when the owner takes the qualified stated interest into income under the owner's regular method of accounting. If the premium allocable to an accrual period exceeds the qualified stated interest for that period, the excess is treated by the owner as a deduction under Section 171(a)(1) of the Code. As premium is amortized, the owner's basis in the bond will be reduced by the amount of amortizable bond premium properly allocable to the owner. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange, Legal Defeasance or Retirement of Bonds. Upon the sale, exchange, legal defeasance or retirement (including redemption) of a bond, an owner of the bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, legal defeasance or retirement of the bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the bond. To the extent a bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

RATINGS

Application for ratings of the County Bonds has been made to Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York, S&P Global Ratings ("S&P"), 55 Water Street, New York, New York, and Fitch Ratings ("Fitch"), One State Street Plaza, New York, New York. If ratings are assigned, they will reflect only the opinion of Moody's, S&P, or Fitch. Any explanation of the significance of the ratings may be obtained only from Moody's, S&P, or Fitch.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such ratings will not be revised, suspended or withdrawn, if, in the judgment of Moody's, S&P, or Fitch, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the County Bonds.

MUNICIPAL ADVISOR

The County has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of County Bonds (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and a wholly-owned subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the County to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by County officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the County and they have no secondary obligations or other responsibility.

Municipal Advisor Registration:

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the County, but is neither a placement agent to the County nor a broker/dealer and cannot participate in the underwriting of the County Bonds.

The offer and sale of the County Bonds shall be made by the County, in the sole discretion of the County, and under its control and supervision. The County has agreed that BTMA does not undertake to sell or attempt to sell the County Bonds, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, , consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

CERTIFICATION

The County has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the County Bonds and a Final Official Statement following award of the County Bonds. The Purchaser will be furnished with a certificate signed by the appropriate officers of the County stating that the County examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

COUNTY PROPERTY VALUES

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is conducted by Kansas counties. The Johnson County Appraiser's office determines annually the assessed valuation that is used as a basis for the mill levy on property located in the County. The County Appraiser's determination is based on criteria established by Kansas Statute.

The market valuation of every property must be updated every year, with physical inspection required once every six years. Valuations as of January 1 are made available in September of each year for taxes payable during the next calendar year. The State Constitution provides that, for ad valorem taxation purposes, real and personal property are divided into classes and assessed at percentages of market value. See Appendix IV for a discussion of property classes and assessment ratios.

Trend of Values

Year[(a)]	Johnson County Sales Ratio	Appraised Valuation	Taxable Assessed Valuation[(b)]	Motor and Recreational Vehicles	Equalized Assessed Tangible Valuation
2019/20	N/A	$85,845,759,620	$11,150,320,050	$1,007,364,243	$12,157,684,293
2018/19	69.2%	82,057,372,161	10,558,374,635	972,795,535	11,531,170,170
2017/18	79.6	76,464,420,387	9,858,473,397	936,987,361	10,795,460,758
2016/17	82.9	71,258,958,403	9,229,880,308	899,572,091	10,129,452,399
2015/16	80.8	67,091,395,124	8,596,593,490	855,894,402	9,452,487,892

(a) *As valued in the first year for the purpose of computing the rates of taxes collectible in the following year.*

(b) *The value of motor and recreational vehicles is not included in total property valuation for determining the property tax levy. It is, however, included in total property valuation for determining the County's debt limit.*

Sources: Johnson County, the Kansas Sales Ratio Study, and the Annual Abstract of Taxes, published by the County Clerk's office of Johnson County, Kansas. For an explanation of Kansas property taxes, see Appendix IV.

2019/20 Equalized Assessed Tangible Valuation: $12,157,684,293

Real Property	$10,798,575,181	96.8%
Personal Property	88,837,196	0.8
State Assessed Utilities	262,907,673	2.4
Total Taxable Assessed Valuation	$11,150,320,050	100.0%
Motor and Recreational Vehicles	1,007,364,243	
Total Equalized Assessed Tangible Valuation	$12,157,684,293	

Source: Johnson County Clerk's Office, May 2020.

The appraiser's determination is based on a number of criteria established by Kansas statute. All property, with the exception of agricultural land, is appraised based on estimated fair market value. Agricultural property is appraised based on productivity value. Kansas statutes require that each parcel of real property be reviewed and inspected by the county appraiser once every four years for taxation purposes. Once appraised valuations have been determined, they are multiplied by the applicable statutory assessment rates to arrive at the assessed valuations. The total assessed valuation is then used to establish property tax rates.

Taxpayers may challenge the appraised value of their property by paying property taxes under protest. Such challenges are subject to administrative and judicial review. Taxes paid under protest are distributed to taxing jurisdictions in the same manner as all other property tax collections. If a taxpayer's challenge to the appraiser's valuation is successful, the County is liable to refund the amount of property taxes attributable to the protested value that was previously paid under protest. The County will then withhold from future property tax distributions to itself and other taxing jurisdictions an amount equal to the jurisdiction's pro rata share of such refund. Any such withholdings from future property tax distributions may have a material adverse effect on the County's financial situation.

Ten of the Largest Taxpayers in the County

Taxpayer	Type of Property	2019/20 Assessed Valuation
Evergy, Inc.[(a)]	Utility	$134,820,374
OPS-KS LLC	Real Estate	86,050,012
Oak Park Mall, LP	Real Estate	77,189,738
Corporate Woods Kansas Realty LP	Real Estate	63,040,946
Wal-Mart Real Estate Business Trust	Real Estate	34,747,521
Tower Properties Company	Real Estate	31,571,332
Leawood Town Center Plaza	Real Estate	29,235,501
Garmin Realty, LLC	Real Estate	25,907,003
BNSF	Utility	25,475,214
Target Corporation	Real Estate	25,402,760
Total		$533,440,401[(b)]

(a) *Westar Energy and Kansas City Power and Light Company have merged to form Evergy, Inc.*

(b) *Evergy, Inc. represents 1.1% of the County's 2019/20 equalized assessed tangible valuation. The remaining nine taxpayers represents 3.3% of the County's 2019/20 equalized assessed tangible valuation.*

Source: Johnson County.

COUNTY INDEBTEDNESS

Legal Debt Limit and Margin

All Kansas statutory debt limitations are expressed as a percentage of the assessed valuation determined for the year previous to the date of the issued debt. Kansas counties are limited in the issuance of general obligation debt (that is not otherwise exempt by statute) to three percent (3%) of the assessed valuation of County real property, personal property, utilities, motor vehicles and recreational vehicles. The County's specific debt limitation statutes, as amended, are as follows with the percentage limitation set out in the chart below: Airport Bonds, K.S.A. 3-304; Street Bonds, K.S.A 68-584; Library Bonds, K.S.A. 12-1257; and Park and Recreation Bonds, K.S.A. 19-2874.

The following schedule presents the County's available debt margin computation based on the County's 2019/20 assessed valuation, outstanding debt, and debt service funds as of December 31, 2019.

	General	Airport	Streets	Library[(a)]
Assessed Valuation For Debt Limitation Purposes	$12,157,684,293	$12,157,684,293	$12,157,684,293	$9,919,088,782
Percentage Limitation[(b)]	3.0%	1.0%	2.0%	2.0%
Dollar Debt Limit	$ 364,730,529	$ 121,576,843	$ 243,153,686	$ 198,381,776
Outstanding Debt[(c)]	(4,175,000)	(1,555,000)	--	--
Available Debt Margin	$ 360,555,529	$ 120,021,843	$ 243,153,686	$ 198,381,776

(a) *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.*

(b) *Source: 2019 Annual Abstract of Taxes as published by the County Clerk's office of Johnson County, Kansas and Kansas Statutes, General K.S.A 10-306, Airport K.S.A. 3-304, Streets K.S.A. 68-584, Library K.S.A. 12-1257, Park and Recreation K.S.A. 19-2874.*

(c) *Includes all general obligation bonds and notes except bonds that have been refunded, wastewater bonds, and other bonds which are not subject to debt limitation as per General K.S.A. 10-306, 10-307, 10-427a, Airport K.S.A. 3-304, Street K.S.A. 68-728.*

County's Outstanding Debt

The summaries of the County's outstanding debt on the following pages are the amounts expected to be outstanding as of November 10, 2020 following the issuance of the County Bonds and the PBC Bonds and excluding the maturities refunded by proceeds of the County Bonds or the PBC Bonds (the "Refunded Maturities").

General Obligation Debt

Improvement

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
8-15-12	$ 730,000	Mental Health Refunding	9-1-2025	$ 390,000
10-27-16	1,580,000	County Radio	9-1-2026	1,030,000
11-2-17	975,000	EMC Station Alerting	9-1-2027	725,000
8-22-18	9,205,000	Voting Machines	9-1-2028	7,705,000
12-11-19	2,670,000	Sheriff Radio	9-1-2029	2,420,000
Total				$12,270,000

Special Assessment

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
10-27-16	$106,900	Benefit Districts	9-1-2026	$ 69,800
8-20-20	65,000	Benefit Districts	9-1-2030	65,000
Total				$134,800

Wastewater Debt

General Obligation[(a)]

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
12-17-09	$ 14,463,175	Wastewater Refunding	9-1-2022	$ 930,000
11-10-11	16,790,000	Wastewater Improvements	9-1-2021	840,000
8-15-12	37,350,000	Wastewater Improvements	9-1-2022	3,495,000[(b)]
8-15-12	26,275,000	Wastewater Refunding	9-1-2025	13,965,000
10-22-13	40,685,000	Wastewater Improvements	9-1-2022	3,690,000[(c)]
11-25-14	20,205,000	Wastewater Improvements	9-1-2034	15,775,000
11-25-14	38,480,000	Wastewater Refunding	9-1-2027	28,010,000
12-17-15	28,605,000	Wastewater	9-1-2035	23,300,000
12-17-15	24,415,000	Wastewater Refunding	9-1-2028	20,480,000
10-27-16	32,758,100	Wastewater Improvements	9-1-2036	30,415,200
10-27-16	10,570,000	Wastewater Refunding	9-1-2029	9,695,000
11-2-17	14,805,000	Wastewater Improvements	9-1-2037	13,230,000
8-22-18	207,930,000	Tomahawk Wastewater Treatment Plant	9-1-2040	207,930,000
8-22-18	15,655,000	Wastewater Improvements	9-1-2040	15,655,000
12-11-19	19,495,000	Wastewater Improvements	9-1-2039	18,655,000
8-20-20	95,650,000	Wastewater Improvements & Refunding	9-1-2040	95,650,000
8-20-20	9,415,000	Taxable Wastewater Refunding	9-1-2024	9,415,000
11-10-20	5,080,000	Wastewater Refunding (the County Series 2020C Bonds)	9-1-2030	5,080,000
11-10-20	52,185,000	Taxable Wastewater Refunding (the County Series 2020D Bonds)	9-1-2033	52,185,000
Total				$568,395,200

[(a)] *Excludes the County Series 2010C Refunded Maturities.*

[(b)] *Excludes the County Series 2012A Refunded Maturities.*

[(c)] *Excludes the County Series 2013A Refunded Maturities.*

State Loans

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
12-1-04	$12,519,392	Mill Creek	3-1-2026	$ 4,035,315
11-16-09	9,914,190	Middle Basin Green Project	3-1-2031	5,840,263[(a)]
9-15-13	6,423,403	Gardner Lake	9-1-2034	4,412,409[(b)]
9-22-13	677,380	Lone Elm	9-1-2033	493,430[(c)]
Total				$14,781,417

[(a)] *The total amount authorized and received for this loan is $18,307,269. Of the total amount, $8,393,079 is eligible for principal forgiveness. The total amount to be repaid is $9,914,190.*

[(b)] *The total amount authorized for this loan is $10,193,392. Of the total authorized amount, $4,077,357 is eligible for principal forgiveness. The total amount to be repaid is $6,116,035.*

[(c)] *The total amount authorized for this loan is $1,128,967. Of the total amount, $451,587 has been received as of March 31, 2020. Of the total authorized amount, $581,168 is eligible for principal forgiveness. The total amount to be repaid is $677,380.*

Airport Debt

General Obligation

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
12-17-15	$1,910,000	Airport Land	9-1-2035	$1,555,000
12-17-15	1,125,000	Airport Refunding	9-1-2028	940,000
Total				$2,495,000

Public Building Commission (PBC) Debt

General County Facilities

These PBC bonds are secured primarily by basic rent payments made by the County to the PBC pursuant to that certain Amended and Partially Restated Lease Agreement dated as of November 1, 2003, as amended from time to time (the "2003 Lease").

A portion of the County's Lease Payments under the 2003 Lease allocable to certain of the PBC bonds shown below are not exempt from the Tax Lid because a portion of such obligations were entered into after July 1, 2016. See "Budgetary Information" herein.

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
6-3-10	$ 6,120,000	Refunding	9-1-2022	$ 170,000
8-15-12	16,635,000	Refunding	9-1-2025	8,730,000
11-25-14	1,995,000	County Courthouse	9-1-2024	895,000
12-17-15	41,725,000	Refunding	9-1-2028	33,635,000
10-27-16	9,175,000	Juvenile Services/Crime Lab Refunding	9-1-2029	8,370,000
11-2-17	23,125,000	Adult Detention/Olathe Adult Detention/ Refunding	9-1-2031	22,640,000
9-5-18	148,595,000	Courthouse and Medical Examiner's Facility	9-1-2027	143,800,000
12-11-19	1,390,000	Adult Residental Center 3/Sheriff Op Bldg/ Century Adult Detention	9-1-2039	1,320,000
8-27-20	16,995,000	Refunding	9-1-2030	16,995,000
8-27-20	10,585,000	Taxable Refunding	9-1-2031	10,585,000
Total				$247,140,000

Public Works*

These PBC bonds are secured primarily by basic rent payments made by the County to the PBC pursuant to that certain Lease Agreement dated as of June 1, 2010, as amended from time to time (the "2010 Lease").

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
11-10-20	$7,280,000	Public Works Building Refunding (the PBC Series 2020D Bonds)	9-1-2030	$7,280,000

* *Excludes the PBC Series 2010A Refunded Maturities.*

Arts and Heritage Facility

These PBC bonds are secured primarily by basic rent payments made by the County to the PBC pursuant to that certain Lease dated as of June 1, 2015.

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
6-30-15	$21,460,000	Arts & Heritage Center	9-1-2035	$17,375,000

Library Facilities

Central Resource, Leawood Pioneer, and Monticello Libraries. These PBC bonds are secured primarily by basic rent payments made by the County to the PBC pursuant to that certain First Amended and Restated Lease Agreement dated as of October 1, 2016, as amended (the "2016 Lease"). A portion of the County's Basic Rent pursuant to the 2016 Lease entered into with respect to these bonds is not exempt from the Tax Lid because such payment obligations did not exist prior to July 1, 2016. See "Budgetary Information" herein.

The County has entered into a Sublease with the Library Board, wherein the County has subleased the facilities to the Library Board for sublease payments sufficient to provide funds to the County to pay the County's payments of Basic Rent under the Lease with the PBC with respect to these facilities. The sublease payments are not pledged to repayment of the bonds.

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
11-25-14	$ 4,000,000	Library	9-1-2024	$ 1,715,000
10-27-16	16,365,000	Library	9-1-2036	13,565,000
11-10-20	6,175,000	Central Resource Library (the PBC Series 2020C Bonds)	9-1-2040	6,175,000
Total				$21,455,000

Lenexa City Center Library. These PBC bonds are secured primarily by basic rent payments made by the County to the PBC pursuant to that certain Lease dated as of November 1, 2017 (the "2017 Lease"). The County's Rental Payments pursuant to the 2017 Lease entered into with respect to these bonds are not exempt from the Tax Lid because such Lease was not entered into prior to July 1, 2016. See "Budgetary Information" herein.

The County has entered into a sublease with the Library Board, wherein the County will sublease the facilities to the Library Board for sublease payments sufficient to provide funds to the County to pay the County's payments of Basic Rent under the 2017 Lease with the PBC with respect to these facilities. The sublease payments are not pledged to the repayment of the bonds.

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding
11-2-17	$15,060,000	Library	9-1-2037	$13,175,000

Estimated Calendar Year Debt Service Payments Including the County Bonds, the PBC Bonds and Excluding the Refunded Maturities

	General Obligation Improvement Debt		General Obligation Special Assessment Debt	
Year	Principal	Principal & Interest	Principal	Principal & Interest
2020 (at 11-10)	(Paid)	(Paid)	(Paid)	(Paid)
2021	$ 1,345,000	$ 1,926,125	$ 15,300	$ 20,800
2022	1,420,000	1,937,675	15,800	20,575
2023	1,480,000	1,930,575	16,300	20,385
2024	1,560,000	1,940,900	16,800	20,170
2025	1,620,000	1,927,050	17,500	20,130
2026	1,615,000	1,845,400	18,100	19,955
2027	1,485,000	1,637,450	5,000	6,050
2028	1,430,000	1,511,100	10,000	10,900
2029	315,000	327,600	10,000	10,600
2030			10,000	10,300
Total	$12,270,000	$14,983,875	$134,800	$159,865

	Wastewater General Obligation Debt		Wastewater State Loans	
Year	Principal	Principal & Interest[(a)]	Principal	Principal & Interest
2020 (at 11-10)	(Paid)	(Paid)	(Paid)	(Paid)
2021	$ 21,919,700	$ 43,136,649	$ 1,473,502	$ 1,820,481
2022	22,979,200	43,376,994	1,513,923	1,824,190
2023	30,163,700	47,867,106	1,555,458	1,828,000
2024	36,718,200	53,316,696	1,598,136	1,831,916
2025	37,282,500	52,456,866	1,641,990	1,835,938
2026	35,666,900	49,467,991	1,287,984	1,441,004
2027	34,060,000	46,584,616	918,019	1,044,680
2028	33,205,000	44,509,966	942,111	1,046,990
2029	31,225,000	41,431,660	966,838	1,049,361
2030	29,595,000	38,667,914	992,216	1,051,794
2031	29,870,000	38,112,464	696,679	732,707
2032	29,855,000	37,080,764	388,648	412,474
2033	28,180,000	34,558,931	398,110	413,452
2034	26,240,000	31,806,025	407,803	414,453
2035	25,660,000	30,335,806		
2036	24,475,000	28,275,781		
2037	22,795,000	25,763,856		
2038	22,545,000	24,727,394		
2039	23,260,000	24,741,144		
2040	22,700,000	23,434,313		
Total	$568,395,200[(b)]	$759,652,936	$14,781,417[(c)]	$16,747,440

(a) *Includes the County Series 2020C Bonds and the County Series 2020D Bonds at assumed average annual interest rates of 2.00% and 1.59%, respectively, and excludes the County Series 2010C Refunded Maturities, the County Series 2012A Refunded Maturities, and the County Series 2013A Refunded Maturities.*

(b) *55.0% of this debt will be retired within ten years.*

(c) *87.2% of this debt will be retired within ten years. Repayment schedule assumes the principal forgiveness of state revolving loan as noted previously. Amounts shown in this schedule are based on the preliminary loan schedules provided by the State of Kansas and do not include repayment on funds not yet advanced.*

Estimated Calendar Year Debt Service Payments Including the County Bonds, the PBC Bonds and Excluding the Refunded Maturities (Continued)

	Airport General Obligation Debt		Public Building Commission Debt General County Facilities	
Year	Principal	Principal & Interest	Principal	Principal & Interest
2020 (at 11-10)	(Paid)	(Paid)	(Paid)	(Paid)
2021	$ 170,000	$ 269,375	$ 22,080,000	$ 32,346,956
2022	180,000	270,875	32,805,000	42,203,113
2023	200,000	281,875	34,240,000	42,177,163
2024	205,000	276,875	33,920,000	40,453,213
2025	220,000	281,625	33,675,000	38,666,113
2026	225,000	275,625	33,380,000	36,799,563
2027	230,000	273,875	34,150,000	36,083,138
2028	240,000	276,975	9,280,000	9,947,988
2029	105,000	133,425	5,215,000	5,608,564
2030	110,000	135,275	4,300,000	4,550,746
2031	115,000	136,700	3,545,000	3,671,421
2032	120,000	137,963	70,000	84,156
2033	120,000	133,763	70,000	82,581
2034	125,000	134,563	70,000	80,919
2035	130,000	134,875	70,000	79,169
2036			70,000	77,419
2037			70,000	75,581
2038			65,000	68,656
2039			65,000	66,869
Total	$2,495,000[a]	$3,153,664	$247,140,000[b]	$293,123,328

[a] *75.6% of this debt will be retired within ten years.*

[b] *98.3% of this debt will be retired within ten years.*

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Estimated Calendar Year Debt Service Payments Including the County Bonds, the PBC Bonds and Excluding the Refunded Maturities (Continued)

	Public Building Commission Debt Public Works		Public Building Commission Debt Arts and Heritage Facility	
Year	Principal	Principal & Interest[(a)]	Principal	Principal & Interest
2020 (at 11-10)	(Paid)	(Paid)	(Paid)	(Paid)
2021	$ 95,000	$ 212,693	$ 890,000	$ 1,509,034
2022	735,000	878,700	920,000	1,512,334
2023	750,000	879,000	955,000	1,510,534
2024	770,000	884,000	990,000	1,507,334
2025	780,000	878,600	1,030,000	1,507,734
2026	795,000	878,000	1,075,000	1,511,534
2027	815,000	882,100	1,105,000	1,509,284
2028	825,000	875,800	1,160,000	1,520,084
2029	850,000	884,300	1,195,000	1,518,834
2030	865,000	882,300	1,230,000	1,514,996
2031			1,275,000	1,519,406
2032			1,315,000	1,516,375
2033			1,360,000	1,515,350
2034			1,410,000	1,516,050
2035			1,465,000	1,519,938
Total	$7,280,000	$8,135,493	$17,375,000[(b)]	$22,708,821

(a) *Includes the PBC Series 2020D Bonds at an assumed average annual interest rate of 2.00% and excludes the PBC Series 2010A Refunded Maturities.*

(b) *60.7% of this debt will be retired within ten years.*

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Estimated Calendar Year Debt Service Payments Including the County Bonds, the PBC Bonds and Excluding the Refunded Maturities (Continued)

	Public Building Commission Debt Library Facilities – Central Resource, Leawood Pioneer, and Monticello		Public Building Commission Debt Library Facilities – Lenexa City Center Library	
Year	Principal	Principal & Interest[(a)]	Principal	Principal & Interest
2020 (at 11-10)	(Paid)	(Paid)	(Paid)	(Paid)
2021	$ 1,450,000	$ 2,110,519	$ 630,000	$ 995,281
2022	1,495,000	2,117,989	645,000	997,681
2023	1,555,000	2,115,389	655,000	994,781
2024	1,620,000	2,115,089	670,000	996,681
2025	1,220,000	1,646,889	680,000	993,281
2026	1,275,000	1,649,289	705,000	997,881
2027	1,340,000	1,659,089	725,000	996,731
2028	1,390,000	1,650,789	740,000	996,325
2029	1,005,000	1,240,939	760,000	994,125
2030	1,025,000	1,242,658	785,000	996,325
2031	1,045,000	1,242,445	805,000	992,775
2032	1,070,000	1,244,990	830,000	993,625
2033	1,095,000	1,245,720	855,000	993,725
2034	1,120,000	1,244,260	880,000	993,075
2035	1,150,000	1,245,860	910,000	996,675
2036	1,180,000	1,244,330	935,000	994,375
2037	345,000	376,778	965,000	995,156
2038	350,000	374,188		
2039	360,000	376,313		
2040	365,000	373,213		
Total	$21,455,000[(b)]	$26,516,736	$13,175,000[(c)]	$16,918,498

(a) *Includes the PBC Series 2020C Bonds at an assumed average annual interest rate of 1.97%.*

(b) *62.3% of this debt will be retired within ten years.*

(c) *53.1% of this debt will be retired within ten years.*

Other Debt Obligations

Capital Leases

The County has entered into various capital leases for assets. The following is a schedule by years of future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Year Ending December 31	
2020	$ 725,672
2021	704,904
2022	704,904
2023	704,904
Total Minimum Lease Payments	$2,840,384
Less Amounts Representing Interest	(262,560)
Present Value of Minimum Lease Payments	$2,577,824

Overlapping Debt

Taxing Unit(a)	2019/20 Total Assessed Value in County	Est. G.O. Debt as of 11-5-20(b)	Debt Applicable to County Percent	Debt Applicable to County Amount(c)
Cities:				
Bonner Springs	$ 6,016,821	$ 22,765,000	5.76%	$ 1,311,264
DeSoto	82,719,241	17,800,000	99.89	17,780,420
Edgerton	62,557,012	6,480,000	100.00	6,480,000
Fairway	103,000,427	7,560,000	100.00	7,560,000
Gardner	200,483,589	64,060,000	100.00	64,060,000
Leawood	1,016,447,761	75,430,000	100.00	75,430,000
Lenexa	1,261,434,149	130,284,000	100.00	130,284,000
Merriam	205,176,346	1,685,000	100.00	1,685,000
Mission	160,906,225	17,985,000	100.00	17,985,000
Mission Hills	198,879,878	2,195,000	100.00	2,195,000
Olathe	2,022,941,525	228,445,000	100.00	228,445,000
Overland Park	3,857,140,809	83,435,000	100.00	83,435,000
Prairie Village	437,852,863	23,295,000	100.00	23,295,000
Roeland Park	88,833,845	2,135,000	100.00	2,135,000
Shawnee	975,609,892	43,715,000	100.00	43,715,000
Spring Hill	43,863,638	11,117,716	67.87	11,117,716
Westwood	29,624,341	3,370,000	100.00	3,370,000
School Districts:				
Blue Valley USD 229	3,316,807,885	366,570,000	99.98	366,496,686
Spring Hill USD 230	229,511,284	220,600,000	78.78	182,524,440
Gardner USD 231	352,700,395	121,480,000	98.04	119,378,396
DeSoto USD 232	578,575,016	157,680,000	100.00	157,680,000
Olathe USD 233	2,587,273,542	171,589,177	100.00	171,589,177
Wellsville USD 289	30,866	1,375,000	0.04	688
Eudora USD 491	1,507,800	49,925,000	0.04	1,043,433
Shawnee Mission USD 512	4,083,910,992	337,895,000	100.00	337,895,000
Other Entities:				
Community College	11,150,320,050	47,905,000	100.00	47,905,000
Park and Recreation	11,150,320,050	34,970,000	100.00	34,970,000
Fire District #1	347,075,480	12,210,000	100.00	12,210,000
Fire District #2	239,668,792	7,940,000	100.00	7,940,000
Total Overlapping Debt				$2,159,916,220

(a) *Only those units with outstanding general obligation debt are shown here.*

(b) *Includes general obligation bonds and special assessment bonds with governmental commitment. Excludes general obligation debt supported by revenues and temporary notes.*

(c) *Based upon assessed valuation within Johnson County as a percent of total assessed valuation.*

Debt Ratios*

	G.O. Direct Debt	G.O. Overlapping & Direct Debt
To 2019/20 Appraised Valuation ($85,845,759,620)	0.35%	2.86%
To 2019/20 Equalized Assessed Tangible Valuation ($12,157,684,293)	2.44%	20.21%
Per Capita (602,401 – Current County Estimate)	$492	$4,078

* *Includes general obligation bonds supported by taxes and assessments, lease obligations, and general obligation airport and library debt.*

COUNTY TAX RATES, LEVIES AND COLLECTIONS

Tax Rates Per $1,000 of Assessed Value

	2015/16	2016/17	2017/18	2018/19	2019/20
County Wide					
County	19.582	19.590	19.318	19.024	19.036
County Library*	3.912	3.915	3.921	3.901	3.904
County Park & Recreation	3.101	3.102	3.112	3.088	3.090
Total	26.595	26.607	26.351	26.013	26.030

* *Includes only a portion of the County.*

Source: Annual Abstract of Taxes published by the County Clerk's office of Johnson County, Kansas.

Property Tax Levies and Collections

Years(a)	Net Adjusted Tax Roll(b)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collected
2019/20(c)	$243,852,017	$241,576,730	99.07%	$ 0	$241,576,730	99.07%
2018/19	230,506,292	229,163,345	99.42	666,361	229,829,706	99.71
2017/18	218,416,170	217,792,966	99.71	202,028	217,994,994	99.81
2016/17	206,512,271	204,765,252	99.15	1,525,510	206,290,762	99.89
2015/16	193,656,251	192,702,540	99.51	852,272	193,554,812	99.95

(a) *Taxes levied in 2019 for the 2020 fiscal year were due December 20, 2019 but may be paid 50% by December 20, 2019 and 50% by May 10, 2020.*

(b) *Net Adjusted Tax Roll is the County Clerk's Abstract of Taxes plus new taxes less abated taxes.*

(c) *Collections as of August 31, 2020.*

Source: Johnson County.

Retail Sales and Tax Collections

Kansas law imposes retail sales tax based on where purchases are made. Retail sales tax is charged on the retail sale, rental or lease of tangible personal property; labor services to install, apply, repair, service, alter or maintain tangible personal property; and admissions to entertainment, amusement or recreation places in Kansas. Compensating use tax is paid on merchandise purchased from other states and used, stored or consumed in Kansas on which no sales tax was paid. Compensating use tax is also due if the other state's rate is less than the Kansas rate of 6.5% paid at the time of purchase. Compensating use tax only applies to tangible personal property; labor services are not subject to use tax. The compensating use tax rate is the same as the sales tax rate.

Sales tax rates within the County vary depending on where purchases are made. Sales tax rates range from 7.975% to 9.975%, with higher sales tax rates within special taxing districts, such as transportation development district and community improvement districts. The State of Kansas levies a 6.5% sales tax. Cities in Kansas are permitted to levy up to 3% local city sales tax.

The County is currently authorized to levy a 1.475% sales tax on retail sales within the County (the "Countywide Sales Tax"). Revenues from the Countywide Sales Tax are distributed to the County and each of the cities in the County according to a state mandated formula based on population, ad valorem tax and tax type. All countywide sales taxes are required to be approved by voters. The existing sales taxes comprising the 1.475% rate have been authorized as follows:

Purpose	Sales Tax	Effective Date	Sunset
Local	0.500%	October 1, 1975	No Sunset
Stormwater	0.100	July 1, 1990	No Sunset
Public Safety	0.250	July 1, 1995	No Sunset
Public Safety II	0.250	January 1, 2009	No Sunset
Public Safety III	0.250	April 1, 2017	10-Year Sunset
Research Triangle Tax	0.125	April 1, 2009	No Sunset
Total	1.475%		

Revenues from the Local 0.50% sales tax may be used for any permissible County purpose. Revenues from the Stormwater 0.10% sales tax may only be used for stormwater purposes. Revenues from the Public Safety sales taxes may only be used for Public Safety purposes. The County does not retain any portion of the Research Triangle Tax and distributes it to the Johnson County Education Research Triangle Authority.

The following chart represents the level of retail sales and total sales and use tax collections in the County, attributable to State, County and local city sales taxes over the last ten years.

Fiscal Year	Gross Retail Sales	Total Sales and Use Tax Collections - All Taxing Jurisdictions in the County	Sales and Use Tax Collections Annual Percent Increase (Decrease)	County Share of Countywide Sales and Use Tax Collections*
2019	$20,917,422,529	$741,411,569	1.23%	$102,651,798
2018	21,069,978,069	732,390,863	1.07	101,676,666
2017	20,164,576,414	724,610,436	1.55	93,904,750
2016	20,084,092,444	713,544,502	4.70	75,600,644
2015	20,344,258,077	681,485,916	6.40	71,633,771
2014	19,554,559,954	640,502,450	3.46	70,202,538
2013	18,291,596,707	619,060,573	2.50	67,223,139
2012	17,797,465,950	603,983,852	3.85	64,721,509
2011	17,676,256,038	581,574,152	13.23	63,692,635
2010	17,277,764,708	513,604,956	16.90	52,415,824

* *Excludes revenues from Research Triangle Tax.*

Source: *Kansas Department of Revenue State Planning and Research.*

NOTE: *The gross sales and sales tax collection amounts listed above are subject to change as the Kansas Department of Revenue tests the accuracy of these numbers with new software.*

As of August 31, 2020, the County's share of total sales tax collections from the County's 1.475% countywide retailers' sales tax are slightly above 2019 collection rates during the same time period. A comparison of the County's share of 2020 and 2019 monthly sales tax receipts since January 1, attributable to the countywide retailers' sales tax is shown below:

	January	February	March	April	May	June	July	August	Total
2020	$8,811,170	$9,804,905	$7,692,895	$7,865,631	$7,544,259	$7,731,413	$8,284,633	$9,775,486	$67,510,392
2019	$8,990,780	$9,315,043	$7,285,397	$7,279,656	$8,230,083	$8,147,370	$8,967,665	$8,733,342	$66,949,336

Special Assessment Billings and Collections

Levy Year(a)	Special Assessment Billings(b)	Special Assessment Collections	Percent of Billings Collected	Delinquent Assessments Collected	Total Assessments Collected	Percent of Total Collections to Billings
2019/20(c)	$631,234	$621,289	98.42%	$ 0	$621,289	98.42%
2018/19	647,186	639,965	98.88	5,714	645,679	99.77
2017/18	387,482	383,174	98.89	4,308	387,482	100.00
2016/17	394,823	390,677	98.95	2,890	393,567	99.68
2015/16	413,002	409,798	99.22	3,204	413,002	100.00

(a) *Taxes levied in 2019 for the 2020 fiscal year were due December 20, 2019 but may be paid 50% by December 20, 2019 and 50% by May 10, 2020.*

(b) *Billings and collections include Johnson County and all municipalities within Johnson County.*

(c) *Collections as of August 31, 2020.*

Source: *Johnson County.*

Sources of County Revenue

The following chart presents the breakdown of governmental fund revenue, as of December 31 each year.

Program Revenues	2015	2016	2017	2018	2019
Charges for Services	$ 97,735,702	$ 94,473,604	$76,352,255	$ 77,880,783	$ 81,248,092
Operating Grants and Contributions	41,223,381	41,987,803	44,107,182	46,857,340	45,105,093
Capital Grants and Contributions	2,972,374	563,533	2,003,024	421,666	2,621,561
General Revenues					
Property Taxes	$183,662,657	$217,668,398	$232,081,211	$245,651,928	$257,906,932
Sales Taxes	71,633,771	75,600,644	93,904,750	101,676,666	102,651,800
Other Taxes	4,648,964	5,095,421	5,208,009	5,309,275	5,497,132
Unrestricted Investment Earnings	2,102,754	3,320,270	4,273,258	9,471,385	12,284,224
Miscellaneous	7,038,072	6,284,302	7,882,037	7,387,805	6,235,235
Transfers	(7,868,012)	(4,497,929)	(5,480,121)	(6,841,572)	(5,543,037)
Total	$403,149,663	$440,496,046	$460,331,605	$487,815,276	$508,007,032

Source: Johnson County Comprehensive Annual Financial Reports for years ended December 31, 2015 through December 31, 2019.

FUNDS ON HAND
As of August 31, 2020

General Fund	$ 301,295,094
Special Revenue Funds	47,905,309
Debt Service Fund	4,591,841
Capital Projects Fund	142,423,696
Enterprise Funds	341,564,628
Internal Service Funds	50,460,583
Agency Funds	130,752,386
Total	$1,018,993,537

NOTE: Funds on hand include $23,374,182 which is being held by a trustee for certain refunded bonds.

COUNTY INVESTMENTS

The County's investment policy seeks to ensure the preservation of capital in the overall portfolio. Safety of principal is the foremost objective and all investments are made in accordance with K.S.A. 12-1675 to 12-1677b and amendments thereto. Treasury and Financial Management staff is charged with organizing and establishing procedures for effective cash management. An investment committee consisting of the Director of Treasury and Financial Management, the Deputy Treasurer, a County Commissioner, and two members of the private sector meet quarterly, or as necessary to determine specific strategies and to monitor investment results. As of August 31, 2020, approximately 99% of the County's total investment portfolio was invested in securities with maturities of one year or less and approximately 1% was invested in securities with maturities greater than one year, with the latest maturity being February 14, 2022. The total portfolio as of August 31, 2020 was approximately $947 million.

GENERAL INFORMATION CONCERNING THE COUNTY

Population

The County is one of 15 Kansas and Missouri counties that comprise the Kansas City Metropolitan Statistical Area (the "KCMSA"). With a 2019 U.S Census population of 602,401, it is the largest county in the State of Kansas. The County encompasses approximately 477 square miles (305,280 acres). Within the County, there are nine townships and 20 incorporated cities, of which eight have populations in excess of 10,000. The County's largest city, Overland Park, with a 2019 U.S. Census population of 195,494, is located only 12 miles from both downtown Kansas City, Missouri, and Kansas City, Kansas. Approximately one-half of the County's area is located outside the corporate limits of any city.

The County's per capita personal income ranks first among the counties in the KCMSA and first in the seven-state West North Central Region. Johnson County's 2019 per capita personal income is $76,328.

The County's population trend is shown below:

	Population	Percent Increase
2019	602,401	10.7%
2010	544,179	20.6
2000	451,086	27.0
1990	355,054	31.4
1980	270,269	--

Source: United States Census Bureau, http://www.census.gov/.

The County's estimated population by age group for the past five years is as follows:

Data Year/ Report Year	0-17	18-34	35-64	65 and Over
2019/20	146,093	129,335	239,862	91,404
2018/19	145,223	127,899	239,305	88,201
2017/18	145,427	126,786	237,407	83,890
2016/17	146,324	126,107	237,019	80,739
2015/16	145,597	126,175	232,365	76,022

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Transportation Facilities

Residents of the County have access to all transportation and communication systems serving the Kansas City Metropolitan Area, including the Kansas City International Airport, located 30 miles from the City of Overland Park. The County owns and operates two airports: Johnson County Executive Airport and New Century AirCenter. Interstate highways I-35, I-435, and I-635 pass through the County and provide access to I-70 and I-29, just north of the County. Four major federal highways and four state highways serve the County. A number of certified motor freight carriers serve the County, and public transportation management for the County is provided by the Kansas City Area Transportation Authority. The Kansas City Metropolitan Area is generally regarded to be the second largest rail center in the United States. Four of seven Class I rail carriers serve the area, as well as two regional and local switching carriers. Amtrak passenger trains serve the Kansas City Metropolitan Area. Rail service is provided by Amtrak, Burlington Northern Santa Fe (BNSF), Kansas City Southern, Kansas City Terminal, Missouri & Northern Arkansas, Norfolk Southern, Iowa, Chicago & Eastern, and Union Pacific. The Logistics Park-KC is a 1,700-acre master-planned distribution and warehouse development in the southwestern portion of the County and served by the BNSF Intermodal Facility. The Intermodal Facility will provide businesses with a connection to a global supply chain and provide multi-modal transportation to receive imported goods and to export goods by rail or truck.

Major Employers in Johnson County

The principal employers within the County are set out below:

Employer	Product/Service	Approximate Number of Employees
Sprint*	Telecommunications	6,000
Olathe USD 233	Public education (K-12)	4,800
Garmin International Inc.	Communication equipment manufacturing	4,100
Johnson County	Local government	4,000
Shawnee Mission USD 512	Public education (K-12)	3,500
Black & Veatch	Engineering services	3,000
Blue Valley USD 229	Public education (K-12)	2,850
Olathe Health System	Healthcare services	2,600
Wal-Mart	Discount Department Store	2,600
Advent Health Shawnee Mission	Health Care Services	2,550
Hy-Vee Food Stores	Supermarkets & Other Grocery	2,400
Farmers Insurance	Insurance	2,300
Reece & Nichols	Real estate agents & brokers	2,200
Quest Diagnostics	Testing laboratories	1,830
Amazon	Packaging services	1,700
University of Kansas Health System	Healthcare services	1,700
YRC Worldwide Inc.	Freight Trucking	1,500
UPS International, Inc.	Delivery Services	1,500
Johnson Co. Community College	Public Education	1,400
Price Chopper	Supermarkets & Other Grocery	1,400

* *Sprint has merged with T-Mobile US Inc.*

Source: County Economic Research Institute (CERI).

Labor Force Data

	Annual Average				July
	2016	2017	2018	2019	2020
Labor Force:					
Johnson County	328,359	333,278	335,617	338,777	346,032
State of Kansas	1,483,633	1,476,110	1,477,847	1,486,620	1,490,796
Unemployment Rate:					
Johnson County	3.3%	3.0%	2.8%	2.8%	6.6%
State of Kansas	4.0	3.6	3.3	3.2	7.2

Source: Kansas Labor Information Center, http://www.klic.dol.ks.gov. 2020 data are preliminary.

Retail Sales and Effective Buying Income (EBI) for Johnson County

Data Year/ Report Year	Total EBI ($000)	Median Household EBI	Total Retail Sales ($000)	Retail Sales Per Household
2019/20	$24,475,082	$73,274	$15,323,477	$64,116
2018/19	22,401,783	70,744	15,064,483	63,709
2017/18	22,298,200	73,053	14,514,834	62,164
2016/17	20,300,497	65,920	13,987,601	60,285
2015/16	19,185,595	64,585	14,556,229	63,345

The 2019/20 Median Household EBI for the State of Kansas was $51,581. The 2019/20 Median Household EBI for the United States was $54,686.

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Construction Valuations

Building Permits Issued by Municipalities within the County

Calendar	Residential		Commercial	
Year	# of Permits	Value	# of Permits	Value
2020*	813	$372,167,800	116	$ 313,464,665
2019	1,273	523,960,847	210	717,055,582
2018	1,494	597,053,924	266	1,128,087,159
2017	1,678	596,576,461	284	690,164,050
2016	1,455	498,215,675	129	703,371,576
2015	1,355	466,171,921	171	889,054,903
2014	1306	429,512,394	146	442,510,260
2013	1,361	500,300,872	239	550,604,731
2012	1,087	334,211,452	107	303,389,442
2011	754	232,111,062	92	146,633,932
2010	749	215,286,624	54	215,083,479

* *Through August 31.*

Assessed Value of New Construction in the County*

Assessed	Residential		Commercial/Industrial	
Year	# of Units	Value	# of Units	Value
2020	1,606	$70,379,449	183	$130,694,071
2019	1,864	72,086,352	228	108,629,651
2018	2,169	84,099,357	189	92,025,444
2017	2,806	103,610,325	188	75,278,449
2016	1,754	74,273,124	139	64,956,766
2015	1,835	80,200,429	148	75,684,760
2014	1,722	78,892,015	154	83,116,545
2013	1,356	46,553,915	115	34,717,223
2012	971	32,171,408	105	35,996,347
2011	990	35,599,202	122	59,849,369
2010	1,635	47,381,751	186	67,475,931

* *Values are annually certified as of June 1.*

Source: Johnson County Appraiser.

Financial and Banking Institutions

Year	Commercial Banks Number of Institutions	Commercial Banks Deposits at June 30	Savings and Loan Associations Number of Offices	Savings and Loan Associations Deposits at June 30
2019	55	$18,238,370,000	26	$2,693,414,000
2018	55	$17,361,000,000	25	$2,631,000,000
2017	55	17,226,000,000	26	2,598,000,000
2016	58	15,682,000,000	25	2,432,000,000
2015	58	14,601,000,000	26	2,305,000,000
2014	55	13,678,000,000	26	2,355,000,000
2013	57	12,868,000,000	25	2,319,000,000
2012	60	12,182,000,000	25	2,271,000,000
2011	62	12,221,000,000	28	2,217,000,000
2010	59	12,443,000,000	31	2,148,000,000

Source: Johnson County.

Public Utilities

Two or more suppliers provide most utility services. Electrical power is primarily supplied by Evergy, Inc., the entity resulting from the merger of Westar Energy and Kansas City Power and Light Company. The City of Gardner provides its own electrical service.

Local phone service is provided by AT&T for most of the County. Century Link services the southwestern section of the County. Cell phone service is provided by a number of providers, including AT&T, T-Mobile, and Verizon.

Water District No. 1, a quasi-municipal corporation, services the eastern half of the County. The cities of Olathe, Gardner, and De Soto service their own communities. There are six other water districts that provide service to the remainder of the County.

Atmos Energy and Kansas Gas Service provide natural gas services throughout the County.

Various cities receive sewerage service in the County, which is supplied by the Johnson County Wastewater District, a County Department organized and governed by the Board of County Commissioners. The cities of Olathe, Gardner, De Soto, and Edgerton provide their own sewerage services.

Medical and Health Facilities

There are eleven general and specialty hospitals within the County with a combined total of over 1,500 licensed beds. Johnson County Med-Act units provide emergency medical services. The County Department of Health and Environment provides registered nurses and supports a variety of health services. The County also operates a mental health center and a developmental supports center.

Recreational and Cultural Facilities

The Johnson County Park and Recreation District (the "District") operates and maintains 16 developed park areas, including four streamway parks, and 87 miles of trails. The District comprises over 10,000 acres and generates more than 7.5 million visitations annually. The District is a discretely presented component unit of the County. The District is governed by a seven-member board appointed by the Board of County Commissioners (BOCC). The County approves the District's annual operating budget and levies taxes to fund the District. During the 2016 budget process, the BOCC approved a 0.75 mill levy increase for the

District to fund implementation of its Legacy Plan. This number was slightly reduced in 2018. The District's 15-year strategic plan called for an investment of approximately $220 million, including capital improvements to existing parks and facilities, the opening of five new parks, and adding 38 miles of trail to its streamway trail system. Since then, three new parks have been opened with two opening soon. In 2017, the District was awarded the prestigious Gold Medal of Excellence in Park and Recreation Management by the National Recreation and Park Association for communities serving a population greater than 400,000. The District was recently accredited for a fourth time through the Commission for Accreditation of Park and Recreation Agencies. Accreditation must be renewed every five years to ensure compliance with the 151 standards that have been established by the Commission.

Major recreation facilities owned and/or managed by the District include: The Theatre in the Park, an outdoor community theater in Shawnee Mission Park as well as a black box indoor theatre at the Johnson County Arts and Heritage Center; two beaches and two marinas; several sports complexes with fields for youth soccer, football, baseball, and softball; several multi-use facilities or field houses that are used for indoor soccer, basketball and volleyball; two 18-hole golf courses; an aquatics facility; two early childhood development centers and, in cooperation with four school districts, 66 Out of School Time program sites; two 50-plus senior centers in cooperation with two area municipalities; a nature center and outdoor amphitheater in Ernie Miller Park; the TimberRidge Adventure Center at Kill Creek Park; Meadowbrook Park Clubhouse and the 22-acre Mildale Farm meeting and event facilities; and the White Fox Manor Stables. The District offered over 4,200 fee-supported recreation and interpretive programs that generated over 2.7 million program participations in 2018.

The District oversees the Johnson County Museum, which is committed to sharing the history and heritage of Johnson County through its collections, exhibits and programs. The department operates the main museum and 1950s All-Electric House in the Johnson County Arts and Heritage Center, and the Lanesfield Historic Site in the City of Edgerton. Since 1987, its efforts have garnered 28 regional and national awards of excellence. In addition to the District, 12 city historical societies and nine other museums provide the citizens of Johnson County with a broad array of educational and cultural programs.

The outbreak of COVID-19, which has been declared by the World Health Organization to be a public health emergency of international concern, has spread across the globe and is impacting worldwide economic activity. The COVID-19 outbreak poses the risk that the District or its employees, contractors, residents, local business, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities.

In addition to the services offered by the District, two recreation commissions and several municipalities and school districts provide recreational services in the County. The additional recreational facilities used in providing these services include public parks, community centers, athletic fields, swimming pools, and tennis courts.

The mission of the Johnson County Public Library is to provide access to ideas, information, experiences and materials that support and enrich people's lives. In 2015, the Board of County Commissioners approved a 0.75 of one mill levy increase for the Comprehensive Library Master Plan, which is projected to invest an additional $175 million over the subsequent twenty years to allow facility expansion, replacement, and renovation of the current library facilities as well as provide additional funding for programming needs.

The Johnson County Library system is comprised of 14 branch libraries serving approximately 461,856 residents in a taxing district that is made up of 18 of Johnson County's 20 cities. The Johnson County Library system also partners with the Olathe Library System of Olathe, Kansas, also in Johnson County, to provide a seamless library experience to all Johnson County residents.

The Johnson County Library is the largest library system in the State with 1,320,218 holdings consisting of books, eBooks, audiobooks, magazines and periodicals, newspapers, special reference materials, DVDs and CDs, and federal and state government documents. In 2019 the Libraries supported more than 322,751 personal computer sessions on 366 public computer workstations. There were 869,970 connections to JCL's fast and free wireless network and 791,759 digital downloads of eMaterials. Johnson County Library facilities received almost 2.4 million physical site visitors, supported over 2.9 million website visits, and circulated almost 7.6 million books, DVDs, music CDs, and audiobooks. The Library also provides an expanding suite of programs and materials in Spanish for the growing Latino populations in the County.

The 2020 global pandemic as a result of COVID-19 had the Johnson County Library needing to close their physical locations for approximately 3 months (from mid-March 2020 to mid-June 2020). This pandemic has also caused the Library to have to modify the way it provides patron services, service hours, and programs in 2020; as the Library is trying to limit large public gatherings, do more on-line programs/services and practice social distancing along with enhanced cleaning protocols at all of the 14 branch locations. These changes in servicing will likely be in place for the foreseeable future or until COVID-19 is no longer seen as a public health threat or there is a vaccination readily available.

Education*

Six public school districts serve County residents, along with numerous private and parochial schools. In addition, post-secondary education is provided by eight colleges in the County.

K-12 school enrollments for the past five years have been as follows:

School Year	Total Enrollment
2019/20	106,740
2018/19	106,157
2017/18	105,684
2016/17	105,082
2015/16	104,721

Source: Kansas K-12 Reports, http://datacentral.ksde.org/report_gen.aspx.

GOVERNMENTAL ORGANIZATION AND SERVICES

The County's form of government is a seven-member Commission with a County Manager. The County has nine officials elected by citizens to four-year overlapping terms to carry out State-mandated services and to provide other local programs as necessary.

The Board of County Commissioners (the "BOCC") sets the County's annual strategic goals, operating budget, and capital improvement plan and selects a County Manager to oversee daily operations. The BOCC also appoints citizen volunteers to committees, agency governing bodies and advisory panels.

Following are the elected officials of the current BOCC and the County.

Elected Officials

Board of County Commissioners	Position	Expiration of Term
Ed Eilert	Chairman	2023
Becky Fast	First District	2023
James Allen	Second District	2021
Steven Klika	Third District	2021
Janeé Hanzlick	Fourth District	2023
Michael Ashcraft	Fifth District	2023
Mike Brown	Sixth District	2021

Elected Officials	Position	Expiration of Term
Calvin Hayden	Sheriff	2021
Stephen M. Howe	District Attorney	2021

The County has employed a professional County Manager since 1983 to administer the operations of the County. The County Manager appoints the directors of the operating divisions. The County's current appointed officials are shown below.

Appointed Officials

Name	Title
Penny Postoak Ferguson	County Manager
Maury Thompson	Deputy County Manager
J. Joseph Waters	Assistant County Manager
Joseph M. Connor	Assistant County Manager

Home Rule Charter

In November of 2000, a Home Rule Charter was approved by voters. After the election in November of 2002, an additional district commissioner and a commission chairperson elected on a countywide basis were added. In January 2005, the elected positions of County Clerk and Register of Deeds became appointive offices. The two offices were combined into one appointed office, which is now known as Records and Tax Administration. In addition, the position of County Treasurer became an appointed office in October 2005.

The Home Rule Charter became effective on January 11, 2001 and includes the following timeline and action items:

Redistricting for the six (6) commissioner districts was completed by April 1, 2002.

Reorganization of the Board of County Commissioners with six (6) district commissioners and the elected chairperson occurred on January 16, 2003.

The Home Rule Charter contains seven (7) separate articles. In addition to the items discussed above, the Charter:

Establishes four-year terms for all commissioners, including the chairperson, with no term limitations.

Makes each election non-partisan. Primary elections will be held if there are more than two (2) candidates for the position. The two candidates who receive the most votes in the primary election are placed on the ballot for the November election. If there are two or less candidates who file for a position, then no primary election will be held.

Requires the Board of County Commissioners to appoint a Charter Review Commission.

Requires the Board of County Commissioners to establish a Charter Commission every ten years.

As required by the Home Rule Charter, a Charter Commission was appointed effective January 13, 2011 to study and make recommendations about the structure and operations of the County Government. A new Charter Commission will be appointed by February 11, 2021. There are twenty-five members to the Charter Commission, eight of them appointed by the BOCC. The other seventeen members were appointed by organizations representing state legislators, political parties, chambers of commerce, council of mayors, and rural areas of the County.

The Charter Commission convened its first organizational meeting within thirty days and meet as frequently as its membership deems necessary. The Charter Commission submitted a final report of its findings and recommendations to the Board of County Commissioners on February 9, 2012. The consensus of the 2011 Charter Commission is that the County operates well under the existing Charter adopted in 2000 by voters.

Services of the County

Public Safety, Judicial, and Emergency Services: The County provides police protection for rural areas of the County and professional support services to local municipalities through the Sheriff's Department. The New Century AirCenter Adult Detention Center is intended for the housing of persons placed in custody of the Sheriff. The Olathe Adult Detention Center has been remodeled as a Central Booking Facility as well as providing space to house inmates. The Adult Residential Center is a structured living environment for high risk offenders provided as an alternative to incarceration in State and County detention facilities. The Juvenile Detention Center is provided as a medium security detention and correction facility for juvenile offenders. The Youth and Family Services Center allows for expanded services and capacity to serve juvenile offenders in an environment that is more therapeutic than a traditional detention center setting. Additionally, the Youth and Family Services Center houses the Juvenile Intake and Assessment Center unit that is responsible for conducting intakes on all youth who are designated as a child in need of care. The Emergency Management and Communication Department coordinates planning to ensure a normalized civilian government will maintain jurisdiction during a disaster emergency, and ensures efficient response of fire and emergency medical services provided to all residents throughout the County and part of Miami County to the south. The Med-Act Department provides ambulance services and pre-hospital emergency medical care within the County.

Infrastructure: The County provides construction and maintenance of all streets, bridges and culverts in the rural areas of the County. Assistance is provided to municipalities for upgrading and widening of primary arterial roadways within the County. A transportation system provides a fixed route busing system within the boundaries of the County and to certain locations in the metropolitan area. RideKC Micro Transit is an affordable ride-hailing transportation option, which is now available in parts of Johnson County. It additionally provides service for County residents who are economically or physically disadvantaged. The County operates and maintains two airports. The Executive Airport provides transportation service to private and small corporate aircraft, while New Century AirCenter accommodates business traffic at the industrial park. The Wastewater District operates sanitary sewer systems in various sections of the County. Wastewater is building a new Tomahawk Treatment Plant to extend its service area and reduce the volume of flow being sent to Kansas City, MO for Treatment. The new plant is expected to be completed in 2022 and the District will see significant cost savings once it comes online. The Planning Department provides zoning administration and code enforcement in the unincorporated areas of the County, plus planning and research on a county-wide basis in cooperation with local municipalities.

Health and Human Services: The Human Services Department coordinates and monitors human services available to County residents through county, public, and not-for-profit agencies. The Department of Health and Environmental is the County's official public health agency, and as such, is dedicated to protect and promote the health, welfare and environment of the community and to prevent, contain and control communicable diseases. The Developmental Supports Agency provides services and support to County residents with developmental disabilities and their families. The County provides referrals, clinical and residential counseling, and treatment to residents with mental illness at the Mental Health Center.

Culture and Recreation: The Library System has fourteen libraries facilities throughout the County. The Parks and Recreation District provides locations and programs for leisure activity of County residents. The Museum collects, preserves, and exhibits items relevant to the history of the County.

Economic Development: Three non-profit economic development institutions established by the County promote economic development within in the County: the County Economic Research Institute (CERI), the Certified Development Company (CDC) and the Enterprise Center of Johnson County. CERI participates in partnerships with chambers of commerce, local and regional economic development organizations and units of government in order to create and sustain jobs, expand the tax base, and promote Johnson County through the provision of basic and applied research. The CDC supports and facilitates local economic development by providing credit-worthy small businesses with a source of long-term, low-interest financing and fixed assets. The Enterprise Center provides high-quality and value added consulting service, administrative support and facilities to start-up, growth-oriented companies that are capable of stimulating overall business activity and employment growth in the County.

Support of State Operations: The County is statutorily required to provide sufficient space, equipment, and materials to support the District Courts. This includes providing indigent defense, probation, and paying agent services. The District Attorney's office is statutorily responsible for prosecuting violators of state law.

Existing County Facilities

The County owns and operates numerous facilities. The County Courthouse is located in the downtown area of the City of Olathe and houses the District Courts and District Attorney. At a general election held on November 8, 2016, the voters of Johnson County approved a new one-fourth (1/4) of a cent countywide sales tax to acquire, design, construct, equip and furnish (1) a new Johnson County Courthouse facility on the site located at the northeast corner of the intersection of Kansas Avenue and Santa Fe in Olathe; and (2) a new Johnson County Medical Examiner facility on the site located at the southwest corner of 118th Street and Sunset Drive in Olathe; and demolish the existing courthouse complex. The County used sales tax revenue and proceeds from the PBC's Lease Purchase Revenue Bonds (Courthouse and Medical Examiner Projects), Series 2018A, to fund the projects. The County leases these facilities from the PBC. The County Administration Building is leased from the PBC and houses all administration departments. The Northeast Office facility is located in the City of Mission, approximately 20 miles northeast of the County Courthouse, and houses the Mental Health, Health and Environment, and Motor Vehicles Departments. The Northeast Office building recently underwent renovations to allow the County to better serve the public. The Election Commission building and the Operations Center are located in the City of Olathe. The Sunset Drive Office Building, which houses seven County departments, is leased from the PBC.

The Olathe Adult Detention Center is located in the downtown area and the Juvenile Detention Center is located in the northwest portion of the City of Olathe. The New Century AirCenter Adult Detention, the Adult Residential Center, and the Sheriff's Operations Center are located at the New Century AirCenter. The Sheriff's Dispatch and Emergency Communications staff operations are located in the Communications Center. PBC bonds were used to expand the New Century AirCenter Adult Detention Center. The Olathe Detention Center was remodeled and reopened as a Central Booking Facility/Detention Center. Both facilities are currently being utilized to provide housing for inmates. The Sheriff's Criminalistics Laboratory was funded by PBC bonds. Revenues from the Public Safety Sales Tax 2 will be the primary funding source for the debt service for the bonds issued to finance improvements to the Adult Detention Center, Central Booking Facility, Criminalistics Laboratory, and the Youth and Family Services Center. The County purchased a building in 2011 to provide additional space for Courthouse occupants. The building renovations for this building, now known as the Justice Annex, were completed as of July 2013.

Proceeds of the PBC's Lease Purchase Revenue Bonds (8788 Metcalf Project), Series 2015A, dated June 30, 2015 (the "Series 2015A Bonds") were used to acquire, renovate, construct, equip and furnish a building now known as the Johnson County Arts and Heritage Center. This building was completed and opened in June 2017. It provides space for the Park and Recreation District, the Museum of History , and community gatherings and advance voting. The building also provides improved space for museum exhibit displays and storage and increases efficiencies in collection processing. The Park and Recreation District offers recreational classes in arts, crafts, music, and theater. The building includes a theater allowing the Theater in the Park to expand its offerings from the summer to year around activities.

The Public Works Offices, Shop and Garage complex is located in the southwest portion of the City of Olathe. The Transportation Maintenance facility is also located in the southwest portion of the City of Olathe. The Developmental Supports Agency is located in the City of Lenexa, and the Developmental Supports building, also known as the Elmore Center, has been recently remodeled with proceeds of PBC bonds for expanded, renovated space for its operations.

The Wastewater District operates numerous pumping stations, lift stations and treatment plants throughout the County. The Wastewater District spends approximately $85 million annually in capital improvements to maintain and expand treatment and collection infrastructure. With the addition of the Tomahawk Treatment Plant, the District is estimated to spend an additional $120 million until the project is completed in 2022.

The Airport Commission operates two facilities. The New Century AirCenter, located at the edge of the City of Gardner, was previously a U.S. Navy Air Base. The County now operates it as an industrial park. Additionally, there are some facilities leased to New Century AirCenter tenants. The Executive Airport, acquired in 1967 and located in the City of Overland Park, has numerous rental hangars and an office building.

The Human Services Building is occupied by the Health and Environment Department and the Friends of the Johnson County Nursing Center, Inc.

Public Employee Retirement System

The County and the Johnson County Park & Recreation District participate in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq*. The Kansas Public Employees Retirement System is a fiduciary providing retirement benefits, disability income benefits, survivor benefits to plan members and their beneficiaries. It is governed by a 9-member Board of Trustees for over 295,000 members across 1,500 employers with assets over $16 billion. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available joint financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

K.S.A. 74-4919 and K.S.A. 74-49,210 established the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for all members.

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.15% of covered salary. Beginning July 1, 2013, the percentage was raised to 7.15% for all members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the KPERS employer contribution rates. The KPERS employer rate established for the fiscal year ended December 31, 2019 was 8.89%.

On July 1, 2006, legislation went into effect requiring governmental agencies to pay a KPERS employer contribution rate on certain KPERS retirees who work after retirement (House Substitute for SB 270). Recent legislation has changed working-after-retirement rules for both employers and members if a retiree returns to KPERS employer. Beginning July 1, 2016, all KPERS retirees will have a $25,000 earnings limit for each calendar year. Employer will make contribution on all retiree compensation. The contribution rate varies depending on certain circumstances.

The KP&F employer rates established for fiscal year 2019 is 22.13% for participating emergency medical staff and sheriff. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer.

Contributions to KPERS and KP&F for the past five years are as follows:

	County		Park and Recreation	
	KPERS	KP&F	KPERS	KP&F
2019	$13,429,318	$11,056,260	$1,222,368	$309,599
2018	13,695,565	9,770,770	1,121,798	283,908
2017	11,778,040	8,998,059	903,214	240,690
2016	12,239,982	9,370,884	892,588	243,844
2015	13,272,353	9,587,043	870,114	235,789

These contribution amounts are equal to the contractually required contributions for each year as set by State Statute.

For more information regarding the County’s pension plan, please reference “Note 12, Pension Plans – A. KPERS/KP&F” of the County’s Comprehensive Annual Financial Report for fiscal year ended December 31, 2019, an excerpt of which is included as Appendix V of this Official Statement.

GASB 68

In June 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date -- an amendment to GASB 68, effective for the County’s fiscal year ended December 31, 2015. These statements revise existing standards for measuring and reporting pension liabilities for pension plans provided to County employees and requires recognition of a liability equal to the County’s proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position. The pronouncements required the restatement of the County’s December 31, 2014 net position of its governmental activities.

The County’s proportionate shares of the pension costs and the County’s net pension liability for KPERS and KP&F for the past five years are as follows:

	KPERS		KP&F	
	Proportionate Share of Pension Costs	Net Pension Liability	Proportionate Share of Pension Costs	Net Pension Liability
2019	8.058%	$112,594,008	9.134%	$92,449,168
2018	7.962	110,972,192	9.587	92,248,210
2017	7.674	111,156,575	9.205	86,325,809
2016	7.630	118,032,475	9.596	89,123,395
2015	7.540	98,997,115	9.326	67,720,621

For more information regarding GASB 68 with respect to the County, please reference "Note 1, Summary of Significant Accounting Policies -- R. Pensions" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2019, an excerpt of which is included as Appendix VI of this Official Statement.

Sources: County's Comprehensive Annual Financial Reports.

Other Post-Employment Benefits

The Government Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), establishing new accounting and financial reporting requirements related to post-employment healthcare and other non-pension benefits (referred to as Other Postemployment Benefits or "OPEB").

The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to retirees including medical, dental, and vision coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least ten years of cumulative service with the County and commence retirement or disability benefits under the KPERS or KP&F are eligible for benefits. This coverage may also extend to the retiree's family. Retirees are eligible to remain on the County's group health plan, but the County does not assist with premium payments. The only cost to the County comes from the implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Sources: County's Comprehensive Annual Financial Reports.

Supplemental Retirement Plans

In 2001, the Board of County Commissioners established three separate single-employer defined contribution plans effective beginning with fiscal year 2002: 1) the Johnson County Supplemental Retirement Plan, 2) the Johnson County Executive Retirement Plan; and 3) the Johnson County Elected Retirement Plan. Plan benefit provisions and contribution requirements for each plan were established by Johnson County Resolution No. 094-01 and may be amended by the Board of County Commissioners of Johnson County, Kansas (the "Employer"). The administrator for these plans will be Johnson County, Kansas. The plans are in accordance with Internal Revenue Code 401(a). A separate audited GAAP–basis pension plan report is not available for the defined contribution pension plans.

The Johnson County Supplemental Retirement Plan was established to provide benefits at retirement to all eligible employees of Johnson County other than elected officials. Substantially all regular employees over the age of eighteen who are scheduled for eighty hours or greater per pay period and any part-time employees who are in positions of ½ full-time equivalent or greater are eligible to participate in this plan. This plan covers all eligible members for the County as of January 1, 2002 provided the eligible employee has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is $10 per pay period in order to qualify for the Employer's matching contribution. The Employer's matching contribution shall be in the amount equal to 100% of the employee's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the employees are permitted to this plan. Employees vest in the plan as follows: 20% with one year of service, 40% with two years of service, 60% with three years of service, 80% with four years of service, and 100% with five years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

The Johnson County Executive Retirement Plan was established to provide benefits at retirement for the County Manager. This plan covers one member, who is 100% vested at the time of enrollment. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and is determined by the Employer. No employee contributions are permitted.

The Johnson County Elected Retirement Plan was established to provide benefits at retirement for the Elected Officials of the County. This plan covers all elected officials for the County as of January 1, 2002 provided the elected official has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is $10 per pay period in order to qualify for the Employer's matching contribution to the retirement plan. The Employer's matching contribution to the retirement plan shall be in an amount equal to 100% of the Elected Official's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the elected officials are permitted to this plan. Elected officials will vest as follows: 25% with one year of service, 50% with two years of service, 75% with three years of service, and 100% vested with four years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

The County's contributions to the supplemental retirement plans have been as follows:

Fiscal Year Ending December 31	Employee	Executive	Elected
2019	$3,904,200	$10,000	$17,717
2018	3,780,444	5,038	16,439
2017	3,523,411	8,000	14,995
2016	3,305,351	8,000	15,744
2015	3,141,491	8,000	14,995

Sources: County's Comprehensive Annual Financial Reports.

Employee Benefit Liabilities

The County permits full-time and certain part-time employees to accumulate vacation based upon tenure, with most employees limited to a maximum of 24 calendar days. Upon termination or resignation from County services, employees are entitled to payment for all accrued vacation earned prior to termination or resignation.

All full-time and certain part-time employees accrue sick leave at the rate of one calendar day per month for full-time, and one-half day per month for part-time employees, with no maximum accumulation. Upon separation from service, employees are compensated for 20% of unused sick leave.

Vacation and sick pay is recorded at 100% of accrued vacation and 20% of accrued sick leave as a liability, plus associated costs. Accrued vacation and sick pay is calculated using the current salary rate of employees and reflects the vested portion. In the governmental funds, the amount of vacation and sick leave benefits included in expenditures for the current year represents the amount paid out during the year with expendable available resources.

In proprietary funds, vacation and sick pay benefits are accrued when incurred, and reported as a fund liability/expense.

Insurance Coverage

The County's public and institutional property insurance covers all County-owned facilities under an "all risk" form. The insured value of all facilities in the County is periodically reviewed and brought current. Worker's Compensation and Employer's Liability coverage is self-funded with excess coverage maintained, subject to a $500,000 per occurrence retention. The County purchases excess Commercial General and Automobile Liability, subject to a $500,000 per occurrence self-insured retention. Professional liability coverages are in force where deemed necessary. Law Enforcement Liability coverage is purchased to cover the Sheriff's Operations. This insurance has a $100,000 deductible each claim. The Data Privacy and Security policy has a $100,000 deductible. Settled claims have not exceeded the commercial coverage in any of the last two fiscal years. A Risk Management Reserve Fund is maintained to reimburse the County for losses sustained within deductibles, self-insured retentions, or for which insurance coverage is not provided.

Capital Improvement Plan

The County prepares a five-year Capital Improvement Program (CIP) on an annual basis. The County defines a capital improvement as investment of public and/or private funds of at least $100,000, which relates directly to the County's strategic plan and has a useful life of at least five years. Examples of a capital improvement plan project include, but are not limited to:

- land acquisition;
- new construction or acquisition of, remodeling of, or additions to public buildings or structures;
- construction of new and replacement of existing infrastructure projects (roads, storm drains, bridges, wastewater projects);
- equipment, individual vehicles and major computer/software systems;
- soft costs related to the above items, including legal costs, engineering costs, and architectural design costs; and
- studies that cost less than $100,000 but are preparatory to a capital improvement or project of at least $100,000.

The proposed program is evaluated by an administrative review committee, which considers the program's impact on a number of financial factors. The County Manager presents the proposed CIP to the Board of County Commissioners for review and adoption along with the annual operating budget. The first year of each five year CIP is appropriated as part of the annual budget process.

Budgetary Information

The County is required by State statute to adopt annual budgets for most funds. All Governmental funds, with the exception of the Library Gift, Equipment Reserve, Capital Projects, and the three Technology funds, are budgeted funds. All Enterprise funds (except the Public Building Commission) and Internal Service funds (except the Self-Insured Health Care and Workers Compensation) are also budgeted funds.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the County prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted by a majority vote of the governing body of the County prior to August 25 of each year (or

October 1 if the County must conduct an election to increase property taxes above the tax lid described below). Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

The County may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the County and the assessed valuations provided by the County appraiser.

Beginning in 2015, the Kansas Legislature passed legislation that, among other things, imposes an additional limit on the aggregate amount of property taxes that may be imposed by cities and counties, without a majority vote of qualified electors of the city or county (the "Tax Lid," located at K.S.A. 79-2925c). The Tax Lid became effective on January 1, 2017, and provides that, subject to certain exceptions, no city or county may approve an appropriation or budget which provides for funding by property tax revenues in an amount exceeding that of the immediately prior year, as adjusted to reflect the average changes in the consumer price index for the preceding five calendar years and provided that such average shall not be less than zero, unless approved by a majority vote of electors. Among other exceptions, the Tax Lid does not require an election in a situation where the increased property tax revenues that will be spent on:

- bond, temporary notes, no fund warrants, state infrastructure loans and interest payments not exceeding the amount of ad valorem property taxes levied in support of such payments, and
- payments made to a public building commission and lease payments but only to the extent such payments were obligations that existed prior to July 1, 2016.

Therefore, the County is permitted under the Tax Lid to levy unlimited ad valorem taxes as necessary to pay principal of and interest on the County Bonds, as required by the County Bond Resolutions.

The County's lease payments under the 2010 Lease allocable to the PBC Series 2020D Bonds are exempt from the Tax Lid because such lease payments allocable to the PBC Series 2020D Bonds are obligations of the County that existed prior to July 1, 2016. However, portions of the County's lease payments under the 2016 Lease allocable to the PBC Series 2020C Bonds are not exempt from the Tax Lid because such portions of the lease payments are new obligations of the County entered into on or after July 1, 2016.

The County cannot predict the impact of the Tax Lid on the ratings on the County Bonds, the PBC Bonds, or the general rating of the County. A change in the rating on the County Bonds, the PBC Bonds, or a change in the general rating of the County may adversely impact the market price of the County Bonds or the PBC Bonds in the secondary market.

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Johnson County Budget – All Funds

Total Budget by Category	Budget 2019	Actual 2019	Budget 2020	Estimated 2020	Budget 2021
Beginning Balance, January 1	$ 333,652,814	$ 333,138,430	$ 331,956,907	$ 350,059,165	$ 341,100,585
Revenues:					
Ad Valorem Taxes	$ 261,619,389	$ 260,935,194	$ 276,386,640	$ 276,386,640	$ 288,197,747
Other Taxes	139,993,694	141,883,234	143,149,127	133,305,211	137,990,725
Intergovernmental	60,304,448	55,593,623	64,844,221	186,494,281	63,542,203
Licenses & Permits	3,360,471	3,928,103	3,555,063	3,560,935	3,675,318
Charges for Service	223,531,167	217,951,849	236,319,513	236,089,844	246,212,797
Use of Assets	15,300,998	23,950,734	19,557,545	11,876,567	6,523,889
Bond Proceeds/Miscellaneous	37,992,031	4,791,041	115,279,912	115,066,570	85,338,141
Transfers	66,870,770	72,390,673	68,790,123	72,891,316	72,966,901
Total Revenues	$ 808,972,968	$ 781,424,451	$ 927,882,144	$ 1,035,671,364	$ 904,447,721
Total Revenues & Beginning Balance	$ 1,142,625,782	$ 1,114,562,881	$ 1,259,839,051	$ 1,385,730,529	$ 1,245,548,306
Expenditures:					
Personal Service	$ 321,470,321	$ 314,921,354	$ 338,614,504	$ 331,956,225	$ 343,205,256
Contractual Services	117,299,855	105,537,415	124,776,443	126,870,714	132,335,910
Commodities	32,432,839	28,033,925	35,184,694	33,427,375	33,137,226
Capital Outlay	13,133,054	11,397,106	13,941,184	12,281,575	13,295,979
Miscellaneous	13,468,639	7,944,654	14,784,045	11,295,667	17,126,401
Debt Service Payments	45,866,363	45,554,483	47,204,001	47,180,076	47,400,206
Lease Payments to the PBC	29,078,532	29,171,115	21,924,528	33,892,754	40,107,665
Interfund Transfers	12,394,778	13,148,182	10,909,822	14,256,743	17,859,128
Intrafund Transfers	46,323,581	47,105,750	47,022,061	45,469,364	45,845,698
Transfers to Equipment Reserve Fund	1,714,775	2,160,156	2,091,005	2,091,005	2,984,167
Transfers to Capital Projects	103,061,481	87,376,078	192,577,430	175,256,222	144,860,443
Cost Allocation Expenditures	17,561,006	17,039,962	21,380,785	21,343,982	23,001,013
Fee-based Expenditures	14,367,442	11,556,107	14,349,444	14,357,817	15,003,852
Grant Expenditures	47,770,729	43,557,429	52,396,761	174,950,425	53,911,420
Total Expenditures	$ 815,943,395	$ 764,503,716	$ 937,156,707	$ 1,044,629,944	$ 930,074,364
Ending Balance, December 31	$ 326,682,387	$ 350,059,165	$ 322,682,344	$ 341,100,585	$ 315,473,942
Annual Change in Balance	$ (6,970,427)	$ 16,920,735	$ (9,274,563)	$ (8,958,580)	$ (25,626,643)

Johnson County Budget – General Fund

	Budget 2019	Actual 2019	Budget 2020	Estimated 2020	Budget 2021
Beginning Balance, January 1	$ 98,701,425	$ 98,393,344	$ 99,129,804	$ 115,928,349	$ 110,808,690
Revenues:					
Ad Valorem Taxes	$ 141,590,078	$ 141,271,426	$ 147,823,613	$ 147,823,613	$ 153,849,218
Other Taxes	106,269,409	107,010,134	108,213,387	100,953,914	103,758,301
Intergovernmental	26,990,137	23,998,371	30,337,289	152,890,952	29,443,597
Licenses & Permits	1,730,791	2,028,307	1,854,839	1,860,711	1,951,075
Charges for Service	42,044,921	40,979,741	41,251,663	42,346,555	45,010,965
Use of Assets	6,015,422	8,647,303	9,225,331	3,339,710	1,274,984
Miscellaneous	6,102,403	2,721,224	3,154,728	3,156,385	3,148,374
Transfers	55,135,887	54,550,693	57,088,147	58,524,363	59,030,588
Total Revenues	$ 385,879,048	$ 381,207,199	$ 398,948,997	$ 510,896,203	$ 397,467,102
Total Revenues & Beginning Balance	$ 484,580,473	$ 479,600,543	$ 498,078,801	$ 626,824,552	$ 508,275,792
Expenditures:					
Personal Service	$ 193,434,382	$ 192,372,689	$ 203,136,276	$ 198,517,835	$ 204,418,099
Contractual Services	38,726,772	35,769,039	42,453,929	43,821,169	45,546,422
Commodities	7,860,081	6,248,059	8,259,112	8,108,390	8,199,512
Capital Outlay	1,045,881	649,031	810,881	-	584,668
Miscellaneous	319,834	17,701	319,834	(3,430,038)	273,684
Requests for Additional Resources		-		-	-
Lease Payments to the PBC - Other Facilities	24,349,568	24,437,593	29,318,744	29,318,744	35,128,605
Interfund Transfers	7,734,318	7,823,006	7,496,885	7,035,710	8,644,920
Intrafund Transfers	44,001,807	44,085,553	44,637,166	43,084,469	42,772,098
Transfers to Equipment Reserve Fund	1,687,501	2,063,676	1,963,731	1,963,731	2,876,893
Transfers to Capital Projects	24,858,001	13,900,087	17,364,937	16,877,048	10,392,437
Cost Allocation Expenditures	2,363,498	1,963,763	3,043,526	3,043,682	3,402,941
Fee-based Expenditures	14,367,442	11,556,107	14,349,444	14,357,817	15,003,852
Grant Expenditures	27,416,490	22,785,890	30,763,642	153,317,305	29,889,950
Total Expenditures	$ 388,165,575	$ 363,672,194	$ 403,918,107	$ 516,015,862	$ 407,134,081
Ending Balance, December 31	$ 96,414,898	$ 115,928,349	$ 94,160,694	$ 110,808,690	$ 101,141,711
Annual Change in Balance	$ (2,286,527)	$ 17,535,005	$ (4,969,110)	$ (5,119,659)	$ (9,666,979)

APPENDIX I

PROPOSED FORMS OF BOND COUNSEL OPINION

County Series 2020C Bonds

[November 10, 2020]

Governing Body
Johnson County, Kansas

____
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Re: $[PRINCIPAL AMOUNT] General Obligation Refunding Bonds, Series 2020C, of Johnson County, Kansas, Dated November 10, 2020

We have acted as Bond Counsel in connection with the issuance by Johnson County, Kansas (the "Issuer"), of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] (a) is excludable from gross income for federal income tax purposes; and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have **not** been designated as "qualified tax-exempt obligations" for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Gilmore & Bell, P.C.

County Series 2020D Bonds

[November 10, 2020]

Governing Body
Johnson County, Kansas

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Re: $[PRINCIPAL AMOUNT] Taxable General Obligation Refunding Bonds, Series 2020D, of Johnson County, Kansas, Dated November 10, 2020

We have acted as Bond Counsel in connection with the issuance by Johnson County, Kansas (the "Issuer"), of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Gilmore & Bell, P.C.

SUMMARY OF FINANCING DOCUMENTS RELATED TO THE COUNTY BONDS

The following is a summary of certain provisions contained in the Bond Resolutions authorizing the issuance of the County Bonds and the Escrow Trust Agreement for the County Series 2020D Bonds. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing documents.

THE SERIES 2020C BOND RESOLUTION

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth for purposes of the Series 2020C Bond Resolution. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means the Constitution and statutes of the State of Kansas including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-427 *et seq.*, K.S.A. 10-620 *et seq*., K.S.A. 19-101 *et seq.*, and Charter Resolution No. 29-92 Version 2013 of the Issuer, amending Charter Resolution No. 18-84, all as amended and supplemented from time to time.

"Authorized Denomination" means $5,000 or any integral multiples thereof.

"Beneficial Owner" of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

"Bond and Interest Fund" means the Bond and Interest Fund of the Issuer for its general obligation bonds.

"Bond Counsel" means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable.

"Bond Register" means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

"Bond Registrar" means the State Treasurer, and any successors and assigns.

"Bond Resolution" means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

"Bonds" or "Bond" means the General Obligation Refunding Bonds, Series 2020C, authorized and issued by the Issuer pursuant to the Bond Resolution.

"Business Day" means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Capital Finance Charge" means the charges levied by the Board of County Commissioners pursuant to Article IX of Charter Resolution No. 29-92 Version 2013, as amended.

"Cede & Co." means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Bonds.

"Chair" means the duly elected and acting Chair, or in the Chair's absence, the duly appointed and/or elected Vice Chair or Acting Chair of the Issuer.

"Clerk" means the duly appointed and/or elected Clerk or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

"Costs of Issuance" means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

"Costs of Issuance Account" means the account by that day created pursuant to the Bond Resolution.

"County" means Johnson County, Kansas.

"Dated Date" means November 10, 2020.

"Debt Service Account" means the account by that name created within the Bond and Interest Fund by the Bond Resolution.

"Debt Service Requirements" means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

"Defaulted Interest" means interest on any Bond which is payable but not paid on any Interest Payment Date.

"Defeasance Obligations" means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

> (1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
>
> (2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;
>
> (3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;
>
> (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;
>
> (5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

"Derivative" means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

"Disclosure Undertaking" means the Issuer's Continuing Disclosure Undertaking relating to certain obligations contained in the SEC Rule.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

"Event of Default" means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

"Federal Tax Certificate" means the Issuer's Federal Tax Certificate for the Bonds, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

"Fiscal Year" means the twelve month period ending on December 31.

"Fitch" means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Funds and Accounts" means funds and accounts created by or referred to in the Bond Resolution.

"Independent Accountant" means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

"Interest Payment Date(s)" means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2021.

"Issue Date" means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

"Issuer" means the County and any successors or assigns.

"Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Obligations" means any bonds or other obligations of the County, the terms of which exceed one year and which are payable in whole or in part from Capital Finance Charges.

"Official Statement" means the Issuer's Official Statement relating to the Bonds.

"Outstanding" means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

"Owner" when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means the State Treasurer, and any successors and assigns.

"Permitted Investments" shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the Issuer which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

"Person" means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Purchaser" means the financial institution or investment banking firm that is original purchaser of the Bonds.

"Rating Agency" means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

"Rebate Fund" means the fund by that name created by the Bond Resolution.

"Record Dates" for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

"Redemption Date" means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of the Bond Resolution.

"Redemption Fund" means the fund by that name created in the Bond Resolution.

"Redemption Price" means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

"Refunded Bonds" means the Series 2010C Bonds maturing in the years 2021 to 2030, inclusive, in the aggregate principal amount of $5,215,000.

"Refunded Bonds Paying Agent" means the paying agent for the Refunded Bonds as designated in the Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent for the Refunded Bonds.

"Refunded Bonds Redemption Date" means December 15, 2020.

"Refunded Bonds Resolution" means the resolution which authorized the Refunded Bonds.

"Replacement Bonds" means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

"SEC Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Securities Depository" means, initially, DTC, and its successors and assigns.

"Series 2010C Bonds" means the Issuer's Taxable Internal Improvement Bonds (Build America Bonds - Direct Pay to the Issuer), Series 2010C, dated October 28, 2010.

"Special Record Date" means the date fixed by the Paying Agent for the payment of Defaulted Interest.

"Standard & Poor's" or "S&P" means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"State" means the state of Kansas.

"State Treasurer" means the duly elected Treasurer of the State or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

"Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

"Treasurer" means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

(a) Costs of Issuance Account.
(b) Redemption Fund.
(c) Debt Service Account (within the Bond and Interest Fund).
(d) Rebate Fund.

The above Funds and Accounts shall be administered in accordance with the provisions of the Bond Resolution so long as the Bonds are Outstanding.

Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Account.

(b) An amount sufficient to redeem the Refunded Bonds on the Refunded Bonds Redemption Date shall be deposited in the Redemption Fund.

(c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Costs of Issuance Account.

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Debt Service Account.

Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be paid and transferred to the Refunded Bonds Paying Agent, with irrevocable instructions to apply such amount to the payment of the Refunded Bonds on the Refunded Bonds Redemption Date. Any moneys remaining in the Redemption Fund not needed to retire the Refunded Bonds shall be transferred to the Debt Service Account.

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Application of Moneys in the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money.

DEPOSIT AND INVESTMENT OF MONEYS

Deposits. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States which has a main or branch office located in the Issuer. All such depositaries shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Investments. Moneys held in any Fund or Account other than the Redemption Fund may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Bond Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

DEFEASANCE

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption.

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will take such actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Survival of Covenants. The covenants contained in the Bond Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds or any other provision of the Bond Resolution until such time as is set forth in the Federal Tax Certificate.

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. The Issuer covenants in the Bond Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. After the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk. Such audit shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Severability. If any section or other part of the Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Bond Resolution.

Governing Law. The Bonds and the Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

THE SERIES 2020D BOND RESOLUTION

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth for purposes of the Series 2020D Bond Resolution. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means the Constitution and statutes of the State of Kansas including K.S.A. 10-101 *et seq.*, inclusive, K.S.A. 10-427 *et seq*., K.S.A. 10-620 *et seq*., K.S.A. 19-101 *et seq.*, and Charter Resolution No. 29-92 Version 2013 of the Issuer, amending Charter Resolution No. 18-84, all as amended and supplemented.

"Authorized Denomination" means $5,000 or any integral multiples thereof.

"Beneficial Owner" of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

"Bond and Interest Fund" means the Bond and Interest Fund of the Issuer for its general obligation bonds.

"Bond Counsel" means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable.

"Bond Register" means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

"Bond Registrar" means the State Treasurer, and its successors and assigns.

"Bond Resolution" means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

"Bond" or Bonds" means the Taxable General Obligation Refunding Bonds, Series 2020D, authorized and issued by the Issuer pursuant to the Bond Resolution.

"Business Day" means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Capital Finance Charge" means the charges levied by the Board of County Commissioners pursuant to Article IX of Charter Resolution No. 29-92 Version 2013, as amended.

"Cede & Co." means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Bonds.

"Chair" means the duly elected and acting Chair, or in the Chair's absence, the duly appointed and/or elected Vice Chair or Acting Chair of the Issuer.

"Clerk" means the duly appointed and/or elected Clerk or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder by the United States Department of the Treasury.

“Costs of Issuance” means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Account” means the account by that name created by the Bond Resolution.

“County” means Johnson County, Kansas.

“Dated Date” means November 10, 2020.

“Debt Service Account” means the account by that name created within the Bond and Interest Fund by the Bond Resolution.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody’s or Standard & Poor’s that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Disclosure Undertaking” means the Issuer’s Continuing Disclosure Undertaking relating to certain obligations contained in the SEC Rule.

"DTC" means The Depository Trust Company, New York, New York.

"Escrow Agent" means the escrow agent named in the Escrow Agreement, and any successors and assigns.

"Escrow Agreement" means the Escrow Trust Agreement, dated as of November 10, 2020, between the Issuer and the Escrow Agent.

"Escrow Fund" means the Escrow Fund for Refunded Bonds referred to in the Bond Resolution.

"Escrowed Securities" means the direct, noncallable obligations of the United States of America, as described in the Escrow Agreement.

"Event of Default" means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

"Fiscal Year" means the twelve month period ending on December 31.

"Fitch" means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Funds and Accounts" means funds and accounts created by or referred to in the Bond Resolution.

"Independent Accountant" means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

"Interest Payment Date(s)" means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2021.

"Issue Date" means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

"Issuer" means the County and any successors or assigns.

"Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Obligations" means any bonds or other obligations of the County, the terms of which exceed one year and which are payable in whole or in part from Capital Finance Charges.

"Official Statement" means the Issuer's Official Statement relating to the Bonds.

"Outstanding" means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

"Owner" when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means the State Treasurer, and any successors and assigns.

"Permitted Investments" shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the Issuer which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

"Person" means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Purchaser" means the financial institution or investment banking firm that is original purchaser of the Bonds.

"Rating Agency" means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

"Record Dates" for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

"Redemption Date" means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of the Bond Resolution.

"Redemption Price" means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

"Refunded Bonds" means collectively, the (a) Series 2012A Bonds maturing in the years 2023 to 2032, inclusive, in the aggregate principal amount of $21,900,000 and (b) Series 2013A Bonds maturing in the years 2023 to 2033, inclusive, in the aggregate principal amount of $26,285,000.

"Refunded Bonds Paying Agent" means the respective paying agent for each series of the Refunded Bonds as designated in the respective Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent for any of the Refunded Bonds.

"Refunded Bonds Redemption Date" means September 1, 2022.

"Refunded Bonds Resolution" means the resolution which authorized the Refunded Bonds.

"Replacement Bonds" means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

"SEC Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Securities Depository" means, initially, DTC, and its successors and assigns.

"Series 2012A Bonds" means the Issuer's Internal Improvement Bonds, Series 2012A, dated August 15, 2012.

"Series 2013A Bonds" means the Issuer's Internal Improvement Bonds, Series 2013A, dated October 22, 2013.

"Special Record Date" means the date fixed by the Paying Agent for the payment of Defaulted Interest.

"Standard & Poor's" or "S&P" means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"State" means the state of Kansas.

"State Treasurer" means the duly elected Treasurer of the State or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

"Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

"Treasurer" means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

"Verification Report" means the verification report relating to the Bonds and the Refunded Bonds as referenced in the Escrow Agreement.

ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

(a) Debt Service Account (within the Bond and Interest Fund).
(b) Costs of Issuance Account.

The above Funds and Accounts shall be administered in accordance with the provisions of the Bond Resolution so long as the Bonds are Outstanding.

In addition to the Funds and Accounts described above, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) The amount set forth in the Escrow Agreement shall be transferred to the Escrow Agent for deposit in the Escrow Fund and applied in accordance with the Escrow Agreement.

(b) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Costs of Issuance Account.

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Debt Service Account.

Application of Moneys in the Escrow Fund. Under the Escrow Agreement, the Escrow Agent will apply moneys in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance in accordance with the Escrow Agreement. The cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely in the manner authorized by the Escrow Agreement.

Verification of Certified Public Accountant. Prior to or concurrently with the issuance and delivery of the Bonds and the creation of the Escrow Fund, the Issuer shall obtain a Verification Report from an independent certified public accountant that such accountant has verified the accuracy of the calculations that demonstrate that the money and obligations required to be deposited with the Escrow Agent pursuant to the Bond Resolution and the Escrow Agreement, together with the earnings to accrue thereon, will be sufficient for the timely payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds in accordance with the Escrow Agreement.

DEPOSIT AND INVESTMENT OF MONEYS

Deposits. Moneys in each of the Funds and Accounts shall be deposited in accordance with laws of the State, in a bank, savings and loan association or savings bank organized under the laws of the State, any other state or the United States which has a main or branch office located in the Issuer. All such depositaries shall be members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law. All such deposits shall be invested in Permitted Investments or shall be adequately secured as provided by the laws of the State. All moneys held in the Funds and Accounts shall be kept separate and apart from all other funds of the Issuer so that there shall be no commingling with any other funds of the Issuer.

Investments. Moneys held in any Fund or Account other than the Escrow Fund may be invested in accordance with the Bond Resolution, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Bond Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

DEFEASANCE

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption.

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. The Issuer covenants in the Bond Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. After the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Severability. If any section or other part of the Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Bond Resolution.

Governing Law. The Bonds and the Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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THE ESCROW TRUST AGREEMENT

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth for purposes of the Escrow Trust Agreement relating to the County Series 2020D Bonds. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Bond Payment Date" means any date on which any principal of, or interest on, any of the Refunded Bonds is due and payable.

"Bonds" means the Taxable General Obligation Refunding Bonds, Series 2020D, of the Issuer.

"Escrow Fund" means the Escrow Fund for Refunded Bonds referred to in the resolution authorizing the issuance of the Bonds.

"Escrowed Securities" means the securities that satisfy the requirement of Defeasance Obligations as set forth in the Refunded Bonds Resolution, which are listed in the Verification Report, and any Substitute Escrowed Securities.

"Paying Agent" means the respective paying agent for the Bonds and the Refunded Bonds, as designated in the resolution authorizing the issuance of the Bonds and the Refunded Bonds Resolution, and any successor or successors at the time acting as paying agent for any of the same.

"Refunded Bonds" means collectively, the (a) Series 2012A Bonds maturing in the years 2023 to 2032, inclusive, in the aggregate principal amount of $21,900,000 and (b) Series 2013A Bonds maturing in the years 2023 to 2033, inclusive, in the aggregate principal amount of $26,285,000.

"Refunded Bonds Redemption Date" means September 1, 2022.

"Refunded Bonds Resolution" means the Resolution that authorized the Refunded Bonds.

"Series 2012A Bonds" means the Issuer's Internal Improvement Bonds, Series 2012A, dated August 15, 2012.

"Series 2013A Bonds" means the Issuer's Internal Improvement Bonds, Series 2013A, dated October 22, 2013.

"Substitute Escrowed Securities" means securities that satisfy the requirement of Defeasance Obligations as set forth in the Refunded Bonds Resolution, which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with the Escrow Agreement.

"Verification Report" means the verification report relating to the Bonds and the Refunded Bonds as referenced in the Escrow Agreement.

Creation of the Escrow Fund. The Escrow Trust Agreement creates and establishes with the Escrow Agent the Escrow Fund, which shall be a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent.

Creation of Lien. The Escrow Fund shall be irrevocable. The owners of the Refunded Bonds are granted an express lien on, and security interest in, the Escrowed Securities and the cash in the Escrow Fund and all earnings thereon until used and applied in accordance with the Escrow Trust Agreement. The matured principal of, and earnings on, the Escrowed Securities and any cash in the Escrow Fund are pledged and assigned and shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds.

Deposits to the Escrow Fund. Concurrently with the execution and delivery of the issuance of the Bonds, and pursuant to the provisions of the resolution authorizing the issuance of the Bonds, the Issuer shall deposit with the Escrow Agent, and the Escrow Agent acknowledges receipt and deposit into the Escrow Fund of, proceeds of the Bonds in amounts sufficient to purchase the Escrowed Securities, which shall be delivered to and deposited in the Escrow Fund, and establish any required beginning cash balance in the Escrow Fund sufficient to provide for payment of the Refunded Bonds.

Verification Report. A firm of independent certified public accountants has verified the mathematical computations which demonstrate that the cash held in the Escrow Fund, together with the maturing Escrowed Securities and interest to accrue thereon, will be sufficient to pay all principal of, redemption premium, if any, and interest on the Refunded Bonds on the respective Bond Payment Dates and the Refunded Bonds Redemption Date.

Application of Cash and Escrowed Securities in the Escrow Fund. Except as otherwise expressly provided, the Escrow Agent shall have no power or duty to invest any money held thereunder or to sell transfer or otherwise dispose of any Escrowed Securities. On or prior to the business day preceding each Bond Payment Date and on the Refunded Bonds Redemption Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of, redemption premium, if any, and interest on the Refunded Bonds becoming due and payable on such Bond Payment Date and on the Refunded Bonds Redemption Date, and shall forward from available moneys in the Escrow Fund such amount to the office of the respective Refunded Bonds Paying Agent, so that immediately available funds will reach the offices of the Refunded Bonds Paying Agent on or before the business day preceding each Bond Payment Date and the Refunded Bonds Redemption Date. In order to make the required payments, the Escrow Agent is authorized to redeem or otherwise dispose of Escrowed Securities. Upon the payment in full of the principal of, redemption premium, if any, and interest on the Refunded Bonds, all remaining money and Escrowed Securities in the Escrow Fund, together with any interest thereon, shall be transferred to the Issuer to be applied in accordance with State law.

Substitute Escrowed Securities. In the event that any of the Escrowed Securities are not available for delivery on the date of the issuance of the Bonds, the Escrow Agent is directed to accept substitute securities in lieu thereof, provided the substitute securities are non-callable direct obligations of the United States of America, the maturing principal of and interest on such substitute securities (excluding any interest after any optional call date) is equal to or greater than the maturity value of such unavailable Escrowed Securities, principal of and interest on the substitute securities is payable on or before the maturity date of the unavailable Escrowed Securities, and the Issuer and Bond Counsel approve such substitution.

At the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of the Escrowed Securities and to substitute for the Escrowed Securities solely cash or Substitute Escrowed Securities. The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously; the Escrow Agent shall receive from an independent certified public accountant acceptable to the Escrow Agent in its reasonable judgment a certification, satisfactory in form and substance to the Escrow Agent, to the effect that after such substitution, the principal of and interest on the Escrowed Securities to be held in the Escrow Fund after the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Refunded Bonds and the amounts and dates of the anticipated transfers from the Escrow Fund to the Refunded Bonds Paying Agent will not be diminished or postponed thereby; and the Escrow Agent shall receive a written opinion of Bond Counsel to the effect that such substitution would not cause the interest on either the Bonds or the Refunded Bonds to become included in gross income for purposes of federal income taxation under then existing law.

Redemption of Refunded Bonds. The Escrow Agent acknowledges that the Issuer has notified the Escrow Agent that the Issuer has elected to call the Refunded Bonds for redemption and payment prior to maturity on the Refunded Bonds Redemption Date and has directed the Escrow Agent to notify the Refunded Bonds Paying Agent of such call for redemption so that the Refunded Bonds Paying Agent may cause notice of the call for redemption and payment of the Refunded Bonds to be given.

Reports of the Escrow Agent. As long as any of the Refunded Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least sixty (60) days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the next Bond Payment Date or Refunded Bonds Redemption Date. In the event that funds are not sufficient to make the required payments on such Bond Payment Date or Refunded Bonds Redemption Date, the Escrow Agent shall certify in writing to the Issuer (a) the amount so determined and (b) a list of the moneys and Escrowed Securities held by the Escrow Agent in the Escrow Fund on the date of such certification, including all moneys held by it which were received as interest or profit from Escrowed Securities.

Resignation or Removal of Escrow Agent; Successor Escrow Agent. The Escrow Agent may at any time resign and be discharged from its duties and responsibilities by giving written notice by first-class mail to the Issuer and the Refunded Bonds Paying Agent (who shall cause notice to be given to the Owners of the Refunded Bonds) not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the Issuer of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the Issuer, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of the Escrow Trust Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and the Issuer and signed by the owners of a majority in principal amount of the Refunded Bonds then Outstanding; provided that written notice thereof is mailed on or before the date of such removal by first-class mail, postage prepaid, to all Owners of such Refunded Bonds, who are not parties to such instruments. The Escrow Agent may also be removed by the Issuer if the Escrow Agent fails to make timely payment of available moneys on any Bond Payment Date to the Refunded Bonds Paying Agent of the amounts required to be paid by it on such Bond Payment Date; provided that written notice thereof is mailed on or before the date of such removal by first-class mail, postage prepaid, to the Refunded Bonds Paying Agent and to all Owners of such Refunded Bonds, who are not parties to such instruments. Any removal shall become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the Issuer, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of the Escrow Trust Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the Issuer within 60 days after written notice of resignation of the Escrow Agent has been given to the Issuer or instrument of removal has been delivered to the Escrow Agent, the Owner of any of the Refunded Bonds or any retiring or removed Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent. No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers authorized to do business in the State and organized under the banking laws of the United States or the State and shall have at the time of appointment capital and surplus of not less than $10,000,000.

Amendments. The Escrow Agreement is made for the benefit of the Issuer and the Owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such Owners, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such Owners, enter into such agreements supplemental to the Escrow Agreement as shall not adversely affect the rights of such Owners and as shall not be inconsistent with the terms and provisions of the Escrow Agreement, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect or omission; (b) to grant to, or confer upon, the Escrow Agent for the benefit of the Owners of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Owners or the Escrow Agent; and (c) to subject to the Escrow Agreement additional funds, securities or properties. The Escrow Agent shall notify the Rating Agency in writing prior to the execution of any such amendment.

FORM OF THE DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of November 10, 2020 (this **"Continuing Disclosure Undertaking"**), is executed and delivered by **Johnson County, Kansas** (the **"Issuer"**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **$[PRINCIPAL AMOUNT – 2020C] General Obligation Refunding Bonds, Series 2020C** and **$[PRINCIPAL AMOUNT – 2020D] Taxable General Obligation Refunding Bonds, Series 2020D** (collectively the **"Bonds"**), pursuant to resolutions adopted by the governing body of the Issuer (together, the **"Resolution"**).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the **"Rule"**). The Issuer is the only **"obligated person"** with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

"Beneficial Owner" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"Dissemination Agent" means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the **12**-month period beginning on **January 1** and ending on **December 31** or any other **12**-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

"Material Events" means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

"**MSRB"** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than June 30 immediately following the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ending December 31, 2020, file with the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the summary unaudited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A,** in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **"obligated person"** (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; <u>provided</u> that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become the last day of the sixth month after the end of the Issuer's new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10** Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

(SEAL)

By: ____________________________________
Ed Eilert
Chair

ATTEST:

By: ____________________________________
Somir Hassan
Interim County Clerk

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the following sections and tables contained in the final Official Statement relating to the Bonds:

- COUNTY PROPERTY VALUES
- COUNTY INDEBTEDNESS (*except* COUNTY INDEBTEDNESS – Estimated Calendar Year Debt Service Payments)
- COUNTY TAX RATES, LEVIES AND COLLECTIONS (*except* COUNTY TAX RATES, LEVIES AND COLLECTIONS – Special Assessment Billings and Collections)
- GENERAL INFORMATION CONCERNING THE COUNTY – Population (table regarding County's population growth only)
- GOVERNMENTAL ORGANIZATION AND SERVICES – Public Employee Retirement System (table regarding contributions to KPERS and KP&F only)

SUMMARY OF PROPERTY VALUATION, TAX LEVIES, PAYMENT PROVISIONS AND THE CASH-BASIS LAW

Following is a summary of certain statutory and constitutional provisions relative to the mechanisms of real property valuation, tax levy procedures, tax payment and distribution procedures, and the cash-basis laws of the state. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes and articles of the State Constitution. This summary reflects changes to Kansas property tax laws following amendment of the State Constitution in 1986 and 1992 relating to reappraisal and classification of real property for the purpose of property taxation.

Property Valuations (Chapter 79, Article 14, Kansas Statutes Annotated, and Article 11, Kansas Constitution)

Assessor's Estimated Fair Market Value

The valuation of each parcel of real property subject to taxation must, by law, be updated each year, as of each January 1, and must be physically inspected by the appraiser at least once every six years. With the exception of agricultural land, all property is valued at its market value in money which is the value the appraiser determines to be the price the appraiser believes the property to be fairly worth, and which is referred to as the "Fair Market Value." Land devoted to agricultural use is appraised on the basis of the income-generating capabilities of such land for agricultural purposes at median levels of production.

Assessed Value and Property Classification

For taxable years commencing January 1, 1993, and thereafter, property is classified and assessed at the percentages of value as follows:

Class 1

This class consists of real property. Real property is further classified into seven subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

(1) Real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located 11½%

(2) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to Section 12 of Article 11 of the Constitution 30%

(3) Vacant lots 12%

(4) Real property which is owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to Section 501 of the federal Internal Revenue Code, and which is included in this subclass by law 12%

(5) Public utility real property, except railroad real property which shall be assessed at the average rate that all other commercial and industrial property is assessed......... 33%

(6) Real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use 25%

(7) All other urban and rural real property not otherwise specifically subclassified 30%

Class 2

This class consists of tangible personal property. Such tangible personal property is further classified into six subclasses. Such property is defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of market value:

(1) Mobile homes used for residential purposes 11½%

(2) Mineral leasehold interests, except oil leasehold interests, the average daily production from which is five barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25% 30%

(3) Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed 33%

(4) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985 .... 30%

(5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property 25%

(6) All other tangible personal property not otherwise specifically classified 30%

All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories (other than public utility inventories included in Subclass (3) of Class 2), livestock, and all household goods and personal effects not used for the production of income is exempted from property taxation.

The 2006 Kansas Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

Property Tax Payments and Delinquencies (Chapter 79, Articles 18, 20, 23, 24, 28 and 29, Kansas Statutes Annotated)

The amount of ad valorem taxes to be levied against property within a taxing jurisdiction is determined by the governing body of the jurisdiction as part of the annual budget approval process and certified, along with special assessments, to the county clerk not later than August 25 of each year. The county clerk assembles the tax levies and assessments from the various jurisdictions located within the county, together with any State property tax levies, into a tax roll specifying the tax on each taxable parcel of land in the county. The county treasurer receives the certified tax roll not later than September 1 each year and mails tax statements to taxpayers not later than December 15. Taxpayers have the option of paying the entire amount of taxes owed not later than December 20, or paying half at that time and the other half by the following May 10.

Property taxes not paid when and in the amounts due are considered delinquent and are subject to an interest penalty at a rate set by law. If delinquent taxes, plus accrued interest, have not been paid by July 10, the county treasurer will convey ownership of the property to the county, pursuant to statute. Delinquent taxpayers then have three years (or two years if both property taxes and special assessments are owed) to redeem their property by paying all unpaid taxes, fees, accrued interest and costs thereon. If not redeemed, the real estate will be disposed of by sheriff's sale at public auction to the highest bidder following judicial foreclosure proceedings. The net proceeds of the sheriff's sale are apportioned on a pro rata basis to the various taxing units having jurisdiction over the property.

Property Tax Distributions (Section 12-1678a, Kansas Statutes Annotated)

Property taxes and special assessments collected by the county treasurer on December 20 and May 10 are distributed to the various taxing units on January 20 and June 5, respectively, in the actual amount collected as of not more than 20 days prior to the distribution date. In addition, distributions of interim collections are made on March 20 and September 20, in an amount equal to 95% of the estimated amount collected but not less than the actual amount collected as of not more than 20 days prior to such distribution dates. A final distribution is made on October 31, just prior to the receipt by the treasurer of the following year's tax roll.

The Kansas Cash-Basis Law (Chapter 10, Article 11, Kansas Statutes Annotated)

All municipalities and taxing subdivisions of the State are required by law to administer their financial operations on a cash basis, except in specific instances. Simply stated, a municipality may not incur a financial obligation in an amount which exceeds the amount of funds actually on hand at the time the obligation is incurred. The most notable exceptions to the cash-basis law are bonds, notes and warrants issued in accordance with State law, contracts approved by referenda and teacher contracts.

In order to operate efficiently on a cash basis, municipalities must adhere to certain statutory budgeting and accounting requirements which segregate financial resources into various operating funds, such as the general fund and the debt service fund, and limit the expenditure of such resources to the amounts identified in the duly adopted budget for each fund. Budgeted expenditures must be balanced with budgeted revenue for each fund, and moneys cannot be transferred between funds to cover excessive spending. Likewise, surplus revenue must be carried forward and used to reduce tax levies in the following year, with allowance for reasonable reserves.

According to the Kansas Supreme Court, the purpose of the cash-basis and budget laws is to provide for "the systematical, intelligent and economical administration of the financial affairs of municipalities and other taxing subdivisions of the state, so as to avoid waste and extravagance and yet permit such units of government to function so as to supply the governmental wants and needs of the people." (State, ex rel., v. Republic County Commissioners, 148 Kan. 376, 383.) It has the collateral effect of ensuring that financial obligations legally entered into will be paid.

EXCERPT OF THE 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Rubin Brown, LLLP, independent auditor for the County, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Rubin Brown, LLLP also has not performed any procedures relating to this official statement.

The County is audited annually by an independent certified public accounting firm. Data on the following pages has been extracted from the County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. The reader should be aware that the complete financial report may contain additional information relating to the data presented here which may interpret, explain or modify it.

The County's Comprehensive Annual Financial Reports for the years ending 1987 through 2018 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The County has submitted its CAFR for the 2019 fiscal year to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Financial Statements

Independent Auditors' Report

Board of County
Commissioners Johnson
County, Kansas

Report On The Financial Statements

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

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Johnson County Fire District No. 1, Johnson County Consolidated Fire District No. 2, or Northwest Consolidated Fire District, which represents 19% of assets and deferred outflows of resources and 24% of revenues of aggregate discretely presented component units. The statements of Johnson County Fire District No. 1 and Johnson County Consolidated Fire District No. 2, which were prepared in accordance with the special purpose framework included in the *Kansas Municipal Audit and Accounting Guide,* have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the Johnson County Fire District No. 1 and Johnson County Consolidated Fire District No. 2, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Johnson County Fire District No. 1 and Johnson County Consolidated Fire District No. 2, prior to those conversion adjustments, is based solely on the report of the other auditors. The financial statements of Northwest Consolidated Fire District were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northwest Consolidated Fire District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Johnson County Fire District No. 1, Johnson County Consolidated Fire District No. 2, and Northwest Consolidated Fire District were not audited in accordance with *Government Auditing Standards.*

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

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

Opinions

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

Emphasis Of Matter

As discussed in Note 17, adjustments were made to beginning net position to correct an error related to the discretely presented Fire Districts being added to the reporting entity in the prior year. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 24, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RubinBrown LLP

June 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Johnson County, Kansas (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $724,837,971 (net position). Of this amount, $186,728,749 (unrestricted net position) may be used to meet the County's on-going obligations to citizens and creditors.
- As of December 31, 2019, the County's governmental funds reported combined ending fund balances of $266,768,632. Approximately 86% of this total amount, $227,967,511, is available to meet the County's current and future needs.
- At the close of the current fiscal year, fund balance for the County's primary operating fund, the General Fund, was $117,566,680 or 39% of total general fund expenditures of $303,611,509. Approximately 33% of this total amount, $99,340,397 is available to meet the County's current and future needs.
- The County's total bonded debt decreased by $33,614,994 (4%) during the current fiscal year. This was the result of the refunding of series PBC 2009A, and regular payments throughout the year on existing debt issues.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is measured as the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public works, public safety, health and human services, planning and economic development, and culture and recreation. The business-type activities of the County include two airports, wastewater treatment, transportation operations and the Public Building Commission.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Park and Recreation District for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize their status as legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Park and Recreation District is reported as a discretely presented component unit.

Included within the business-type activities of the government-wide financial statements are the operations of the Johnson County Public Building Commission (PBC). Although legally separate from the County, this component unit is blended with the primary government for the following reasons: the County is financially accountable for the PBC, the PBC has substantially the same governing board as the County, and the PBC provides services entirely to the County. Accordingly, the PBC is reported as an enterprise fund of the primary government.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into the following three categories: *governmental funds, proprietary funds, and fiduciary funds.*

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements (i.e., most of the County's basic services are reported in governmental funds). However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances both provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are generally used to account for services for which the County charges customers. These customers include both external customers and internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the operations of its airport, transportation operations, wastewater services and the Public Building Commission. The proprietary fund financial statements provide separate information for Johnson County Wastewater and for the PBC, both of which are considered to be major funds of the County.

- **Internal Service funds** are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its risk management, self-insured health care, and fleet services. Because these services predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County's agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the County's own programs, they are *not* reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's and the Park and Recreation District Component Unit's progress in funding their other postemployment benefits other than pensions (OPEB) obligations to their employees. Net pension liability information for KPERS and KP&F is also presented.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Johnson County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	$ 600,272,072	$ 540,165,044	$ 445,322,718	$ 621,059,965	$ 1,045,594,790	$ 1,161,225,009
Capital assets	158,015,041	163,123,675	1,064,683,783	888,442,426	1,222,698,824	1,051,566,101
Total assets	758,287,113	703,288,719	1,510,006,501	1,509,502,391	2,268,293,614	2,212,791,110
Deferred Outflows	36,607,119	41,488,521	1,172,233	1,280,133	37,779,352	42,768,654
Liabilities:						
Long-term liabilities outstanding	257,991,575	254,682,483	956,151,168	995,173,361	1,214,142,743	1,249,855,844
Other liabilities	47,320,503	43,265,814	47,454,897	43,221,593	94,775,400	86,487,407
Total liabilities	305,312,078	297,948,297	1,003,606,065	1,038,394,954	1,308,918,143	1,336,343,251
Deferred Inflows	270,243,800	251,045,026	2,073,052	2,105,726	272,316,852	253,150,752
Net position:						
Net investment in capital assets	139,541,582	148,126,524	362,537,807	383,802,726	502,079,389	531,929,250
Restricted	36,029,833	29,880,663	—	14,931	36,029,833	29,895,594
Unrestricted	43,766,939	17,776,730	142,961,810	86,464,187	186,728,749	104,240,917
Total net position	$ 219,338,354	$ 195,783,917	$ 505,499,617	$ 470,281,844	$ 724,837,971	$ 666,065,761

Analysis of Net Position. As noted earlier, net position may serve as a useful indicator of a government's financial position. For the County, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $724,837,971 at the close of the current fiscal year.

The largest portion of the County's net position (69%) reflects its investment of $502,079,389 in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net position is unrestricted net position, $186,728,749 may be used to meet the government's ongoing obligations to citizens and creditors.

The following table reflects the revenues and expenses for the County's activities for the year ended December 31, 2019, and illustrates the comparison between 2019 and the prior year:

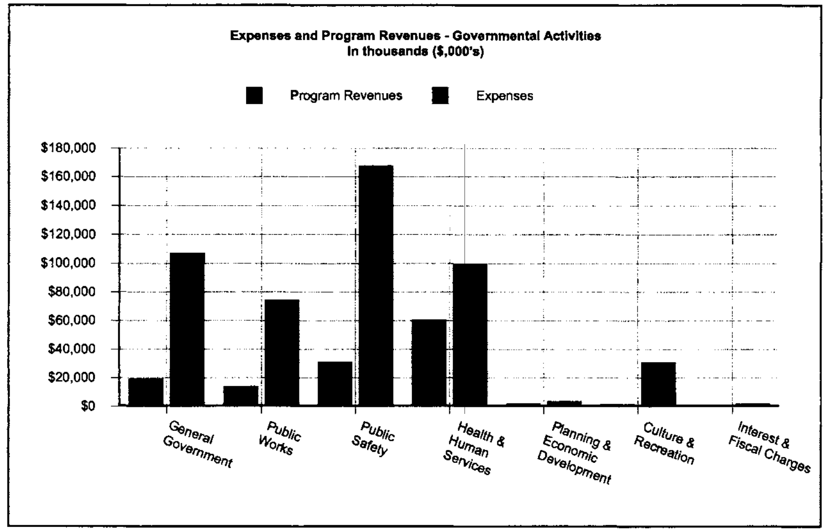
Johnson County's Changes in Net Position

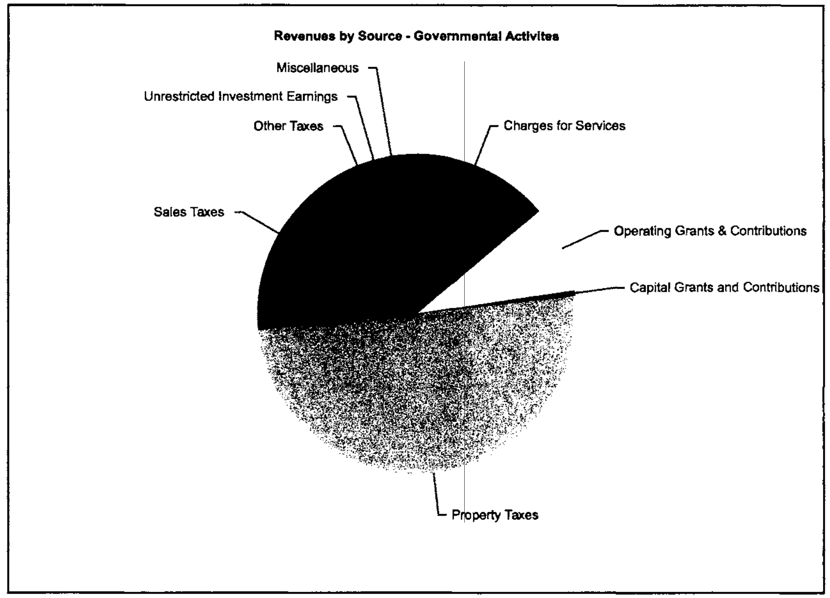
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 81,248,092	$ 77,880,783	$ 172,523,652	$ 182,946,817	$ 253,771,744	$ 260,827,600
Operating grants and contributions	45,105,093	48,857,340	3,274,317	701,870	48,379,410	47,559,210
Capital grants and contributions	2,621,561	421,666	7,140,526	7,809,992	9,762,087	8,231,658
General revenues:						
Property taxes	257,906,932	245,651,928	—	18,829	257,906,932	245,670,757
Sales taxes	102,651,800	101,676,666	—	—	102,651,800	101,676,666
Other taxes	5,497,132	5,309,275	—	—	5,497,132	5,309,275
Unrestricted investment earnings	12,284,224	9,471,385	12,825,621	7,482,034	25,109,845	16,953,419
Miscellaneous	6,235,235	7,387,805	—	—	6,235,235	7,387,805
Total revenues	513,550,069	494,656,848	195,764,116	198,959,542	709,314,185	693,616,390
Expenses, net of indirect cost allocation:						
General government	107,166,110	97,080,851	—	—	107,166,110	97,080,851
Public works	74,607,756	76,598,421	—	—	74,607,756	76,598,421
Public safety	167,785,169	176,471,216	—	—	167,785,169	176,471,216
Health and human services	99,457,916	95,429,443	—	—	99,457,916	95,429,443
Planning and economic development	3,630,584	3,587,984	—	—	3,630,584	3,567,984
Culture and recreation	31,035,636	28,799,807	—	—	31,035,636	28,799,807
Interest on long term debt	769,424	392,124	—	—	769,424	392,124
Airport	—	—	12,760,178	5,495,889	12,760,178	5,495,889
Johnson County Wastewater	—	—	115,423,676	103,717,626	115,423,676	103,717,626
Transportation	—	—	13,562,446	17,730,056	13,562,446	17,730,056
Public Building Commission	—	—	24,343,080	22,421,776	24,343,080	22,421,776
Total expenses	484,452,595	478,339,846	166,089,380	149,365,347	650,541,975	627,705,193
Increase (decrease) in net position before transfers	29,097,474	16,317,002	29,674,736	49,594,195	58,772,210	65,911,197
Transfers	(5,543,037)	(6,841,572)	5,543,037	6,841,572	—	—
Change in net position	23,554,437	9,475,430	35,217,773	56,435,767	58,772,210	65,911,197
Net position - 1/1/19	195,783,917	192,076,748	470,281,844	414,706,375	666,065,761	606,783,123
Prior period adjustments	—	(5,768,261)	—	(860,298)	—	(6,628,559)
Net position - beginning of year restated	195,783,917	186,308,487	470,281,844	413,846,077	666,065,761	600,154,564
Net position - 12/31/19	$ 219,338,354	$ 195,783,917	$ 505,499,617	$ 470,281,844	$ 724,837,971	$ 666,065,761

Analysis of Changes in Net Position.

Governmental Activities

During the current fiscal year, the County's net position related to governmental activities increased $23,554,437 when compared to 2018. This was due to a variety of increases/decreases in revenues and expenses as shown in the table above.

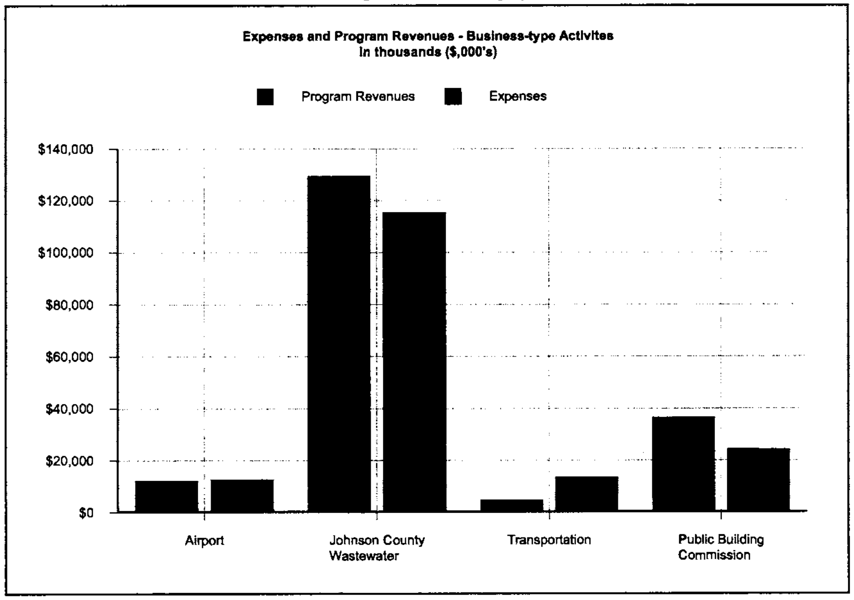


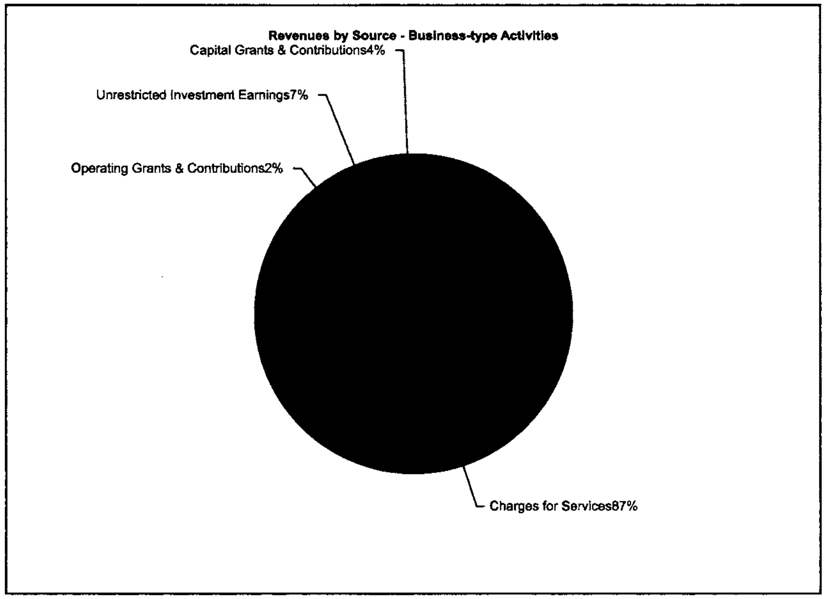


The charts above illustrate the County's governmental expenses and revenues by function, and revenues by source. As shown, public safety is the largest function in expense (35%), followed by general government (22%), health and human services (21%), and public works (15%). General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities countywide. For governmental activities overall, without regard to program, property taxes is the largest single source of funds (50%), followed by sales taxes (20%), and charges for services (16%).

Business-type Activities

During the current fiscal year, the County's net position related to business-type activities increased $35,217,773. Capital grants and contributions increased $2,572,447 due to increased Federal Grant funds received, and unrestricted investment earnings increased roughly $5.3 million.





The charts above and on the previous page illustrate the County's business-type activities' expenses and revenues by department, and its revenues by source. As expected, the primary source of revenue for business-type activities results from charges for services.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $266,768,632, an increase of $29,795,903 from the prior year. Approximately 86% of this total amount, or $227,967,511 constitutes fund balance that is available to meet the County's current and future needs. The remainder of the fund balance totaling $38,801,121 is either non-spendable or restricted for specific spending; including $2,771,288 "not in spendable form" for items that are not expected to be converted to cash such as inventories and prepaid items, and $36,029,833 restricted for programs at various levels.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the available fund balance of the general fund was $99,340,397, while total fund balance was $117,566,680. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 33% of total general fund expenditures of $303,611,509, while total fund balance represents 39% of that same amount.

The fund balance in the County's general fund has increased by $16,978,419 during the current fiscal year. Total revenue in the general fund was $335,784,090, an increase of $11,490,302 from the previous year. Increased tax revenue and investment earnings were the main components of this increase. Total expenditures increased in the areas of general government and capital outlay, but decreased slightly in public safety. Total expenses were less than total revenues received.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the business-type activities at the end of the year amounted to $142,961,810. The total change in net position for Johnson County Wastewater was $21,706,882 and $15,612,756 for the Public Building Commission, respectively. The increases in net position for Johnson County Wastewater and Public Building Commission are primarily due to the increases in charges for services.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original actual revenues for the General Fund were below the final budget by $4,466,241. Due to the County's effective budget controls expenditures were $111,861,611 less than budgeted, which resulted in a positive variance of $108,248,647 in the General Fund. A summary of the significant differences between budgetary estimates for revenues and expenditures is as follows:

- Intergovernmental revenues were $2,603,965 less than expected as the County received fewer federal and state grant funds.
- General fund reserves of $88,415,965 remain available at the end of 2019.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business type activities as of December 31, 2019 amounted to $1,222,698,824 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways and bridges.

Johnson County's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 27,087,119	$ 27,087,119	$ 10,042,838	$ 9,738,854	$ 37,129,957	$ 36,825,973
Buildings	30,553,711	32,403,073	377,011,922	386,795,275	407,565,633	419,198,348
Improvements other than buildings	2,686,118	2,912,658	265,671,851	256,881,719	268,357,969	259,794,377
Machinery and equipment	33,249,549	30,648,697	46,132,648	27,181,100	79,382,197	57,829,797
Infrastructure	47,264,872	47,301,726	1,717,156	1,772,779	49,002,028	49,074,505
Construction in progress	17,153,672	22,770,402	364,107,368	206,072,699	381,261,040	228,843,101
Total	$ 158,015,041	$ 163,123,675	$1,064,683,783	$ 888,442,426	$1,222,698,824	$1,051,566,101

Additional information on the County's capital assets can be found in Note 5 of this report.

Long-Term Debt. At the end of the current fiscal year, the County had total long-term bonded debt outstanding of $869,230,000. This amount was comprised of $523,810,500 of general obligation and $315,000 of special obligation debt backed by the full faith and credit of the County. Special Assessment debt in the amount of $79,500 is debt for which the County is liable in the event of default by the property owners subject to the assessment. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Johnson County's Outatanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 13,595,000	$ 11,950,000	$ 510,215,500	$ 521,526,356	$ 523,810,500	$ 533,476,356
Special obligation bonds	315,000	1,095,000	—	—	315,000	1,095,000
Special assessment debt	79,500	88,800	—	4,838	79,500	93,638
Revenue bonds	—	—	345,025,000	368,180,000	345,025,000	368,180,000
Total	$ 13,989,500	$ 13,133,800	$ 855,240,500	$ 889,711,194	$ 869,230,000	$ 902,844,994

The County's total long-term debt decreased by $33,614,994 during the fiscal year due to the refunding of series PBC 2009A, and regular payments throughout the year on existing debt issues.

Johnson County is one of approximately 40 counties in the United States to earn the "Triple A" designation from Standard & Poor's, Moody's, and Fitch Ratings. The County maintains an AAA rating from Standard & Poor's, an Aaa rating from Moody's, and an AAA from Fitch Ratings for general obligation debt. The Public Building Commission, a blended component unit of the County, maintains an AAA rating from Standard and Poor's, and an Aaa rating from Moody's for revenue bonds.

Statutes limit the amount of general obligation debt a governmental entity may issue to 3% of its total assessed valuation. The current debt limitation for the County is $924,179,222, which is significantly in excess of the County's outstanding general obligation debt. Detailed information on the County's debt limit can be found in the Statistical Section of this report.

Additional information on the County's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

Johnson County continues to be an attractive location for both families and businesses. According to the Bureau of Economic Analysis, the County's population increased from 545,696 in 2010 to 602,401 in 2019 (an increase of 56,705 or 10%). On average, the County's population grows by approximately 5,671 persons per year, or 473 per month. Unemployment rates are currently at 2.8% compared to a national level of 3.5% and a state level of 3.1%.

The AAA rating referenced above continues to reflect the County's:

- Diverse and expanding local economy, participating in the larger Kansas City Metropolitan Statistical Area;
- Above-average wealth levels;
- Strong financial operations supported by conservative management and established fiscal policies; and
- Moderate debt levels that should remain manageable through on-going planning.

All of these factors were considered in preparing the County's budget for 2020. At the end of 2019, the unrestricted fund balance in the general fund is $89,360,208.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Treasury and Financial Management, 111 South Cherry Street, Suite 2400, Olathe, Kansas 66061. The County's Comprehensive Annual Financial Report and financial publications can be found on the internet at http://www.jocogov.org/sites/default/files/documents/TRE/CAFR-2019.pdf. Separately issued financial statements for the discretely presented component unit, the Park and Recreation District, may be obtained at 7900 Renner Road, Lenexa, Kansas 66218.

BASIC FINANCIAL STATEMENTS

Johnson County, Kansas

Statement of Net Position

December 31, 2019

	PRIMARY GOVERNMENT			Component Unit	
	Governmental Activities	Business-Type Activities	Total	Park and Recreation	Fire Districts
ASSETS					
Deposits including investments	$ 324,244,098	$ 230,575,963	$ 554,820,061	$ 41,944,975	$ 12,482,170
Receivables (net of allowance for uncollectibles):	273,001,406	24,249,532	297,250,938	34,752,822	23,928,609
Internal balances	—	—	—	—	—
Inventories	1,382,246	621,541	2,003,787	85,643	—
Prepaids	1,644,322	299,965	1,944,287	303,384	291,981
Restricted cash and investments	—	189,575,717	189,575,717	15,088,408	10,535,200
Capital assets (net of accumulated depreciation):					
Land	27,087,119	10,042,838	37,129,957	59,984,755	857,153
Buildings	30,553,711	377,011,922	407,565,633	26,889,798	13,360,146
Improvements other than buildings	2,686,118	265,671,851	268,357,969	18,383,919	—
Machinery and equipment	33,249,549	46,132,648	79,382,197	10,331,858	7,534,954
Infrastructure	47,284,872	1,717,156	49,002,028	572,895	—
Construction in progress	17,153,672	364,107,368	381,261,040	30,402,864	518,528
TOTAL ASSETS	758,287,113	1,510,006,501	2,268,293,614	238,741,321	69,508,741
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferred outflow	34,602,732	1,021,366	35,624,098	3,059,178	8,896,977
OPEB deferred outflow	2,004,387	150,867	2,155,254	345,073	287,771
Unamortized portion of refunding	—	—	—	172,293	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	36,607,119	1,172,233	37,779,352	3,576,544	9,184,748
LIABILITIES					
Accounts payable	21,348,473	34,318,490	55,666,963	2,996,743	683,041
Salaries and wages payable	10,701,093	723,525	11,424,618	—	144,948
Accrued liabilities	12,088,490	122,772	12,211,262	899,647	372,423
Interest payable	199,278	11,563,865	11,763,143	506,803	45,378
Unearned revenue	2,983,169	726,245	3,709,414	1,112,350	—
Customer deposits payable	—	—	—	58,229	—
Noncurrent liabilities					
Due within one year	4,001,945	53,337,553	57,339,498	6,149,528	1,275,954
Due in more than one year	253,989,630	902,813,615	1,156,803,245	46,781,914	55,033,604
TOTAL LIABILITIES	305,312,078	1,003,606,065	1,308,918,143	58,505,214	57,555,348
DEFERRED INFLOWS OF RESOURCES					
Property tax receivable	242,670,751	—	242,670,751	33,732,753	23,593,704
Deferred revenue - grants revenue	13,638,461	—	13,638,461	—	—
Capital Finance Charges Receivable	—	470,616	470,616	—	—
Pension deferred inflow	7,655,453	173,212	7,828,665	263,135	2,117,300
OPEB deferred inflow	6,278,138	472,547	6,750,685	1,910,337	452,137
Unamortized portion of refunding	997	956,677	957,674	—	204,894
TOTAL DEFERRED INFLOWS OF RESOURCES	270,243,800	2,073,052	272,316,852	35,906,225	26,368,035
NET POSITION					
Net investment in capital assets	139,541,582	362,537,807	502,079,389	124,208,244	7,306,570
Restricted for:					
Technology Management	5,086,942	—	5,086,942	—	—
Public works	2,321,866	—	2,321,866	—	—
Law Enforcement	23,167,764	—	23,167,764	—	—
Community Support Services	1,583,687	—	1,583,687	—	—
Planning and Economic Development	70,900	—	70,900	—	—
Libraries, Recreation, and Education	1,180,666	—	1,180,666	4,436,929	—
Capital projects	—	—	—	163,279	165,679
Debt service	2,618,008	—	2,618,008	754	414,362
Unrestricted	43,766,939	142,961,810	186,728,749	19,097,220	(13,116,505)
TOTAL NET POSITION	$ 219,338,354	$ 505,499,617	$ 724,837,971	$ 147,906,426	$ (5,229,894)

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Statement of Activities

For the Year Ended December 31, 2019

			Program Revenues			Net (Expense) Revenue and Changes in Net Position				
						Primary Government			Component Unit	
Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Park and Recreation	Fire Districts
Primary Government:										
Governmental Activities:										
General government	$121,323,145	$ (14,157,035)	$ 19,419,248	$ 7,654	$ —	$ (87,739,208)	$ —	$ (87,739,208)	$ —	$ —
Public works	73,328,546	1,279,210	1,623,030	10,198,840	2,351,671	(60,434,215)	—	(60,434,215)	—	—
Public safety	167,700,169	85,000	24,949,986	5,952,570	269,890	(136,612,723)	—	(136,612,723)	—	—
Health and human services	90,737,168	8,720,748	31,868,603	28,819,307	—	(38,770,006)	—	(38,770,006)	—	—
Planning and economic development	3,504,584	126,000	1,904,680	—	—	(1,725,904)	—	(1,725,904)	—	—
Culture and recreation	31,035,636	—	1,482,545	126,722	—	(29,426,369)	—	(29,426,369)	—	—
Interest on long term debt	769,424	—	—	—	—	(769,424)	—	(769,424)	—	—
Total governmental activities	488,398,672	(3,946,077)	81,248,092	45,105,093	2,621,561	(355,477,849)	—	(355,477,849)	—	—
Business Type activities:										
Airport	12,351,536	408,642	7,157,449	—	5,084,011	—	(518,718)	(518,718)	—	—
Johnson County Wastewater	112,210,680	3,212,996	129,165,639	316,683	—	—	14,058,646	14,058,646	—	—
Transportation	13,238,007	324,439	29,450	2,642,737	2,056,515	—	(8,833,744)	(8,833,744)	—	—
Public Building Commission	24,343,080	—	36,171,114	314,897	—	—	12,142,931	12,142,931	—	—
Total business type activities	162,143,303	3,946,077	172,523,652	3,274,317	7,140,526	—	16,849,115	16,849,115	—	—
Total Primary Government	$650,541,975	$ —	$253,771,744	$ 48,379,410	$ 9,762,087	$ (355,477,849)	$ 16,849,115	$(338,628,734)	—	—
Component unit:										
Park and Recreation	$ 46,097,565	$ —	$ 22,183,491	$ 99,829	$ 1,937,889				(21,876,356)	
Fire Districts	$ 27,799,123	$ —	$ 2,379,841	$ 333,218	$ —					$ (25,086,064)
General revenues:										
Property taxes						257,906,932	—	257,906,932	35,505,982	24,545,522
Sales taxes						102,651,800	—	102,651,800	—	—
Other taxes						5,497,132	—	5,497,132	12,110	—
Unrestricted investment earnings						12,284,224	12,825,621	25,109,845	1,144,183	90,983
Miscellaneous						6,235,235	—	6,235,235	35,851	643,601
Transfers						(5,543,037)	5,543,037	—	—	—
Total general revenue and transfers						379,032,286	18,368,658	397,400,944	36,698,126	25,280,106
Change in net position						23,554,437	35,217,773	58,772,210	14,821,770	194,042
Net position - beginning						195,783,917	470,281,844	666,065,761	133,084,656	(4,604,037)
Prior period adjustments						—	—	—	—	(819,899)
Net position - beginning of year restated						195,783,917	470,281,844	666,065,761	133,084,656	(5,423,936)
Net position - ending						$ 219,338,354	$ 505,499,617	$ 724,837,971	$ 147,906,426	$ (5,229,894)

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Balance Sheet
Governmental Funds
December 31, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Deposits including investments	$ 113,746,978	$ 125,617,466	$ 44,680,296	$ 284,044,740
Receivables (net of allowance for uncollectibles):	172,730,852	—	100,197,893	272,928,745
Inventories	296,674	—	891,409	1,188,083
Prepaids	970,058	—	613,147	1,583,205
Restricted cash and investments	—	—	—	—
Total assets	$ 287,744,562	$ 125,617,466	$ 146,382,745	$ 559,744,773
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 5,916,681	$ 9,960,280	$ 1,866,239	$ 17,743,200
Salaries and wages payable	7,527,682	—	3,150,152	10,677,834
Due to others	5,259,086	61,142	4,210	5,324,438
Unearned revenue	1,898,409	—	1,023,048	2,921,457
Total liabilities	20,601,858	10,021,422	6,043,649	36,666,929
Deferred Inflows of Resources:				
Property tax receivable	147,823,613	—	94,847,138	242,670,751
Unavailable revenue - grants revenue	1,752,411	9,252,436	2,633,614	13,638,461
Total deferred inflows of resources	149,576,024	9,252,436	97,480,752	256,309,212
Fund Balances:				
Nonspendable	1,266,732	—	1,504,556	2,771,288
Restricted	16,959,551	—	19,070,282	36,029,833
Committed	6,466,215	106,343,608	245,125	113,054,948
Assigned	3,513,974	—	22,038,381	25,552,355
Unassigned	89,360,208	—	—	89,360,208
Total fund balances	117,566,680	106,343,608	42,858,344	266,768,632
Total liabilities, deferred inflows of resources and fund balances	$ 287,744,562	$ 125,617,466	$ 146,382,745	$ 559,744,773

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position
December 31, 2019

Total fund balance - all governmental funds			$	266,768,632
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets, including infrastructure, used in governmental activities are not financial resources and therefore are not reported in the funds.				158,015,041
Less Internal Services Fund Capital Assets				(3,983,386)
Other deferred outflows of resources in governmental activities are not financial resources and therefore are not reported in the governmental funds:				
Deferred outflows - pensions				34,602,732
Deferred outflows - OPEB				2,004,387
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:				
Interest Payable	$	(199,278)		
Bonds:				
General obligation, net of unamortized premium of $1,902,571		(15,502,132)		
Special obligation		(315,000)		
Special assessment		(79,500)		
Compensated absences		(19,433,853)		
Total OPEB liability		(21,352,115)		
Capital lease obligations		(2,577,824)		
Net pension liability		(198,732,148)		
Total				(258,191,850)
Less Internal Services Fund Long Term Debt				136,707
Other deferred inflows of resources does not increase net position until a future period and therefore are not reported in the funds:				
Deferred inflows - pensions				(7,655,453)
Deferred inflows - OPEB				(6,278,138)
Internal service funds are used by management to charge costs of risk management and self-insured health care to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.				33,919,682
Net position of governmental activities			$	219,338,354

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 248,211,899	$ —	$ 117,843,965	$ 366,055,864
Intergovernmental	22,280,522	114	25,446,018	47,726,654
Charges for services	50,033,327	210,380	20,555,739	70,799,446
Investment earnings	9,433,861	84,894	2,229,482	11,748,237
Licenses and permits	1,846,643	—	1,497,102	3,343,745
Other	3,977,838	—	2,257,397	6,235,235
Total revenues	335,784,090	295,388	169,829,703	505,909,181
EXPENDITURES				
Current:				
General government	96,387,070	—	648,943	97,036,013
Public works	—	—	10,938,525	10,938,525
Public safety	155,264,100	—	4,673,531	159,937,631
Health and human services	22,055,758	—	76,814,542	98,870,300
Planning and economic development	3,661,011	—	—	3,661,011
Culture and recreation	881,609	—	29,213,611	30,095,220
Debt service:				
Principal retirement	18,771	578,928	1,814,300	2,411,999
Interest and fiscal charges	1,997	—	781,395	783,392
Capital outlay	25,341,193	36,674,268	8,036,754	70,052,215
Total expenditures	303,611,509	37,253,196	132,921,601	473,786,306
Excess (deficiency) of revenues over (under) expenditures	32,172,581	(36,957,808)	36,908,102	32,122,875
OTHER FINANCING SOURCES (USES)				
Transfers in	1,969,331	47,550,359	2,808,882	52,328,572
Transfers out	(17,163,493)	(1,144,880)	(42,499,453)	(60,807,826)
Proceeds from capital lease	—	—	3,136,678	3,136,678
General Obligation bonds issuance	—	2,994,600	18,088	3,012,688
Premium on bonds issued	—	—	2,916	2,916
Total other financing sources and uses	(15,194,162)	49,400,079	(36,532,889)	(2,326,972)
Net change in fund balances	16,978,419	12,442,271	375,213	29,795,903
Fund balances - beginning	100,588,261	93,901,337	42,483,131	236,972,729
Fund balances - ending	$ 117,566,680	$ 106,343,608	$ 42,858,344	$ 266,768,632

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities

For the Year Ended December 31, 2019

Net change in fund balances - all governmental funds		$	29,795,903
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets exceeded depreciation in the current period.			
Capital Outlay	$ 10,318,704		
Depreciation Expense	(15,301,957)		
Net change			(4,983,253)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Principal Retirement	1,833,071		
Proceeds from capital leases	(3,136,678)		
Proceeds From General Obligation bonds	(2,670,000)		
Premium from bonds issued	(345,604)		
Net change			(4,319,211)
Net gain (loss) on disposal of capital assets and infrastructure.			(125,381)
The net change in accrued interest on general obligation bonds is not a current source or use of financial resources and therefore not reported in the governmental funds.			589,341
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			13,619
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			(434,795)
OPEB expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			(1,133,581)
Payment on capital leases. Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			578,928
Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for the pensions are only recorded in the statement of activities.			(6,990,619)
Internal service funds are used by management to charge costs of risk management and self-insured health care to the individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.			10,563,486
Changes in net position of governmental activities		$	23,554,437

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 247,945,487	$ 247,945,487	$ 248,211,899	$ 266,412
Intergovernmental	24,884,487	24,884,487	22,280,522	(2,603,965)
Charges for services	51,415,656	51,415,656	50,033,327	(1,382,329)
Investment earnings	6,015,622	6,015,622	8,667,506	2,651,884
Licenses and permits	1,728,791	1,728,791	1,846,643	117,852
Other	7,493,933	7,493,933	3,977,838	(3,516,095)
Total revenues	339,483,976	339,483,976	335,017,735	(4,466,241)
EXPENDITURES				
Current:				
General government	101,664,850	101,664,850	96,433,894	5,230,956
Public safety	153,909,316	153,909,316	154,417,431	(508,115)
Health and human services	23,823,384	23,823,384	21,330,830	2,492,554
Planning and economic development	3,905,116	3,905,116	3,674,980	230,136
Culture and recreation	1,290,833	1,290,833	881,608	409,225
Capital outlay	41,129,563	41,129,563	25,538,675	15,590,888
Reserves	88,415,965	88,415,965	—	88,415,965
Total expenditures	414,139,027	414,139,027	302,277,418	111,861,609
Excess (deficiency) of revenues over (under) expenditures	(74,655,051)	(74,655,051)	32,740,317	107,395,368
OTHER FINANCING SOURCES (USES)				
Transfers in	2,786,950	2,786,950	1,969,331	(817,619)
Transfers out	(18,834,391)	(18,834,391)	(17,163,493)	1,670,898
Total other financing sources and uses	(16,047,441)	(16,047,441)	(15,194,162)	853,279
Net change in fund balances	(90,702,492)	(90,702,492)	17,546,155	$ 108,248,647
Fund balances - beginning	90,702,492	90,702,492	98,661,321	
Fund balances - ending	$ —	$ —	$ 116,207,476	

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Statement of Net Position

Proprietary Funds

December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental
	Major				Activities-
	Wastewater	Public Building Commission	Non-Major Total	Total	Internal Service Funds
ASSETS					
Current assets:					
Deposits including investments	$ 166,724,420	$ 51,845,802	$ 12,005,741	$ 230,575,963	$ 40,199,358
Receivables					
(net of allowance for uncollectibles):	21,312,084	453,765	2,483,683	24,249,532	72,661
Due from other funds	—	—	—	—	—
Inventories	621,541	—	—	621,541	194,163
Prepaid items	299,965	—	—	299,965	61,117
Total current assets	188,958,010	52,299,567	14,489,424	255,747,001	40,527,299
Noncurrent assets:					
Restricted cash and investments	122,978,445	66,597,272	—	189,575,717	—
Capital assets:					
Land	655,258	2,148,094	7,239,486	10,042,838	—
Buildings	139,881,602	394,443,673	19,216,497	553,541,772	—
Improvements other than buildings	478,871,200	7,251,821	44,766,607	530,889,628	102,861
Machinery and equipment	285,263,775	1,926,449	29,892,226	317,082,450	9,688,191
Construction in progress	207,427,126	156,680,242	—	364,107,368	—
Infrastructure	—	—	2,280,695	2,280,695	—
Less accumulated depreciation	(538,667,023)	(113,843,569)	(60,750,376)	(713,260,968)	(5,807,666)
Total capital assets	573,431,938	448,606,710	42,645,135	1,064,683,783	3,983,386
Total noncurrent assets	696,410,383	515,203,982	42,645,135	1,254,259,500	3,983,386
TOTAL ASSETS	885,368,393	567,503,549	57,134,559	1,510,006,501	44,510,685
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferred outflow	960,414	—	60,952	1,021,366	—
OPEB deferred outflow	129,314	—	21,553	150,867	—
	1,089,728	—	82,505	1,172,233	—
LIABILITIES					
Current liabilities					
Accounts payable	24,497,894	9,028,889	791,707	34,318,490	3,605,273
Salaries and wages payable	666,069	—	57,456	723,525	23,259
Interest payable	6,731,417	4,796,490	35,958	11,563,865	—
Loans payable	1,434,164	—	—	1,434,164	—
Due to other funds	—	—	—	—	—
Due to others	963	—	121,809	122,772	—
Unearned revenue	726,245	—	—	726,245	61,712
Compensated absences	114,058	—	5,939	119,997	12,170
Insurance claims payable	—	—	—	—	6,764,052
Bonds, capital leases, and other payables	26,684,365	24,913,338	185,689	51,783,392	—
Total current liabilities	60,855,175	38,738,717	1,198,558	100,792,450	10,466,466
Noncurrent liabilities:					
Compensated absences	1,167,199	—	60,775	1,227,974	124,537
Loans payable	14,781,418	—	—	14,781,418	—
Net pension liability	5,895,182	—	415,846	6,311,028	—
Total OPEB liability	1,377,553	—	229,594	1,607,147	—
Bonds, capital leases, and other payables	524,710,888	351,414,172	2,760,988	878,886,048	—
Total noncurrent liabilities	547,932,240	351,414,172	3,467,203	902,813,615	124,537
TOTAL LIABILITIES	608,787,415	390,152,889	4,665,761	1,003,606,065	10,591,003
DEFERRED INFLOWS OF RESOURCES					
Capital Finance Charges Receivable	470,616	—	—	470,616	—
Deferred revenue - grants revenue	—	—	—	—	—
Pension deferred inflow	159,475	—	13,737	173,212	—
OPEB deferred inflow	405,040	—	67,507	472,547	—
Unamortized portion of refunding	466,388	485,163	5,126	956,677	—
TOTAL DEFERRED INFLOWS OF RESOURCES	1,501,519	485,163	86,370	2,073,052	—
NET POSITION					
Net investment in capital assets	138,903,160	183,941,315	39,693,332	362,537,807	3,983,386
Unrestricted	137,266,027	(7,075,818)	12,771,601	142,961,810	29,936,296
TOTAL NET POSITION	$ 276,169,187	$ 176,865,497	$ 52,464,933	$ 505,499,617	$ 33,919,682

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major				
	Wastewater	Public Building Commission	Non-Major Total	Total	
Operating revenues:					
Charges for services	$ 128,553,423	$ 36,171,114	$ 4,023,111	$ 168,747,648	$ 67,483,936
Other	612,216	—	3,163,788	3,776,004	55,032
Total operating revenues	129,165,639	36,171,114	7,186,899	172,523,652	67,538,968
Operating expenses:					
Public works	70,997,090	—	—	70,997,090	—
Transportation	—	—	21,814,727	21,814,727	—
Fleet	—	—	—	—	3,613,462
Risk management	—	—	—	—	2,482,520
Self-insured health care	—	—	—	—	50,973,959
Workers compensation	—	—	—	—	2,112,148
Depreciation	26,480,454	10,743,969	4,216,460	41,440,883	1,265,597
Total operating expenses	97,477,544	10,743,969	26,031,187	134,252,700	60,447,686
Operating income (loss)	31,688,095	25,427,145	(18,844,288)	38,270,952	7,091,282
Nonoperating revenues (expenses):					
Investment earnings	9,189,754	3,469,825	166,042	12,825,621	535,987
Intergovernmental	316,683	314,897	2,642,737	3,274,317	—
Interest expense	(17,876,580)	(11,683,370)	(89,372)	(29,649,322)	—
Other	(69,552)	(1,915,741)	(202,065)	(2,187,358)	—
Total nonoperating revenues (expenses)	(8,439,695)	(9,814,389)	2,517,342	(15,736,742)	535,987
Income (loss) before contributions and transfers	23,248,400	15,612,756	(16,326,946)	22,534,210	7,627,269
Capital Contributions	—	—	7,140,526	7,140,526	—
Transfers in	75,754	—	7,188,308	7,264,062	2,939,457
Transfers out	(1,617,272)	—	(103,753)	(1,721,025)	(3,240)
Change in net position	21,706,882	15,612,756	(2,101,865)	35,217,773	10,563,486
Total net position - beginning	254,462,305	161,252,741	54,566,798	470,281,844	23,356,196
Total net position - ending	$ 276,169,187	$ 176,865,497	$ 52,464,933	$ 505,499,617	$ 33,919,682

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major				
	Wastewater	Public Building Commission	Non-Major Total	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	$ 126,794,907	$ 39,461,465	$ 3,524,912	$ 169,781,284	$ —
Cash received from interfund services provided	—	—	—	—	62,320,976
Cash payments for goods and services	(50,006,983)	—	(21,258,991)	(71,265,974)	(58,160,771)
Cash payments to employees for services	(18,008,097)	—	(1,548,975)	(19,557,072)	(1,468,645)
Other operating cash receipts	612,216	—	3,163,788	3,776,004	4,943,298
Net cash provided by (used for) operating activities	59,392,043	39,461,465	(16,119,266)	82,734,242	7,634,858
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental	316,683	314,897	2,642,737	3,274,317	—
Transfers from other funds	75,754	—	7,188,308	7,264,062	2,939,457
Transfers to other funds	(1,617,272)	—	(103,753)	(1,721,025)	(3,240)
Net cash provided by (used for) noncapital financing activities	(1,224,835)	314,897	9,727,292	8,817,354	2,936,217
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(108,120,386)	(112,970,411)	5,107,171	(215,983,626)	(950,991)
Proceeds from bonds and loans	19,495,000	1,390,000	—	20,885,000	—
Principal paid on bonds, notes and loans	(32,064,431)	(24,545,000)	(170,160)	(56,779,591)	—
Interest paid on bonds, notes, leases and loans	(18,283,632)	(11,931,605)	(92,227)	(30,307,464)	—
Net cash provided by (used for) capital and related financing activities	(138,973,449)	(148,057,016)	4,844,784	(282,185,681)	(950,991)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and dividends on investments	9,189,754	3,469,825	166,042	12,825,621	535,987
Net cash provided by investing activities	9,189,754	3,469,825	166,042	12,825,621	535,987
Net increase (decrease) in cash and cash equivalents	(71,616,487)	(104,810,829)	(1,381,148)	(177,808,464)	10,156,071
Cash and cash equivalents at beginning of year	361,319,352	223,253,903	13,386,889	597,960,144	30,043,287
Cash and cash equivalents at end of year	$ 289,702,865	$ 118,443,074	$ 12,005,741	$ 420,151,680	$ 40,199,358

(Continued)

Johnson County, Kansas
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Major				
	Wastewater	Public Building Commission	Non-Major Total	Total	
Reconciliation of operating income to net cash provided by (used for) operating activities					
Operating income (loss)	$ 31,688,095	$ 25,427,145	$ (18,844,288)	$ 38,270,952	$ 7,091,282
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	26,480,454	10,743,969	4,216,460	41,440,883	1,265,597
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,757,298)	500,773	(723,412)	(1,979,937)	179,605
(Increase) decrease in inventory	(79,228)	—	—	(79,228)	(31,374)
(Increase) decrease in prepaid expenses	(247,092)	—	—	(247,092)	427
(Increase) decrease in due from other funds	—	—	235,040	235,040	—
Increase (decrease) in accounts payable	3,017,135	2,789,578	(994,259)	4,812,454	(575,112)
Increase (decrease) in salaries and wages payable	31,125	—	10,093	41,218	5,472
Increase (decrease) in due to other funds	—	—	—	—	(235,040)
Increase (decrease) in deferred revenue	(1,218)	—	(9,827)	(11,045)	(39,654)
Increase (decrease) in compensated absences payable	61,404	—	(31,376)	30,028	11,408
Increase (decrease) in insurance claims payable	—	—	—	—	(37,753)
Increase (decrease) in net pension liability	68,441	—	5,514	73,955	—
Increase (decrease) in pension deferred outflows	83,048	—	6,691	89,739	—
Increase (decrease) in pension deferred inflows	(25,956)	—	(2,091)	(28,047)	—
Increase (decrease) in total OPEB liability	(151,603)	—	(25,266)	(176,869)	—
Increase (decrease) in OPEB deferred inflows	15,567	—	2,594	18,161	—
Increase (decrease) in OPEB deferred outflows	209,169	—	34,861	244,030	—
Total adjustments	27,703,948	14,034,320	2,725,022	44,463,290	543,576
Net cash provided by (used for) operating activities	$ 59,392,043	$ 39,461,465	$ (16,119,266)	$ 82,734,242	$ 7,634,858
Deposits including investments	$ 166,724,420	$ 51,845,802	$ 12,005,741	$ 230,575,963	$ 40,199,358
Restricted cash and investments	122,978,445	66,597,272	—	189,575,717	—
Cash and cash equivalents at the end of year	$ 289,702,865	$ 118,443,074	$ 12,005,741	$ 420,151,680	$ 40,199,358

The accompanying notes are an integral part of these financial statements

Johnson County, Kansas

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2019

	Employee Retirement Plan Funds	Agency Funds
ASSETS		
Cash and cash equivalents	$ 1,930,099	$ 764,995,497
Receivables (net of allowance for uncollectibles):		
Taxes Receivable	—	602,982,943
Investments restricted for:		
Employee retirement		
Equity securities:		
Domestic	33,933,054	—
International	10,826,554	—
Debt securities:		
US Government	880,101	—
Domestic	9,170,127	—
International	—	—
Annuities	18,826	—
Total assets	56,758,761	$ 1,367,978,440
LIABILITIES		
Accounts payable	—	43,397
Agency obligations	—	1,367,935,043
Due to Others	18,826	—
Total liabilities	18,826	$ 1,367,978,440
NET POSITION		
Net position restricted for pension benefits	$ 56,739,935	

The accompanying notes are an integral part of these financial statements.

Johnson County, Kansas

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2019

	Employee Retirement Plan Funds
ADDITIONS	
Contributions:	
Employer	$ 3,931,917
Total contributions	3,931,917
Investment earnings:	
Net increase (decrease) in the fair value of investments	10,624,331
Total investment earnings	10,624,331
Total additions	14,556,248
DEDUCTIONS	
Benefits	3,313,268
Total deductions	3,313,268
Change in net position	11,242,980
Net position - beginning	45,496,955
Net position - ending	$ 56,739,935

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The accompanying financial statements of Johnson County, Kansas (the County) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard setting body for government accounting and financial reporting principles. The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The following information summarizes the significant accounting policies of the County.

A. The Reporting Entity

The County is governed by the Board of County Commissioners (BOCC), which consists of a Chairman and six district commissioners. The Chairman of the Commission is elected on a countywide basis and serves as a full-time County official. The six District Commissioners serve as part-time County officials and are elected by residents in specific geographical areas, or districts, of the County. The Board meets in regular business session once each week. The Commissioners serve staggered, four-year terms with no term limitations.

As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A separate column is presented for each major component unit, with a single column for all nonmajor component units in the aggregate (see note below for description) to emphasize that it is legally separate from the government. The primary government and each blended and discretely presented component unit all have a December 31st year end.

Blended Component Unit

Johnson County Public Building Commission (PBC): The Board of County Commissioners serves as the governing body of the PBC. Although a separate legal entity, the PBC is accounted for as an enterprise fund within the County's financial statements because its purpose is to acquire or construct facilities, and lease those facilities to the County and other governmental agencies. The County performs administrative and accounting services for the PBC.

Discretely Presented Component Units

Johnson County Park and Recreation District (Park District): The Park District is governed by a seven-member board appointed by the Board of County Commissioners. However, the County is financially accountable for the Park District because the County's commission approves the Park District's budget and levies taxes. The County provides some administrative and accounting services to the Park District. The Park District is legally separate from the County. Special legislation was created to provide a mechanism for the provision of park and recreational services to Johnson County through the formation of a Park and Recreation District. Such legislation required that a valid petition be submitted to a vote by the Board of County Commissioners. Once the petition was approved by the Commissioners the District was then mandated to provide park and recreational services as outlined in the Kansas Statute 19-2863. Separately issued financial statements are prepared for the Park District. The Park District has governmental and enterprise funds.

The Park District's financial statements include the Park and Recreation Foundation of Johnson County (the Foundation) as a blended component unit. Although a separate legal entity, the Foundation is accounted for as an enterprise fund within the Park District's financial statements because its purpose is to acquire or construct facilities, and lease those facilities to the Park District or other park agencies.

Johnson County Fire Districts (Fire Districts): The four Fire Districts are governed by three-to-seven member boards appointed by the Board of County Commissioners. However, the County is financially accountable for the Fire Districts because the County's commission approves the Fire Districts' budgets and levies taxes. The County provides some administrative and accounting services to the Fire Districts. The Fire Districts are legally separate from the County. Separately issued financial statements are prepared for each Fire District. The Fire Districts have governmental funds.

Complete financial statements for the Park and Recreation District may be obtained at the entity's administrative offices:

Park and Recreation District
7900 Renner Road
Lenexa, Kansas 66218

B. Government-wide and Fund Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct and indirect expenses that are clearly identifiable of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions, including special assessments, that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds, which are fiduciary funds, do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, interest, special assessments and charges for services and other miscellaneous revenue are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year and consequently are not subject to accrual. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

A double step-down allocation procedure has been used to distribute costs among central services and to other County departments that receive benefits. The double step-down procedure initially requires a sequential ordering of agencies. Department indirect cost allocations are then made in order selected to all benefiting programs, including cross allocations to other central services. To ensure that the cross-benefit of services among central services is fully recognized, a second step down allocation for each central service is made.

The accounts of the County are organized and operated on the basis of individual funds, each of which is defined as a separate accounting entity. The operations of each fund are recorded in a set of self-balancing accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. In accordance with state statutes and County resolutions, several different types of funds are used to record the County's financial transactions. For financial reporting, they are grouped and presented as follows:

The County reports the following major governmental funds:

The **General** fund is the principal operating fund of the County and accounts for all financial transactions of the County, except those required to be accounted for in a separate fund.

The **Capital Projects** fund accounts for financial resources to be used for the acquisition or construction of major capital improvements, other than those financed by proprietary funds.

The County reports the following major proprietary funds:

The **Johnson County Wastewater** fund provides sanitary sewer service for residential and business properties inside its service area.

The **Public Building Commission** fund accounts for all activities of the Public Building Commission.

Additionally, the County reports the following fund types:

Governmental Fund Types:

The Debt Service fund accumulates resources to pay maturing principal and interest on general long-term debt, including certain special assessments, which are general obligations of the County, excluding the debt which is accounted for in proprietary funds.

Special Revenue funds provide full budgetary accountability for the proceeds of specific revenue sources that are restricted by law or administrative action to be expended for specified purposes.

Proprietary Fund Types:

Enterprise funds account for operations of which it is the stated intent that the cost of providing a service to the public on a continuing basis be financed or recovered primarily through user charges. An example of an enterprise fund within the County is the Wastewater Operations & Maintenance fund, which provides wastewater collection, transportation, and treatment services to the public.

Internal Service funds provide the financing of goods or services provided to other departments of the County or to other governments on a cost reimbursement basis. An example of an internal service fund within the County is the self-insured health care fund, which is funded through employer and employee contributions and provides health care benefits to County employees.

Fiduciary Fund Types:

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held by the County as an agent for individuals, private organizations or other governmental units. An example of an agency fund within the County is the medical reimbursement fund which holds monies of those County employees who have chosen to designate certain deductions from their salary as pre-tax for the explicit purpose of medical claims or dependent care through flexible spending accounts as authorized by the IRS.

Employee Retirement Plan Funds are the supplemental pension plan contributions from the County and the earnings and profits from those funds. Disbursements are made for retirements and withdrawals.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the enterprise funds and various government funds for services provided. Elimination of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's enterprise and internal service funds are charges for customer services including: rent, wastewater charges, and public transportation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

Cash from all funds except for the Public Building Commission, the Park and Recreation District Component Unit, the Fire Districts, and proceeds from the sale of bonds and general obligation notes, is pooled for the purpose of increasing income through investment activities. Investments, which have a remaining maturity at time of purchase of one year or less, are stated at fair value, which approximates amortized cost. All other investments are stated at fair value as determined by quoted market prices. Investments principally consist of United States Treasury and Agency securities, certificates of deposit, and cash held in money market funds.

The Park District is authorized by Statute to invest public funds in collateralized public deposits, obligations of the United States government, its agencies and instrumentalities and State of Kansas Municipal Investment Pool. The Park District has no investment policy that would further limit its investment choices.

Investment income is allocated to the designated funds on the basis of the ending monthly cash balance which is contrary to Kansas State Statutes. Investment income which is not allocated is credited to the General Fund. Interest revenue is susceptible to accrual and has been reported within these financial statements. Cash proceeds from the Public Building Commission and from the sale of bonds and general obligation notes are maintained separately and invested primarily in Government Money Market funds and United States Treasury and Agency securities.

All banks and savings associations are required to pledge to the County, the PBC and the Park District an aggregate market value investment in U.S. Treasury obligations, other U.S. Agency obligations and Kansas municipal bonds to provide a minimum of 100% collateralization for all deposits.

Cash and cash equivalents, for purposes of the statement of cash flows, refer to cash on hand, cash in demand accounts at financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash and so close to maturity that they present insignificant risk of change in value due to changes in interest rates. Because proprietary funds participate in the County's investment pool, their access is equivalent to cash and cash equivalents.

E. Property Tax Receivable

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year. Taxes are assessed on a calendar year basis, and are levied and become a lien on the property on November 1st in the year of assessment. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. On December 31, 2019, such taxes are a lien on the property and are recorded as taxes receivable, net of 2.10% uncollected taxes for the current year tax roll, with a corresponding amount recorded as deferred inflows of resources.

F. Other Taxes and Revenues

Recognized state-shared taxes, such as gas tax or liquor tax, represent payments received during the current fiscal period.

Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received. Charges for services are generally susceptible to accrual and are recorded as revenue when earned.

Fees, fines, forfeitures and other revenues are generally not susceptible to accrual and are recorded when received in cash.

G. Inventories

Inventories for the County and the Park District are valued at cost using the first-in, first-out method. Inventories in governmental funds are recorded as expenditures when consumed. Unconsumed inventories in governmental funds are equally offset by non-spendable fund balance to indicate that portion of fund balance is not in spendable form. Inventories recorded in the proprietary funds primarily consist of maintenance and supplies. Inventories are expensed as the supplies are consumed.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Restricted Assets

Certain proceeds of the County, Park District's, and Fire Districts' bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable contract covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County, Park District, and Fire Districts as assets costing $10,000 or more and having a useful life of five years or more. Infrastructure assets are defined by the County as assets costing $100,000 or more and having a useful life of five years or more. Intangible assets are defined by the County as assets costing $1,000,000 or more and having a useful life of five years or more. Interest is also included in the capitalization threshold. Capital assets are recorded at cost or estimates of the original cost. Donated assets are recorded at acquisition value at the date of the gift.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets may be financed from current cash or the cash proceeds received from the sale of general obligation notes, bonds or certificates of participation.

Depreciation of capital assets, including capital leases, is calculated utilizing the straight-line method over the following estimated useful lives:

Buildings and structures	15 to 50 years
Machinery and equipment	5 to 15 years
Infrastructure:	
Roads	15 to 50 years
Bridges	25 to 50 years
Other	5 to 50 years

K. Special Assessments

As required by state statutes, projects financed in whole or in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the County. Further, state statutes permit levying additional general ad valorem property taxes in the County Debt Service Fund to finance delinquent special assessments receivable. All non-wastewater special assessments receivable are accounted for within the Debt Service Fund. Special assessments related to Wastewater District projects are accounted for in the Wastewater Enterprise Fund.

All special assessment taxes are levied over a ten to twenty year period and the annual installments are due and payable with annual ad valorem property taxes. The County may foreclose liens against property benefited by special assessments when delinquent. For Johnson County Wastewater, receivables and corresponding revenue are recorded for special assessments.

L. Compensated Absences

The County, Park and Recreation District (Park District), and Fire Districts permit full-time and certain part-time employees to accumulate vacation based upon tenure, with most employees limited to a maximum of 24 calendar days. Upon termination or resignation from County, Park District, or Fire District service, employees are entitled to payment for their maximum allowable accrued vacation earned prior to termination or resignation.

All full-time and certain part-time employees of the County, Park District, and Fire Districts accrue sick leave at the rate of one calendar day per month for full-time, and one-half day for part-time employees, with no maximum accumulation. Upon separation from service, employees are compensated for 20% of unused sick pay.

Vacation and sick pay are recorded as a liability at 100% of accrued vacation and 20% of accrued sick time for the County, Park District, and Fire Districts. Accrued vacation and sick pay for the County, Park District, and Fire Districts is calculated using the current salary rate of employees and reflects the vested portion. In the governmental fund types, the amount of vacation and sick leave benefits included in expenditures for the current year represents the amount liquidated during the year with expendable available resources for the County, Park District, and Fire Districts. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

In proprietary funds within the County and the Park District, vacation and sick pay benefits are accrued when incurred, and reported as a fund liability/expense.

M. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Balance Policy

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2019, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* - includes amounts that can only be used for specific purposes determined by a formal action of the County's highest level of decision-making authority, the County's Board. Commitments are established by, and may only be changed or lifted by, a resolution adopted by the County's Board.
- *Assigned Fund Balance* - comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. For this type of fund balance, it is the County's policy that spending authority is delegated to management by the County's Board.
- *Unassigned Fund Balance* - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

O. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is measured as the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category. Net investment in capital assets excludes unspent bond proceeds.
- *Restricted net position* reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one that a party external to a government - such as citizens, public interest groups, or the judiciary - can compel a government to honor.
- *Unrestricted net position* represents net position of the County that is not restricted for any project or purpose.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Q. Financial Reporting of Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category in the government-wide statement of net position, Deferred Charge on Refunding, Deferred Outflows for Pensions, and Deferred Outflows for Other Post Employment Benefits (OPEB). A Deferred Charge on Refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See note 1.R and 14 respectively for more information on the deferred outflows for pensions and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has six types of items that qualify for reporting in this category: Property Tax Receivable, Capital Finance Charges Receivable, Deferred Portion on Refunding, Unavailable Revenue, Deferred Inflows for Pensions, and Deferred Inflows for Other Post Employment Benefits (OPEB). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. Property taxes are not recognized as revenue until the period for which they are levied. The County has received resources before time requirements are met, but after all other eligibility requirements have been met, and reports them as deferred inflows of resources. Deferred Inflows for Pensions and OPEB are reported on the government-wide statement of net position. See Note 1.R and 14 respectively for more information on deferred inflows for pensions and OPEB.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The County is required by state statutes to adopt annual budgets for most funds. All Governmental funds, with the exception of the Library Gift and Capital Projects funds, are budgeted funds. All Enterprise funds (except PBC) and Internal Service funds (except Self-Insured Health Care) are also budgeted funds.

The Park District is required by state statute to adopt annual budgets for the General Fund, Employee Benefit Fund and the General Obligation Bond Retirement Fund. A statutory budget is also required for the Park District's Enterprise fund.

The statutes provide for the following sequence and timetable in the adoption of the legal annual Capital and Operating Budget (the budget) for both the County and the Park District:

1. Preparation of the preliminary budget for the succeeding calendar year on or before July 1st.
2. Publication of the proposed budget in local newspaper and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

State statutes provide that the County and the Park District may not legally exceed the aggregate total of budgeted expenditures in any individual fund. The legal level of budgetary control is the aggregate total at the fund level. The County Manager, without approval of the governing body, may approve transfers between individual expenditure classifications (e.g. General Government, Public Safety). No increase in total expenditure authority for a fund may be made, except through the public hearing process described below.

State statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The County and the Park District must first hold a public hearing to amend the budget. The governing body may amend the budget at the time of the public hearing.

All legal operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, revenues are recognized when the revenues are both measurable and available to finance expenditures of the current fiscal period. Changes in fair value of investments are recorded for GAAP basis, but not for budgetary basis. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Encumbrances outstanding at year end are reported as part of fund balances for governmental funds and do not constitute expenditures or liabilities because the commitments will be honored in the subsequent year. Unencumbered appropriations lapse at the end of the year. Inventory is recorded as an asset for governmental fund types for GAAP basis but not for budgetary basis.

A reconciliation of revenues and expenditures/expenses under GAAP to budgeted revenues and expenditures/expenses for the Primary Government is as follows:

Reconciliation of Fund Balance Budgetary Basis to GAAP Basis for the General Fund		
Fund balance, budgetary basis	$	116,207,476
Investments change in fair value		474,716
Current Year Encumbrances		1,220,711
GAAP Contractual		(632,897)
Inventory		296,674
Fund balance, GAAP basis	$	117,566,680

3. Deposits and Investments

The County has adopted a formal investment policy. The primary objectives for investments are (in order of priority) preservation of capital and protection of principal, security of County funds and investments, maintenance of sufficient liquidity to meet operating needs, diversification of investments to avoid unreasonable or avoidable risks, and maximization of return on the investments. All available funds shall be invested in conformance with legal and administrative guidelines at the highest rates obtainable at the time of investment. Investments shall be managed in a manner responsive to the public trust and consistent with state and local law.

State statutes authorize the County and Fire Districts to invest in United States Treasury and Agency securities, collateralized public deposits, and the State of Kansas Municipal Investment Pool, certain money market securities and funds, and investment agreements with financial institutions. The County's cash manager will apply the "prudent investor" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

State statutes authorize the Park District to invest in collateralized public deposits, obligations of the United States government, its agencies and instrumentalities and State of Kansas Municipal Investment Pool. Restricted assets for the Park District consist of investments held by the trustee for future qualified capital expenditures and bond reserve funds. There is not a policy that limits investments in the Supplemental Retirement Plan.

The following is a breakdown of the County's cash by fund type:

Reconciliation of Cash			
	Deposits Including Investments	Restricted Cash and Investments	Total
Government-type activities	$ 324,244,098	$ —	$ 324,244,098
Business-type activities	230,575,963	189,575,717	420,151,680
Agency funds	764,995,497	—	764,995,497
Total	$ 1,319,815,558	$ 189,575,717	$ 1,509,391,275

A breakdown of the Park and Recreation District's cash by fund type is below:

Reconciliation of Park and Recreation Unit Cash			
	Governmental Activities	Business-type Activities	Total
Deposits including investments	$ 32,139,616	$ 9,805,359	$ 41,944,975
Restricted cash and investments	14,925,129	163,279	15,088,408
Total	$ 47,064,745	$ 9,968,638	$ 57,033,383

A breakdown of the Fire District's cash is below:

Reconciliation of Fire District Unit Cash	
	Governmental Activities
Deposits and investments	$ 12,482,170
Restricted deposits and investments	10,535,200
Total	$ 23,017,370

At year-end, a reconciliation of deposits and investments is as follows:

Reconciliation of Deposits and Investments			
	Primary Government	Park and Recreation	Fire Districts
Cash on hand	$ 53,091	$ —	$ —
Carrying amount of deposits	14,961,983	3,602,252	23,017,370
Carrying amount of investments	1,494,376,201	53,431,131	—
Total deposits and investments	$ 1,509,391,275	$ 57,033,383	$ 23,017,370
Deposits including investments	$ 1,319,815,558	$ 41,944,975	$ 12,482,170
Restricted cash and investments	189,575,717	15,088,408	10,535,200
Total deposits and investments	$ 1,509,391,275	$ 57,033,383	$ 23,017,370

As of December 31, 2019, the County had the following investments:

Johnson County's Schedule of Investments at December 31, 2019				
	Interest Rates	Maturities	Par Value	Fair Value
County Investments:				
Money Market Mutual Funds	1.500%	On demand	$ 67,403,399	$ 67,403,399
Certificate of Deposit	1.360-1.500%	1/17/2020-05/22/2020	35,000,000	35,000,000
Kansas Municipal Investment Pool	0.0125		7,252	7,252
Treasury Securities - Coupon	1.507-2.030%	01/15/2020-08/31/2020	182,300,000	182,233,895
Treasury Securities - Discount	1.331-1.497%	01/16/2020-03/19/2020	213,000,000	212,824,860
Federal Agency Discount Notes:				
Federal Home Loan Bank	1.412-1.556%	1/16/2020-07/30/2020	505,520,000	504,464,001
Federal Home Loan Mtge Corp	1.481-1.552%	03/18/2020-09/18/2020	64,000,000	63,558,494
Federal National Mtge Association	1.422%	1/17/2020	85,600,000	85,545,926
Federal Agency Issues:				
Federal Farm Credit Bank	1.614-2.121%	02/10/2020-07/24/2023	119,000,000	119,296,176
Federal Home Loan Bank	1.684-2.207%	08/28/2020-10/28/2021	30,000,000	29,974,730
Federal Home Loan Mtge Corp	1.751-2.140%	09/28/2020-09/19/2023	125,750,000	125,768,121
Federal National Mtge Association	1.610-1.752%	03/27/2020-9/15/2020	45,000,000	44,925,165
Total County Investments			$ 1,472,580,651	$ 1,471,002,019
Funds held with Trustee (Restricted for Refunded Debt):				
Debt securities				23,374,182
Total Investments				$ 1,494,376,201

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets.

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The County has the following recurring fair value measurements as of year-end:

U.S. Treasury Securities are classified in Level 1 and are valued using prices quoted in active markets for those identical securities.

U.S. Government Agency Securities and Repurchase Agreement are classified in Level 2 and are valued using matrix pricing, valuing securities based on the securities' relationship to benchmark quoted prices.

The County's Supplemental Pension Trust Fund has the following recurring fair value measurements as of year-end:

Mutual Funds and Index Funds

These investments are valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

The Park Foundation has the following recurring fair value measurements as of year-end:

Money Market Funds are classified within Level 1 and are valued using $1/unit for the Net Asset Value (NAV).

Mutual Funds are classified within Level 1 and are valued using the NAV provided by the administrator of the fund.

Common Stock are classified within Level 1 and are valued based on a quoted price in an active market.

The fair value hierarchy levels of the County's investments as of December 31, 2019, were classified as shown below:

Johnson County's
Cash Equivalents and Investments by fair value level at December 31, 2019

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments subject to fair value hierarchy:				
U.S. Government Agency Securities	$ 973,532,613	$ —	$ 973,532,613	$ —
U.S. Treasury Securities	395,058,755	395,058,755	—	—
Total investments subject to fair value hierarchy	$1,368,591,368	$ 395,058,755	$ 973,532,613	$ —
Investments not subject to fair value hierarchy:				
Fidelity Govt Money Market Mutual Funds	67,403,399			
Fixed Certificates of Deposit (non-negotiable)	35,000,000			
Kansas Municipal Investment Pool	7,252			
Total investments not subject to fair value hierarchy	$ 102,410,651			
Total Investments	$1,471,002,019			

The maturities of the County's investments as of December 31, 2019, were classified as shown below:

Johnson County's
Schedule of Investments at December 31, 2019

	Investment Maturities in Years		
	Fair Value	Less than 1	1-5
Money Market Mutual Funds	$ 67,403,399	$ 67,403,399	$ —
Certificates of Deposit	35,000,000	35,000,000	—
Kansas Municipal Investment Pool	7,252	7,252	—
Treasury Securities - Coupon	182,233,895	182,233,895	—
Treasury Securities - Discount	212,824,860	212,824,860	—
Federal Agency Discount Notes:			
Federal Home Loan Bank	504,464,001	504,464,001	—
Federal Home Loan Mtge Corp	63,558,494	63,558,494	—
Federal National Mtge Association	85,545,926	85,545,926	—
Federal Agency Issues:			
Federal Farm Credit Bank	119,296,176	60,080,665	59,215,511
Federal Home Loan Bank	29,974,730	9,971,730	20,003,000
Federal Home Loan Mtge Corp	125,768,121	10,000,041	115,768,080
Federal National Mtge Association	44,925,165	44,925,165	—
Total County Investments	$ 1,471,002,019	$ 1,276,015,428	$ 194,986,591

The County's Supplemental Pension Trust Fund had the following investments and maturities as of December 31, 2019, as shown below:

Investment Type	Fair Value	Moody's Rating	Standard & Poor's Rating	Fair Value Hierarchy
Fixed Income Funds	$ 1,930,099	N/A	N/A	Level 1
US Equities Funds	33,933,054	N/A	N/A	Level 1
International Equities Funds	10,826,554	N/A	N/A	Level 1
US Bonds Funds	9,170,127	N/A	N/A	Level 1
Governmental Bonds Funds	880,101	N/A	N/A	Level 1
Annuities	18,826	N/A	N/A	Level 1
Total Investments	$ 56,758,761			

Restricted cash and investments totaling $56,758,761 were reported as restricted and Held in Trust for Pension Benefits within the Supplemental Pension Trust Fund Statement of Fiduciary Net Position.

None of the investments in the County's Supplemental Pension Trust Fund are exclusively for debt. Therefore, there is no interest rate risk to disclose.

The Park District has investments held in the State Municipal Investment Pool, in a Security Bank of Kansas City Money Market Investment, and Community Foundation investments. The State Treasurer operates the municipal investment pool. This pool is not a Security Exchange Commission (SEC) registered pool. The pool's fair value, listed below, is the same as the value of the pool shares. The Pooled Money Investment Board provides regulatory oversight for this pool.

Restricted Investments for the Park District are held by the Trustee in various money market investments for bond reserves and future capital expenditures. These investments are authorized by the bond covenants. The Park District had the following investments as of December 31, 2019:

Investment Type	Fair Value	Maturities	Moody's Rating	Standard & Poor's Rating	Fair Value Hierarchy
Kansas Municipal Investment Pool	$ 38,342,723	Current	N/A	AAAf/S1+	N/A
SBKC Money Market Investment	14,925,129	Current	N/A	AAAm	N/A
Community Foundation Pool	360	N/A	N/A	N/A	N/A
Community Foundation - Money Market	11,189	N/A	N/A	N/A	Level 1
Community Foundation - Fixed Income Funds	33,410	N/A	N/A	N/A	Level 1
Community Foundation - Equity Funds	113,486	N/A	N/A	N/A	Level 1
Community Foundation - Common Stock	4,834	N/A	N/A	N/A	Level 1
Community Foundation - Foreign Equity Funds	—	N/A	N/A	N/A	Level 1
Community Foundation - Real Estate Investment Trusts & Funds	—	N/A	N/A	N/A	Level 1
	$ 53,431,131				

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. As a means to limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits its investment operating portfolio to maturities with a weighted average of less than eighteen months and its long-term portfolio to maturities with a weighted average of less than three years. As of December 31, 2019, the County's combined weighted average of all investments is 163 days. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the government. Investments are exposed to custodial credit risk if the securities are uninsured or not collateralized, are not registered in the name of the government, or are held by the counterparty or the counterparty's trust department but not in the government's name. All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the County and Fire District or their agents in the County's and Fire District's names. The County's investment policies and procedures state that all investments shall be held in the name of Johnson County, Kansas. As of December 31, 2019 the County has $165,000,000 exposed to custodial credit risk.

All deposits were fully insured by the Federal Deposit Insurance Corporation (F.D.I.C.), or fully collateralized by collateral held by the Park District or its agents in the District's name. As of December 31, 2019, none of the Park District's bank balances with financial institutions were exposed to custodial credit risk. The Park District requires all banks to pledge to the Park District an aggregate market value investment in U.S. Treasury obligations and other U.S. agency obligations to provide a minimum of 100 percent collateralization for all deposits. As of December 31, 2019, cash and money market funds in the amount $0 were held at the Foundation's brokerage firm, were exposed to custodial credit risk. The District does not have a policy regarding investment custodial credit risk.

Credit Risk. As of December 31, 2019, County funds not held in depository accounts had been invested in certificates of deposits, Government money market funds, the state municipal investment pool, U.S. Treasury notes, U.S. Treasury Bills, and the following Government Sponsored Enterprise (GSE) Notes: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Notes. The GSE Notes are rated Aaa by Moody's Investor Service. Government money market mutual funds are primarily invested in the above mentioned GSE's.

The Park and Recreation District limits investments to those permitted by State Statute or bond covenants and has no formal investment policy that would further limit its investment choices.

Concentration of Credit Risk. At December 31, 2019, of total cash and investments, the County invested 4% in coupons, 1% in step-ups, 17% in callable notes, and 44% in discount notes. The County's investment policy permits up to 80% to be invested in coupons, 50% in callables, 50% in discount notes, and 25% for step-ups, money markets and the Kansas Municipal Investment Pool at any given point in time. These limits are adjusted during tax collection periods which run from ten days prior to the due date for taxes to be remitted through the distribution dates set by Kansas Statute. The Discount Obligation percent increases to 65% and the limit on the MIP may be increased to 50%. Additionally, the policy permits 100% in demand deposits, certificates of deposits and treasury notes. There are no investments in the Supplemental Pension Trust Fund that require credit risk disclosure.

The County's investments are held in UMB Bank (2.38%), Federal Farm Credit Bank (8.11%), Federal Home Loan Bank (36.33%), Federal Home Loan Mortgage Corporation (12.87%) and the Federal National Mortgage Association (8.87%).

The Park and Recreation District places no limit on the amount the District may invest in one issuer. More than 5% of the District's investments are in the Kansas Municipal Investment Pool (72%), and SBKC Money Market Investment (28%).

The following is a breakdown of the County's investments by issuer:

Issuer	Par value	Fair Value	% of Portfolio
Fidelity	$ 67,403,399	$ 67,403,399	4.58%
OMIP 16	7,252	7,252	0.00%
UMB Bank Kansas	35,000,000	35,000,000	2.38%
Treasury Securities - Coupon	182,300,000	182,233,895	12.39%
Treasury Securities - Discount	213,000,000	212,824,860	14.47%
Federal Farm Credit Bank	119,000,000	119,296,176	8.11%
Federal Home Loan Bank	535,520,000	534,438,731	36.33%
Federal Home Loan Mortgage Corporation	189,750,000	189,326,615	12.87%
Federal National Mortgage Association	130,600,000	130,471,091	8.87%
Total	$ 1,472,580,651	$ 1,471,002,019	100.00%

4. *Receivables*

Receivables are comprised of the following as of December 31, 2019:

Accounts Receivable Fiscal Year 2019							
	Taxes Receivable	Accounts Receivable	Grant Receivable	Intsreet Receivable	Special Assessment Receivable	Due From Other Funds	Total
Governmental Activities	$261,254,288	$ 6,889,327	$ 1,820,236	$ 3,023,936	$ 13,619	$ —	$273,001,406
Business Type Activities	—	18,245,048	1,630,764	1,081,109	3,292,611	—	24,249,532
	$261,254,288	$25,134,375	$ 3,451,000	$ 4,105,045	$ 3,306,230	$ —	$297,250,938

5. *Capital Assets*

The accompanying government-wide financial statements include those infrastructure assets that were either completed during the fiscal year or considered construction in progress at year-end.

The following is the detail of capital assets as of December 31, 2019:

Primary Government

	December 31, 2018	Increases	Decreases	December 31, 2019
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 27,087,119	$ —	$ —	$ 27,087,119
Construction in progress	22,770,402	5,334,641	(10,951,371)	17,153,672
Total capital assets, not being depreciated	49,857,521	5,334,641	(10,951,371)	44,240,791
Capital assets, being depreciated				
Buildings	91,112,597	—	—	91,112,597
Improvements other than buildings	5,439,539	—	—	5,439,539
Machinery and Equipment	67,248,883	12,474,769	(1,679,489)	78,044,163
Infrastructure	104,974,416	3,460,665	—	108,435,081
Total capital assets being depreciated	268,775,435	15,935,434	(1,679,489)	283,031,380
Less accumulated depreciation for:				
Buildings	(58,709,524)	(1,849,382)	—	(60,558,886)
Improvements other than buildings	(2,526,881)	(226,540)	—	(2,753,421)
Machinery and Equipment	(36,800,186)	(9,748,536)	1,554,108	(44,794,614)
Infrastructure	(57,672,690)	(3,477,519)	—	(61,150,209)
Total accumulated depreciation	(155,509,281)	(15,301,957)	1,554,108	(169,257,130)
Total capital assets, being depreciated,net	113,266,154	633,477	(125,381)	113,774,250
Governmental activities capital assets, net	$ 163,123,675	$ 5,968,118	$ (11,076,752)	$ 158,015,041

	December 31, 2018	Increases	Decreases	December 31, 2019
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 9,738,854	$ 303,984	$ —	$ 10,042,838
Construction in progress	206,072,699	213,641,975	(55,607,306)	364,107,368
Total capital assets, not being depreciated	215,811,553	213,945,959	(55,607,306)	374,150,206
Capital assets, being depreciated				
Buildings	549,420,180	4,266,776	(145,184)	553,541,772
Improvements other than buildings	500,708,973	30,180,655	—	530,889,628
Machinery and Equipment	294,237,284	25,115,601	(2,270,435)	317,082,450
Infrastructure	2,274,401	6,294	—	2,280,695
Total capital assets being depreciated	1,346,640,838	59,569,326	(2,415,619)	1,403,794,545
Less accumulated depreciation for:				
Buildings	(162,624,905)	(13,904,945)	—	(176,529,850)
Improvements other than buildings	(243,827,254)	(21,390,523)	—	(265,217,777)
Machinery and Equipment	(267,056,184)	(6,083,498)	2,189,880	(270,949,802)
Infrastructure	(501,622)	(61,917)	—	(563,539)
Total accumulated depreciation	(674,009,965)	(41,440,883)	2,189,880	(713,260,968)
Total capital assets being depreciated,net	672,630,873	18,128,443	(225,739)	690,533,577
Business-type activities capital assets, net	$ 888,442,426	$ 232,074,402	$ (55,833,045)	$ 1,064,683,783

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Government	$ 2,270,049
Public Works	3,920,136
Public Safety	7,782,111
Health and Human Services	436,210
Planning and Economic Development	396
Culture and Recreation	893,055
Total depreciation expense for governmental activities	$ 15,301,957

Business-type activities	
Airport Fund	$ 1,410,003
Public Building Commission Fund	10,743,969
Transportation Fund	2,806,457
Johnson County Wastewater	26,480,454
Total depreciation expense for business-type activities	$ 41,440,883

Discretely presented component unit

A summary of changes in governmental activities and business-type activities capital assets for the Park District follows:

	December 31, 2018	Increases	Decreases	December 31, 2019
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 55,611,197	$ 132,582	$ —	$ 55,743,779
Construction in progress	28,231,429	7,911,695	(5,740,260)	30,402,864
Total capital assets, not being depreciated	83,842,626	8,044,277	(5,740,260)	86,146,643
Capital assets, being depreciated				
Buildings	32,117,258	912,007	(28,469)	33,000,796
Improvements other than buildings	43,097,408	1,325,399	(377,935)	44,044,872
Machinery and Equipment	8,360,457	7,257,728	(315,107)	15,303,078
Infrastructure	492,149	319,436	—	811,585
Total capital assets being depreciated	84,067,272	9,814,570	(721,511)	93,160,331
Less: accumulated depreciation for:				
Buildings	(7,955,857)	(830,232)	21,901	(8,764,188)
Improvements other than buildings	(24,033,525)	(1,718,113)	65,692	(25,685,946)
Machinery and Equipment	(4,298,896)	(1,027,012)	259,343	(5,066,565)
Infrastructure	(202,095)	(36,595)	—	(238,690)
Total accumulated depreciation	(36,490,373)	(3,611,952)	346,936	(39,755,389)
Total capital assets, being depreciated,net	47,576,899	6,202,618	(374,575)	53,404,942
Governmental activities capital assets, net	$ 131,419,525	$ 14,246,895	$ (6,114,835)	$ 139,551,585

	December 31, 2018	Increases	Decreases	December 31, 2019
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 4,240,976	$ —	$ —	$ 4,240,976
Total capital assets, not being depreciated	4,240,976	—	—	4,240,976
Capital assets, being depreciated				
Buildings	5,530,788	—	(477)	5,530,311
Improvements other than buildings	9,352,303	—	(3,128,152)	6,224,151
Machinary and Equipment	1,310,582	—	(46,157)	1,264,425
Total capital assets being depreciated	16,193,673	—	(3,174,786)	13,018,887
Less accumulated depreciation for:				
Buildings	(2,741,835)	(135,393)	107	(2,877,121)
Improvements other than buildings	(9,307,658)	(6,280)	3,114,780	(6,199,158)
Machinary and Equipment	(1,169,334)	(37,552)	37,806	(1,169,080)
Total accumulated depreciation	(13,218,827)	(179,225)	3,152,693	(10,245,359)
Total capital assets being depreciated,net	2,974,846	(179,225)	(22,093)	2,773,528
Business-type activities capital assets, net	$ 7,215,822	$ (179,225)	$ (22,093)	$ 7,014,504

A summary of changes in governmental activities capital assets for the Fire Districts follows:

	December 31, 2018	Prior Period Adjustment	Increases	Decreases	December 31, 2019
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 435,353	$ (75,000)	$ —	$ —	$ 360,353
Ownership rights	512,188		—	(15,388)	496,800
Construction in progress	4,132,541		277,256	(3,891,269)	518,528
Total capital assets, not being depreciated	5,080,082	(75,000)	277,256	(3,906,657)	1,375,681
Capital assets, being depreciated					
Buildings	12,964,930	(650,000)	6,535,293	—	18,850,223
Machinery and Equipment	14,611,431	251,684	2,289,424	(108,962)	17,043,577
Total capital assets being depreciated	27,576,361	(398,316)	8,824,717	(108,962)	35,893,800
Less accumulated depreciation for:					
Buildings	(4,945,463)	(110,000)	(434,614)	—	(5,490,077)
Machinery and Equipment	(8,128,386)	(236,224)	(1,225,432)	81,419	(9,508,623)
Total accumulated depreciation	(13,073,849)	(346,224)	(1,660,046)	81,419	(14,998,700)
Total capital assets, being depreciated,net	14,502,512	(744,540)	7,164,671	(27,543)	20,895,100
Governmental activities capital assets, net	$ 19,582,594	$ (819,540)	$ 7,441,927	$ (3,934,200)	$ 22,270,781

6. *Interfund Balances and Transfers*

An interfund transfer is a movement of monies from one fund to another for current purposes. Frequently it involves the transfer of money from the fund authorized to raise the money to the fund authorized to spend it.

Interfund transfers for the year ended December 31, 2019 are as follows:

Interfund Transfers:	General Fund	Capital Projects Fund	Wastewater	Non-Major Governmental Funds	Non-Major Enterprise Funds	Non-Major Internal Svc Funds	**Total Transfers Out**
Transfer From							
General Fund	$ —	$ 8,954,129	$ 2,501	$ 614,767	$ 7,157,808	$ 434,288	$ 17,163,493
Capital Projects Fund	9,986	—	—	1,050,000	—	84,894	1,144,880
Wastewater	1,326,940	—	—	—	—	290,332	1,617,272
Non-Major Governmental Funds	632,405	38,596,230	—	1,144,115	—	2,126,703	42,499,453
Non-Major Enterprise Funds	—	—	73,253	—	30,500	—	103,753
Non-Major Internal Svc Funds	—	—	—	—	—	3,240	3,240
Total Transfers In	$ 1,969,331	$ 47,550,359	$ 75,754	$ 2,808,882	$ 7,188,308	$ 2,939,457	$ 62,532,091

Transfers from the General Fund and non-major governmental funds were primarily to the Capital Projects Fund. The General Fund also transferred subsidies to the Transportation and Airport (non-major enterprise) funds. Transfers from the Capital Projects fund to the General Fund were for unexpended funds at the end of a capital project. Funds were also transferred from the General fund to the Capital Projects fund for equipment reserves.

Transfers from a major enterprise fund, Johnson County Wastewater, were for annual operating subsidies. Transfers from non-major governmental funds were primarily to the Capital Projects fund for budgeted capital projects and to the non-major governmental funds to provide budgeted revenue for debt service, and to the General Fund for budgeted cost allocation.

Transfers for the government-wide Statement of Activities for the year ended December 31, 2019 have been summarized below:

	Transfers
Transfer From	
Governmental activities to Business-type activities	
General to Non-Major Enterprise	$ 7,157,808
General to Wastewater	2,501
Business-type activities to Governmental activities	
Wastewater to General	(1,326,940)
Wastewater to Internal Service	(290,332)
Total Transfers - Statement of Activities	$ 5,543,037

7. Assets under Capital Leases

The County has entered into an equipment lease, which has a bargain purchase option and has been classified in the financial statements as a capital lease. The following table details property under capital lease by major classification at December 31, 2019:

Assets Under Capital Lease		
		Governmental Activities
Machinery and equipment	$	3,243,866
Less accumulated depreciation		(117,515)
Total	$	3,126,351

8. Debt

A. Governmental Activities Long-Term Debt

1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the County for the year ended December 31, 2019:

Summary of Governmental Activities Debt for the year ended December 31, 2019	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Primary Government					
Bonds:					
General obligation	$ 11,950,000	$ 2,670,000	$ 1,025,000	$ 13,595,000	$ 1,325,000
Plus: bond premium	1,825,520	345,604	264,988	1,906,136	—
Special obligation	1,095,000	—	780,000	315,000	315,000
Special assessment	88,800	—	9,300	79,500	9,700
Compensated absences	18,999,058	1,585,225	1,150,430	19,433,853	1,730,003
Total OPEB liability	23,701,932	2,142,959	4,492,776	21,352,115	—
Net pension liability	196,983,329	43,175,519	41,426,700	198,732,148	—
Capital lease obligations	38,844	3,136,678	597,699	2,577,823	622,242
Total	$ 254,682,483	$ 53,055,985	$ 49,746,893	$ 257,991,575	$ 4,001,945

For the governmental activities, claims and judgments, and compensated absences are generally liquidated by the general fund. Other post-employment benefits are liquidated from the health care fund. The net pension liability will be liquidated primarily through KPERS employer contributions made primarily from the governmental funds.

2. Governmental Activities General and Special Obligation Bonds

At December 31, 2019, governmental activities general and special obligation bonds consist of the following:

Outstanding Governmental Activities General and Special Obligation Bonds as of December 31, 2019	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
Primary Government				
2010B	4,470,000	235,000	2.000-3.250%	10
2010E	740,000	80,000	0.700-2.600%	10
2012B	730,000	460,000	2.000-3.000%	13
2016A	1,580,000	1,175,000	2.000-5.000%	20
2017A	975,000	810,000	5.000%	10
2018A	9,205,000	8,480,000	5.000%	10
2019A	2,670,000	2,670,000	5.000%	10
Total	$ 20,370,000	$ 13,910,000		

In 2019, Series 2019A General Obligation bonds were issued in the amount of $2,670,000 for the equipment portion of the Sheriff radio system replacement.

Remaining debt service requirements for general and special obligation bonds will be paid from the Debt Service Fund of the Primary Government with future property tax revenues.

Annual debt service requirements to maturity for governmental activities general and special obligation bonds are as follows:

Debt Service Requirements Governmental Activities for General and Special Obligation Bonds			
Primary Government	Principal	Interest	Total
2020	$ 1,640,000	$ 623,526	$ 2,263,526
2021	1,345,000	581,125	1,926,125
2022	1,420,000	517,675	1,937,675
2023	1,480,000	450,575	1,930,575
2024	1,560,000	380,900	1,940,900
2025-2029	6,465,000	783,600	7,248,600
Total	$ 13,910,000	$ 3,337,401	$ 17,247,401

3. *Governmental Activities Special Assessment Bonds*

As explained in Note 1.K., Summary of Significant Accounting Policies, the County has made a commitment to pay special assessment bonds in the event less than sufficient revenues are collected for the required debt service. Bonds were issued in 2016 in the amount of $106,900 as part of Series 2016A. These funds will be used for the construction of improvements in special benefit districts within the County.

Outstanding Governmental Activities Outstanding Special Assessment Bonds as of December 31, 2019				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2016A	$ 106,900	$ 79,500	2.000-5.000%	10

Annual debt service requirements to maturity for governmental activities special assessment bonds are as follows:

Debt Service Requirements Governmental Activities for Special Assessment Bonds			
	Principal	Interest	Total
2020	$ 9,700	$ 3,975	$ 13,675
2021	10,300	3,490	13,790
2022	10,800	2,975	13,775
2023	11,300	2,435	13,735
2024	11,800	1,870	13,670
2025-2026	25,600	1,935	27,535
Total	$ 79,500	$ 16,680	$ 96,180

4. *Capital Leases*

As explained in Note 7, the County has entered into various capital leases for assets. The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Future Minimum Lease Payments	
Year Ending December 31:	Governmental Activities
2020	725,672
2021	704,904
2022	704,904
2023	704,904
Total minimum lease payments	2,840,384
Less amounts representing interest	(262,560)
Present value of minimum lease payments	$ 2,577,824

5. *Debt Margin*

The County has an available debt margin of $924,179,222 as of December 31, 2019.

B. *Business-Type Activities Debt*

1. *Changes in Business-Type Activities Debt*

The following table summarizes the changes in business-type activities debt of the County for the year ended December 31, 2019:

Summary of Business-Type Activities Debt for the year ended December 31, 2019	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Primary Government					
General obligation bonds:					
Wastewater	$ 518,691,200	$ 19,495,000	$ 30,635,700	$ 507,550,500	$ 21,430,300
Plus: bond premium	40,561,508	1,158,895	3,058,999	38,661,404	—
Less:					
Issuance discounts	(77,802)	—	(7,089)	(70,713)	—
Airport	2,835,156	—	170,156	2,665,000	170,000
Plus: bond premium	289,622		23,635	265,987	—
Special assessment bonds:					
Wastewater	4,838	—	4,838	—	—
Revenue bonds:					
PBC	368,180,000	1,390,000	24,545,000	345,025,000	20,720,000
Plus: bond premium	30,472,323	44,614	3,174,562	27,342,375	—
Less:					
Issuance discounts	(262,463)		(29,259)	(233,204)	—
Compensated absences	1,317,943	121,013	90,985	1,347,971	119,998
Net pension liability	6,237,073	1,060,463	986,508	6,311,028	—
Total OPEB liability	1,784,016	21,262	198,131	1,607,147	
Retainages payable	7,519,137	2,152,792	208,838	9,463,091	9,463,091
Long-term loans:					
Wastewater	17,620,810	11,064	1,416,292	16,215,582	1,434,164
Total	$ 995,173,361	$ 25,455,103	$ 64,477,296	$ 956,151,168	$ 53,337,553

2. *Business-Type Activities General Obligation Bonds*

At December 31, 2019, Business-Type Activities General Obligation Bonds consist of the following:

Outstanding Business-Type Activities General Obligation Bonds as of December 31, 2019

	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2009B Wastewater	20,925,000	13,545,000	2.250-5.400%	20
2009C Wastewater	8,460,000	990,000	3.000-5.000%	11
2009C Wastewater	3,423,175	785,000	3.000-5.000%	12
2009C Wastewater	2,580,000	755,000	3.000-5.000%	13
2010C Wastewater	8,605,000	5,665,000	1.150-4.800%	20
2010D Wastewater	2,460,000	960,000	2.000-4.000%	13
2010D Wastewater	9,265,000	4,565,000	3.000-4.000%	14
2011A Wastewater	16,790,000	11,470,000	2.000-4.250%	20
2012A Wastewater	37,350,000	27,040,000	2.000-4.000%	20
2012B Wastewater	26,275,000	16,540,000	2.000-3.000%	13
2013A Wastewater	40,865,000	31,690,000	2.000-5.000%	20
2014A Wastewater	20,205,000	16,570,000	3.500-5.000%	20
2014B Wastewater	21,465,000	17,455,000	3.000-5.000%	13
2014B Wastewater	17,015,000	14,210,000	3.000-5.000%	13
2015A Wastewater	28,605,000	24,395,000	3.000-5.000%	20
2015B Wastewater	17,490,000	16,120,000	3.000-5.000%	13
2015B Wastewater	6,925,000	6,380,000	3.000-5.000%	13
2016A Wastewater	32,758,100	31,020,500	2.000-5.000%	20
2016B Wastewater	10,570,000	10,570,000	2.000-4.000%	10
2017A Wastewater	14,805,000	13,745,000	2.500-5.000%	20
2018A Wastewater	223,585,000	223,585,000	3.125-5.000%	22
2019A Wastewater	19,495,000	19,495,000	2.375-4.000%	20
2015A Airport	1,910,000	1,630,000	3.000-5.000%	20
2015B Airport	1,125,000	1,035,000	3.000-5.000%	13
Total	$ 592,951,275	$ 510,215,500		

On August 15, 2012, the County also issued $26,275,000 of Internal Improvement Refunding Bonds, Series 2012B, to crossover refund the Series 2005A bonds. These bonds mature in 2025 and have interest rates ranging from 2.0% to 3.0%.The bond premium for the Series 2012B issue was recorded in the amount of $2,463,987 and is being amortized to interest expense through 2025. As of December 31, 2019, the balance of the bond premium is $1,104,390.

For proprietary funds, the Series 2012B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $3,053,913 and a reduction of $2,593,379 in the net future value debt service payments for the County over the next 13 years.

The issuance of the Series 2012B General Obligation Internal Improvement Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of 2012B Bonds allocable to the Series 2005A until September 1, 2015, (the call dates of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The County continued to pay the originally scheduled debt service payments on the Series 2005A until September 1, 2015. After the call date, the County crossed over and began making debt service payments on the 2012B Bonds, taking advantage of the lower interest rates.

On November 25, 2014, the County also issued $38,480,000 of Internal Improvement Refunding Bonds, Series 2014B, to crossover refund the series 2007A and 2007B bonds. These bonds mature in 2027 and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2014B issue was recorded in the amount of $6,207,700 and is being amortized to interest expense through 2027. As of December 31, 2019, the balance of the bond premium is $3,791,140.

For proprietary funds, the Series 2014B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $3,249,231 and a reduction of $2,764,861 in the net future value debt service payments for the County over the next 13 years.

The issuance of the Series 2014B General Obligation Internal Improvement Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of 2014B Bonds allocable to the Series 2007A and 2007 until September 1, 2017, (the call dates of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The County continued to pay the originally scheduled debt service payments on the Series 2007A and 2007B until September 1, 2017. After the call date, the County crossed over and began making debt service payments on the 2014B Bonds, taking advantage of the lower interest rates.

On December 17, 2015, the County also issued $30,515,000 of Internal Improvement Bonds, Series 2015A, to finance certain wastewater improvements to Johnson County Wastewater and to purchase land for the Airport. These bonds mature in 2035 and have interest rates ranging from 3.0% to 5.0%. The bond premium for the Series 2015A issue was recorded in the amount of $2,485,699 and is being amortized to interest expense through 2035. As of December 31, 2019, the balance of the bond premium is $1,984,746.

On December 17, 2015, the County also issued $25,540,000 of Internal Improvement Refunding Bonds, Series 2015B, to crossover refund the series 2008A and 2008D bonds. These bonds mature in 2028 and have interest rates ranging from 3.0% to 5.0%. The bond premium for the Series 2015B issue was recorded in the amount of $4,126,740 and is being amortized to interest expense through 2028. As of December 31, 2019, the balance of the bond premium is $2,848,544.

For proprietary funds, the Series 2015B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $3,130,112 and a reduction of $2,658,360 in the net future value debt service payments for the County over the next 13 years.

The issuance of the Series 2015B General Obligation Internal Improvement Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank an invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of the 2015B Bonds allocable to the Series 2008A and 2008D until September 1, 2018 (the call dates of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The County continued to pay the originally scheduled debt service payments on the Series 2008A and 2008D until September 1, 2018. After the call date, the County crossed over and began making debt service payments on the 2015B Bonds, taking advantage of the lower interest rates.

On October 27, 2016, the County issued $32,758,100 of General Obligation Internal Improvement Bonds, Series 2016A, to finance certain wastewater improvements to Johnson County Wastewater. These bonds mature in 2036 and have interest rates ranging from 2.0% to 5.0%. The bond premium for the 2016A issue was recorded in the amount of $3,525,290 and is being amortized to interest expense through 2036. As of December 31, 2019, the balance of the bond premium is $2,969,815.

On October 27, 2016, the County also issued $10,570,000 of General Obligation Refunding Bonds, Series 2016B, to crossover refund the Series 2009A bonds. These bonds mature in 2029 and have interest rates ranging from 2.0% to 4.0%.The bond premium for the Series 2016B issue was recorded in the amount of $1,082,433 and is being amortized to interest expense through 2029. As of December 31, 2019, the balance of the bond premium is $821,235.

For proprietary funds, the Series 2016B Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $1,040,781 and a reduction of $914,457 in the net future value debt service payments for the County over the next 10 years.

The issuance of the Series 2016B General Obligation Internal Improvement Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of 2016B Bonds allocable to the Series 2009A until September 1, 2020, (the call dates of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The County will continue to pay the originally scheduled debt service payments on the Series 2009A until September 1, 2020. After the call date, the County will cross over and begin making debt service payments on the 2016B Bonds, taking advantage of the lower interest rates.

On November 2, 2017, the County issued $14,805,000 of General Obligation Internal Improvement Bonds, Series 2017A, to finance certain wastewater improvements to Johnson County Wastewater. These bonds mature in 2037 and have interest rates ranging from 2.5% to 5.0%. The bond premium for the 2017A issue was recorded in the amount of $1,127,697 and is being amortized to interest expense through 2037. As of December 31, 2019, the balance of the bond premium is $1,006,724.

On August 22, 2018, the County issued $223,585,000 of General Obligation Internal Improvement Bonds, Series 2018A, to finance the Tomahawk wastewater project and other smaller wastewater improvements to Johnson County Wastewater. These bonds mature in 2040 and have interest rates ranging from 3.1% to 5.0%. The bond premium for the 2018A issue was recorded in the amount of $17,439,744 and is being amortized to interest expense through 2040. As of December 31, 2019, the balance of the bond premium is $16,373,378.

On December 11, 2019, the County issued $19,495,000 of General Obligation Internal Improvement Bonds, Series 2019A, to finance wastewater improvements to Johnson County Wastewater. These bonds mature in 2039 and have interest rates ranging from 2.375% to 4.0%. The bond premium for the 2019A issue was recorded in the amount of $1,158,895 and is being amortized to interest expense through 2039. As of December 31, 2019, the balance of the bond premium is $1,155,720.

Remaining debt service requirements for general obligation wastewater bonds will be paid from Johnson County Wastewater Enterprise Fund with revenues from wastewater Capital Finance Charges and connection fees. Capital Finance Charges are billed and collected in the same manner as the wastewater operations and maintenance charge. Remaining debt service requirements for general obligation airport bonds will be paid from the Airport Enterprise Fund with revenues from operations or from taxes.

Annual debt service requirements to maturity for business-type activities general obligation bonds are as follows:

Debt Service Requirements for
Business-Type Activities General Obligation Bonds

	Principal	Interest	Total
2020	$ 21,600,300	$ 20,087,910	$ 41,688,210
2021	21,389,700	19,303,580	40,693,280
2022	22,674,200	18,357,875	41,032,075
2023	27,908,700	17,354,725	45,263,425.003
2024	32,903,200	16,113,616	49,016,816
2025-2029	151,654,400	60,225,906	211,880,306
2030-2034	121,670,000	32,894,711	154,564,711
2035-2040	110,415,000	13,631,869	124,046,869
Total	$ 510,215,500	$ 197,970,192	$ 708,185,692

3. *Business-Type Activities Revenue Bonds*

The Public Building Commission (PBC) has issued revenue bonds, which will be paid from future rent revenues. At December 31, 2019, business-type activities revenue bonds for PBC consist of the following:

Business-Type Activities
Outstanding Revenue Bonds as of December 31, 2019

	Original Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
Primary Government				
PBC, 2010A	$ 13,245,000	$ 8,145,000	1.000-5.650%	20
PBC, 2010B	6,120,000	255,000	2.500-4.000%	12
PBC, 2010C	31,510,000	13,320,000	2.500-4.000%	14
PBC, 2010D	14,250,000	8,580,000	0.850-5.000%	20
PBC, 2011A	35,395,000	24,410,000	2.000-4.375%	20
PBC, 2011B	16,800,000	10,960,000	2.000-4.500%	20
PBC, 2012A	16,635,000	10,395,000	3.000-4.000%	13
PBC, 2014A	1,995,000	1,105,000	2.000-3.000%	10
PBC, 2014B	4,000,000	2,110,000	2.000-4.000%	10
PBC, 2015A	21,460,000	18,250,000	2.000-4.000%	20
PBC, 2015B	41,725,000	37,445,000	2.000-5.000%	13
PBC, 2016A	16,365,000	14,290,000	2.000-5.000%	20
PBC, 2016B	9,175,000	9,175,000	2.000-3.000%	10
PBC, 2017A	15,060,000	13,795,000	2.000-3.125%	20
PBC, 2017B	23,125,000	22,805,000	4.000-5.000%	14
PBC, 2018A	148,595,000	148,595,000	4.000-5.000%	9
PBC, 2019A	1,390,000	1,390,000	4.000-5.000%	14
Total	$ 416,845,000	$ 345,025,000		

On August 15, 2012, the County issued $16,635,000 of Lease Purchase Revenue Refunding Bonds, Series 2012A, to crossover refund the Series 2005A bonds. These bonds mature in 2025 and have interest rates ranging from 3.0% to 4.0%. The bond premium for the Series 2012A issue was recorded in the amount of $1,850,406 and is being amortized to interest expense through 2025. As of December 31, 2019, the balance of the bond premium is $829,376.

The Series 2012A PBC Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $1,646,844 and a reduction of $1,412,683 in the net future value debt service payments for the PBC over the next 13 years.

The issuance of the Series 2012A Lease Purchase Revenue Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of 2012A PBC Bonds allocable to the Series 2005A PBC Bonds until September 1, 2015, (the call dates of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The PBC continued to pay the originally scheduled debt service payments on the Series 2005A PBC Bonds until September 1, 2015. After the call date, the PBC crossed over and began making debt service payments on the 2012A PBC Bonds, taking advantage of the lower interest rates.

On December 17, 2015, the County issued $41,725,000 of Lease Purchase Revenue Refunding Bonds, Series 2015B, to crossover refund the Series 2007A, 2008A, and 2008C bonds. These bonds mature in 2028 and have interest rates ranging from 2.0% to 5.0%. The bond premium for the Series 2015B issue was recorded in the amount of $3,201,280 and is being amortized to interest expense through 2028. As of December 31, 2019, the balance of the bond premium is $2,209,732.

The Series 2015B PBC Refunding Bonds resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $4,225,062 and a reduction of $3,511,446 in the net future value debt service payments for the PBC over the next 13 years.

The issuance of the Series 2015B Lease Purchase Revenue Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) were placed in an escrow account with a major bank and were invested in State and Local Government Securities. These investments and their earnings were structured to pay interest on the portion of the 2015B PBC Bonds allocable to the Series 2007A, 2008A, and 2008C Bonds until September 1, 2018, (the call date of the Refunded Bonds), at which time the escrow account crossed over and prepaid the entire remaining principal of the Refunded Bonds. The PBC continued to pay the originally scheduled debt service payments on the Series 2007A, 2008A, and 2008C Bonds until September 1, 2018. After the call date, the PBC crossed over and being making debt service payments on the 2015B PBC Bonds, taking advantage of the lower interest rates.

On October 27, 2016, the County issued $12,720,000 of Lease Purchase Improvement Revenue Bonds, Series 2016A to finance capital improvement projects on behalf of the County to construct the Monticello library building. Another component of 2016A is the refunding of Series 2008B. This part of the issuance is $3,645,000. Series 2016A bonds mature in 2036, and have interest rates ranging from 2.0% to 5.0%. The bond premium for the Series 2016A issue was recorded in the amount of $1,891,146 and is being amortized to interest expense through 2036. As of December 31, 2019, the remaining balance of the bond premium is $1,593,161.

On October 27, 2016, the County issued $9,175,000 of Lease Purchase Revenue Refunding Bonds, Series 2016B, to crossover refund the Series 2009A bonds. These bonds mature in 2029 and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2016B issue was recorded in the amount of $364,229 and is being amortized to interest expense through 2029. As of December 31, 2019, the balance of the bond premium is $276,338.

The refunding portion of Series 2016A resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $510,915 and a reduction of $449,415 in the net future value debt service payments for the PBC over the next 12 years. The 2016B PBC Refunding Bonds resulted in an economic gain of $861,356 and a reduction of $749,778 in the net future value debt service payments for the PBC over the next 13 years.

The issuance of the Series 2016B Lease Purchase Revenue Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of the 2016B PBC Bonds allocable to the Series 2009A Bonds until September 1, 2020, (the call date of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The PBC will continue to pay the originally scheduled debt service payments on the Series 2009A Bonds until September 1, 2020. After the call date, the PBC will cross over and being making debt service payments on the 2016B PBC Bonds, taking advantage of the lower interest rates.

On November 2, 2017, the County issued $15,060,000 of Lease Purchase Revenue Bonds, Series 2017A to finance capital improvement projects on behalf of the County to construct the Lenexa City Center library building. These bonds mature in 2037, and have interest rates ranging from 2.0% to 3.125%. The bond premium for the Series 2017A bonds issue was recorded in the amount of $187,498 and is being amortized to interest expense through 2037. As of December 31, 2019, the remaining balance of the bond premium is $167,385.

On November 2, 2017, the County issued $1,850,000 of Lease Purchase Improvement Revenue Bonds, Series 2017B to renovate, construct, equip and furnish improvements to the Criminal Justice Complex (New Century Adult Detention Center) and the Central Booking Facility (Olathe Adult Detention Center). Another component of 2017B is the refunding of Series 2011A. This part of the issuance is $21,275,000. Series 2017B bonds mature in 2031, and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2016A issue was recorded in the amount of $3,634,477 and is being amortized to interest expense through 2031. As of December 31, 2019, the remaining balance of the bond premium is $3,079,297.

The refunding portion of Series 2017A resulted in an economic gain (the difference between the present value of the old and the new debt service payments) of $1,666,094 and a reduction of $1,384,316 in the net future value debt service payments for the PBC over the next 14 years.

The issuance of the Series 2017B Refunding Bonds was conducted as a "crossover" advance refunding, in which the proceeds of the Bonds (new issue) are placed in an escrow account with a major bank and will be invested in State and Local Government Securities. These investments and their earnings are structured to pay interest on the portion of the 2017B PBC Bonds allocable to the Series 2011A Bonds until September 1, 2021, (the call date of the Refunded Bonds), at which time the escrow account will crossover and prepay the entire remaining principal of the Refunded Bonds. The PBC will continue to pay the originally scheduled debt service payments on the Series 2011A Bonds until September 1, 2021. After the call date, the PBC will cross over and being making debt service payments on the 2017B PBC Bonds, taking advantage of the lower interest rates.

On September 5, 2018, the County issued $148,595,000 of Lease Purchase Revenue Bonds, Series 2018A to finance the building of the new county courthouse and medical examiner facility. These bonds mature in 2027, and have interest rates ranging from 4.0% to 5.0%. The bond premium for the Series 2018A bonds issue was recorded in the amount of $20,222,601 and is being amortized to interest expense through 2027. As of December 31, 2019, the remaining balance of the bond premium is $17,329,945.

On December 11, 2019, the County issued $1,390,000 of Lease Purchase Revenue Bonds, Series 2019A to finance various asset replacement projects. These bonds mature in 2039, and have interest rates ranging from 2.0% to 3.0%. The bond premium for the Series 2019A bonds issue was recorded in the amount of $44,614 and is being amortized to interest expense through 2039. As of December 31, 2019, the remaining balance of the bond premium is $44,492.

Remaining debt service requirements for PBC revenue bonds will be paid from the PBC Enterprise fund. This fund has future lease revenue pledged to repay revenue bonds which provided proceeds for financing of buildings and facilities. The bonds are payable solely from lease payments made directly to a trustee for the purpose of repaying the debt. Principal and interest paid for the current year were $15,510,000 and $15,134,176 respectively.

Annual debt service requirements to maturity for business-type activities revenue bonds are as follows:

Debt Service Requirements for Business-Type Activities Revenue Bonds			
	Principal	Interest	Total
Primary Government			
2020	$ 43,500,000	$ 14,400,042	$ 57,900,042
2021	27,185,000	12,770,165	39,955,165
2022	36,110,000	11,683,195	47,793,195
2023	37,680,000	10,030,716	47,710,716
2024	37,540,000	8,423,754	45,963,754
2025-2029	133,200,000	17,992,530	151,192,530
2030-2034	23,530,000	2,935,816	26,465,816
2035-2039	6,280,000	334,138	6,614,138
Total	$ 345,025,000	$ 78,570,356	$ 423,595,356

5. Business-Type Activities Long-Term Loans

The County has committed to pay loan obligations in the event that insufficient revenues are collected from connection fees and Capital Finance charges within the Wastewater District.

During 2019, the State advanced an additional $11,064, net of principal forgiveness of 40% under the loan agreement, for Wastewater improvements. As of December 31, 2019, the borrowing on this loan is complete.

At December 31, 2019, loan agreements were in existence between the County and the State of Kansas as follows:

Business-Type Activities Outstanding Loans as of December 31, 2019				
	Original Issue Amount	Current Loans Outstanding	Interest Rates	Original Term in Years
Mill Creek Regional Plant	13,583,500	4,703,670	2.86%	20
Middle Basin Green Project	10,655,100	6,314,870	2.72%	20
Loan Elm	871,753	522,719	2.17%	20
Gardner Lake	6,116,035	4,674,323	2.17%	20
Total	$ 31,226,388	$ 16,215,582		

Annual debt service requirements to maturity for borrowed amounts outstanding at December 31, 2019, against these loans are as follows:

Debt Service Requirements for Business-Type Activities Loans			
	Principal	Interest	Total
2020	$ 1,434,164	$ 382,707	$ 1,816,871
2021	1,473,501	346,980	1,820,481
2022	1,513,923	310,266	1,824,189
2023	1,555,458	272,543	1,828,001
2024	1,598,135	233,779	1,831,914
2025-2029	5,756,944	661,031	6,417,975
2030-2034	2,883,457	141,423	3,024,880
Total	$ 16,215,582	$ 2,348,729	$ 18,564,311

6. *Claims and Judgments*

The County and its related entities are involved in numerous lawsuits arising in the ordinary course of activities, including claims for false arrest, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice from counsel believes that their ultimate outcome will not be material to the financial statements.

C. *Component Unit Debt*

i. Park and Recreation District

1. Changes in Governmental Activities Long-Term Debt

The following table summarizes the changes in governmental activities long-term debt of the Park District for the year ended December 31, 2019:

Summary of Governmental Activities Debt for the year ended December 31, 2019					
	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Component Unit					
Bonds:					
General obligation	$ 420,000	$ —	$ 420,000	$ —	$ —
Plus: issuance premiums	12,258	—	12,258	—	—
Certificates of participation	30,320,000	12,315,000	10,885,000	31,750,000	4,095,000
Plus: issuance premiums	1,901,857	963,853	547,317	2,318,393	—
Compensated absences	1,061,893	491,678	437,514	1,116,057	424,598
Direct lease obligations	—	3,386,874	—	3,386,874	1,335,415
Net pension liability	11,310,073	746,367	—	12,056,440	—
Total OPEB liability	1,165,787	58,064	612,032	611,819	—
Total	$ 46,191,868	$17,961,83	$12,914,121	$ 51,239,583	$5,855,013

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund. Expenditures related to the net pension liability and the governmental portion of the net Other post-employment benefits (OPEB) obligation are generally liquidated from the employee benefits fund.

2. Governmental Activities and Business Type Activities Summary of Long Term Debt

At December 31, 2019, governmental activities and business-type activities debt for the Park District consists of the following:

Summary of Bond Issues					
	Original Issue Amount	Governmental Activities Balance	Business-Type Balance	Interest Rates	Original Term in Years
Component Unit					
Certificates of Participation:					
2013 Series A	$ 15,670,000	$ 6,940,000	$ —	4.000-5.125%	10
2015 Series A	2,490,000	2,115,000	—	2.250-4.000%	20
2017 Series A	7,300,000	5,940,000	—	2.000-4.000%	9
2017 Series B	5,460,000	4,440,000	—	2.000-4.000%	9
2019 Series A	5,545,000	5,545,000	—	3.000-4.000%	10
2019 Series B	4,175,000	4,175,000	—	3.000-4.000%	10
2019 Series C	2,595,000	2,595,000	—	2.500-3.350%	11
Direct Lease:					
2019 Series D	3,386,874	3,386,874	—	1.980%	3
Total	$ 46,621,874	$ 35,136,874	$ —		

3. Governmental Activities Long-term Debt

Annual debt service requirements to maturity for governmental activities long-term debt are as follows:

Debt Service Requirements Governmental Activities			
Component Unit	Principal	Interest	Total
2020	$ 5,430,415	$ 1,428,597	$ 6,859,012
2021	5,540,243	1,143,815	6,684,058
2022	5,426,216	943,139	6,369,355
2023	4,250,000	728,658	4,978,658
2024	2,860,000	560,283	3,420,283
2025-2029	10,440,000	1,200,233	11,640,233
2030-2034	1,015,000	138,008	1,153,008
2035	175,000	7,000	182,000
Total	$ 35,136,874	$ 6,149,733	$ 41,286,607

4. *Changes in Business-Type Activities Long-Term Debt*

The following table summarizes the changes in business-type activities debt of the Park District for the year ended December 31, 2019:

Summary of Business-Type Activities Debt for the year ended December 31, 2019

	Outstanding January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Component Unit					
Compensated absences	758,084	270,938	254,887	774,135	294,515
Total OPEB Liability	1,748,679	87,096	918,051	917,724	—
Total	$ 2,506,763	$ 358,034	$ 1,172,938	$ 1,691,859	$ 294,515

The Certificates of Participation require the establishment of bond reserves of an amount equal to the lesser of a) 10% of the stated principal amount of the certificates; b) the maximum annual debt service requirements; or c) 125% of the average annual debt service requirements. The exception to this requirement is the Series 2011A bond reserve, which is discussed below. The governmental activities have $4,477,434 restricted for the required bond reserves.

The Direct Lease is a direct placement issue which is not publicly traded. The lease does not have a requirement for the establishment of reserve funds.

The 2019A and 2019B Certificates of Participation were issued for the purpose of financing new improvements and to acquire real property to be used for park and recreation purposes. The 2019C Series was a current refunding of 2010D Series, which resulted in cash flow savings of $330,671 and an economic gain of $88,973. The 2019D Series was a current refunding of the 2011A lease purchase agreement, which resulted in cash flow savings of $112,557 and an economic gain of $105,392.

i. Fire Districts

1. *Changes in Governmental Activities Long-Term Debt*

The following table summarizes the changes in governmental activities long-term debt of the Fire Districts for the year ended December 31, 2019:

Summary of Governmental Activities Debt for the year ended December 31, 2019

	Outstanding January 1	Prior Period Adjustment	Additions	Retirements	Outstanding December 31	Due Within One Year
Governmental Activities:						
Pumper truck loan	$ 291,714	$ —	$ —	$ (107,756)	$ 183,958	$ 50,207
General obligation bonds	12,320,000	—	12,445,000	(3,825,000)	20,940,000	790,000
Plus: Bond Premium	16,780	—	896,129	(16,780)	896,129	56,873
Capital leases	1,509,485	—	1,392,925	(257,606)	2,644,804	343,874
Compensated absences	1,616,208	141,172	129,751	(174,049)	1,713,082	35,000
Net pension liability	22,044,894	—	4,166,643	(1,169,354)	25,042,183	—
Total OPEB liability	4,574,151	—	417,589	(102,338)	4,889,402	—
	$ 42,373,232	$ 141,172	$19,448,037	$ (5,652,883)	$ 56,309,558	$1,275,954

At December 31, 2019, governmental activities debt for the Fire Districts consists of the following:

Summary of Bond Issues

	Issued	Maturity	Original Amount	Governmental Activities Balance	Rate
2010 Pumper Loan	2/1/14	2/1/24	$ 451,432	$ 183,958	3.99%
General obligation bonds:					
2006A G.O. Bonds	3/1/06	9/1/21	1,055,000	185,000	3.50% - 5.00%
2015A G.O. Bonds	5/1/15	9/1/30	2,585,000	2,395,000	1.50% - 3.00%
2017A Refunding Bonds	12/13/17	9/1/37	8,485,000	5,915,000	2.00% - 3.00%
2019A Refunding Bonds	12/3/19	9/1/30	2,850,000	2,850,000	4.00%
2019B G.O. Bonds	12/3/19	9/1/39	9,595,000	9,595,000	3.00% - 4.00%
			$ 23,021,432	$ 21,123,958	

Annual debt service requirements to maturity for Fire District governmental activities long-term debt are as follows:

Debt Service Requirements for Governmental Activities General Obligation Bonds

	Principal	Interest	Total
2020	$ 840,207	$ 309,162	$ 1,149,369
2021	961,149	913,442	1,874,591
2022	1,142,798	629,549	1,772,347
2023	1,149,804	593,946	1,743,750
2024	1,150,000	561,254	1,711,254
2025-2029	6,330,000	2,242,349	8,572,349
2030-2034	5,080,000	1,189,850	6,269,850
2035-2039	4,470,000	373,050	4,843,050
	$ 21,123,958	$ 6,812,599	$ 27,936,557

9. *Fund Balances*

Fund balances for all the major and nonmajor governmental funds as of December 31, 2019, were distributed as follows:

Johnson County, Kansas
Fund Balance Classifications
Governmental Funds
December 31, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	$ 296,674	$ —	$ 891,409	$ 1,188,083
Prepaids	970,058	—	613,147	1,583,205
Subtotal	1,266,732	—	1,504,556	2,771,288
Restricted:				
General Government	4,219	—	5,086,723	5,090,942
Public Works	—	—	2,321,866	2,321,866
Public Safety	16,119,215	—	7,048,549	23,167,764
Health and Human Services	836,117	—	743,570	1,579,687
Planning and Economic Development	—	—	70,900	70,900
Culture and Recreation	—	—	1,180,666	1,180,666
Capital Projects	—	—	—	—
Debt Service	—	—	2,618,008	2,618,008
Subtotal	16,959,551	—	19,070,282	36,029,833
Committed:				
General Government	1,685,267	—	—	1,685,267
Public Works	—	106,343,608	27,902	106,371,510
Public Safety	3,267,363	—	—	3,267,363
Health and Human Services	—	—	107,424	107,424
Planning and Economic Development	1,505,533	—	109,799	1,615,332
Culture and Recreation	8,032	—	—	8,032
Subtotal	6,466,215	106,343,608	245,125	113,054,948
Assigned:				
General Government	443,551	—	474,083	917,634
Public Works	319,762	—	6,673,648	6,993,410
Public Safety	2,530,316	—	825,230	3,355,546
Health and Human Services	218,128	—	5,186,639	5,404,767
Planning and Economic Development	2,217	—	—	2,217
Culture and Recreation	—	—	8,878,781	8,878,781
Subtotal	3,513,974	—	22,038,381	25,552,355
Unassigned:	89,360,208	—	—	89,360,208
Total Fund Balances:	$ 117,566,680	$ 106,343,608	$ 42,858,344	$ 266,768,632

The Board of County Commissioners adopted the County policy on fund balance in December 2002. The policy aims to help reduce the negative impact on the County in times of economic uncertainty and potential losses of funding from other governmental agencies. Financial provisions are considered appropriate in order to:

Maintain Working Capital

1. Meet cash flow requirements.
2. Provide contingencies for unpredictable revenue sources.
3. Provide contingencies for emergencies (such as natural disasters).

Fund Capital Asset Replacement and Debt Retirement

4. Provide funding for capital asset replacement.
5. Meet debt service covenants/requirements.
6. Prepay outstanding debt.

It is the policy of the Board to maintain prudent provisions for established funds based on the six factors listed above, and all provision policies shall be analyzed on a periodic basis.

It is the policy of the Board to maintain a provision amount in the County's General Fund that ranges between 10% and 15% of estimated annual General Fund net revenues. General Fund net revenues are defined as the total annual budgeted revenues for the General Fund, excluding intrafund transfers and cost allocation expenditures budgeted in the General Fund. Any General Fund provision amounts in excess of the policy calculation are considered one-time (non-recurring and unpredictable) revenues and shall not be used to fund on-going expenditures. However, provisions may be used on a short-term basis to offset the impact of economic downturns.

It is the policy of the Board to maintain a provision of the County's Debt Service Fund and the Library's Debt Service Fund between 5% and 10% of the annual principal and interest amounts due on outstanding bonds, plus 100% of any annual principal and interest amounts due on outstanding temporary notes. Any Debt Service Fund provision amounts in excess of 10% can only be used to reduce the amount of outstanding debt or to reduce the debt service property tax levy.

It is the policy of the Board to establish and maintain a provision, including funding for plan run-out, within the County's Health Care Fund. The amount of the provision shall be determined annually by the Board based upon funding recommendations prepared by the County Manager. The provision amount for any given year shall not be less than that amount which is determined to provide a provision level of high minimal funding and the provision goal for each year shall be that amount which is determined to provide a provision level of "secure funding". The County Manager and/or his designee shall develop and adopt criteria and procedures, recognized in the health care insurance industry, for determining the high minimal funding level and the secure funding level, but they should consider the following:

1. The County's average monthly claims.
2. Trending factors for claims and costs.
3. Trending factors for utilization of the fund.
4. Exposure to catastrophic or other cost factors.
5. The ability of the fund to be and remain viable through various experiences.

It is the policy of the Board to maintain a minimum provision between 5% and 10% of budgeted annual expenditures for the following funds:

- Public Works Fund
- Transportation Fund
- Airport Fund

- Library Operating Fund
- Library Special Use Fund
- 911 Telephone Fund
- County Building Fund
- Alcohol Tax Fund
- Public Health Fund

It is the policy of the Board to maintain a minimum provision between 8% and 12% of budgeted annual expenditures per fund for the following funds:

- Developmental Supports Fund
- Mental Health Fund

If the provision amount for any County fund falls below the minimum established provision level, the County Manager shall submit a recommended plan to the Board as soon as practical, but not to exceed 90 days following receipt of notice from the Director of Budget and Financial Planning and the Director of Treasury and Financial Management, to rebuild the provision to the minimum level.

Purposes of Fund Balance Classifications

A. General Fund

The total restricted fund balance for the General Fund for 2019 is $16,959,551. The majority of this is related to Public Safety. The largest portion, $12.9 million, are receipts from the Public Safety Sales Tax that will be used for the construction of a new courthouse and coroner facility. Another $2 million are Public Safety Sales Tax receipts to be used for facilities including jail beds, a crime lab, and juvenile detention campus. Additionally, $780 thousand are receipts restricted for Sheriff related to the jail and laboratory. An additional $144 thousand are receipts from fees to administer District Court domestic violence programs, bond supervision, and juvenile supervision.

The total committed fund balance for the General Fund for 2019 is $6,466,215. General Government accounts for $1.7 million - $375 thousand of which is a contingency for sick/disability pay, and $500 thousand, which were set aside in the adopted budget for expenditures that could not be reasonably anticipated or for which revenue shortfalls have occurred or which supplement otherwise authorized expenditures. Public Safety accounts for $3.3 million, which is comprised of $2.5 million as a contingency for adult and juvenile prisoner boarding, prisoner medical costs, and for general county litigation expenses, and $586 thousand for programs including the Corrections house arrest program. Planning and economic development accounts for $1.5 million, which are related to contractor licensing.

The total assigned fund balance for the General Fund for 2019 is $3,513,974. Public Safety accounts for $2.5 million. The components of this include $368 thousand for District Court programs, $280 thousand for District Attorney programs, $1.2 million for the Sheriff commissary program, and $272 thousand for Corrections training and other programs. The remaining assigned fund balance for Public Safety represents encumbrances related to Emergency Communications and other Public Safety related departments. Health and Human Services comprise $218 thousand of the assigned fund balance. Most of this is for aging services. The rest of the assigned fund balance in the General Fund relates to encumbrances across departments not related to Public Safety.

B. Capital Projects Fund

All fund balance is committed under Public Works, except for a small number of prepaid items.

C. *Other Governmental Funds*

The other governmental funds are comprised of the special revenue, debt service, and non-major capital projects funds (Register of Deeds Technology, Stormwater, Public Works, and County Building funds.) The restricted revenue sources for these funds are a combination of tax and intergovernmental revenue, and charges for services that relate to the purpose of each fund. Any transfers in from the General Fund are considered committed. Investment earnings, revenues from licenses and permits and revenues from miscellaneous sources are considered assigned revenue sources. Fund balance for each fund is depleted via expenditures in the order of restricted, committed, assigned, and unassigned. Please see the individual special revenue, debt service, and non-major capital projects fund statements for the fund balance detail.

10. Self-Insurance

A. *Risk Management*

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Since November 1990, the County has qualified as a self-insurer for workers' compensation benefits. Workers' Compensation costs are paid into the Risk Management internal service fund by all other funds through an allocation system and are available to pay claims and administrative costs of the program. The County is self-insured for workers' compensation claims for the first $500,000 per occurrence. Specific excess insurance is purchased commercially to provide protection in excess of the self-insured amount. Settled claims have not exceeded the retention amount in any of the past three fiscal years. No aggregate excess coverage is purchased. A third party claims administrator is contracted to provide claims administration and payment services.

As of December 31, 2019, incurred but not reported (IBNR) workers' compensation claims of $1,300,023 have been accrued as a liability in the Risk Management internal service fund based upon an actuary's estimate. Additional workers' compensation claims incurred and outstanding of $1,134,062 have also been recorded in this fund.

The County retains liability for $500,000 of each occurrence for losses related to automobile and general liability. Excess insurance is purchased to cover any loss in excess of the self-insured retention. Settled claims have not exceeded the retention or the commercial coverage in any of the past three fiscal years. The County purchases Public Officials Errors & Omissions and Employment Practices Liability insurance which provides coverage in excess of a $500,000 retention per each wrongful act. Settled claims have not exceeded the retention or commercial coverage in any of the past three fiscal years. Law Enforcement Liability insurance coverage is purchased to cover the Sheriff's Operations. This insurance is subject to a $100,000 per occurrence deductible. Settled claims have not exceeded the deductible or the commercial coverage in any of the past three fiscal years. There were no significant reductions in the insurance coverage from the prior year. As of December 31, 2019, incurred but not reported (IBNR) automobile, general, and law enforcement liability claims of $515,922 have been accrued as a liability in the Risk Management internal service fund based upon an actuary's estimate. A liability for automobile, general, and law enforcement claims is established when payment is determined to be probable and reasonable estimates of expected costs are available. These amounts are in the categories as listed below:

Automobile liability	$	30,494
General liability		141,237
Law enforcement liability		344,191
Total	$	515,922

Changes in the Risk Management internal service fund's insurance claims payable during 2019 and 2018 were as follows:

Risk Management and Workers Compensation						
		Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments		Claims Liability End of Year
2019	$	2,901,136	4,126,307	(4,077,438)	$	2,950,005
2018		3,071,096	5,691,082	(5,861,042)		2,901,136

The above totals represent both the Workers' Compensation fund as well as tort and non-tort liability Reserve fund costs. The Risk Management claims payable are based upon claims adjusters' and management's evaluation, and an actuarial review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but not reported. The liability represents the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other non-incremental costs are not included in the basis of estimating the liability.

Included in the Risk Management fund's net position is an amount for future catastrophic tort and non-tort losses not otherwise insured in the amount of $1,261,058, and $960,963 at December 31, 2019 and December 31, 2018, respectively.

The Park and Recreation District and Fire Districts do not participate in the County's self-insurance programs for risk management and health care. Both organizations purchase commercial insurance coverage for these risks.

B. *Self-Insured Health Care*

The County began self-insuring health care benefits in 1990, and has been in a cost-plus arrangement since 1993. The County retains liability up to $350,000 per covered person, with specific stop loss coverage purchased to provide protection in excess of that amount. In addition, the County has aggregate stop-loss coverage for potential health care costs above the maximum funded limit for the County health plans. This aggregate stop-loss is limited to 115% of projected claims for the plan year, and was approximately $50,544,086 and $50,915,908 in 2019 and 2018, respectively. Settled claims have not exceeded this aggregate liability coverage in any of the past three fiscal years. A third party administrator is contracted to provide claims administration and payment services. As of December 31, 2019, a liability of $3,814,047 has been recorded in the Self-Insured Health Care internal service fund for outstanding health care claims, including an estimate for claims incurred but not reported (IBNR).

The Self-Insured Health Care claims payable are based upon claims adjusters' and management's evaluation of submitted medical claims in accordance with the County group health plan contract. The IBNR amount is calculated by a health actuary employed by the County's external employee benefits consulting firm. The liability represents the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other non-incremental costs are not included in the basis of estimating the liability.

Changes in the Self-Insured Health Care internal service fund's insurance claims payable during 2019 and 2018 were as follows:

Self-Insured Health Care				
	Insurance Claims Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Insurance Claims Liability End of Year
2019	$ 3,900,669	50,972,278	(51,058,900)	$3,814,047
2018	$ 3,686,690	49,390,375	(49,176,396)	$3,900,669

11. Commitments and Contingencies

A. Federal Assistance

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

B. Litigation

The County and its related entities are involved in various lawsuits arising in the ordinary course of activities, including claims related to law enforcement activities, personal injuries and personnel issues, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice from counsel, believes that their ultimate outcome will not be material to the financial statements.

C. Encumbrances

The County uses "encumbrances" to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted, committed, or assigned fund balance. As of December 31, 2019, the County's General Fund had a total of $1.2 million in encumbrances, which were reported as part of the government fund balance sheet as follows:

General Fund:		Encumbrances
Restricted	$	79,466
Committed		36,675
Assigned		1,104,570
	$	1,220,711

D. Commitments

Capital projects often extend from one to four years and are accounted for in the County's Capital Projects Fund. Kansas statutes do not require capital project expenditures to be budgeted. The following is a schedule of project authorizations and expenditures incurred since inception, by category, for capital projects in progress at December 31, 2019.

Primary Government
Project Authorizations and Expenditures Since Inception

Project Category		Authorization		Expenditures Since Inception
Primary Government				
Appraiser	$	2,486,460	$	1,869,221
Budget & Financial Planning		1,860,000		1,277,887
Budget & Financial Planning - Econ. Dev.		1,477,732		1,477,732
Corrections		280,000		218,147
County Managers Office		250,000		118,410
Election		13,683,498		13,657,320
Emergency Management & Communications		10,578,251		6,778,897
Emergency Medical Services		3,957,466		3,453,012
Facilities		26,466,642		13,435,052
Information Technology Services		27,312,901		22,397,680
Justice Information Management		1,751,000		1,627,426
Library		10,565,959		4,161,556
Mental Health		518,497		518,062
Public Works		164,684,404		119,888,274
Public Works - Stormwater		406,304,266		359,806,336
Sheriff		2,994,600		2,887,594
Sheriff		2,994,600		2,887,594
Solid Waste		889,660		311,618
Total	$	681,800,771	$	557,791,534

12. Pension Plans

A. KPERS/KP&F

Plan Description. Johnson County, the Park District, and the Fire Districts participate in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.*

Benefits provided. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available joint financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A 74-49,210 established the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.15% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for the fiscal year ended December 31, 2019 was 8.89%. The Johnson County employer contributions to KPERS for the year ending December 31, 2019 was $13,429,318 and equal the required contributions.

On July 1, 2006, legislation went into effect requiring governmental agencies to pay a KPERS employer contribution rate on certain KPERS retirees who work after retirement (House Substitute for SB 270). Recent legislation has changed working-after-retirement rules for both employers and members if a retiree returns to KPERS employer. Beginning July 1, 2016, all KPERS retirees will have a $25,000 earnings limit for each calendar year. Employers will make contributions on all retiree compensation. The contribution rate varies depending on certain circumstances.

The KP&F employer rates established for fiscal year 2019 was 22.13% for participating emergency medical staff and sheriff. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The Johnson County contributions to KP&F for the year ending December 31, 2019 was $11,056,260 and were equal to the required contributions.

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The County participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2019, the County reported a liability of $112,594,008 for KPERS and $92,449,168 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The County's proportion of the collective net pension liability was based on the ratio of the County's actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the County's proportion and change from its proportion measured as of June 30, 2018 were as follows:

	Net Pension liability as of December 31, 2019				
	Governmental Activities	Business-Type Activities	Total	Proportion as of June 30, 2019	Change in proportion from June 30, 2018
KPERS (local)	$ 106,282,980	$ 6,311,028	$ 112,594,008	0.08058	0.00096
KP&F	92,449,168	—	92,449,168	0.09134	(0.00453)
	$ 198,732,148	$ 6,311,028	$ 205,043,176		

For the year ended December 31, 2019, the County recognized pension expense of $15,677,967 for KPERS and $15,208,444 for KP&F. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

KPERS	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 231,855	$ 2,675,268	$ 14,611	$ 160,310
Net difference between projected and actual earnings on pension plan investments	2,491,952	—	157,033	—
Changes in proportionate share	3,942,347	—	248,431	—
Changes in assumptions	3,237,269	215,303	204,000	12,902
County contributions subsequent to measurement date	6,304,591	—	397,291	—
Total	$ 16,208,014	$ 2,890,571	$ 1,021,366	$ 173,212

KP&F	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,222,794	$ 171,343
Net difference between projected and actual earnings on pension plan investments	1,860,767	—
Changes in proportionate share	2,468,835	4,491,179
Changes in assumptions	3,274,925	102,360
County contributions subsequent to measurement date	5,567,397	—
Total	$ 18,394,718	$ 4,764,882

The $6,701,882 (KPERS) and $5,567,397 (KP&F) reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

KPERS	Governmental Activities	Business-Type Activities
Year ended December 31:	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2020	$ 4,072,538	$ 256,636
2021	237,110	14,942
2022	1,632,956	102,903
2023	1,077,399	67,893
2024	(7,151)	8,489
	$ 7,012,852	$ 450,863

KP&F	Governmental Activities
Year ended December 31:	Deferred Outflows (Inflows) of Resources
2020	$ 4,498,922
2021	1,341,044
2022	1,672,545
2023	584,961
2024	(35,033)
	$ 8,062,439

Actuarial assumptions. The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Inflation	2.75%
Salary Increases	3.50% to 12.00%, including price inflation
Investment Rate of Return	7.75% compound annually, net of investment expense, including price inflation

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00% to 2.75%
- Investment return assumption was lowered from 8.00% to 7.75%
- General wage growth assumption was lowered from 4.00% to 3.5%
- Payroll growth assumption was lowered from 4.00% to 3.00%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.85%
Fixed income	13.00	1.25
Yield driven	8.00	6.55
Real return	11.00	1.71
Real estate	11.00	5.05
Alternatives	8.00	9.85
Short-term investments	2.00	(0.25)
Total	100.00%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarially determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2019 was 1.2%. Employers contribute the full actuarial determined rate for KP&F. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the County's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
County's KPERS proportionate share of the net pension liability	$ 168,161,515	$ 112,594,008	$ 66,112,809
County's KP&F proportionate share of the net pension liability	131,192,078	92,449,168	60,013,924
	$ 299,353,593	$ 205,043,176	$ 126,126,733

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

Park and Recreation Component Unit Information:

Johnson County Park & Recreation District's employer contributions to KPERS for the years ended December 31, 2019, 2018, and 2017 were $1,222,368, $1,121,798, and $903,214, respectively, equal to the statutory required contributions for each year. The Park District's employer contributions to KP&F for the years ended December 31, 2019, 2018, and 2017 were $309,599, $283,908, and $240,690, respectively, equal to the statutory required contributions for each year.

At December 31, 2019, the Park District reported a liability of $9,378,814 for KPERS and $2,677,626 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The Park District's proportion of the collective net pension liability was based on the ratio of the District's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of KPERS and KP&F for the fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the District's proportion and change from its proportion measured as of June 30, 2018 were as follows:

	Net pension liability as of December 31, 2019	Proportion as of June 30, 2019	Increase in proportion from June 30, 2018
KPERS (local)	$ 9,378,814	0.6712%	0.0413%
KP&F	2,677,626	0.2646%	0.0015%
	$ 12,056,440		

For the year ended December 31, 2019, the Park District recognized pension expense of $1,619,699 for KPERS and $556,274 for KP&F. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 171,799	$ 241,161
Net difference between projected and actual earnings on pension plan	274,548	—
Changes in proportionate share	1,446,917	—
Changes in assumptions	381,509	21,974
Park District contributions subsequent to measurement date	784,405	—
Total	$ 3,059,178	$ 263,135

The $784,405 reported as deferred outflows of resources related to pensions resulting from the Park District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources
2020	893,036
2021	402,768
2022	456,143
2023	249,421
2024	10,270
	2,011,638

The following presents the Park District's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the Park District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Park District's KPERS share of the net pension liability	14,007,454	9,378,814	5,507,040
Park District's KP&F proportionate share of the net pension liability	3,799,745	2,677,626	1,738,197
	17,807,199	12,056,440	7,245,237

Fire District Component Unit Information:

The Fire Districts' employer contributions to KPERS for the year ending December 31, 2019 were $21,133, equal to the statutory required contributions. The Fire Districts' contributions to KP&F for the years ending December 31, 2019 was $2,961,150, equal to the statutory required contributions. At December 31, 2019, the Fire Districts reported a liability of $175,231 for KPERS and $24,866,952 for KP&F for its proportionate share of the KPERS' collective net pension liability.

The collective net pension liability was measured by KPERS as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The Fire District's proportion of the collective net pension liability was based on the ratio of the Fire District's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of KPERS and KP&F for the fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the District's proportion and change from its proportion measured as of June 30, 2018 were as follows:

	Net pension liability as of December 31, 2019	Proportion as of June 30, 2019	Increase /(Decrease) in proportion from June 30, 2018
KPERS (local)	$ 175,231	0.00627%	(4.191)%
KP&F	24,866,952	0.614%	7.635%
	$ 25,042,183		

For the year ended December 31, 2019, the Fire Districts recognized pension expense of ($352,067) for KPERS and $5,578,141 for KP&F. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,405,210	$ 50,500
Net difference between projected and actual earnings on pension plan	504,632	—
Changes in proportionate share	886,245	1,605,577
Changes in assumptions	4,606,093	461,337
Fire District contributions subsequent to measurement date	1,483,918	—
Total	$ 8,886,098	$ 2,117,414

The $1,483,918 reported as deferred outflows of resources related to pensions resulting from the Fire District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources
2020	2,095,052
2021	1,194,747
2022	1,255,119
2023	701,428
2024	38,415
	5,284,761

The following presents the Fire District's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the Fire District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Fire District's KPERS proportionate share of the net pension liability	261,711	175,231	102,892
Fire District's KP&F proportionate share of the net pension liability	35,288,012	24,866,952	16,142,530
	35,549,723	25,042,183	16,245,422

B. *Deferred Compensation Plan*

The County offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees or other beneficiaries until termination, retirement, death or unforeseeable emergency.

The plan assets have been placed in a trust for the exclusive benefit of the employees and are not the property of the County or subject to the claims of the County's general creditors. The County has no administrative involvement and does not perform the investing function related to this plan. The County has no fiduciary accountability for the plan, and accordingly, the plan assets and related liabilities to plan participants are not included in the basic financial statements.

C. *Supplemental Retirement Plans*

In 2001, the Board of County Commissioners established three separate single-employer defined contribution plans effective beginning with fiscal year 2002: 1) the Johnson County Supplemental Retirement Plan, 2) the Johnson County Executive Retirement Plan and 3) the Johnson County Elected Retirement Plan. Plan benefit provisions and contribution requirements for each plan were established by Johnson County Resolution No. 105-01 and may be amended by the Board of County Commissioners of Johnson County, Kansas (the Employer). The administrator for these plans will be Johnson County, Kansas. The plans are in accordance with Internal Revenue Code 401(a). A separate audited GAAP-basis pension plan report is not available for the defined contribution pension plans.

The Johnson County Supplemental Retirement Plan was established to provide benefits at retirement to all eligible employees of Johnson County other than elected officials. Substantially all regular employees over the age of eighteen who are scheduled for eighty hours or greater per pay period and any part-time employees who are in positions of ½ full-time equivalent or greater are eligible to participate in this plan. This plan covers all eligible members for the County as of January 1, 2002 provided the eligible employee has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is $10 per pay period in order to qualify for the Employer's matching contribution. The Employer's matching contribution shall be in the amount equal to 100% of the employee's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the employees are permitted to this plan. Employees vest in the plan as follows: 20% with one year of service, 40% with two years of service, 60% with three years of service, 80% with four years of service, and 100% with five years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

The Johnson County Executive Retirement Plan was established to provide benefits at retirement for the County Manager. This plan covers one member, who is 100% vested at the time of enrollment. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and is determined by the Employer. No employee contributions are permitted.

The Johnson County Elected Retirement Plan was established to provide benefits at retirement for the Elected Officials of the County. This plan covers all elected officials for the County as of January 1, 2002 provided the elected official has opted to participate in the Johnson County Deferred Compensation Plan (as established under Internal Revenue Code Section 457). The minimum participation requirement to the deferred compensation plan is $10 per pay period in order to qualify for the Employer's matching contribution to the retirement plan. The Employer's matching contribution to the retirement plan shall be in an amount equal to 100% of the Elected Official's contribution to the deferred compensation plan subject to a maximum of 3% per bi-weekly base salary per pay period. All contributions to this plan are by the Employer, and the amount to be contributed is discretionary and established by the Employer. No contributions by the elected officials are permitted to this plan. Elected officials will vest as follows: 25% with one year of service, 50% with two years of service, 75% with three years of service, and 100% vested with four years of service. Years of service prior to January 1, 2002 will be counted for vesting purposes for this plan.

Information Regarding the Supplemental Retirement Plans

	Number of Active Participants		
Fiscal Year Ending	Employee	Executive	Elected
12/31/2019	2,538	1	8
12/31/2018	2,476	2	6
12/31/2017	2,134	1	6

	County Contributions		
Fiscal Year Ending	Employee	Executive	Elected
12/31/2019	$ 3,904,200	$ 10,000	$ 17,717
12/31/2018	3,780,444	5,038	16,439
12/31/2017	3,523,411	8,000	15,817

13. Conduit Debt Obligations

The County has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, there was one issue of industrial revenue bonds outstanding with an original amount of $3.5 million.

14. Postemployment Benefits Other Than Pensions

Plan Description

The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents, including medical, dental, and vision coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the County and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) or the Kansas Police and Firemen's Retirement System (KP&F) are eligible for benefits.

The County requires retirees to pay the same premiums charged to COBRA participants for medical, dental, and vision coverage. The COBRA rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these two amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies. The contribution requirements of plan members and the County are established and may be amended by the County. The contribution is based on pay-as-you-go financing requirements.

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Active employees eligible for coverage	2,809
Inactive employees or beneficiaries currently receiving benefit payments	60
	2,869

Total OPEB Liability

The County's total OPEB liability of $17,845,391 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date. $16,596,214 of this liability represents governmental activities and $1,249,177 represents business type activities.

Actuarial Assumptions and Methods

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

Inflation	2.75%
Payroll growth	3.5%
Discount rate	3.26%
Healthcare cost trend rates	8.0% for 2020, decreasing 0.5% per year to an ultimate rate of 5% for 2026 and later years
Retirees' share of benefit-related costs	Retirees contribute the funding rate plus 2% additional COBRA load.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (2.74%), S&P Municipal Bond 20-Year High Grade Rate Index (3.26%), and Fidelity 20-Year Go Municipal Bond Index (2.75%). Based on these, the actuary used a discount rate of 3.26%.

Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement.)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	$ 20,550,676
Service cost	1,330,340
Interest cost	888,818
Changes of benefit terms	—
Changes in assumptions	(2,807,371)
Differences between expected and actual experience	(1,348,446)
Benefit payments	(768,626)
Net change	(2,705,285)
Balance at 12/31/2019	$ 17,845,391

Sensitivity Results

The following presents the total OPEB liability as of December 31, 2019, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.26%.
- The 1% decrease in discount rate would be 2.26%.
- The 1% increase in discount rate would be 4.26%.

As of December 31, 2019	Total OPEB Liability
1% Decrease	$ 19,491,391
Current Discount Rate	17,845,391
1% Increase	16,356,028

The following presents the total OPEB liability as of December 31, 2019, calculated using the health care trend rates assumed and what it would be using a 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 5.0%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.0%.
- The 1% increase in health care trend rates would assume an initial rate of 9.0% decreasing by 0.5% annually to an ultimate rate of 6.0%.

As of December 31, 2019	Total OPEB Liability
1% Decrease	$ 15,703,573
Current Health Care Trend Rates	17,845,391
1% Increase	20,369,781

For the year ended December 31, 2019, the County recognized OPEB expense of $1,641,307. At December 31, 2019, the County reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 2,405,052	$ 1,410,370	$ 181,024	$ 106,157
Changes in assumptions	3,463,320	528,181	260,680	39,755
Total	$ 5,868,372	$ 1,938,551	$ 441,704	$ 145,912

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources	
Year ended December 31:	Governmental Activities	Business-Type Activities
2020	$ (537,402)	$ (40,449)
2021	(537,402)	(40,449)
2022	(537,402)	(40,449)
2023	(537,402)	(40,449)
2024	(537,402)	(40,449)
Thereafter	(1,242,814)	(93,544)
	$ (3,929,822)	$ (295,791)

Plan Report: The Plan does not issue a stand-alone audited GAAP - basis report.

Park and Recreation Component Unit OPEB Information:

Plan description and funding policy: The Park District sponsors a single-employer health care plan that provides medical benefits to employees and retirees. Members who qualify for pension benefits under the

Kansas Public Employee Retirement System (KPERS) are eligible for benefits. Under KPERS, a participant must be at least age 55 with at least 10 years of service, meet Rule of 85 at any age, or have at least 10 years of service to qualify for a disability benefit under the KPERS disability benefits program. Retirees are required to pay 105 percent of the blended premium rates to receive benefits.
Retirees may elect to stay on the Park District's plan until reaching Medicare eligibility age which is currently 65. The current funding policy of the Park District is to pay premiums as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting. The Park District establishes and amends contribution requirements. The required contribution is based on projected pay-as-you-go financing. For fiscal year 2019, the Park District contributed approximately $65,299. Retirees receiving benefits contributed $25,299 through their required contributions.

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

Active employees eligible for coverage	239
Inactive employees or beneficiaries currently receiving benefit payments	1
	240

The Park District's total OPEB liability of $1,274,609, was measured as of December 1, 2019, and results were actuarially rolled forward to December 31, 2019 on a "no loss / no gain" basis.

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

Inflation	2.75%
Payroll growth	3.50%
Discount rate	3.26%
Healthcare cost trend rates	8% for 2020, decreasing 0.5% per year to an ultimate rate of 5% for 2026 and later years
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

Under GASB 75, allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:

- Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.

The discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year-tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current valuation uses a discount rate of 3.26%. This change has caused a slight decrease in the liabilities for the Park District.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (2.74%), S&P Municipal Bond 20-Year High Grade Rate Index (3.26%), and Fidelity 20-Year Go Municipal Bond Index (2.75%). Based on these, the actuary used a discount rate of 3.26%.

Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement.)

Health care trend rates use an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 5.0% in years 2026 and beyond.

Termination rates for the Park District have been updated to be consistent with those used in the KPERS and KPF pension actuarial valuation for the fiscal year ending December 31, 2019.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance at 12/31/2018	$ 2,653,880
Service cost	182,761
Interest cost	115,258
Changes of benefit terms	—
Changes in assumptions	(1,569,990)
Differences between expected and actual experience	(42,001)
Benefit payments	(65,299)
Net change	(1,379,271)
Balance at 12/31/2019	$ 1,274,609

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

As of December 31, 2019	Total OPEB Liability
1% Decrease	$ 1,386,247
Current Discount Rate	1,274,609
1% Increase	1,168,459

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Park District, as well as what the Park District's total liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current healthcare cost trend rate:

As of December 31, 2019	Total OPEB Liability
1% Decrease	$ 1,083,443
Current Health Care Trend Rates	1,274,609
1% Increase	1,508,286

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended December 31, 2019, the Park District recognized OPEB expense of $103,466. At December 31, 2019, the Park District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (14,700)	$ 109,315	$ (22,051)	$ 163,973
Changes in assumptions	(716,315)	27,299	(1,074,473)	40,948
Total	$ (731,015)	$ 136,614	$ (1,096,524)	$ 204,921

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources	
Year ended December 31:	Governmental Activities	Business-Type Activities
2020	$ (77,821)	$ (116,732)
2021	(77,821)	(116,732)
2022	(77,821)	(116,732)
2023	(77,821)	(116,732)
2024	(77,822)	(116,732)
Thereafter	(205,295)	(307,943)
	$ (594,401)	$ (891,603)

Plan Report: The Plan does not issue a stand-alone audited GAAP - basis report.

Fire District Component Unit OPEB Information:

Plan description and funding policy: The District sponsors a single-employer health care plan that provides medical benefits to employees and retirees. Members who qualify for pension benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. Under KPERS, a participant must be at least age 55 with at least 10 years of service, meet Rule of 85 at any age, or have at least 10 years of service to qualify for a disability benefit under the KPERS disability benefits program. Retirees are required to pay 105 percent of the blended premium rates to receive benefits. Retirees may elect to stay on the Fire Districts' plan until reaching Medicare eligibility age which is currently 65. The current funding policy of the Fire Districts is to pay premiums as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting. The District establishes and amends contribution requirements. The required contribution is based on projected pay-as-you-go financing. For fiscal year 2019, the District contributed approximately $366,838.

GASB Statement No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements.

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

Active employees eligible for coverage	117
Inactive employees or beneficiaries currently receiving benefit payments	18
	135

The District's total OPEB liability of $4,888,286, was measured as of December 1, 2019, and results were actuarially rolled forward to December 31, 2019 on a "no loss / no gain" basis.
Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	3.26%
Healthcare cost trend rates	8% for 2020, decreasing 0.5% per year to an ultimate rate of 5% for 2026 and later years
Retirees' share of benefit-related costs	Retirees contribute the funding rate plus 2% additional COBRA load.

Under GASB 75, allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:

- Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.

This discount rate was selected from a range of 3 indices: Bond Buyer Go 20-Bond Municipal Bond Index (2.74%), S&P Municipal Bond 20-Year High Grade Rate Index (3.26%), and Fidelity 20-Year Go Municipal Bond Index (2.75%). Based on these, the actuary used a discount rate of 3.26%.

Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement.)

Health care trend rates use an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 5.0% in years 2026 and beyond.

Changes in the total OPEB liability are as follows:

Total OPEB Liability		
Balance at 12/31/2018	$	4,573,486
Service cost		187,629
Interest cost		192,225
Changes of benefit terms		—
Changes in assumptions		329,378
Differences between expected and actual experience		(224,422)
Benefit payments		(170,010)
Net change		314,800
Balance at 12/31/2019	$	4,888,286

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Fire Districts, as well as what the Fire Districts' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

As of December 31, 2019		Total OPEB Liability
1% Decrease	$	5,312,339
Current Discount Rate		4,888,286
1% Increase		4,503,600

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the District, as well as what the District's total liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0%) or 1 percentage point higher (9.0%) than the current healthcare cost trend rate:

As of December 31, 2019		Total OPEB Liability
1% Decrease	$	4,333,935
Current Health Care Trend Rates		4,888,286
1% Increase		5,540,284

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended December 31, 2019, the District recognized OPEB expense of $366,838. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities			
		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	—	$	(200,903)
Changes in assumptions		287,620		(161,817)
Total	$	287,620	$	(362,720)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources
Year ended December 31:	Governmental Activities
2020	(13,016)
2021	(13,016)
2022	(13,016)
2023	(13,016)
2024	(13,019)
Thereafter	(10,017)
	(75,100)

15. Postemployment Benefits Other Than Pensions - KPERS Disability & Death

Plan Description

The County participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability equal to 60 percent (prior to January 1, 2006, 66 2/3) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payment for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of the disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If the member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Active employees eligible for coverage	2,561
Inactive employees or beneficiaries currently receiving benefit payments	37
	2,598

Total OPEB Liability

The County's total OPEB liability of $5,113,872, reported as of December 31, 2019, was measured as of June 30, 2019 (the measurement date), and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. $4,755,901 of this liability represents governmental activities and $357,971 represents business type activities.

Actuarial Assumptions and Methods

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

Inflation	2.75%
Payroll growth	3.0%
Discount rate	3.5%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	$ 4,935,272
Service cost	525,500
Interest cost	202,863
Changes of benefit terms	—
Changes in assumptions	78,900
Differences between expected and actual experience	(186,785)
Benefit payments	(441,878)
Net change	178,600
Balance at 12/31/2019	$ 5,113,872

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate decreased from 3.87% to 3.50%.

Sensitivity Results

The following presents the total OPEB liability as of December 31, 2019, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.50%.
- The 1% decrease in discount rate would be 2.50%.
- The 1% increase in discount rate would be 4.50%.

As of December 31, 2019	Total OPEB Liability
1% Decrease	$ 5,321,269
Current Discount Rate	5,113,872
1% Increase	4,898,290

For the year ended December 31, 2019, the County recognized OPEB expense of $662,949. At December 31, 2019, the County reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 394,516	$ —	$ 29,695	$ —
Changes in assumptions	15,250	65,836	1,148	4,955
Total	$ 409,766	$ 65,836	$ 30,843	$ 4,955

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources: Governmental Activities	Deferred Outflows (Inflows) of Resources: Business-Type Activities
2020	$ (60,835)	$ (4,579)
2021	(60,835)	(4,579)
2022	(60,835)	(4,579)
2023	(60,835)	(4,579)
2024	(60,835)	(4,579)
Thereafter	(39,755)	(2,993)
	$ (343,930)	$ (25,888)

Plan Report: The Plan does not issue a stand-alone audited GAAP - basis report.

Park and Recreation Component Unit OPEB KPERS Disability & Death:

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

Active employees eligible for coverage	227
Inactive employees or beneficiaries currently receiving benefit payments	1
	228

The Park District's total OPEB liability of $254,933, reported as of December 1, 2019 was measured as of June 30, 2019 (the measurement date), and was determined by an actuarial valuation as of December 31, 2018. The results were actuarially rolled forward to June 30, 2019, using the following actuarial assumptions:

Inflation	2.75%
Payroll growth	3.50%
Discount rate	3.50%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2016.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance at 12/31/2018	$ 260,586
Service cost	39,730
Interest cost	11,594
Changes of benefit terms	—
Changes in assumptions	3,943
Differences between expected and actual experience	(59,399)
Benefit payments	(1,521)
Net change	(5,653)
Balance at 12/31/2019	$ 254,933

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate decreased from 3.87% to 3.50%.

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Park District, as well as what the Park District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current discount rate:

As of December 31, 2019	Total OPEB Liability
1% Decrease	$ 264,711
Current Discount Rate	254,933
1% Increase	243,896

For the year ended December 31, 2019, the Park District recognized OPEB expense of $41,694. At December 31, 2019, the Park District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities: Deferred Inflows of Resources	Governmental Activities: Deferred Outflows of Resources	Business-Type Activities: Deferred Inflows of Resources	Business-Type Activities: Deferred Outflows of Resources
Differences between expected and actual experience	$ (30,233)	$ —	$ (45,350)	$ —
Changes in assumptions	(2,886)	1,415	(4,329)	2,123
Total	$ (33,119)	$ 1,415	$ (49,679)	$ 2,123

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:		Deferred Outflows (Inflows) of Resources: Governmental Activities	Deferred Outflows (Inflows) of Resources: Business-Type Activities
2020	$	(3,852) $	(5,778)
2021		(3,852)	(5,778)
2022		(3,852)	(5,778)
2023		(3,852)	(5,778)
2024		(3,852)	(5,778)
Thereafter		(12,444)	(18,666)
	$	(31,704) $	(47,556)

Plan Report: The Plan does not issue a stand-alone audited GAAP - basis report.

Fire District Component Unit OPEB KPERS Disability & Death:

The Fire Districts' total OPEB liability of $1,102, reported as of December 1, 2019 was measured as of June 30, 2019 (the measurement date), and was determined by an actuarial valuation as of December 31, 2018. The results were actuarially rolled forward to June 30, 2019, using the following actuarial assumptions:

Inflation	2.75%
Payroll growth	3.00%
Discount rate	3.50%

Mortality rates used for the death benefits were based on the RP-2014 adjusted for mortality improvement using Scale MP-2019.

Changes in the total OPEB liability are as follows:

Total OPEB Liability		
Balance at 12/31/2018	$	651
Service cost		1,113
Interest cost		68
Effect of plan changes		—
Effect of economic/demographic gains or losses		(758)
Effect of assumptions changes or inputs		28
Benefit payments		—
Net change		451
Balance at 12/31/2019	$	1,102

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate decreased from 3.87% to 3.50%.

Sensitivity Results

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Fire Districts, as well as what the Fire Districts' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current discount rate:

As of December 31, 2019	Total OPEB Liability	
1% Decrease	$	1,172
Current Discount Rate		1,102
1% Increase		1,029

For the year ended December 31, 2019, the Fire Districts reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Governmental Activities: Deferred Outflows of Resources	Governmental Activities: Deferred Inflows of Resources
Differences between expected and actual experience		116 $	(86,236)
Changes in assumptions	$	35 $	(3,184)
Total		151	(89,420)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources: Governmental Activities
2020	(11,480)
2021	(11,480)
2022	(11,480)
2023	(11,480)
2024	(11,480)
Thereafter	(31,869)
	(89,269)

16. *Tax Abatement Disclosures*

Description. In August 2015, the GASB issued GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement is intended to improve financial reporting relating to disclosures of tax abatement transactions. The required disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues. The Statement became effective for the County's fiscal year ending December 31, 2017.

Johnson County economic development incentives are available under the County's Economic Development Incentives Policy for New Century Air Center, a general aviation reliever airport with a business park for industrial development. The policy was authorized under Resolution 062-12, which was adopted December 20, 2012. The policy promotes the development of NCAC as a strategic business location that complements the economic vitality of other Johnson County communities, and replaces the Economic Development Incentives Program adopted on August 11, 1994.

Property tax abatements are authorized under Kansas statutes KSA 12-1740 et. seq. and KSA 79-201a and subject to County policy. Abatements may not exceed a term of ten years by statute. The developer must demonstrate a positive cost/benefit to the various taxing jurisdictions by Kansas law. Other criteria for eligibility include: 1) significant addition to the local economy in terms of private capital investment (a minimum investment of $2,000,000) and increased direct and indirect employment opportunities, (2) the nature of the business either exports a substantial portion of its products/services from Johnson County or are for local consumption but would add new jobs and replace purchases now being made by Johnson County residents in areas outside of Johnson County, (3) preferences shall be extended to existing industries to facilitate expansion or retention, (4) no abatements granted for a relocation within Johnson County except under special circumstances detailed in the policy, (5) property owned by Johnson County and used exclusively for aviation purposes is eligible for 100% exemption from all ad valorem taxation, (6) except for projects mentioned in #5, no property tax abatement shall be in excess of 50% of the amount that would have been paid, and (7) projects must be in compliance with NCAC Comprehensive Compatibility Plan and Johnson County's Airport Vicinity Overlay Districts and Zones Regulations.

Any tax abatement granted shall be accompanied by a performance agreement between the applicant and the Board of County Commissioners subject to annual review by the BOCC to determine that the conditions qualifying the business for the incentives continue to exist and that assurances made by the applicant to induce the BOCC to grant the incentives are fulfilled.

Following are the current tax abatement programs entered into by the County as of December 31, 2019:

Johnson County's
Tax Abatements entered into as of December 31, 2019

Company Names	Tax being abated	Dollar amount of taxes abated	Name of abatement	Mechanism for abatement
Unilever	Ad Valorem Property Tax	55,675	EDX	Reduction of assessed value; 50%
Total		$ 55,675		

Johnson County cities have used tax abatements for many years to spur industrial and office development. Kansas statutes provide a process for cities to abate property tax on qualifying property. GASB 77 also requires disclosure information about tax abatements entered into by other governments affecting revenues of Johnson County.

Following are the current tax abatement programs affecting County revenues that have been entered into by cities in Johnson County as of December 31, 2019:

Other government tax abatement programs affecting Johnson County revenues
entered into as of December 31, 2019

Name of government	Tax being abated	Dollar amount of taxes abated	Name of abatement	Dollar amount(s) received from or due from other governments in association with (and offsetting) abated taxes	Quantitative threshold for disclosure of individual recipient (If applicable)	Information not reported due to legal prohibition
Bonner Springs	Ad Valorem Property Tax	$ 823	IRB	None	N/A	
DeSoto	Ad Valorem Property Tax	7,071	EDX	None	N/A	
DeSoto	Ad Valorem Property Tax	58,736	IRBX	None	N/A	
Edgerton	Ad Valorem Property Tax	2,036,012	IRBX	None	N/A	
Gardner	Ad Valorem Property Tax	530,106	IRBX	None	N/A	
Lenexa	Ad Valorem Property Tax	743,593	IRBX	None	N/A	
Lenexa	Ad Valorem Property Tax	14,922	IRB	None	N/A	
Olathe	Ad Valorem Property Tax	1,063,495	IRBX	None	N/A	
Overland Park	Ad Valorem Property Tax	339,138	IRBX	None	N/A	
Overland Park	Ad Valorem Property Tax	1,800	IRB	None	N/A	
Shawnee	Ad Valorem Property Tax	185,692	IRBX	None	N/A	
Spring Hill	Ad Valorem Property Tax	16,500	EDX	None	N/A	
Westwood	Ad Valorem Property Tax	7,812	IRB	None	N/A	
Total		$ 5,005,700				

17. *Prior Period Adjustment- Fire Districts*

Description. In 2019, the Fire Districts recognized prior period adjustments of $(819,899). Fire District No. 2 recognized a prior period adjustment in the amount of $140,813 due to an error in calculating compensated absences from the prior year. Northwest Consolidated Fire District recognized a prior period adjustment in the amount of $(141,172) due to an error in calculating compensated absences from the prior year. Consolidated Fire District No. 2 recognized a prior period adjustment of $(819,540) due to an error in calculating fixed assets from the prior year. The prior period adjustments required restatement of the Beginning Net Position from the prior year on the Statement of Activities.

18. *New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements*

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the County. The County's management has not yet determined the effect these Statements will have on the County's financial statements. However, the County plans to implement all standards by the required dates. The Statements which might impact the County are as follows:

GASB Statement No. 83, *Certain Asset Retirement Obligations*
This statement will be effective for the County beginning with its fiscal year 2020. Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability and a corresponding deferred outflow of resources for AROs when the liability is incurred and reasonably estimable. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for estimating the liability and the estimated remaining useful life of the associated tangible capital asset.

GASB Statement No. 84, *Fiduciary Activities*
This statement will be effective for the County beginning with its fiscal year 2020. Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when demands for resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 87, *Leases*
This statement will be effective for the County beginning with its fiscal year 2022. Statement No. 87 improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
This statement will be effective for the County beginning with its fiscal year 2020. Statement No. 88 improves information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
This statement will be effective for the County beginning with its fiscal year 2021. Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies the accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Major Equity Interests*
This statement will be effective for the County beginning with its fiscal year 2020. Statement No. 90 improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

GASB Statement No. 91, *Conduit Debt Obligations*
This statement will be effective for the County beginning with its fiscal year 2022. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 92, *Omnibus 2020*
This statement will be effective for the County beginning with its fiscal year 2022. Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements.

GASB Statement No. 93, *Replacement of Interbank offered rates*
This statement will be effective for the County beginning with its fiscal year 2022. The objective of this statement is to address those accounting and financial reporting implications that result from the replacement of an interbank offered rate.

GASB Statement No. 94 *Public-Private and Public-Public Partnerships and availability payment arrangements.*
This statement will be effective for the County beginning with its fiscal year 2023. This statement provides uniform guidance on accounting and financial report for transactions that meet the definition of Public-private, public-public partnerships and availability payment arrangements. That uniform guidance will provide more relevant and reliable information for financial statements users and create greater consistency in practice.

19. Subsequent Event

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. On March 13, 2020, the Federal Government declared a national emergency, beginning on March 1, 2020. Johnson County's Stay at Home Order went into effect on March 24, 2020. On April 22, 2020, Johnson County Government received $116,311,033.60 from the Federal Government pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act established the Coronavirus Relief Fund to provide $150 billion of direct payments to state, local, and tribal governments. Local governments with populations over 500,000 were eligible for direct payments. Johnson County plans to request a Fiscal Year 2020 budget amendment to appropriate the $116,311,033.60 of CARES Act money to fund costs related to the COVID-19 health emergency and recovery. Johnson County Government continues to monitor the financial impact of COVID-19, as it is an evolving situation.

Required Supplementary Information

Defined Benefit Pension Plans - Primary Government

Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Seven Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013
County's proportion of the collective net pension liability:							
KPERS (local group)	8.058%	7.962%	7.674%	7.630%	7.540%	7.501%	7.425%
KP&F (police & firemen)	9.134%	9.587%	9.205%	9.596%	9.326%	9.428%	10.079%
County's proportionate share of the collective net pension liability	$ 205,043,176	$ 203,220,402	$ 197,482,384	$ 207,155,870	$ 166,717,737	$ 154,149,390	$ 194,955,744
County's covered payroll ^	$ 191,460,203	$ 185,495,956	$ 180,720,055	$ 176,033,486	$ 170,475,855	$ 167,621,405	$ 165,160,382
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	107%	110%	109%	118%	98%	92%	118%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

^ Covered payroll is measured as of the measurement date ending June 30.

Defined Benefit Pension Plans - Primary Government

Schedule of County's Contributions
Kansas Public Employees Retirement System
Last Seven Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 24,485,578	$ 23,466,335	$ 20,776,099	$ 21,610,866	$ 22,320,655	$ 19,062,423	$ 17,327,048
Contributions in relation to the contractually required contribution	(24,485,578)	(23,466,335)	(20,776,099)	(21,610,866)	(22,320,655)	(19,062,423)	(17,327,048)
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —
County's covered payroll ^	$200,361,830	$188,275,048	$186,956,144	$177,112,568	$174,516,244	$168,610,329	$166,408,377
Contributions as a percentage of covered payroll	12.22%	12.46%	11.11%	12.20%	12.79%	11.31%	10.41%

* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

^ Covered payroll is measured as of the fiscal year end December 31.

Defined Benefit Pension Plans - Park and Recreation Component Unit

KPERS and KPF Defined Benefit Pension Plans
Schedule of District's Proportionate Share of the Net Pension Liability
Last Seven Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013
Park District's proportion of the collective net pension liability:							
KPERS (local group)	0.671%	0.630%	0.567%	0.534%	0.512%	0.499%	0.499%
KP&F (police & firemen)	0.265%	0.283%	0.246%	0.241%	0.231%	0.211%	0.208%
Park District's proportionate share of the collective net pension liability	$ 12,056,440	$ 11,310,073	$ 10,527,029	$ 10,515,091	$ 8,401,380	$ 7,535,867	$ 9,291,775
Park District's covered payroll ^	$ 13,762,232	$ 12,820,819	$ 10,946,129	$ 10,333,178	$ 9,665,005	$ 9,140,945	$ 8,834,280
Park District's proportionate share of the collective net pension liability as a percentage of its covered payroll	88%	88%	96%	102%	87%	82%	105%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

^ Covered payroll is measured as of the measurement date ending June 30.

Defined Benefit Pension Plans - Park and Recreation Component Unit

KPERS and KPF Defined Benefit Pension Plans
Schedule of District's Contributions
Last Seven Fiscal Years*

	2019	2018	2017	2018	2015	2014	2013
Contractually required contribution	$ 1,531,967	$ 1,405,706	$ 1,143,904	$ 1,114,286	$ 1,105,903	$ 998,773	$ 894,678
Contributions in relation to the contractually required contribution	(1,531,967)	(1,405,706)	(1,143,904)	(1,114,286)	(1,105,903)	(998,773)	(894,676)
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Park District's covered payroll ^	$ 14,955,512	$ 13,177,432	$ 11,562,848	$ 10,842,012	$ 9,941,866	$ 9,302,027	$ 8,991,896
Contributions as a percentage of covered payroll	10.24%	10.87%	9.89%	10.28%	11.12%	10.74%	9.95%

* GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

^ Covered payroll is measured as of the fiscal year end December 31.

Defined Benefit Pension Plans - Fire District Component Unit

KPERS and KPF Defined Benefit Pension Plans
Schedule of District's Proportionate Share of the Net Pension Liability
Last Two Fiscal Years*

	2019	2018
Fire District's proportion of the collective net pension liability:		
KPERS (local group)	0.0063%	0.0482%
KP&F (police & fireman)	0.6142%	0.5379%
Fire District's proportionate share of the collective net pension liability	$ 25,042,185	$ 22,044,894
Fire District's covered payroll ^	$ 13,353,831	$ 11,732,884
Fire District's proportionate share of the collective net pension liability as a percentage of its covered payroll	188%	188%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%

* GASB 68 requires presentation of ten years. As of December 31, 2019, only two years of information is available.

Changes in benefit terms for KPERS. In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retiring after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

Changes in assumptions for KPERS. As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups
- The termination of employment assumption was increased for all three groups
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability Last Fiscal Year*	2019	2018	2017	2016
Service cost	$ 1,330,340	$ 1,148,074	$ 1,159,107	$ 1,080,888
Interest cost	888,818	709,488	626,962	636,831
Changes in assumptions	(2,807,371)	(1,489,326)	(100,278)	917,434
Differences between expected and actual	(1,473,598)	1,824,670	—	(2,061,572)
Benefit payments	(768,626)	(839,853)	(795,825)	(914,260)
Net change in Total OPEB liability	(2,830,437)	1,353,053	889,966	(340,679)
Total OPEB liability - beginning of year	20,675,828	19,197,623	18,307,657	18,648,336
Total OPEB liability - end of year	$ 17,845,391	$ 20,550,676	$ 19,197,623	$ 18,307,657
Covered payroll	$ 189,755,723	$176,752,259	$168,736,620	$162,916,281
Total OPEB liability as a percentage of covered payroll	9.4%	11.7%	11.4%	11.2%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only four years of information is available.

The following changes of assumptions for OPEB are in accordance with GASB 75:

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
  - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 3.26%.
- Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2018 using MP-2018 improvement.

The health care trend rates use an initial rate of 8.0%, decreasing by 0.5% annually to an ultimate rate of 5.0% as shown below.

Year	Current	Year	Current
2020	8.0%	2023	6.5%
2021	7.5%	2024	6.0%
2022	7.0%	2025	5.5%
		2026+	5.0%

Schedule of Changes in Total OPEB Liability and Related Ratios - KPERS Disability and Death

Total OPEB Liability Last Fiscal Year*	2019	2018	2017
Service cost	$ 525,500	$ 521,196	$ 533,091
Interest cost	202,863	191,724	149,991
Changes in assumptions	78,900	(58,308)	(144,600)
Differences between expected and actual experience	(186,785)	(323,365)	—
Benefit payments	(441,878)	(456,399)	(412,692)
Net change in Total OPEB liability	178,600	(125,152)	125,790
Total OPEB liability - beginning of year	4,935,272	5,060,424	4,934,634
Total OPEB liability - end of year	$ 5,113,872	$ 4,935,272	$ 5,060,424
Covered payroll	$ 139,515,000	$ 135,439,000	$ 128,748,000
Total OPEB liability as a percentage of covered payroll	3.7%	3.6%	3.9%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only three years of information is available.

No assets are accumulated in a trust to pay related benefits for this plan.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.

Park and Recreation Component Unit

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability Last Fiscal Year*	2019	2018	2017	2016
Service cost	$ 182,761	$ 198,529	$ 200,566	$ 146,937
Interest cost	115,258	109,451	94,141	71,706
Changes in assumptions	(1,569,990)	(521,007)	(16,886)	110,247
Differences between expected and actual	(42,001)	33,784	—	399,018
Benefit payments	(65,299)	(84,899)	(98,192)	(75,876)
Net change in Total OPEB liability	(1,379,271)	(264,142)	179,629	652,032
Total OPEB liability - beginning of year	2,653,880	2,918,022	2,738,393	2,086,361
Total OPEB liability - end of year	$ 1,274,609	$ 2,653,880	$ 2,918,022	$ 2,738,393
Covered payroll	$15,228,282	$11,907,847	$11,182,254	$10,005,361
Total OPEB liability as a percentage of covered payroll	8.4%	22.3%	26.1%	27.4%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only four years of information is available.

The following changes of assumptions for OPEB are in accordance with GASB 75:

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
  - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 4.11%.
- Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2018 using MP-2018 improvement.

The health care trend rates use an initial rate of 8.0%, decreasing by 0.5% annually to an ultimate rate of 5.0% as shown below.

Year	Current	Year	Current
2020	8.0%	2025	5.5%
2021	7.5%	2026+	5.0%
2022	7.0%		
2023	6.5%		
2024	6.0%		

Schedule of Changes in Total OPEB Liability and Related Ratios - KPERS Disability and Death

Total OPEB Liability Last Fiscal Year*	2019	2018	2017
Service cost	$ 39,730	$ 39,471	$ 37,575
Interest cost	11,594	10,172	7,305
Changes in assumptions	3,943	(3,090)	(6,902)
Differences between expected and actual experience	(59,399)	(28,085)	—
Benefit payments	(1,521)	(5,049)	(18,980)
Net change in Total OPEB liability	(5,653)	13,419	18,998
Total OPEB liability - beginning of year	260,586	247,167	228,169
Total OPEB liability - end of year	$ 254,933	$ 260,586	$ 247,167
Covered payroll	$ 11,649,830	$ 10,651,958	$ 9,408,445
Total OPEB liability as a percentage of covered payroll	2.2%	2.4%	2.6%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only three years of information is available.

No assets are accumulated in a trust to pay related benefits for this plan.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.

Fire District Component Unit

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability	Last Fiscal Year* 2019	2018
Service cost	$ 187,629	$ 201,279
Interest cost	192,225	167,230
Changes in assumptions	329,378	(216,915)
Differences between expected and actual	(224,422)	(4,076)
Benefit payments	(170,010)	(139,237)
Net change in Total OPEB liability	314,800	8,281
Total OPEB liability - beginning of year	4,573,486	4,565,205
Total OPEB liability - end of year	$ 4,888,286	$ 4,573,486
Covered payroll	$ 9,564,732	$ 8,434,819
Total OPEB liability as a percentage of covered payroll	51.1%	54.2%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only two years of information is available.

The following changes of assumptions for OPEB are in accordance with GASB 75:

- Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using entry age normal level percent of salary method where:
  - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
  - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
- Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 4.11%.
- Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out. Projected to 2018 using MP-2018 improvement.

The health care trend rates use an initial rate of 8.0%, decreasing by 0.5% annually to an ultimate rate of 5.0% as shown below.

Year	Current	Year	Current
2020	8.0%	2025	5.5%
2021	7.5%	2026+	5.0%
2022	7.0%		
2023	6.5%		
2024	6.0%		

Schedule of Changes in Total OPEB Liability and Related Ratios - KPERS Disability and Death

Total OPEB Liability Last Fiscal Year*	2019	2018
Service cost	$ 1,113	$ 1,090
Interest cost	68	3,744
Changes in assumptions	—	(13)
Differences between expected and actual experience	(730)	(107,662)
Benefit payments		
Net change in Total OPEB liability	451	(102,841)
Total OPEB liability - beginning of year	651	103,492
Total OPEB liability - end of year	$ 1,102	$ 651
Covered payroll	$ 241,755	$ 221,003
Total OPEB liability as a percentage of covered payroll	0.5%	0.3%

* GASB 75 requires presentation of ten years. As of December 31, 2019, only two years of information is available.

No assets are accumulated in a trust to pay related benefits for this plan.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.

OFFICIAL BID FORM

PROPOSAL FOR THE PURCHASE OF JOHNSON COUNTY, KANSAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C

TO: Scott A. Neufeld, Budget Director
Johnson County, Kansas

October 14, 2020

For $5,080,000* principal amount of General Obligation Refunding Bonds, Series 2020C, of Johnson County, Kansas, to be dated November 10, 2020, as described in the Notice of Bond Sale dated on or about September 24, 2020 (the "Notice"), said Bonds to bear interest as follows:

Stated Maturity September 1	**Principal Amount***	**Annual Rate of Interest**	**Yield**	**Stated Maturity September 1**	**Principal Amount***	**Annual Rate of Interest**	**Yield**
2021	$500,000	______%	______%	2026	$510,000	______%	______%
2022	475,000	______	______	2027	520,000	______	______
2023	480,000	______	______	2028	525,000	______	______
2024	485,000	______	______	2029	540,000	______	______
2025	495,000	______	______	2030	550,000	______	______

*Subject to change; see the Notice.

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount $5,080,000.00*
Plus Premium (if any) .... ______________________
Total Purchase Price .... $______________________

Total interest cost to maturity at the rates specified .... $______________________
Net interest cost (adjusted for Premium) .... $______________________
True Interest Cost .... ____________%

☐ The Bidder elects to have the following Term Bonds:

Maturity Date	**Years**	**Amount***
September 1, ____	_________ to _________	$______________
September 1, ____	_________ to _________	$______________

*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice, including submittal of a wire transfer in the amount of 2.00% of the principal amount of the Bonds payable to the order of the Issuer, submitted in the manner set forth in the Notice as evidence of good faith. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means. All bid documents, closing documents, certificates, Resolutions and related instruments may be executed by electronic transmission. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: ____________________________________

(LIST ACCOUNT MEMBERS ON REVERSE)

By: ____________________________________
Telephone No. (_____)____________________________

ACCEPTANCE

Pursuant to action duly taken by the Board of County Commissioners of Johnson County, Kansas, the above proposal is hereby accepted on October 15, 2020.

Attest:

____________________________________ Clerk

____________________________________ Chair

NOTE: No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Email bids may be submitted to Baker Tilly Municipal Advisors, LLC at bondservice@bakertilly.com, electronic bids may be submitted via ***PARITY®***, at or prior to 10:30 a.m., Central Time, on October 14, 2020. Any bid received after such time will not be accepted or shall be returned to the bidder.

OFFICIAL BID FORM

PROPOSAL FOR THE PURCHASE OF JOHNSON COUNTY, KANSAS
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020D

TO: Scott A. Neufeld, Budget Director
Johnson County, Kansas

October 14, 2020

For $52,185,000* principal amount of Taxable General Obligation Refunding Bonds, Series 2020D, of Johnson County, Kansas, to be dated November 10, 2020, as described in the Notice of Bond Sale dated on or about September 24, 2020 (the "Notice"), said Bonds to bear interest as follows:

Stated Maturity September 1	Principal Amount*	Annual Rate of Interest	Yield	Stated Maturity September 1	Principal Amount*	Annual Rate of Interest	Yield
2021	$840,000	______%	______%	2028	$4,790,000	______%	______%
2022	705,000	______	______	2029	4,875,000	______	______
2023	4,550,000	______	______	2030	4,940,000	______	______
2024	4,580,000	______	______	2031	5,040,000	______	______
2025	4,620,000	______	______	2032	5,135,000	______	______
2026	4,665,000	______	______	2033	2,720,000	______	______
2027	4,725,000	______	______				

*Subject to change; see the Notice.

the undersigned will pay the purchase price for the Bonds set forth below, plus accrued interest to the date of delivery.

Principal Amount	$52,185,000.00*
Plus Premium (if any)	______________________
Less Discount (not to exceed 0.80% or $417,480.00)	(______________________)
Total Purchase Price	$______________________
Total interest cost to maturity at the rates specified	$______________________
Net interest cost (adjusted for Premium and/or Discount)	$______________________
True Interest Cost	____________%

☐ The Bidder elects to have the following Term Bonds:

Maturity Date	Years	Amount*
September 1, ____	_________ to _________	$______________
September 1, ____	_________ to _________	$______________

*subject to mandatory redemption requirements in the amounts and at the times shown above.

This proposal is subject to all terms and conditions contained in the Notice, and if the undersigned is the Successful Bidder, the undersigned will comply with all of the provisions contained in the Notice, including submittal of a wire transfer in the amount of 2.00% of the principal amount of the Bonds payable to the order of the Issuer, submitted in the manner set forth in the Notice as evidence of good faith. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means. All bid documents, closing documents, certificates, Resolutions and related instruments may be executed by electronic transmission. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The acceptance of this proposal by the Issuer by execution below shall constitute a contract between the Issuer and the Successful Bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission and a bond purchase agreement for purposes of the laws of the State of Kansas.

Submitted by: ____________________________________

(LIST ACCOUNT MEMBERS ON REVERSE)

By: ____________________________________
Telephone No. (_____)____________________________

ACCEPTANCE

Pursuant to action duly taken by the Board of County Commissioners of Johnson County, Kansas, the above proposal is hereby accepted on October 15, 2020.

Attest:

____
Clerk

____
Chair

NOTE: No additions or alterations in the above proposal form shall be made, and any erasures may cause rejection of any bid. Email bids may be submitted to the Baker Tilly Municipal Advisors, LLC at bondservice@bakertilly.com, electronic bids may be submitted via ***PARITY***®, at or prior to 10:30 a.m., Central Time, on October 14, 2020. Any bid received after such time will not be accepted or shall be returned to the bidder.