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Shawnee County, Kansas

Financial Report
Year Ended December 31, 2019

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Shawnee County, Kansas
Basic Financial Statements
Year Ended December 31, 2019

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Independent Auditor's Report

Board of County Commissioners
Shawnee County, Kansas

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas (the 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.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and other postemployment benefit information, and Budgetary Comparison Schedules, as listed in 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.

Other Information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Kansas City, Missouri
June 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of Shawnee County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2019. This discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the County's financial activity; (3) identify changes in the County's financial position; (4) identify any material deviations from the financial plan (the approved budget); (5) identify individual fund issues or concerns; and (6) facilitate transparency and demonstrate effective stewardship of public monies.

Shawnee County is governed by an elected three-member commission. These financial statements are presented as required by Generally Accepted Accounting Principles (GAAP).

FINANCIAL HIGHLIGHTS

General Fund Balance

The County's General Fund balance is extremely important to the County's financial security and it is one of many factors that are used by financial rating services to assign a rating to the County for the issuance of bonds and other debt instruments. Shawnee County levies property taxes each year for the general fund and adopts an annual budget for general fund expenditures.

In 2019, the General Fund's fund balance decreased by $8,431 resulting in an ending balance of $33,180,494 or 30.27% of revenues.

Net Position

Another important indicator of the County's financial health is its net position. As of December 31, 2019, the County's net position for the governmental activities totaled $188,025,193 which is a decrease of $1,001,484 from 2018's ending balance of $189,026,677. The net position of the County's business-type activities at December 31, 2019 was $11,262,166 which represents an increase of $291,494 from 2018.

It is also important to note that of the $199,287,359 in total County net position at the end of 2019, $20,341,037 was unrestricted and could be used to meet the County's ongoing obligations to citizens and creditors. Of the remaining net position, $161,846,548 was the net investment in capital assets, while $17,099,774 was otherwise restricted.

Long-Term Liabilities

As of December 31, 2019, the County's governmental activities long-term liabilities totaled $158,633,893. Of that amount, $13,696,924 is due within one year and $42,115,034 relates to the County's net pension liability. The County's governmental long-term liabilities decreased in 2019 by $5,011,889 primarily due to debt repayment. Long-term liabilities for the County's business-type activities at December 31, 2019 were $3,981,163, an increase of $578,631 due to an increase in pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements by providing the reader with a broad overview of the financial statements. This overview is intended to assist the reader in understanding the statements themselves. The notes to the financial statements, which follow the statements, are also essential for the reader's understanding of the

financial statements. They contain valuable additional information that may be necessary for gaining an understanding of the County's financial position. Supplementary information is also included at the end of this report to provide additional information for the reader.

The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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 regarding the County's assets and deferred outflows of resources along with liabilities and deferred inflows of resources. The differences between these are reported as net position. The increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other factors to consider are changes in the County's tax base and changes in the condition of the County's infrastructure.

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

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety and judicial, public works, highways and streets, health welfare and education, culture and recreation, and economic development. The business-type activities of the County include the Refuse Fund.

The accrual basis of accounting is utilized for the government-wide, fiduciary and proprietary fund financial statements. These statements focus on the long-term financial picture of the County as a whole. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time the liabilities are incurred, regardless of when the cash flows take place. The governmental fund financial statements present the results of the County's operations using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. Expenditures, other than interest on long-term debt and compensated absences, are recorded when the liability is incurred.

Fund financial statements focus on individual parts of the County's government. A fund is a grouping of related accounts that are 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. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County has many individual governmental funds. The General Fund, and Public Building Commission Fund are considered to be major funds. The information for the major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Other governmental funds are combined for presentation in those statements. Individual fund data for each of other governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - the County maintains two different types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the periodic determination of net income is deemed appropriate. The County currently has one enterprise fund, the Refuse Fund.

Internal Service Funds are used to account for the cost of operations shared by various functions of the County. The County has two internal service funds, the Workers' Compensation and Health Insurance Administration Fund account for the County's self-insurance activities. In the government-wide statements, the activity of the majority of these internal service funds' activity is presented as part of the governmental activity information.

Fiduciary funds are used by the County to account for resources held by the County for the benefit of a third party. The majority of these funds are taxes that are collected by the Treasurer's office for various taxing entities and then later distributed per Kansas statutes. Because the resources of these funds are not available for the County's operations, they are not presented in the government-wide financial statements, but a Statement of Assets and Liabilities – Fiduciary Funds is included in the report.

DISCUSSION AND ANALYSIS

A. Net position

The following table reflects the County's condensed Statements of Net Position as of December 31, 2019 and 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	$ 170,570,185	$ 168,475,821	$ 12,731,033	$ 12,545,555	$ 183,301,218	$ 181,021,376
Noncurrent assets	262,448,211	267,878,910	2,641,067	2,159,303	265,089,278	270,038,213
Total assets	433,018,396	436,354,731	15,372,100	14,704,858	448,390,496	451,059,589
Total deferred outflows of resources	11,075,303	8,163,573	905,133	501,796	11,980,436	8,665,369
Current liabilities	26,419,289	22,421,684	952,467	677,385	27,371,756	23,099,069
Noncurrent liabilities	144,936,969	149,438,659	3,735,465	3,160,438	148,672,434	152,599,097
Total liabilities	171,356,258	171,860,343	4,687,932	3,837,823	176,044,190	175,698,166
Total deferred inflows of resources	84,712,248	83,631,284	327,135	398,159	85,039,383	84,029,443
Net position:						
Net investment in capital assets	159,440,763	154,966,433	2,405,785	1,957,574	161,846,548	156,924,007
Restricted	17,099,774	18,339,703	-	-	17,099,774	18,339,703
Unrestricted	11,484,656	15,720,541	8,856,381	9,013,098	20,341,037	24,733,639
Total net position	$ 188,025,193	$ 189,026,677	$ 11,262,166	$ 10,970,672	$ 199,287,359	$ 199,997,349

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2019, the County's total net position was $199,287,359, a decrease of $709,990 over 2018. Governmental activities decreased $1,001,484 while business-type activities increased by $291,494. The decrease is primarily related to an increase in pension liability.

By far, the largest portion of the governmental activities net position reflects the investment in capital assets (land, buildings, machinery and equipment and infrastructure), less any outstanding debt used to construct or acquire those assets. The County uses these assets to provide services to citizens, and consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's total net investment in capital assets increased from $ 156,924,007 in 2018 for all County activities to $161,846,548 in 2019. Of these amounts, the majority of this investment was for governmental activities. For 2019, the amount attributed to governmental activities was $159,440,763.

It is important to note that a portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of 2019, net position of $17,099,774 was classified as restricted.

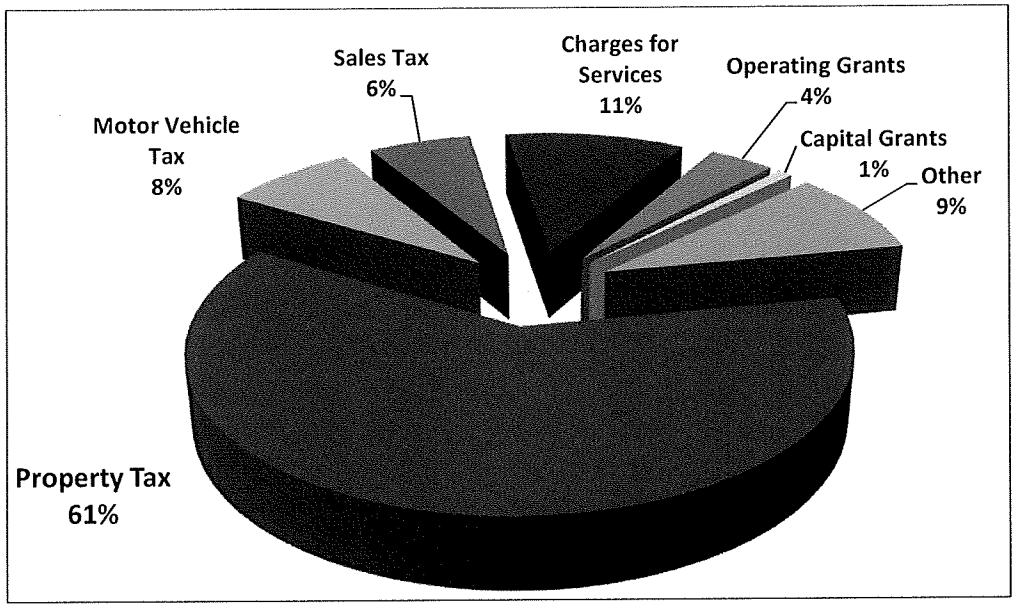
At the end of 2019, $20,341,037 of the County's net position ($11,484,656 governmental activities and $8,856,381 business-type) was unrestricted.

B. Revenues and Expenses

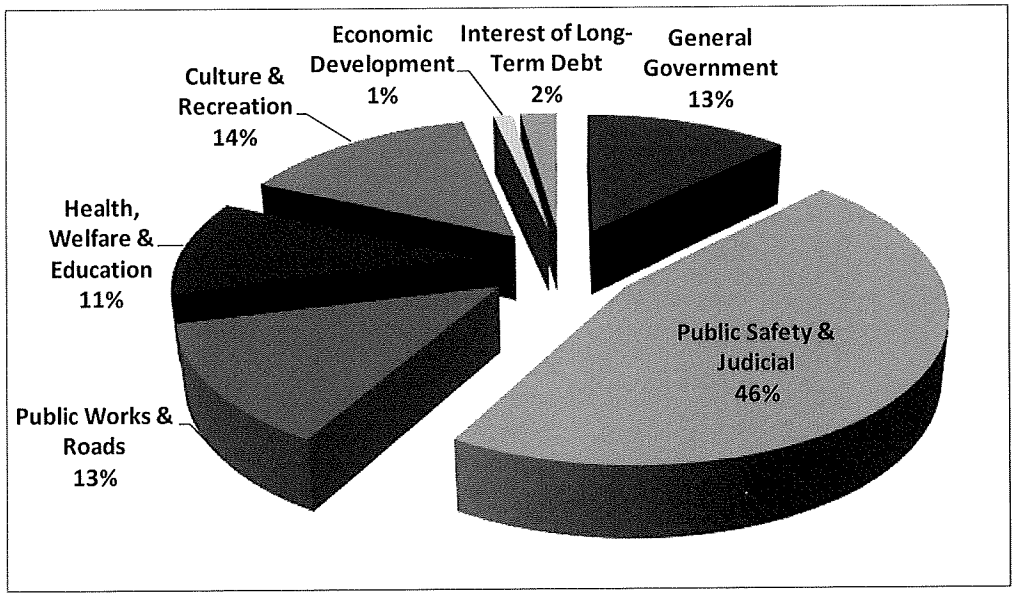
Generally, governmental activities comprise around 91% of the total revenues generated by the County and approximately 91% of the County's expenditures. The following table reflects the County's statements of activities for the years ended December 31, 2019 and December 31, 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 14,028,193	$ 13,407,794	$ 13,223,915	$ 13,003,085	$ 27,252,108	$ 26,410,879
Operating grants and contributions	4,993,931	6,138,896	-	-	4,993,931	6,138,896
Capital grants and contributions	1,139,654	760,071	-	-	1,139,654	760,071
General revenues:						
Property	79,517,960	77,202,113	-	-	79,517,960	77,202,113
Motor vehicle	10,087,628	9,971,513	-	-	10,087,628	9,971,513
Sales	7,932,560	7,909,490	-	-	7,932,560	7,909,490
Franchise	506,465	415,888	-	-	506,465	415,888
911 emergency	1,099,506	1,047,151	-	-	1,099,506	1,047,151
Grants and contributions not restricted to specific purposes	2,610,939	2,612,805	-	-	2,610,939	2,612,805
Unrestricted investment earnings	3,715,393	3,085,264	-	-	3,715,393	3,085,264
Other	3,824,994	6,640,058	-	-	3,824,994	6,640,058
Total revenues	129,457,223	129,191,043	13,223,915	13,003,085	142,681,138	142,194,128
Expenses:						
General government	16,507,645	17,363,790	-	-	16,507,645	17,363,790
Public safety and judicial	59,605,687	54,305,775	-	-	59,605,687	54,305,775
Public works, highways and streets	17,191,094	15,695,206	-	-	17,191,094	15,695,206
Health, welfare and education	13,881,171	11,854,898	-	-	13,881,171	11,854,898
Culture and recreation	19,042,892	20,094,770	-	-	19,042,892	20,094,770
Economic development	1,602,385	1,590,206	-	-	1,602,385	1,590,206
Interest on long-term debt	3,141,715	3,467,114	-	-	3,141,715	3,467,114
Refuse	-	-	12,418,539	11,167,286	12,418,539	11,167,286
Total expenses	130,972,589	124,371,759	12,418,539	11,167,286	143,391,128	135,539,045
Change in net position before transfers	(1,515,366)	4,819,284	805,376	1,835,799	(709,990)	6,655,083
Transfers	513,882	424,204	(513,882)	(424,204)	-	-
Change in net position after transfers	(1,001,484)	5,243,488	291,494	1,411,595	(709,990)	6,655,083
Net position, beginning	189,026,677	183,783,189	10,970,672	9,559,077	199,997,349	193,342,266
Net position, ending	$ 188,025,193	$ 189,026,677	$ 11,262,166	$ 10,970,672	$ 199,287,359	$ 199,997,349

The following pie chart summarizes the County's 2019 governmental activities revenues. It is easy to see that the County relies heavily on tax revenues to fund the County's functions and program services expenses. In 2019, property, motor vehicle, and sales taxes comprised 75% of the governmental activity revenues.



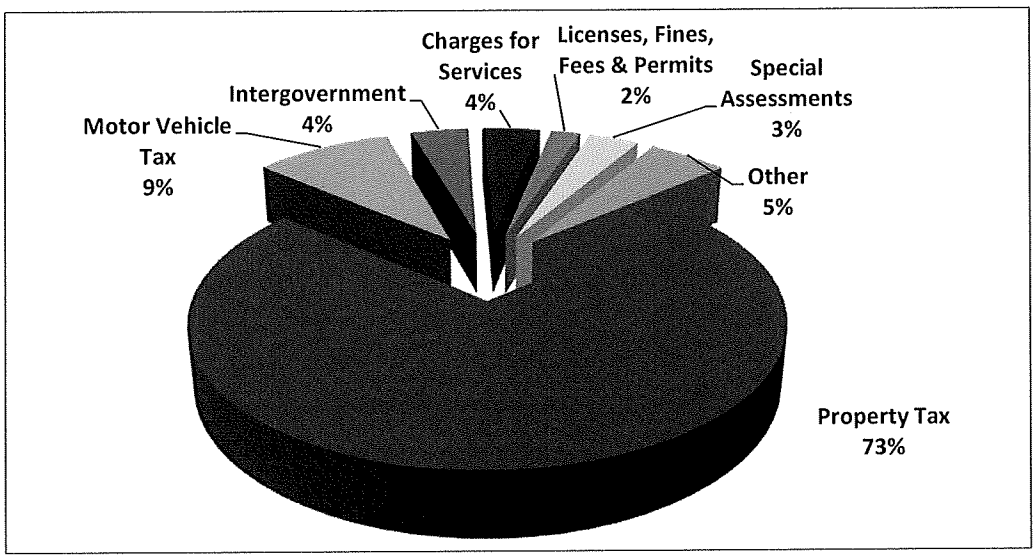
The chart below shows the breakout of the County's expenses for governmental activities:



For the year ended December 31, 2019 business-type activities increased the County's net position by $291,494 primarily from an increase in fee revenue.

C. General Fund Highlights

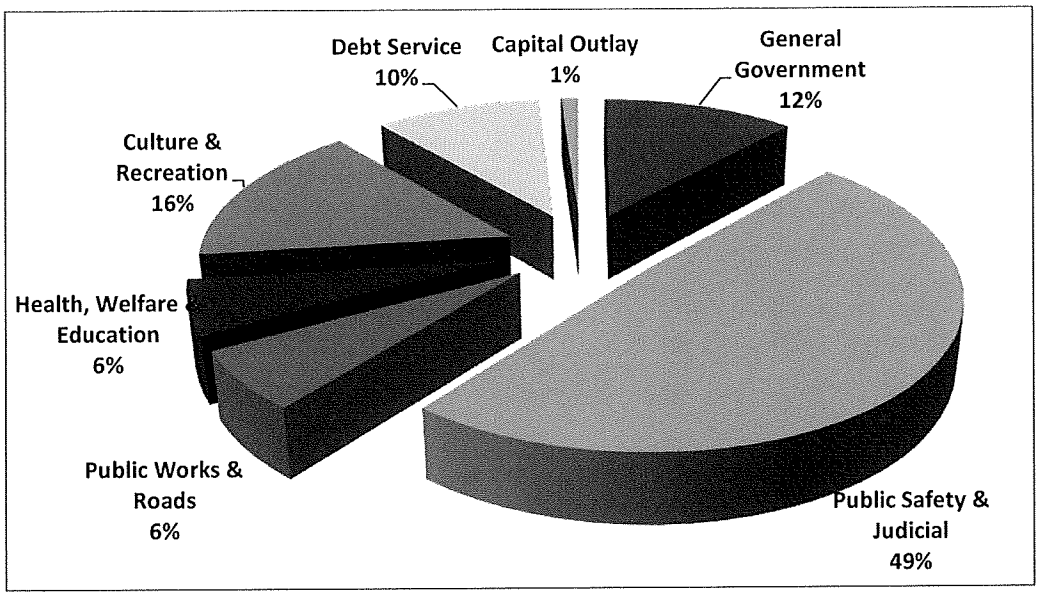
The following pie chart summarizes the County's 2019 General Fund revenues. The County relies heavily on tax revenues for the County's day-to-day operations. In 2019, property taxes, including in lieu of payments, comprised 73% of the General Fund revenue.



Revenue from fees and charges for services are generally collected for non-essential services provided by the County and in many cases, these charges do not cover the actual cost of the service. For example, most parks and recreation programs charge fees to participants to help fund the activities. The County also receives some fees from providing essential services. The majority of this revenue comes from other governmental entities for care of their prisoners at the Shawnee County Detention Center.

Special assessment revenue is not available to fund County operations. It is dedicated to paying the debt on the various special assessment projects that the County finances. These projects are paid for by the property owners who benefit from the improvements as special assessments on their County tax statements.

The chart below shows the breakout of the County's expenditures in the General Fund.



The County's general fund expenditures can be divided into six main categories. The general government category includes the County's financial and administrative offices, as well as the County's general expenditures such as utility bills and insurance coverage.

The public safety and judicial category is primarily the County's detention facility and the Sheriff's office which now includes the emergency dispatch center. The public safety and judicial category is by far the largest with 49% of the expenditures. The majority of the services in this category are services that the County has a statutory obligation to provide.

The public works, highways, and streets category covers the various functions provided by the Public Works Department such as maintaining County roads and snow removal. Major capital projects by the Public Works Department are not included in the General Fund. Most of these capital projects are funded by various sources including sales tax and grant funds.

The health, welfare, and education category is primarily the County's allocations for mental health, development disabilities, and other social services.

The culture and recreation category encompasses the activities of the County's parks and recreation programs and the routine maintenance of Shawnee County recreation centers and parks including Lake Shawnee. The County's parks and recreation department includes parks and recreational facilities within the City of Topeka. This category does not include major capital projects.

The last category is debt service. This includes bond payments, temporary note payments, payments on certificates of participation, and payments for special assessments.

The County's budget is prepared according to Kansas State statutes and must be certified by August 25th of the preceding year. The most significant budgeted fund for Shawnee County is the General Fund. The County's day-to-day operations are funded through the General Fund.

2019 General Fund revenues and transfers in were $110,937,221 compared to $108,596,983 in 2018 which represents an increase of $2,340,238 or 2.15%. 2019 General Fund expenditures and transfers out were $111,104,374 compared to $112,486,494 in 2018 which represents a decrease of $1,382,120 or 1.23%.

The County's mill levy to support the 2019 General Fund budget was $48.194.

In prior years, the Commission made the decision to use General Fund reserves instead of significantly increasing the property tax mill levy because of the weak economy and high unemployment rates. This effort to keep from overburdening the citizens with a large increase in taxes at an already difficult period resulted in a lower than optimal General Fund balance. Beginning with the 2014 budget, the Commission made a concerted effort to restore the General Fund balance to a healthy level.

General Fund Budgetary Highlights

Current fiscal year's revenues and transfers in were $22,358 less than budgeted amounts due to less transfers in than budgeted. Expenditures and transfers out were $1,485,142 less than the budget due to sound management practices by all departments.

Capital Assets and Debt Administration

Capital Assets

Shawnee County's capital assets for its governmental and business-type activities as of December 31, 2019 were $221,841,865 (net of depreciation) compared to $212,907,979 at the end of 2018.

The largest increase in capital assets from 2018 to 2019 was in the addition of new construction in process. It is important to note that these projects are not funded solely by property taxes. Proceeds from long-term debt, sales tax funding, grants, utility cost savings, and fees for services are additional sources of revenue.

Shawnee County, Kansas
Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 28,096,482	$ 28,714,624	$ -	$ -	$ 28,096,482	$ 28,714,624
Construction in process	20,436,673	3,232,157	-	-	20,436,673	3,232,157
Infrastructure	105,948,734	109,776,144	-	-	105,948,734	109,776,144
Buildings and improvements	56,280,745	60,810,044	76,771	26,890	56,357,516	60,836,934
Furniture, fixtures and office equipment	1,701,281	2,274,493	50,437	56,725	1,751,718	2,331,218
Motor vehicles	3,228,281	2,830,863	2,241,481	1,824,265	5,469,762	4,655,128
Tools and other equipment	3,743,884	3,312,080	37,096	49,694	3,780,980	3,361,774
	$ 219,436,080	$ 210,950,405	$ 2,405,785	$ 1,957,574	$ 221,841,865	$ 212,907,979

For additional information on capital assets, see Note 3 to the Basic Financial Statements.

Debt Administration

The County's general obligation bond debt was $33,640,000 at the end of 2019 compared to $40,720,000 at the end of 2018. Overall for 2019, the County decreased its general obligation debt by $7,080,000 from the repayment of debt.

During 2019, the County's overall debt decreased by $11,864,629 due to the repayment of debt.

General obligation bonds have been issued for special assessment projects which are eventually paid for by the taxpayers owning property within the benefit district of the related improvement. The County merely finances the projects on behalf of the benefit districts.

In June 2019, Moody's assigned a rating of Aa1 to Shawnee County General Obligation Refunding Bonds, Series 2019. In November 2019, Moody's assigned a rating of Aa1 to Shawnee County's General Obligation Debt and affirmed the rating of Aa2 to Shawnee County's Certificates of Participation. Their opinion listed the county's healthy financial position, manageable debt and pension liabilities, a substantial tax base and a healthy wealth and income profile as key credit factors.

Shawnee County, Kansas
Outstanding Obligations

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 33,640,000	$ 40,720,000	$ -	$ -	$ 33,640,000	$ 40,720,000
Loans	7,259,829	8,139,084	-	-	7,259,829	8,139,084
Certificates of participation	27,760,000	30,505,000	-	-	27,760,000	30,505,000
Revenue bonds	28,125,000	29,925,000	-	-	28,125,000	29,925,000
Unamortized premiums and discounts	5,822,965	5,665,105	-	-	5,822,965	5,665,105
Capital lease obligations	904,210	584,755	-	-	904,210	584,755
Compensated absences	5,174,128	4,739,510	443,637	435,581	5,617,765	5,175,091
Net OPEB obligation	4,799,814	5,054,719	463,840	489,298	5,263,654	5,544,017
	$ 113,485,946	$ 125,333,173	$ 907,477	$ 924,879	$ 114,393,423	$ 126,258,052

For additional information on debt administration, see Note 5 to the Basic Financial Statements.

F. Economic Factors

Economic factors can have a substantial impact on the valuation of property and thus, the tax revenues generated by a County's levy. The impact is delayed due to the timing of the property valuation process in relation to the budget. Valuations are calculated on the value of property at the beginning of a year although this final valuation number is not set until November of that year. That valuation number is then used in the budget process for the preceding fiscal year. For example, the final valuation for property on January 1, 2018 was used in the levy calculation for the 2019 budget. Any impact from economic factors on valuation is delayed and is not seen until a year or two later. The assessed valuation as of January 1, 2018, which was used for the 2019 budget, showed a slight increase from the prior year. The assessed valuation as of January 1, 2019, which will be used for the 2020 budget also shows a slight increase from the prior year.

Shawnee County and the City of Topeka continue to invest in local infrastructure and encourage business growth in the community. In 2001, the County entered into an interlocal agreement with the City of Topeka to form the "Joint Economic Development Organization" known as JEDO. JEDO is a separate legal entity that is governed by a seven-member board containing the three County Commissioners, the City Mayor, Deputy Mayor and two other city Council members. The principal mission of JEDO is the support of a strong economic development program designed to expand employment, strengthen the tax base, invest in the infrastructure of the community, and diversify and strengthen the Topeka and Shawnee County economy.

The funds to support these efforts in economic development have been garnered from a County-wide sales tax. In August of 2004, the electorate of Shawnee County approved the implementation of a one-half cent sales tax to begin in 2005 and expired at the end of 2016. In November of 2014, the citizens of Shawnee County approved the extension of the one-half cent sales tax beginning in 2017 through the end of 2031. The sales tax revenue from this extension is designated for economic development, County bridge projects, improvements to the Stormont Vail Events Center, road projects, improvements to the zoo, and bike trails.

Since March 2020, the COVID-19 pandemic has negatively impacted the economy of Shawnee County through unemployment and the closure of businesses. While the County began its gradual re-opening in May, the impact to County revenue and expenditures for 2020 and 2021 are unknown at this time. It is likely that property tax collections as well as other revenue, such as Parks and Recreation activities, will be lower than normal during 2020 and 2021. The COVID-19 pandemic has also increased expenditures for personnel costs, equipment and supplies.

Requests for Information

This financial report is designed to provide a general overview of the finances of Shawnee County government. Questions concerning any of the information should be addressed to Financial Administrator, Shawnee County Audit-Finance Department, Suite 201, 200 SE 7th Street, Topeka, KS, 66603-3903.

SHAWNEE COUNTY, KANSAS
Statement of Net Position
December 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and short-term investments	$ 86,232,564	$ 11,475,986	$ 97,708,550
Receivables, net:			
Taxes receivable, net	80,493,832	-	80,493,832
Accounts receivable, net	832,064	259,347	1,091,411
Interest receivable	247,254	-	247,254
Due from other governments	2,764,471	995,700	3,760,171
Prepaids	283,616	-	283,616
Total current assets	170,853,801	12,731,033	183,584,834
Noncurrent assets			
Cash and short-term investments - restricted	21,150,127	-	21,150,127
Receivables, net:			
Special assessments receivable, net	21,813,670	-	21,813,670
Internal balances	(235,282)	235,282	-
Capital Assets:			
Land and construction in progress, non-depreciable	48,533,155	-	48,533,155
Other capital assets, net of depreciation	170,902,925	2,405,785	173,308,710
Total noncurrent assets	262,164,595	2,641,067	264,805,662
Total assets	433,018,396	15,372,100	448,390,496
Deferred outflows of resources			
Deferred charge on refunding	1,347,960	-	1,347,960
Other post employment benefits - County plan	282,743	25,854	308,597
Other post employment benefits - KPERS plan	17,449	2,026	19,475
Pension - related amounts	9,427,151	877,253	10,304,404
Total deferred outflows of resources	11,075,303	905,133	11,980,436
Liabilities			
Current liabilities			
Accounts payable	8,115,271	486,235	8,601,506
Accrued expenses	2,226,718	220,534	2,447,252
Due to other governments	251,497	-	251,497
Unearned revenue	215,192	-	215,192
Accrued interest payable	1,131,235	-	1,131,235
Current portion of claims payable	782,622	-	782,622
Current portion of long-term liabilities	13,696,924	245,698	13,942,622
Total current liabilities	26,419,459	952,467	27,371,926
Noncurrent liabilities			
Claims payable	3,032,913	-	3,032,913
Long-term liabilities:			
Due in more than one year	94,989,208	197,939	95,187,147
Total OPEB liability	4,799,814	463,840	5,263,654
Net pension liability	42,115,034	3,073,686	45,188,720
Total noncurrent liabilities	144,936,969	3,735,465	148,672,434
Total liabilities	171,356,428	4,687,932	176,044,360
Deferred inflows of resources			
Property taxes revenue	80,131,448	-	80,131,448
Other post employment benefits - County plan	833,224	76,189	909,413
Other post employment benefits - KPERS plan	319,574	37,099	356,673
Pension - related amounts	3,427,832	213,847	3,641,679
Total deferred inflows of resources	84,712,078	327,135	85,039,213
Net Position			
Net investment in capital assets	159,440,763	2,405,785	161,846,548
Restricted for:			
Public safety and judicial	1,623,218	-	1,623,218
Public works, highways and streets	4,162,953	-	4,162,953
Health, welfare and education	432,904	-	432,904
Capital projects	199,161	-	199,161
Economic development	9,232,018	-	9,232,018
Other purposes	1,449,520	-	1,449,520
Unrestricted	11,484,656	8,856,381	20,341,037
Total net position	$ 188,025,193	$ 11,262,166	$ 199,287,359

See Accompanying Notes to the Basic Financial Statements

SHAWNEE COUNTY, KANSAS
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General government	$ 16,507,645	$ 3,540,049	$ 5,455	$ -	$ (12,962,141)	$ -	**$ (12,962,141)**
Public safety and judicial	59,764,408	2,331,999	3,421,145	-	(54,011,264)	-	**(54,011,264)**
Public works, highways and streets	17,191,094	3,109,375	-	1,139,654	(12,942,065)	-	**(12,942,065)**
Health, welfare and education	13,881,171	77,393	2,084,316	-	(11,719,462)	-	**(11,719,462)**
Culture and recreation	19,042,892	4,452,392	-	-	(14,590,500)	-	**(14,590,500)**
Economic development	1,602,385	-	-	-	(1,602,385)	-	**(1,602,385)**
Interest on long-term debt	2,982,993	-	-	-	(2,982,993)	-	**(2,982,993)**
Total Governmental Activities	130,972,588	13,511,208	5,510,916	1,139,654	(110,810,810)	-	**(110,810,810)**
Business-Type Activities:							
Refuse	12,418,539	13,223,915	-	-	-	805,376	**805,376**
Total Business-Type Activities	12,418,539	13,223,915	-	-	-	805,376	**805,376**
Total Primary Government	$ 143,391,127	$ 26,735,123	$ 5,510,916	$ 1,139,654	(110,810,810)	805,376	**(110,005,434)**

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Property	79,517,960	-	**79,517,960**
Motor vehicle	10,087,628	-	**10,087,628**
Sales	7,932,560	-	**7,932,560**
Franchise	506,465	-	**506,465**
911 emergency	1,099,506	-	**1,099,506**
Grants and contributions not restricted to specific purposes	2,610,939	-	**2,610,939**
Unrestricted investment earnings	3,715,393	-	**3,715,393**
Other	3,824,993	-	**3,824,993**
Transfers	513,882	(513,882)	**-**
Total general revenues and transfers	109,809,326	(513,882)	**109,295,444**
Changes in net position	(1,001,484)	291,494	**(709,990)**
Net position - beginning of year	189,026,677	10,970,672	**199,997,349**
Net position - end of year	$ 188,025,193	$ 11,262,166	**$ 199,287,359**

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Balance Sheet - Governmental Funds
December 31, 2019

	General Fund	Public Building Commission Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and short-term investments	$ 35,374,636	$ 20,887,844	$ 41,642,390	$ 97,904,870
Taxes receivable, net	80,368,541	-	125,291	80,493,832
Accounts receivable, net	419,300	-	412,764	832,064
Interest receivable	247,254	-	-	247,254
Due from other governments	9,960	-	2,754,511	2,764,471
Due from other funds	164,327	-	-	164,327
Prepaids	118,247	-	165,369	283,616
Special assessments receivable, net	21,813,670	-	-	21,813,670
Total assets	$ 138,515,935	$ 20,887,844	$ 45,100,325	$ 204,504,104
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	$ 1,523,714	$ 4,078,860	$ 2,290,562	$ 7,893,136
Accrued expenditures	1,960,009	-	266,709	2,226,718
Due to other governments	-	-	251,497	251,497
Due to other funds	-	-	164,327	164,327
Unearned revenue	-	-	215,192	215,192
Total liabilities	3,483,723	4,078,860	3,188,287	10,750,870
Deferred inflows of resources:				
Unavailable revenue - property taxes	80,007,733	-	123,715	80,131,448
Unavailable revenue - special assessments	21,813,670	-	-	21,813,670
Unavailable revenue - grants	-	-	375,465	375,465
Unavailable revenue - other	30,315	-	-	30,315
Total deferred inflows of resources	101,851,718	-	499,180	102,350,898
Fund balances				
Nonspendable:				
Prepaid Items	118,247	-	165,369	283,616
Restricted:				
Public safety and judicial	-	-	1,623,218	1,623,218
Public works, highways and streets	-	-	4,162,953	4,162,953
Health, welfare and education	-	-	432,904	432,904
Capital projects	-	-	199,161	199,161
Economic development	-	-	9,232,018	9,232,018
Other purposes	-	-	1,449,520	1,449,520
Committed:				
Public safety and judicial	-	-	372,419	372,419
Assigned:			-	
General government	3,385,347	-	-	3,385,347
Public safety and judicial	-	-	1,256,324	1,256,324
Public works, highways and streets	-	-	7,121	7,121
Health, welfare and education	-	-	2,265,111	2,265,111
Culture and recreation	385,764	-	575,660	961,424
Capital projects	-	16,808,984	19,881,059	36,690,043
Other purposes	65,068	-	-	65,068
Unassigned:	29,226,068	-	(209,979)	29,016,089
	33,180,494	16,808,984	41,412,858	91,402,336
Total liabilities, deferred inflows of resources and fund balances	$ 138,515,935	$ 20,887,844	$ 45,100,325	$ 204,504,104

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balances - total governmental funds	$	91,402,336
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the statement of net position		219,436,080
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenue in the fund statements		22,219,450
Deferred outflows of resources related to pensions are not due and payable in the current period and therefore are not reported in the funds		
KPERS pension plan		9,427,151
County OPEB plan		282,743
KPERS OPEB plan		17,449
Deferred inflows of resources related to pensions and OPEB do not increase net position until a future period and therefore are not reported in the fund statements:		
KPERS pension plan		(3,427,832)
County OPEB plan		(833,224)
KPERS OPEB plan		(319,574)
Long-term liabilities, including bonds payable and certificates of participation, are not due and payable in the current period, and therefore, are not reported in the funds:		
Deferred charge on refunding		1,347,960
Accrued interest payable		(1,131,235)
Net pension liability		(42,115,034)
Long-term debt		(103,512,004)
Compensated absences		(5,174,128)
Total OPEB liability		(4,799,814)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service fund are reported with governmental activities in the statement of net position, net of the amount allocated to business-type activities.		5,204,869
Total net position of governmental activities	$	188,025,193

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Public Building Commission Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes				
Property	$ 79,383,515	$ -	$ 134,445	**$ 79,517,960**
Motor vehicle	10,074,737	-	12,891	**10,087,628**
Sales	-	-	7,932,560	**7,932,560**
Franchise	506,465	-	-	**506,465**
911 emergency	-	-	1,099,506	**1,099,506**
Intergovernmental	4,228,520	-	7,061,548	**11,290,068**
Charges for services	4,221,250	-	3,161,096	**7,382,346**
License, fines, fees and permits	2,167,680	-	2,137,067	**4,304,747**
Interest income	3,179,311	536,082	-	**3,715,393**
Special assessments	3,676,091	-	-	**3,676,091**
Other	2,163,550	-	3,332,034	**5,495,584**
Total revenues	109,601,119	536,082	24,871,147	**135,008,348**
Expenditures:				
Current:				
General government	12,103,898	-	3,404,182	**15,508,080**
Public safety and judicial	50,038,680	-	5,015,008	**55,053,688**
Public works, highways and streets	6,560,121	-	3,822,494	**10,382,615**
Health, welfare and education	6,039,245	-	7,479,974	**13,519,219**
Culture and recreation	16,055,747	1,250	153,385	**16,210,382**
Economic development	-	-	1,602,385	**1,602,385**
Debt service:				
Principal retirement	20,370,616	1,800,000	1,753,041	**23,923,657**
Interest and fiscal charges	1,828,679	1,197,000	353,803	**3,379,482**
Bond issuance costs	158,722	-	-	**158,722**
Capital outlay	1,877,592	12,686,660	8,719,705	**23,283,957**
Total expenditures	115,033,300	15,684,910	32,303,977	**163,022,187**
Excess of revenues over (under) expenditures	(5,432,181)	(15,148,828)	(7,432,830)	**(28,013,839)**
Other financing sources (uses):				
Issuance of refunding debt	10,965,000	-	-	**10,965,000**
Issuance premium on debt	1,248,722	-	-	**1,248,722**
Proceeds from sale of capital assets	30,911	-	-	**30,911**
Capital lease	773,857	-	-	**773,857**
Transfers in	1,120,761	2,997,552	12,792,165	**16,910,478**
Transfers (out)	(8,715,501)	(1,250)	(7,679,845)	**(16,396,596)**
Total other financing sources (uses)	5,423,750	2,996,302	5,112,320	**13,532,372**
Net change in fund balances	(8,431)	(12,152,526)	(2,320,510)	**(14,481,467)**
Fund balances - beginning of year	33,188,925	28,961,510	43,733,368	**105,883,803**
Fund balances - end of year	$ 33,180,494	$ 16,808,984	$ 41,412,858	**$ 91,402,336**

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

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

Net changes in fund balances - total governmental funds	$	(14,481,467)
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 outlays exceeded depreciation and the effect of other capital asset transactions in the current period:		
Capital outlay		23,012,999
Depreciation expense		(13,760,214)
Loss on disposal of capital assets		(736,199)
Proceeds on disposal of capital assets		(30,911)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred inflows of resources - special assessment revenue		(5,111,699)
Deferred inflows of resources - grants		(204,444)
Deferred inflows of resources - other revenue		(265,894)
The issuance of long-term debt (eg. 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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments		23,923,657
Debt issued and capital lease financing		(773,857)
Refunding debt issued		(10,965,000)
Issuance premium on debt		(1,248,722)
Amortization of premiums, discounts, and deferred amounts, net		355,523
Change in accrued interest payable		40,966
Some 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.		
Change in accrued compensated absences		(434,618)
OPEB expense		(212,627)
Pension expense		(689,449)
Internal service funds are used by management to charge the costs of vehicles and equipment replacement to individual funds. The net revenue of certain activities of the Internal Service fund is reported with governmental activities, net of amount allocated to business-type activities.		580,472
Total changes in net position of governmental activities	$	(1,001,484)

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2019

	Refuse	Internal Service Funds
Assets		
Current assets:		
Cash and short-term investments	$ 11,475,986	$ 9,477,821
Accounts receivables, net	259,347	-
Due from other governments	995,700	-
Total current assets	12,731,033	9,477,821
Noncurrent assets:		
Capital Assets:		
Other capital assets, net of depreciation	2,405,785	-
Total capital assets	2,405,785	-
Total assets	15,136,818	9,477,821
Deferred outflows of resources		
Deferred outflows - OPEB - County plan	25,854	-
Deferred outflows - OPEB - KPERS plan	2,026	-
Deferred outflows - pension	877,253	-
Total deferred outflows of resources	905,133	-
Liabilities		
Current liabilities:		
Accounts payable	486,235	222,135
Accrued expenses	220,534	-
Claims payable	-	3,815,535
Long-term liabilities, due in one year	245,698	-
Total current liabilities	952,467	4,037,670
Noncurrent liabilities:		
Long-term liabilities, due in more than one year	197,939	-
Total OPEB liability	463,840	-
Net pension liability	3,073,686	-
Total noncurrent liabilities	3,735,465	-
Total liabilities	4,687,932	4,037,670
Deferred inflows of resources		
Deferred inflow - OPEB - County plan	76,189	-
Deferred inflow - OPEB - KPERS plan	37,099	-
Deferred inflow - pension	213,847	-
Total deferred inflows of resources	327,135	-
Net Position		
Investment in capital assets	2,405,785	-
Unrestricted	8,621,099	5,440,151
Total net position	$ 11,026,884	$ 5,440,151
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund.	235,282	
Net position of business-type activities	$ 11,262,166	

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Refuse	Internal Service Funds
Operating revenues:		
Charges for services	$ 13,192,270	$ 13,344,727
Other	31,645	283,477
Total operating revenues	13,223,915	13,628,204
Operating expenses:		
Personnel services	6,517,188	36,296
Contractual services	3,742,689	1,357,777
Supplies	1,345,688	-
Utilities	11,306	-
Claims	-	11,600,034
Other	55,215	910
Depreciation	799,168	-
Total operating expenses	12,471,254	12,995,017
Operating income	752,661	633,187
Transfers (out)	(513,882)	-
Change in net position	238,779	633,187
Total net position - beginning of year	10,788,105	4,806,964
Total net position - end of year	$ 11,026,884	$ 5,440,151
Change in net position	$ 238,779	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund.	52,715	
Change in net position of business-type activities	$ 291,494	

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Cash Flows -
Proprietary Funds
For the Year Ended December 31, 2019

	Refuse	Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	$ 13,182,991	$ -
Receipts from interfund and other services	-	13,632,369
Payments to suppliers	(4,917,566)	(11,776,405)
Payments to employees for services	(6,359,610)	(36,296)
Net cash provided by operating activities	1,905,815	1,819,668
Cash flows from noncapital financing activities:		
Transfers (to) from other funds	(513,882)	-
Net cash (used in) noncapital financing activities	(513,882)	-
Cash flows from capital and related financing activities:		
Purchases of capital assets	(1,247,379)	-
Net cash (used in) capital and related financing activities	(1,247,379)	-
Net increase in cash and short-term investments	144,554	1,819,668
Cash and short-term investments, beginning of year	11,331,432	7,658,153
Cash and short-term investments, end of year	$ 11,475,986	$ 9,477,821
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 752,661	$ 633,187
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	799,168	-
Change in assets and liabilities:		
Accounts receivables (net)	(11,149)	4,165
Due from other governments	(29,775)	-
Inventory	19,162	-
Deferred outflows	(403,337)	-
Accounts payable and accrued expenses	271,478	(193,245)
Claims payable	-	1,375,561
Compensated absences and OPEB liability	(17,402)	-
Net pension liability	596,033	-
Deferred inflows	(71,024)	-
Net cash provided by operating activities	$ 1,905,815	$ 1,819,668

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2019

		Agency Funds
Assets		
Cash and investments	$	150,157,931
Tax Receivable, net		656,772
	$	150,814,703
Liabilities		
Due to taxing districts, governments, and others	$	150,814,703

See Accompanying Notes to the Basic Financial Statements

1. Reporting Entity and Summary of Significant Accounting Policies

The accompanying basic financial statements of Shawnee County, Kansas (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to local governmental units. The County's significant accounting policies are described below:

Reporting Entity

The County is governed by a County Commission comprised of a chairman, vice-chairman and member. Elected officials are responsible for the operations of certain County offices, including the Treasurer's, County Clerk's, Sheriff's, District Attorney's, Register of Deeds' and the Third Judicial District Court Judge's. Appointed officials are responsible for certain offices, including the Appraiser's and Financial Administrator's. In evaluating the County's financial reporting entity, management has considered all potential component units and has determined there are no material component units over which the County is financially accountable. Financial accountability is based primarily on non-operational or financial relationships with the County (as distinct from legal relationships). These financial statements include all accounts for which the County is considered to be financially accountable.

Sherwood Regional Wastewater Treatment District is reported as a blended component unit of Shawnee County and is, therefore, combined within the County's primary government statements as the Sewer Special Revenue Fund. The governing body for this district is the Shawnee County Board of County Commissioners. As provided by K.S.A. 19-27a01(e), this district is a separate legal entity and is the owner of the sewer system, the Sherwood Regional Wastewater Treatment Plant and related facilities within the Sewer District.

Shawnee County, Kansas Public Building Commission is reported as a blended component unit of Shawnee County. The governing body for this district is the Shawnee County Board of County Commissioners. Pursuant to K.S.A. 12-1757 et seq., this public building commission was formed to provide the County another option in financing the County's capital improvements. Public building commissions provide a lower interest cost option without additional risk. The Shawnee County, Kansas Public Building Commission was created on November 30, 2017.

Basis of Presentation

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds).

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County, the primary government, as a whole, with the exclusion of the fiduciary funds which contain assets not available for use by the County. Eliminations have been made to minimize the doubling effects of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by that function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the County.

The County's net position is reported in three parts—net investment in capital assets, restricted net position; and unrestricted net position. The County first utilizes restricted resources to finance restricted activities.

The government-wide financial statements are more focused on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary and fiduciary funds—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The major governmental funds of the County are described below:

General Fund

This fund is the primary operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is also used to account for the resources accumulated and payments made for principal and interest on general long-term debt associated with equipment and facilities owned and leased by the County, except those accounted for in another fund.

Public Building Commission Fund

This blended component unit, presented as a capital projects fund, accounts for the bond proceeds from debt issued by the Public Building Commission towards capital improvements.

The County reports the following major enterprise fund:

Refuse Fund

This fund accounts for the operation of the waste disposal activities for the County.

The County also reports the following additional fund types:

Special Revenue Funds —these funds account for specific revenue sources (other than major capital projects) that are restricted by enabling legislation to expenditures for specified purposes.

Capital Projects Funds —these funds are used to account for capital project related resources and project costs.

Internal Service Funds —these funds account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County maintains two internal service funds that accounts for the health insurance and workers' compensation insurance programs.

Fiduciary Funds —these funds accounts for the resources held for others and property taxes collected on behalf of other governments. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds utilize the accrual basis of accounting but have no measurement focus. Revenue from exchange and exchange-like transactions is recognized when earned. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, can include certain grants and donations. Revenue from non-exchange transactions is recognized when all eligibility requirements or other measurement criteria have been satisfied. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements

All governmental funds are reported using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The County considers all revenues for investment earnings, special assessments and state-levied, locally shared taxes (including motor vehicle fees) to be available if the revenues are collected within sixty days after year-end. Reimbursements due for federally funded projects are accrued as revenue at the time qualifying expenditures have been incurred and all other grant requirements have been met, and in the governmental funds, when the availability criteria has also been met. When cash is received in advance, it is recorded as unearned revenue until expenditures are made. Proceeds of long-term debt are reported as other financing sources.

Other revenues, including licenses and permits, certain charges for services, certain fees and fines and certain miscellaneous revenue are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, landfill closure costs, pensions and compensated absences, which are recognized as expenditures to the extent that they have matured. General capital asset acquisitions are reported as expenditures in the governmental funds. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

This approach differs from the manner in which the government-wide financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

Pooled Cash, Cash Equivalents and Investments

The cash balances of substantially all funds are pooled and invested by the Financial Administrator for the purpose of increasing earnings through investment activities. These pooled investments consist primarily of demand deposits, repurchase agreements, nonnegotiable certificates of deposit and money market instruments. Certificates of deposit and money market funds are carried at amortized cost because they are not affected by market rate changes. The individual funds' portions of the pool's fair value are presented as "cash and short-term investments". Earnings on the pooled funds are apportioned and paid or credited to the funds required to accumulate earnings based on their average monthly balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For purposes of the proprietary funds' cash flows statement, cash and short-term investments are defined as investments with original maturities of three months or less.

Receivables and Payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All property tax receivables are shown net of an allowance for uncollectibles. The allowance for property tax receivables for the year ended December 31, 2019 was $2,498,605. The property tax receivable allowance is equal to 3% of outstanding property taxes at December 31, 2019. The trade receivables for the general fund and other governmental funds are considered to be fully collectible. The allowance for uncollectibles for the Refuse Fund and the Health Agency Fund receivables are $24,900 and $4,271.

Accounts receivable for refuse services at December 31, 2019 include unbilled receivables of $184,389. These are receivables for commercial refuse services and residential refuse services outside of the Topeka city limits.

Intergovernmental Revenues and Receivables

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and in the governmental funds, when the availability criteria has also been met. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received. The City of Topeka bills refuse services for residential customers within the city limits for Shawnee County. At December 31, 2019, Shawnee County was due $256,625 in unbilled receivables from the City of Topeka.

Property Taxes 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, with the related levies and liens on property becoming effective on November 1 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 of the full amount of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10 of the ensuing year. At December 31, 2019, such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources.

Assessed values are established by the County Appraiser. The assessed value for property located in the County as of November 1, 2018 was $1,693,486,277 on which the 2019 property tax revenues were based. The County's property tax levies per $1,000 assessed valuation for property tax revenues were as follows:

Fund	Levy (Dollars)
General	$ 48.135
Special Liability	0.059
	$ 48.194

State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Therefore, taxes levied in the current year are recorded as taxes receivable and unavailable revenue at year end, and are recognized as revenue, net of estimated uncollectible and delinquent amounts, in the year for which they are levied. Taxes receivable also represent property taxes levied for 2019 and prior years which have not yet been collected and are reflected as a deferred inflow of resources.

Special assessments receivable

As required by Kansas statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the County and are retired from the General Fund. Further, Kansas statutes permit levying additional general ad valorem taxes in the General Fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the General Fund. Special assessments taxes are levied and collected over the life of the bonds which is usually twenty years, and the County may foreclose on liens against property benefited by special assessments when delinquent assessments are two years in arrears. In the fund financial statements, the special assessments taxes levied are a lien on the property and are recorded as special assessments receivable with a corresponding amount recorded as unavailable revenue.

Inventory and prepaid items

Inventory is valued at cost using the first-in, first-out (FIFO) method. The inventory is considered expended when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Deferred outflows/inflows of resources

In addition to assets, the statement of net 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) until then. The County has two items that qualify for reporting in this category. It is the deferred amount on refunding and deferred outflows for pensions and OPEB reported in the government-wide statement of net position. The deferred outflow for pensions and OPEB is also reported in the enterprise fund. A deferred amount 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 Notes 7 and 8 for more information on the deferred outflows for pensions and OPEB, respectively.

In addition to liabilities, the financial statements 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 two types of items, which arises under the accrual and modified accrual basis of accounting that qualify for reporting in this category. The first item, unavailable revenue, is reported in the governmental activities statement of net position and the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grants and other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available and for which they are levied. The second item, deferred inflows for pensions and OPEB, are reported on the government-wide statement of net position, as well as reported in the enterprise fund. See Notes 7 and 8 for more information on the deferred inflows for pensions and OPEB, respectively.

Capital Assets

Capital assets, which include land, building and improvements, furniture, fixtures and equipment, motor vehicles, tools and equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than $5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when constructed.

The County's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. The estimated useful lives are:

Infrastructure	10 - 50 years
Buildings and improvements	10 - 30 years
Furniture, fixtures and office equipment	5 - 10 years
Motor vehicles	5 years
Tools and other equipment	5 - 10 years

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and sick leave balances. Under the terms of the County's personnel policy, County employees are granted vacation and sick leave in varying amounts. Vacation is earned at the rate of 4 to 8 hours per two-week pay period, depending on the employee's years of service. Sick leave is accumulated at the rate of 4 hours per two-week pay period. The maximum amount of vacation which an employee may carry forward from year to year is 240 hours, and the maximum amount of accrued sick leave for which a retiring employee with 800 or more hours accrued may be compensated is *35%* of their sick leave balance. Only retiring employees are compensated for unused sick leave. 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.

Pension Plan

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. The County's pension plan is more fully described in Note 7.

Long-Term Debt

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. Bond premiums and discounts and deferred charge on refunding, when material, are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed in the period when incurred or at the time of issuance.

In the governmental funds, bond proceeds, premiums and discounts are reported as other financing sources or uses in the year of issuance.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Net Position Classifications

In the government-wide and proprietary fund financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets – Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The County first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

(1) Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

(2) Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

(3) Committed – This consists of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of County Commissioners.

(4) Assigned – This consists of amounts which are constrained by County management's intent to be used for a specific purpose but are neither formally restricted by external sources nor committed by Board of County Commissioners action. The Department Heads have the authority to assign amounts for a specific purpose in this category. Likewise, the Department Heads have the authority to take necessary actions to un-assign amounts in this category.

(5) Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

For programs with multiple revenue sources, the County first uses restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available. For purposes of fund balance classification, expenditures are spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Pending Governmental Accounting Standards Board Statements

GASB has issued the following statements which may impact the County's financial reporting requirements in the future:

- GASB Statement 84 – *Fiduciary Activities*, effective for reporting periods beginning after December 15, 2019.
- GASB Statement 88 – *Certain Disclosures Related to Debt*, effective for reporting periods beginning after June 15, 2019.
- GASB Statement 87 – *Leases,* effective for reporting periods beginning after June 15, 2021.
- GASB Statement 91 – *Conduit Debt Obligations,* effective for reporting periods beginning after December 15, 2021.
- GASB Statement 92 - *Omnibus*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement 93 - *Replacement of Interbank Offered Rates*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for reporting periods beginning after June 15, 2022.
- GASB Statement 96 - *Subscription-Based Information Technology Arrangements*, effective for reporting periods beginning after June 15, 2022.
- GASB Statement 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective for reporting periods beginning after June 15, 2021.

The County's management has not yet determined the effect, if any, these statements will have on a County's financial statements, although management believes that GASB Statement No. 87 may have a significant impact.

2. Cash and Investments

Applicable state statutes authorize the County to invest in (1) money market accounts or certificates of deposit in commercial banks and trust companies, (2) time certificates of deposit with state or federally chartered savings and loan associations or federally chartered savings banks, (3) repurchase agreements with commercial banks, trust companies, state or federally chartered savings and loan associations or federally chartered savings banks, (4) United States Treasury Bills or Notes, (5) temporary notes, and (6) the municipal investment pool fund (the Pool). The Pool is operated by the State Treasurer, is not an SEC registered pool and is regulated by the Pooled Money Investment Board. Noncurrent cash and short-term investments include $21,150,127 which is held by a trustee and restricted for capital projects.

Cash and short-term investments consisted of the following at December 31, 2019:

Deposits:	
Demand deposits	$ 247,856,481
Certificates of deposit - Workers compensation	10,000
	247,866,481
Noncurrent investments:	
Money market funds	21,150,127
	21,150,127
	$ 269,016,608
Government-wide Statement of Net Position - Current	$ 97,708,550
Government-wide Statement of Net Position - Noncurrent	21,150,127
Agency Funds Statement of Assets and Liabilities	150,157,931
	$ 269,016,608

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. The County does not have a formal policy limiting credit quality of investments. The County follows applicable State Statutes that restrict the types of investments the County may utilize. At December 31, 2019, the County's investments consisted of short-term money market funds. The money market funds were invested in direct U.S. Treasury obligations or other U.S. agency securities that were rated AAA by Standard and Poor's at year-end.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a policy for custodial credit risk. Statutes require that collateral pledged must have a fair value equal to 100% of the deposits, less insured amounts, and they must be assigned for the benefit of the County.

At December 31, 2019, the County's deposits were insured, in part, by the Federal Depository Insurance Corporation. Uninsured deposits and certificates of deposit were fully collateralized by securities held in the County's name by their financial institution's agent. The short-term money market funds are not subject to custodial credit risk. Accordingly, management has determined that none of the County's deposits or investments are exposed to custodial credit risk as of December 31, 2019.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. The County does not have a policy for interest rate risk. The County's short-term investments at December 31, 2019 consisted of money market funds with maturities of less than one year.

Concentration of Credit Risk

The County does not have a policy for concentration of credit risk. Kansas statutes indirectly prohibit such a limitation, as local banks must be given preference on each investment of idle funds. At December 31, 2019, the County's investments consisted of short-term money market funds. These money market funds are not subject to such risks.

3. Capital Assets

A summary of changes in capital assets is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 28,714,624	$ -	$ 618,142	$ 28,096,482
Construction in process	3,232,157	19,276,221	2,071,705	20,436,673
Total capital assets not being depreciated	31,946,781	19,276,221	2,689,847	48,533,155
Capital assets being depreciated:				
Infrastructure	172,206,139	1,146,761	153,355	173,199,545
Buildings and improvements	160,808,883	782,674	122,637	161,468,920
Furniture, fixtures and office equipment	16,773,227	872,888	2,506,314	15,139,801
Motor vehicles	13,357,089	1,448,837	585,285	14,220,641
Tools and other equipment	21,394,824	1,557,323	2,615,806	20,336,341
Total capital assets being depreciated	384,540,162	5,808,483	5,983,397	384,365,248
Less accumulated depreciation for:				
Infrastructure	62,429,995	4,937,136	116,320	67,250,811
Buildings and improvements	99,998,839	5,311,972	122,637	105,188,174
Furniture, fixtures and office equipment	14,498,734	1,446,101	2,506,314	13,438,521
Motor vehicles	10,526,226	1,046,303	580,169	10,992,360
Tools and other equipment	18,082,744	1,018,702	2,508,989	16,592,457
Total accumulated depreciation	205,536,538	13,760,214	5,834,429	213,462,323
Total depreciable capital assets, net	179,003,624	$ (7,951,731)	$ 148,968	170,902,925
Governmental, capital assets net	$ 210,950,405			$ 219,436,080

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Capital assets being depreciated:				
Buildings and improvements	$ 60,367	$ 53,741	$ 4,500	$ 109,608
Furniture, fixtures and office equipment	81,913	-	5,352	76,561
Motor vehicles	8,233,008	1,193,638	2,166,598	7,260,048
Tools and other equipment	2,810,264	-	363,690	2,446,574
Total capital assets being depreciated	11,185,552	1,247,379	2,540,140	9,892,791
Less accumulated depreciation for:				
Buildings and improvements	33,477	3,860	4,500	32,837
Furniture, fixtures and office equipment	25,187	6,289	5,352	26,124
Motor vehicles	6,408,745	776,420	2,166,598	5,018,567
Tools and other equipment	2,760,569	12,599	363,690	2,409,478
Total accumulated depreciation	9,227,978	$ 799,168	$ 2,540,140	7,487,006
Business-type, capital assets net	$ 1,957,574			$ 2,405,785

Depreciation expense was charged to the various functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 949,891
Public safety and judicial	3,849,040
Public works, highways and streets	5,237,357
Health, welfare and education	452,063
Cultural and recreation	3,271,863
Total depreciation expense for governmental activities	$ 13,760,214
Business-type activities:	
Refuse	$ 799,168
Total depreciation expense for business-type activities	$ 799,168

4. Interfund Activity

Interfund transfers for the year ended December 31, 2019 are as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ 1,120,761	$ 8,715,501
Public Building Commission Fund	2,997,552	1,250
Nonmajor Funds	12,792,165	7,679,845
	16,910,478	16,396,596
Enterprise Funds:		
Refuse	-	513,882
	$ 16,910,478	$ 16,910,478

Transfers are used to move unrestricted general fund and nonmajor governmental fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs; to reimburse the general fund for indirect costs and to move funds designated for employee accrued retirement benefits; fund debt service requirements; and reimbursements for capital outlay. Any transfers between governmental funds have been eliminated in the government-wide statement of activities.

Interfund receivables and payable balances as of December 31, 2019 were as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 164,327	$ -
Nonmajor governmental funds, Motor Vehicle Fund	-	164,327
	$ 164,327	$ 164,327

Interfund receivables and payables are created as a result of 1) moving revenue and expenditures between funds and 2) allocation of revenue in accordance with County resolutions and state statutes.

5. Long-Term Liabilities

The following is a summary of long-term liabilities of the County

	Beginning Balance	Additions	Payments/ Adjustments	Ending Balance	Due in One Year
Governmental activities					
General obligation bonds	$ 40,720,000	$ 10,965,000	$ 18,045,000	$ 33,640,000	$ 5,175,000
Unamortized premiums	1,901,256	1,248,722	761,440	2,388,538	-
Loans	8,139,084	-	879,255	7,259,829	880,038
Certificates of participation	30,505,000	-	2,745,000	27,760,000	2,830,000
Unamortized premiums	1,475,092	-	145,075	1,330,017	-
Unamortized discounts	(60,013)	-	(7,390)	(52,623)	-
Revenue bonds	29,925,000	-	1,800,000	28,125,000	1,870,000
Unamortized premiums	2,348,770	-	191,737	2,157,033	-
Capital lease obligation	584,755	773,857	454,402	904,210	298,752
Compensated absences **	4,739,510	4,506,120	4,071,502	5,174,128	2,643,134
Total OPEB liability **	3,678,608	-	167,716	3,510,892	-
KPERS OPEB liability **	1,376,111	-	87,189	1,288,922	-
	$ 125,333,173	$ 17,493,699	$ 29,340,926	$ 113,485,946	$ 13,696,924

** For governmental activities, compensated absences, and other post employment benefits are generally liquidated by the the general fund.

Business-type activities					
Compensated absences	$ 435,581	$ 359,895	$ 351,839	$ 443,637	$ 245,698
Total OPEB liability	333,576	-	15,336	318,240	-
KPERS OPEB liability	155,722	-	10,122	145,600	-
	$ 924,879	$ 359,895	$ 377,297	$ 907,477	$ 245,698

Of the $33,640,000 general obligation bonds, approximately $21,000,000 is special assessment debt.

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities including those used for economic development. General obligation bonds have also been issued to refund general obligation bonds and certain loans of prior issues. General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 20-year serial bonds, with differing amounts of principal maturing each year.

General obligation bonds currently outstanding are as follows:

General Obligation Bonds	Interest Rates	Maturity	Amount
Series 2013	2.25-4.00%	09/01/33	$ 720,000
Series 2015A	2.00-3.00%	09/01/28	3,855,000
Series 2015B	2.00-3.00%	09/01/20	695,000
Series 2015C	2.00-3.35%	09/01/35	2,355,000
Series 2016A	1.10-5.00%	09/01/30	10,130,000
Series 2016B	2.00-3.00%	09/01/26	1,455,000
Series 2016D	2.00-2.125%	09/01/29	2,585,000
Series 2018	2.00-3.80%	09/01/38	880,000
Series 2019	4.00-5.00%	09/01/26	10,965,000
Total			$ 33,640,000

Annual debt service requirements to maturity for general obligation bonds to be paid with tax levies are as follows:

Year	Principal Due	Interest Due	Total Due
2020	$ 5,175,000	$ 1,246,104	$ 6,421,104
2021	4,625,000	1,031,063	5,656,063
2022	4,775,000	894,688	5,669,688
2023	4,320,000	703,038	5,023,038
2024	3,210,000	511,438	3,721,438
2025-2029	10,560,000	965,300	11,525,300
2030-2034	685,000	127,908	812,908
2035-2038	290,000	25,266	315,266
	$ 33,640,000	$ 5,504,805	$ 39,144,805

Refunding

During 2019, the County issued $10,695,000 General Obligation Refunding Bonds Series 2019 to current refund General Obligation Bonds Series 2010, Series 2011 and Series 2012.

As a result, the refunded General Obligation Bonds are considered defeased and the liability for those obligations have been removed from the long-term debt. This refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $36,676. This amount is reported as a deferred outflow of resources and is amortized over the remaining life of the refunded debt using the straight-line method. The County completed this current refunding to reduce its debt service payments by $513,487 and to obtain an economic gain of $472,635.

Loans

The County has a loan agreement with the Kansas Department of Health and Environment (KDHE) for the improvements of a sewer treatment plant. During 2016, the County secured a zero interest loan from the Kansas Department of Transportation (KDOT) for $8,500,000 for the replacement of the Carlson Road Bridge over the Kansas River. This loan was funded as construction costs were incurred. It will be repaid with annual payments equal to $850,000 per year commencing in March 2018 until repaid. These payments will be paid from the Joint Economic Development Organization (JEDO) sales tax that began in 2017.

Purpose	Interest Rates	Maturity	Amount
Loan for Sherwood Pumping improvements	2.66%	03/01/32	$ 459,829
Loan for Carlson Road Bridge	0.00%	03/15/27	6,800,000
Total			$ 7,259,829

Annual estimated debt service requirements to maturity based on the outstanding balance of KDHE and KDOT Loans at December 31, 2019 are as follows:

Year	Principal Due	Interest Due	Total Due
2020	$ 880,038	$ 12,033	$ 892,071
2021	880,843	11,229	892,072
2022	881,669	10,403	892,072
2023	882,517	9,555	892,072
2024	883,387	8,684	892,071
2025-2029	2,730,835	29,522	2,760,357
2030-2032	120,540	5,672	126,212
	$ 7,259,829	$ 87,098	$ 7,346,927

Certificates of Participation

The 2012 certificates were issued to fund the First Responders Project, acquisition of property and the Expocentre Safety Rigging Project. The County issued certificates of participation in 2014 to refund portions of the Series 2007A and Series 2007C certificates of participation. The 2015 certificates were issued to fund improvements for corrections facilities, parks and recreations facilities and County infrastructure. The County issued certificates of participation in 2017 to refund portions of the Series 2012 certificates of participation.

Certificates of participation currently outstanding are as follows:

Certificates of Participation	Interest Rates	Maturity	Amount
Series 2012	2.00-3.12%	09/01/27	$ 5,140,000
Series 2014A	3.00%	09/01/22	1,045,000
Series 2014B	2.00-3.00%	09/01/23	3,535,000
Series 2015	2.00-5.00%	09/01/35	14,645,000
Series 2017	1.10-3.00%	09/01/26	3,395,000
Total			$ 27,760,000

Annual estimated debt service requirements to maturity based on the outstanding balance of Certificates of Participation at December 31, 2019 are as follows:

Year	Principal Due	Interest Due	Total Due
2020	$ 2,830,000	$ 937,969	$ 3,767,969
2021	2,920,000	993,769	3,913,769
2022	2,990,000	904,244	3,894,244
2023	2,730,000	811,175	3,541,175
2024	1,865,000	583,219	2,448,219
2025-2029	7,910,000	1,921,001	9,831,001
2030-2034	5,320,000	840,924	6,160,924
2035	1,195,000	41,824	1,236,824
	$ 27,760,000	$ 7,034,125	$ 34,794,125

Revenue Bonds

The Shawnee County Kansas Public Building Commission issued revenue bonds in 2018 to finance a renovation to the Kansas Expocentre in the amount of $29,925,000. The debt service for the Expocentre renovation will be paid by the County-wide ½ cent sales tax.

Annual debt service requirements to maturity for revenue bonds to be paid with pledged sales tax revenue are as follows:

Year	Principal Due	Interest Due	Total Due
2020	$ 1,870,000	$ 1,125,000	$ 2,995,000
2021	1,945,000	1,050,200	2,995,200
2022	2,025,000	972,400	2,997,400
2023	2,105,000	891,400	2,996,400
2024	2,190,000	807,200	2,997,200
2025-2029	12,340,000	2,649,200	14,989,200
2030-2033	5,650,000	341,200	5,991,200
	$ 28,125,000	$ 7,836,600	$ 35,961,600

Capital Lease

The County has entered into capital lease agreements for computer equipment and software. The gross amount of capital assets under the capital leases were $1,569,116. Amortization of capital assets acquired under capital leases is included with depreciation expense in the government wide financial statements. The future minimum lease payments are as follows:

2020	$	352,417
2021		273,861
2022		246,439
2023		173,138
2024		16,243
		1,062,098
Less amounts representing interest		(157,888)
Present value of minimum lease payments	$	904,210

Capitalized lease assets as of December 31, 2019 are as follows:

Equipment	$	1,569,116
Accumulated Depreciation		(707,161)
Total	$	861,955

Bond Indebtedness

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the County to not more than 3% of the assessed value as adjusted by Kansas statute of all tangible property within such county, as certified to the County Clerk on the preceding August 25. For purposes of calculating the legal debt margin of the County, the following types of bonds are excluded from the total indebtedness of the County: (a) bonds issued for the purpose of refunding outstanding debt including bonds and matured coupons thereof, or judgments thereon; and (b) bonds issued to finance the purchase of land and certain improvements, and furnishing and equipping of the Shawnee County jail.

At December 31, 2019, based on the assessed valuation of $1,731,749,284, the general obligation limit was $51,952,478. After reduction for outstanding eligible general obligation bonds and notes, the County's net bonded indebtedness totaled $1,455,000 providing a general obligation debt margin of $50,497,478.

Defeased Debt

In prior years, the County defeased certain general obligation bonds and certificates of participation by placing the proceeds for new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2019, $14,285,000 of general obligation bonds and certificates of participation outstanding was considered defeased.

Conduit Debt

The County has issued industrial revenue bonds to finance the purchase of land and construction facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The bonds and related interest are payable solely from lessee rentals and do not constitute general liabilities of the County.

The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the lease annually at nominal amounts. Industrial revenue bonds at December 31, 2019 totaled $227,801,362.

The County has issued single family mortgage revenue bonds to finance the mortgage loans of first-time homeowners meeting certain income and purchase price requirements. The bonds are payable solely from the homeowner and do not constitute general liabilities of the County. Single family mortgage revenue bonds outstanding at December 31, 2019 totaled $52,017.

6. Joint Economic Development Organization (JEDO)

The County and the City of Topeka, Kansas (the City) entered into an interlocal agreement in November 2001 to create JEDO, a separate legal entity governed by a seven member board consisting of three County Commissioners, the City Mayor, Deputy Mayor and two City Council members. On August 3, 2004, County voters passed a one-half percent sales tax to finance economic development and countywide infrastructure development. In connection with the passage of the countywide sales tax, the County and City entered into a new interlocal agreement which rescinded the 2001 agreement. The sales tax went into effect January 1, 2005 and expired on December 31, 2016.

On April 19, 2016, the City of Topeka and Shawnee County entered into a new interlocal agreement related to the renewal of the countywide one-half percent sales tax commencing January 1, 2017 and set to expire on December 31, 2031. From the proceeds of the countywide one-half percent sales taxes, the agreement calls for JEDO to dedicate $5,000,000 annually for the purpose of supporting economic development priorities as established by the JEDO Board. After the initial $5,000,000 has been reserved, JEDO funds will be distributed to the County and City to complete the improvements and projects as set forth on the November 4, 2014 ballot. The distributions will be at 52% and 48% to the County and City, respectively.

For the year ended December 31, 2019, the County's sales tax revenue totaled $7,870,014. At December 31, 2019, the County was due $1,447,151 from the State of Kansas and $528,945 from JEDO, which is reported as due from other governments in the Sales Tax Fund. At December 31, 2019, the County owed GO Topeka $251,497 for economic development from the 2019 sales tax, which is reported as Due to other governments.

For the year ended December 31, 2019, the County used their portion of this sales tax for economic development through GO Topeka; transferred funds to the County Bridge Project Fund, a nonmajor capital project fund, for capital bridge projects; and expenditures for the renovation of the Expocentre in accordance with the interlocal agreement.

The audited financial statements of JEDO can be obtained from the City of Topeka, City Clerk's office, or the Shawnee County Clerk's office.

7. Employees' Retirement System

Plan Descriptions - Shawnee County participates in the Kansas Public Employees Retirement System (KPERS) a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits to the following statewide pension groups under one plan, as provided by K.S.A. 774, article 49:

- Public Employees
    - State/School employees
    - Local employees
- Police and Firemen (KP&F)
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once selected.

KPERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803), by calling 1-888-275-5737 or by visiting the KPERS website at www.kpers.org.

Benefits Provided – KPERS provides benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except police and fireman) with ten or more years of credited service, may retire as early as age 55 (police and fireman may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited serviced, or whenever an employee's combined age and years of credited service equal 85 (police and fireman' normal retirement ages are age 60 with 15 years of credited service, age 66 with 20 years, age 60 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2016, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 30 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions – K.S.A. 74-4919 and K.S.A 74-4920 establish the KPERS member-employee contributions 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, 2016. Effective January 1, 2016, 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 Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for KPERS and 22.13% for KP&F for the fiscal year ended December 31, 2019. Contributions to the pension plan from the County were $4,080,921 for KPERS and $1,755,548 for KP&F for the year ended December 31, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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 recourse, 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 $31,023,566 for KPERS and $14,165,154 for KP&F for its proportionate share of the KPERS' collective net pension liability. This net pension liability is generally liquidated by the General Fund. 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 nonemployer 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	Proportion as of June 30, 2019	Change in proportion from June 30, 2018
KPERS (local)	$ 31,023,566	2.220%	0.005%
KP&F	14,165,154	1.400%	0.528%
	$ 45,188,720		

For the year ended December 31, 2019, the County recognized pension expense of $3,290,621 for KPERS and $2,602,663 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:

	Deferred Ouflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 868,151	$ 807,557
Net difference between projected and actual earnings on pension plan investments	1,014,996	-
Changes in proportionate share	3,980,102	2,755,559
Changes in assumptions	1,449,980	78,563
County contributions subsequent to measurement date	2,991,175	-
Total	$ 10,304,404	$ 3,641,679

The $2,991,175 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as pension expense for the year ended December 31, 2020. 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,	KPERS Deferred (Inflow)/Outflow of Resources
2020	$ 1,529,234
2021	228,769
2022	732,053
2023	1,094,273
2024	87,221
Total	$ 3,671,550

Deferred outflows and inflows of resources related to the difference between expected and actual plan experience, changes in proportionate share and changes in assumptions are being amortized over a closed period equal to the average of the expected service lives of all employees at the beginning of each measurement period. Deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments is being amortized over a close five-year period.

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 percent
Salary increase	3.5 to 12.00 percent, including price inflation
Investment rate of return	7.75 percent compounded annually, net of investment expense, and including 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 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 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 percent. The projection of cash flows used to determine the discount rate was based on member and employers contributions as outlined below.

In KPERS, the Local employer does not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2019 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group.

Based on employer contribution history, it is a reasonable estimate that the State/School group contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of the County's proportionate share of the collective net pension liability to changes in the discount rate. The following table 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	$ 46,334,345	$ 31,023,566	$ 18,216,378
County's KP&F proportionate share of the net pension liability	20,101,381	14,165,154	9,195,393
	$ 66,435,726	$ 45,188,720	$ 27,411,771

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

8. Other Postemployment Benefits

In addition to providing pension benefits, the County provides postemployment health care benefits through two plans described below.

SHAWNEE COUNTY OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan description: The County offers postemployment health and dental insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the County. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement. Eligibility is based on the retirement provisions of the Kansas Public Employees Retirement System for civilian employees and the Kansas Police and Firefighters Retirement System for police and firefighters. Spouses may continue benefits for up to 36 months after a retiree's death. The plan does not issue a stand-alone financial report.

Contributions: The County required retirees to pay 125% of the premiums charged to active participants. The rates being paid by retirees for benefits are typically lower than those if they had been rated as a separate group. The difference between these amounts is the implicit rate subsidy, which is considered other postemployment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 75 (GASB Statement 75). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms: At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	12
Active employees	894
	906

Total OPEB Liability: The County's total OPEB liability of $3,829,132 was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2019.

Actuarial methods and assumptions: The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.75%	
Payroll growth rate	3.50%	
Discount rate	3.26%	measurement date
	4.11%	preceding measurement date
Retirees' share of benefit-related costs	125%	of active premium rate
Health care cost trend rates	7.50%	decreasing to 4.5%

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index.

The mortality was based on SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019.

Changes in the Total OPEB Liability

Balance as of December 31, 2018	$ 4,012,184
Changes for the year:	
Service cost	220,642
Interest	171,508
Changes in assumptions or other inputs	347,172
Differences between expected and actual experience	(801,393)
Contributions and payments made	(120,981)
Net changes	(183,052)
Balance as of December 31, 2019	$ 3,829,132

Changes in assumptions: The discount rate was changed from 4.11% at the beginning of the year to 3.26% at the end of the year. The mortality table was changed from the RPH-2014 Mortality Table in the prior year measurement, to the Pub-2010 Mortality Table in the current year measurement.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the County, as well as what the County's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current discount rate:

	1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
Total OPEB liability	$ 4,191,148	$ 3,829,132	$ 3,496,650

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50 percent decreasing to 3.50 percent) or 1-percentage-point higher (8.50 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	1% Decrease (6.50% Decreasing to 3.50%)	Health Care Cost Trend Rates (7.50% Decreasing to 4.50%)	1% Increase (8.50% Decreasing to 5.50%)
Total OPEB liability	$ 3,339,434	$ 3,829,132	$ 4,413,997

OPEB Expense and deferred outflows and inflows of resources related to OPEB: For the year ended December 31, 2019, the County recognized OPEB expense of $313,529. At December 31, 2019, the County reported deferred outflows and inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (712,349)
Changes of assumptions or other inputs	308,597	(197,064)
	$ 308,597	$ (909,413)

Amounts reported as the deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Years ending December 31:	
2020	$ (78,621)
2021	(78,621)
2022	(78,621)
2023	(78,621)
2024	(78,621)
Thereafter	(207,711)
	$ (600,816)

KPERS OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

Shawnee 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. For GASB Statement No. 75 purposes, the County is considered to be participating in a single employer long-term disability plan.

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) 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 payments 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 disability, or 2) the members 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 a 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.

Covered Employees
Shawnee County has the following employees covered by the Plan as of June 30, 2019:

Inactive employees or beneficiaries currently receiving benefits	12
Active employees	793
	805

Total OPEB Liability
Shawnee County's total OPEB liability of $1,434,522 was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019 as the measurement date, using the following actuarial assumptions:

Price inflation	2.75%	
Wage inflation	2.75%	
Salary increases, including wage increases	3.50%	
Discount rate (based on the 20 year municipal bond rate with an average rating of AA/Aa or better, obtained from the Bond Buyer General Obligation 20-Year Municipal Bond index)	3.50% 3.87%	measurement date preceding measurement date

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using Scale AA. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using Scale AA.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the period 2013-2015. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2018 KPERS pension valuation.

Changes in Total OPEB Liability

Balance as of December 31, 2018	$ 1,531,833
Changes for the year:	
Service cost	127,632
Interest	62,171
Effects of economic/demographic gains or losses	(201,837)
Changes in assumptions or other inputs	21,706
Contributions and payments made	(106,983)
Net changes	(97,311)
Balance as of December 31, 2019	$ 1,434,522

Changes in Assumptions
The discount rate was changed from 3.87% at the beginning of the year to 3.50% at the end of the year.

Sensitivity Analysis to Changes in the Discount Rate
The following presents Shawnee County's total OPEB liability calculated using the discount rate of 3.50%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current rate:

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability	$ 1,491,311	$ 1,434,522	$ 1,374,932

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates: The health care cost trend rates do not affect liabilities related to the long-term disability benefits sponsored by KPERS.

OPEB Expense
For the year ended December 31, 2019, Shawnee County recognized OPEB expense of $147,758, which includes the changes in the total OPEB liability, and the amortization of deferred inflows of resources for the current period.

Deferred Outflows and Inflows of Resources
At December 31, 2019, Shawnee County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (305,727)
Changes of assumptions or other inputs	19,475	(50,946)
	$ 19,475	$ (356,673)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Year ended June 30:		
2020	$	(42,045)
2021		(42,045)
2022		(42,045)
2023		(42,045)
2024		(42,045)
Thereafter		(126,973)
	$	(337,198)

9. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disaster; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to employee health and dental benefits and workers' compensation claims. General insurance coverage is purchased for claims not covered by the self-insurance policy. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

Self-Insurance Funds - The County has established internal service funds for self-insured workers' compensation and health and dental insurance. The workers' compensation program began in December 1986 and the health and dental insurance program began in January 1998 for all County employees. Funds are accumulated for payment of claims and insurance premiums through charges to the County funds. Currently, the County is funding the Workers' Compensation Reserve Fund with annual contributions from other funds based on an analysis of funding requirements for the reserve based on historical costs and expected future claims. The Health Insurance Administration Fund is funded with contributions made during each payroll period from the employer and the employees. The rates are based on past historical costs for individual and family coverage and expected future claims. Each plan is administered by a third party, which accumulates claims. The County has purchased a specific excess insurance policy that covers all individual workers' compensation claims in excess of $500,000 per occurrence. The State of Kansas places statutory limits on benefits for death resulting from injury to $300,000, and maximum benefits resulting in permanent total disability and temporary disability to $155,000 and $130,000, respectively, per claim and with an unlimited amount for medical expenses. The County has purchased an excess insurance policy for health insurance with a $275,000 stop loss limit per individual and a 115 percent stop loss limit in aggregate health insurance. The annual maximum amount for dental insurance the County is responsible for is $1,500 per individual. Any expenses incurred above the maximums were reimbursed by the insurance companies.

General Liability - The County is also self-insured for general liability claims. All liability claims are reviewed and challenged if appropriate, by the County Counselor's office. Kansas statutes limit the liability in tort cases to $500,000. There were no general liability claims paid during 2019.

The changes in health and dental insurance, workers' compensation and general liability claims payable for the years ended December 31, 2019 and 2018 are as follows:

	Health and Dental	Workers' Compensation	General Liability
Claims payable, December 31, 2017	$ 912,082	$ 2,192,989	$ -
Claims and changes in estimates	9,614,302	577,346	30,200
Claim payments	(9,618,629)	(1,238,116)	(30,200)
Claims payable, December 31, 2018	907,755	1,532,219	-
Claims and changes in estimates	8,711,006	2,889,028	-
Claim payments	(8,836,139)	(1,388,334)	-
Claims payable, December 31, 2019	$ 782,622	$ 3,032,913	$ -

10. Commitments and Contingencies

Leases

The County rents various equipment and software licensing under operating leases. Rent expenditures for the year ended December 31, 2019 were $307,535. As of December 31 2019, minimum future payments required under these agreements for subsequent fiscal years are as follows:

2020	$ 156,666
2021	5,515
	$ 162,181

Federal Assistance

The County and its related entities have received significant financial assistance from various federal agencies in the form of grants and entitlements. Under the Single Audit Act, the purpose of which is to ensure compliance with terms and conditions specified in grant or other agreements, these programs are subject to audit by agents of the granting authority, and/or by independent public accountants. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the County.

Litigation

There are a number of claims and/or lawsuits to which the County is a party as a result of certain law enforcement activities, appraisals, injuries and various other matters and complaints arising in the ordinary course of County activities. The County management and legal counsel anticipate that other potential claims against the County including total disability and appraisal claims not covered by insurance, if any, resulting from such matters, would not materially affect the financial position of the County.

Encumbrances

Outstanding encumbrances at December 31, 2019 were as follows: General Fund $605,530 and other governmental funds $1,797,676.

11. Health Clinic Operations

The Shawnee County Community Health Center was closed on June 30, 2016. The operations of this Federally Qualified Health Clinic was assumed by GraceMed Health Clinic, Inc. on July 1, 2016. In 2015, the County notified the Health Resources and Services Administration (HRSA) of their intent to relinquish the Health Center's federal grant funds and enable another entity to assume operations of the health center. The local health department remains in the Health Department Fund.

The County is committed to tax allocation payments to GraceMed for the next 5 calendar years, offset by $375,000 annual payments due from GraceMed to the County for transfer of real property. The County has retained the health clinic on the statement of net position as a capital asset, until title for the clinic is transferred to GraceMed at the conclusion of the payment period in 2021. The County made tax allocation payments to GraceMed totaling $489,000 during 2019.

As of December 31, 2019, the net payment amounts owed from the County to GraceMed are as follows:

2020	$	89,000
2021		200,000
	$	289,000

12. Tax Abatements

Shawnee County enters into property tax abatement agreements with local businesses for the purpose of economic development within the County. These agreements are issued under Section 13 of Article 11 of the Kansas Constitution, which specifies that the property for which the exemption is granted will be used for manufacturing articles of commerce, conducting research and development or storing goods or commodities which are sold or traded in interstate commerce. The exemption may be granted for a maximum of ten years. The County's Statement of Policy and Procedure for Tax Exemptions and Incentives for Economic Development, Shawnee County Home Rule Resolution No. HR-2002-9, governs the issuance of tax exemptions with the County and dictates the procedures as follows: 1. The applicant shall apply for a tax exemption by filing a written application, 2. The County shall determine whether the requested tax exemption may be lawfully granted and should be granted, 3. The amount of the tax incentive will then be determined in accordance with the policy. The amount of County taxes abated for 2019 was $3,211,899.

The City of Topeka has established a Neighborhood Revitalization Program (NRP) which provides tax rebates to property owners making improvements that raise the appraised value of residential property and commercial property by 10% and 20% respectively. The program is intended to promote the revitalization of the City's intensive care, at-risk neighborhoods, historic properties and downtown by creating an incentive for the rehabilitation, conservation and redevelopment of these areas. A property tax rebate may be given based on the incremental increase in appraised value resulting from improvements made to a property in the targeted areas. These rebates are for a period of 10 years. The NRPs are authorized under City policy and Kansas Statute K.S.A. 12-117. The rebates are paid after the property taxes have been received. Therefore, no provision is necessary for recapturing taxes. The County's share of the rebates in 2019 was $1,043,574.

13. Subsequent Events

On March 7, 2020 the Kansas Department of Health & Environment confirmed the first case of novel coronavirus (COVID-19) in the state of Kansas. The World Health Organization declared a global pandemic on March 11, 2020. On March 12, 2020, the governor of Kansas declared a state emergency for COVID-19. The President of the United States declared that a major disaster exists in the State of Kansas based on COVID-19 on March 29, 2020. Shawnee County issued a Safer at Home order on March 24, 2020 which was superseded by a Stay at Home order by the governor of Kansas which began on March 30, 2020 and ended on May 3, 2020. Non-essential businesses were required to close during this order. High unemployment and the loss of business income has had a negative effect on the Shawnee County economy. On May 1, 2020, Shawnee County issued a plan to re-open businesses in a phased approach. It is unknown how long the economy will be negatively impacted by the coronavirus and what the complete financial impact will be on Shawnee County. It is likely that there will be an increase in property tax delinquencies and a reduction in revenue such as revenue from Parks and Recreation activities. Additional expenditures have also been necessary due to this coronavirus.

On June 16, 2020, the State Finance Council approved the Strengthening People and Revitalizing Kansas (SPARK) Taskforce's proposal to distribute $36,763,813 of Coronavirus Relief Fund (CRF) monies to Shawnee County to help address the health and economic challenges inflicted by COVID-19 based on Shawnee County's population and impact from COVID-19 for reimbursement of COVID-19 related costs and as direct aid. The SPARK Taskforce Executive Committee passed a motion on June 2, 2020, to direct counties to allocate and share CRF funding to public educational and municipal entities within their counties. The funds are expected to be distributed to the County on July 15, 2020.

Upon knowledge of the pending receipt of said funds, on June 18, 2020 the Shawnee County Board of County Commissioners established the Shawnee County SPARK Committee to evaluate the needs of County entities, establish criteria for prioritizing the requests, and make recommendations to the Shawnee County Board of County Commissioners, for the allocation of such funds.

On April 27, 2020, the County entered into a loan agreement with the Kansas Department of Health and Environment (KDHE). The loan will be used for projects to replace, rehabilitate or upgrade various capital assets of the Sherwood Regional Wastewater Treatment System. Sherwood Wastewater District fees will fund the repayment of the loan. The loan amount, not to exceed $7,000,000, will be drawn down as project costs are incurred and carries an interest rate of 1.50%. Repayment of the loan starts two years after the first disbursement to the County or one year after the project is completed, whichever is first. The semi-annual payments will consist of principal and interest, which are due over the course of 20 years.

Shawnee County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:			
Taxes			
Property	$ 79,522,577	$ 79,383,515	$ (139,062)
Motor vehicle	10,060,222	10,074,737	14,515
Franchise	400,000	506,465	106,465
Intergovernmental	3,794,699	4,228,520	433,821
Charges for services	3,129,264	2,317,307	(811,957)
License, fines, fees and permits	2,404,267	2,167,680	(236,587)
Interest income	1,600,000	3,179,311	1,579,311
Special assessments	3,600,000	3,676,091	76,091
Other	3,104,255	2,156,115	(948,140)
Total revenues	107,615,284	107,689,741	74,457
Expenditures:			
Current:			
General government	13,424,757	11,642,743	1,782,014
Public safety and judicial	50,690,598	49,017,457	1,673,141
Public works, highways and streets	6,970,625	6,387,549	583,076
Health, welfare and education	6,094,016	6,041,823	52,193
Culture and recreation	15,086,757	14,124,824	961,933
Debt service:			
Principal retirement	7,821,214	8,315,616	(494,402)
Interest and fiscal charges	1,800,336	1,828,679	(28,343)
Capital outlay	10,200	1,103,735	(1,093,535)
Total expenditures	101,898,503	98,462,426	3,436,077
Excess of revenues over (under) expenditures	5,716,781	9,227,315	3,510,534
Other financing sources (uses):			
Proceeds from sale of capital assets	-	30,911	30,911
Transfers in	1,110,000	982,274	(127,726)
Transfers (out)	(6,826,781)	(8,777,716)	(1,950,935)
Total other financing sources (uses)	(5,716,781)	(7,764,531)	(2,047,750)
Net change in fund balances	$ -	1,462,784	$ 1,462,784
Fund balance - beginning of year		27,276,001	
Fund balance - end of year - budget basis		28,738,785	
Adjustments:			
Encumbrances		605,530	
Fund balance - end of year - GAAP basis		$ 29,344,315	
Net change in fund balance - budget basis		$ 1,462,784	
Adjustments:			
Encumbrances - beginning of year		(1,826,039)	
Encumbrances - end of year		605,530	
Net change in fund balance - GAAP basis		$ 242,275	

Shawnee County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - Health Department Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:			
Intergovernmental	$ 2,764,793	$ 2,288,760	$ (476,033)
Charges for services	558,780	559,154	374
Other	467,278	421,148	(46,130)
Total revenues	3,790,851	3,269,062	(521,789)
Expenditures:			
Current:			
Health, welfare and education	6,014,623	5,438,214	576,409
Total expenditures	6,014,623	5,438,214	576,409
Excess of revenues over (under) expenditures	(2,223,772)	(2,169,152)	54,620
Other financing sources (uses):			
Transfers in	2,151,781	2,151,781	-
Transfers (out)	(350,000)	(350,000)	-
Total other financing sources (uses)	1,801,781	1,801,781	-
Net change in fund balances	$ (421,991)	(367,371)	$ 54,620
Fund balance - beginning of year		2,829,337	
Fund balance - end of year - budget basis		2,461,966	
Adjustments:			
Encumbrances		40,761	
Fund balance - end of year - GAAP basis		$ 2,502,727	
Net change in fund balance - budget basis		$ (367,371)	
Adjustments:			
Encumbrances - beginning of year		(1,335)	
Encumbrances - end of year		40,761	
Net change in fund balance - GAAP basis		$ (327,945)	

Budgetary Data

The County Commission adopted annual operating budgets for the General Fund and the Health Department Fund. Other funds were not budgeted as these funds are not required by Kansas Statute to have an adopted budget. The County's budget is adopted using the cash basis of accounting. Revisions to the budget can be made by the Commission. Legally, expenditures may not exceed the total amount of budgeted expenditures, as revised, in each fund. All annual appropriations lapse at year-end if not encumbered.

The County follows these procedures in establishing the budgetary data reflected in the financial statements, beginning in the prior year.

1. In early April, budget request worksheets are sent to each department.
2. By mid-June, departmental budget requests for the next year must be submitted to the Audit Finance Department for review and compilation.
3. During July, budget hearings are held between the County Commission and each department to discuss the department's budget request.
4. In early August, a public hearing is held to receive public input on the budget for the next year.
5. During August, the County Commission will have budget discussions during the regularly scheduled Commission meeting.
6. By Kansas Statute, the Board of County Commissioners must adopt a budget for the following year by August 25.

SHAWNEE COUNTY, KANSAS
Required Supplementary Information
December 31, 2019

Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System

	2019	2018	2017	2016	2015	2014	2013
County's proportion of the collective net pension liability:							
KPERS (local group)	2.220%	2.215%	2.254%	2.250%	2.294%	2.343%	2.399%
KP&F (police & fireman)	1.400%	0.872%	1.270%	1.167%	1.218%	1.289%	1.285%
County's proportionate share of the collective net pension liability	$ 45,188,720	$ 39,258,043	$ 44,554,619	$ 45,642,895	$ 38,958,237	$ 37,297,921	$ 46,964,254
County's covered payroll (A)	$ 51,277,217	$ 49,138,962	$ 48,548,945	$ 44,286,270	$ 43,019,027	$ 43,900,404	$ 43,744,125
County's proportionate share of the collective net pension liability as a percentage of its covered payroll	88.13%	79.89%	91.77%	103.06%	90.56%	84.96%	107.36%
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.

(A) Covered payroll is measured as of the measurement date ending June 30.

Schedule of County's Contributions
Kansas Public Employees Retirement System

Contractually required contribution	$ 5,128,319	$ 4,207,038	$ 4,777,116	$ 4,757,766	$ 5,097,307	$ 4,589,518	$ 4,169,453
Contributions in relation to the contractually required contribution	$ 5,128,319	$ 4,207,038	$ 4,777,116	$ 4,757,766	$ 5,097,307	$ 4,589,518	$ 4,169,453
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll (B)	$ 52,235,119	$ 50,112,815	$ 48,644,276	$ 45,351,794	$ 43,514,314	$ 42,924,106	$ 44,190,470
Contributions as a percentage of covered payroll	9.82%	8.40%	9.82%	10.49%	11.71%	10.69%	9.44%

GASB 68 requires presentation of ten years. As of December 31, 2019, only seven years of information is available.

(B) Covered payroll is measured as of the fiscal year end December 31.

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.

Shawnee County, Kansas

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios—County Plan

	2019	2018
Total OPEB liability		
Service cost	$ 220,642	$ 241,079
Interest	171,508	143,734
Changes in assumptions or other inputs	347,172	(253,368)
Differences between expected and actual experience	(801,393)	-
Benefit payments	(120,981)	(112,020)
Net change in total OPEB liability	(183,052)	19,425
Total OPEB liability—beginning	4,012,184	3,992,759
Total OPEB liability—ending	$ 3,829,132	$ 4,012,184
Covered payroll	$ 43,679,093	$ 42,527,121
Total OPEB liability as a percentage of covered payroll	8.77%	9.43%

Notes to schedule:
2019 Changes of assumptions: The discount rate was changed from 4.11% at the beginning of the year to 3.26% at the end of the year.

2018 Changes of assumption: The discount rate was changed from 3.44% at the beginning of the year to 4.11% at the end of the year.

2018 was the County's first year implementing GASB Statement No. 75 for the OPEB liability.
This schedule will become a 10-year schedule, as information becomes available, in accordance with GASB Statement No. 75 requirements.

Shawnee County, Kansas

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios—KPERS Plan

	2019	2018
Total OPEB liability		
Service cost	$ 127,632	$ 127,021
Interest	62,171	61,025
Effect of economic/demographic gains or losses	(201,837)	(157,048)
Changes of assumptions	21,706	(19,377)
Benefit payments	(106,983)	(113,770)
Net change in total OPEB liability	(97,311)	(102,149)
Total OPEB liability—beginning	1,531,833	1,633,982
Total OPEB liability—ending	$ 1,434,522	$ 1,531,833
Covered payroll	37,858,329	37,129,364
Total OPEB liability as a percentage of covered payroll	3.79%	4.13%

Notes to schedule:
2019 Changes of assumptions: The discount rate was changed from 3.87% at the beginning of the year to 3.50% at the end of the year.

2018 Changes of assumptions: The discount rate was changed from 3.58% at the beginning of the year to 3.87% at the end of the year.

2018 was the County's first year implementing GASB Statement No. 75 for the OPEB liability.
This schedule will become a 10-year schedule, as information becomes available, in accordance with GASB Statement No. 75 requirements.

Shawnee County, Kansas
Combining Balance Sheet - General Fund
December 31, 2019

	General Fund	Special Parks & Rec	Employee Retirement	Westlawn	Total General Fund
Assets					
Cash and short-term investments	$ 31,503,384	$ 419,253	$ 3,385,347	$ 66,652	$ 35,374,636
Taxes receivable, net	80,368,541	-	-	-	80,368,541
Accounts receivable, net	419,120	180	-	-	419,300
Interest receivable	247,254	-	-	-	247,254
Due from other governments	9,960	-	-	-	9,960
Due from other funds	164,327	-	-	-	164,327
Prepaids	118,247	-	-	-	118,247
Special assessments receivable, net	21,813,670	-	-	-	21,813,670
Total assets	$ 134,644,503	$ 419,433	$ 3,385,347	$ 66,652	$ 138,515,935
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	$ 1,507,151	$ 15,384	$ -	$ 1,179	$ 1,523,714
Accrued expenditures	1,947,390	12,214	-	405	1,960,009
Total liabilities	3,454,541	27,598	-	1,584	3,483,723
Deferred Inflows of resources:					
Unavailable revenue - property taxes	80,007,733	-	-	-	80,007,733
Unavailable revenue - special assessments	21,813,670	-	-	-	21,813,670
Unavailable revenue - other	24,244	6,071	-	-	30,315
Total deferred inflows of resources	101,845,647	6,071	-	-	101,851,718
Fund balances					
Nonspendable:					
Prepaid Items	118,247	-	-	-	118,247
Assigned:					
General government	-	-	3,385,347	-	3,385,347
Culture and recreation	-	385,764	-	-	385,764
Other purposes	-	-	-	65,068	65,068
Unassigned:	29,226,068	-	-	-	29,226,068
	29,344,315	385,764	3,385,347	65,068	33,180,494
Total liabilities, deferred inflows of resources and fund balances	$ 134,644,503	$ 419,433	$ 3,385,347	$ 66,652	$ 138,515,935

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the Year Ended December 31, 2019

	General Fund	Special Parks & Rec	Employee Retirement	Westlawn Cemetery	Eliminations	Total General Fund
Revenues:						
Taxes						
Property	$ 79,383,515	$ -	$ -	$ -	$ -	$ 79,383,515
Motor vehicle	10,074,737	-	-	-	-	10,074,737
Franchise	506,465	-	-	-	-	506,465
Intergovernmental	4,228,520	-	-	-	-	4,228,520
Charges for services	2,317,307	1,869,382	-	34,561	-	4,221,250
License, fines, fees and permits	2,167,680	-	-	-	-	2,167,680
Interest income	3,179,311	-	-	-	-	3,179,311
Special assessments	3,676,091	-	-	-	-	3,676,091
Other	2,156,115	7,435	-	-	-	2,163,550
Total revenues	107,689,741	1,876,817	-	34,561	-	109,601,119
Expenditures:						
Current:						
General government	11,654,040	-	403,310	46,548	-	12,103,898
Public safety and judicial	50,038,680	-	-	-	-	50,038,680
Public works, highways and streets	6,560,121	-	-	-	-	6,560,121
Health, welfare and education	6,039,245	-	-	-	-	6,039,245
Culture and recreation	14,142,819	1,912,928	-	-	-	16,055,747
Debt service:						
Principal retirement	20,370,616	-	-	-	-	20,370,616
Interest and fiscal charges	1,828,679	-	-	-	-	1,828,679
Bond issuance costs	158,722	-	-	-	-	158,722
Capital outlay	1,103,735	-	-	-	-	1,103,735
Total expenditures	111,896,657	1,912,928	403,310	46,548	-	114,259,443
Excess of revenues over (under) expenditures	(4,206,916)	(36,111)	(403,310)	(11,987)	-	(4,658,324)
Other financing sources (uses):						
Issuance of refunding debt	10,965,000	-	-	-	-	10,965,000
Issuance premium	1,248,722	-	-	-	-	1,248,722
Proceeds from sale of capital assets	30,911	-	-	-	-	30,911
Transfers in	982,274	-	230,702	-	(92,215)	1,120,761
Transfers (out)	(8,777,716)	(30,000)	-	-	92,215	(8,715,501)
Total other financing sources (uses)	4,449,191	(30,000)	230,702	-	-	4,649,893
Net change in fund balances	242,275	(66,111)	(172,608)	(11,987)	-	(8,431)
Fund balances - beginning of year	29,102,040	451,875	3,557,955	77,055	-	33,188,925
Fund balances - end of year	$ 29,344,315	$ 385,764	$ 3,385,347	$ 65,068	$ -	$ 33,180,494

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2019

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Assets			
Cash and short-term investments	$ 19,756,694	$ 21,885,696	$ **41,642,390**
Taxes receivable, net	125,291	-	**125,291**
Accounts receivable, net	297,116	115,648	**412,764**
Due from other governments	2,754,511	-	**2,754,511**
Prepaids	165,369	-	**165,369**
Total assets	$ 23,098,981	$ 22,001,344	$ **45,100,325**
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	$ 369,438	$ 1,921,124	$ **2,290,562**
Accrued expenditures	266,709	-	**266,709**
Due to other governments	251,497	-	**251,497**
Due to other funds	164,327	-	**164,327**
Unearned revenue	215,192	-	**215,192**
Total liabilities	1,267,163	1,921,124	**3,188,287**
Deferred Inflows of resources:			
Unavailable revenue - property taxes	123,715	-	**123,715**
Unavailable revenue - grants	375,465	-	**375,465**
Total deferred inflows of resources	499,180	-	**499,180**
Fund balances			
Nonspendable:			
Prepaid Items	165,369	-	**165,369**
Restricted:			
Public safety and judicial	1,623,218	-	**1,623,218**
Public works, highways and streets	4,162,953	-	**4,162,953**
Health, welfare and education	432,904	-	**432,904**
Capital projects	-	199,161	**199,161**
Economic development	9,232,018	-	**9,232,018**
Other purposes	1,449,520	-	**1,449,520**
Committed:			
Public safety and judicial	372,419	-	**372,419**
Assigned:			
Public safety and judicial	1,256,324	-	**1,256,324**
Public works, highways and streets	7,121	-	**7,121**
Health, welfare and education	2,265,111	-	**2,265,111**
Culture and recreation	575,660	-	**575,660**
Capital projects	-	19,881,059	**19,881,059**
Unassigned:	(209,979)	-	**(209,979)**
	21,332,638	20,080,220	**41,412,858**
Total liabilities, deferred inflows of resources and fund balances	$ 23,098,981	$ 22,001,344	$ **45,100,325**

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Non-Major Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:			
Taxes			
Property	$ 134,445	$ -	**$ 134,445**
Motor vehicle	12,891	-	**12,891**
Sales	7,932,560	-	**7,932,560**
911 emergency	1,099,506	-	**1,099,506**
Intergovernmental	5,925,202	1,136,346	**7,061,548**
Charges for services	2,903,267	257,829	**3,161,096**
License, fines, fees and permits	2,100,381	36,686	**2,137,067**
Other	2,989,377	342,657	**3,332,034**
Total revenues	23,097,629	1,773,518	**24,871,147**
Expenditures:			
Current:			
General government	1,751,691	1,652,491	**3,404,182**
Public safety and judicial	5,015,008	-	**5,015,008**
Public works, highways and streets	1,491,271	2,331,223	**3,822,494**
Health, welfare and education	7,479,974	-	**7,479,974**
Culture and recreation	153,385	-	**153,385**
Economic development	1,602,385	-	**1,602,385**
Debt service:			
Principal retirement	1,753,041	-	**1,753,041**
Interest and fiscal charges	353,803	-	**353,803**
Capital outlay	853,759	7,865,946	**8,719,705**
Total expenditures	20,454,317	11,849,660	**32,303,977**
Excess of revenues over (under) expenditures	2,643,312	(10,076,142)	**(7,432,830)**
Other financing sources (uses):			
Transfers in	4,102,383	8,689,782	**12,792,165**
Transfers (out)	(6,402,965)	(1,276,880)	**(7,679,845)**
Total other financing sources (uses)	(2,300,582)	7,412,902	**5,112,320**
Net change in fund balances	342,730	(2,663,240)	**(2,320,510)**
Fund balances - beginning of year	20,989,908	22,743,460	**43,733,368**
Fund balances - end of year	$ 21,332,638	$ 20,080,220	**$ 41,412,858**

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2019

	Health Department	Sewers	Transient Guest Tax	Sales Tax	Special Alcohol & Drug Program	Corrections	911 Emergency	Register of Deeds Technology
Assets								
Cash and short-term investments	$ 2,415,169	$ 249,676	$ -	$ 7,519,464	$ -	$ 75,943	$ 1,013,004	$ 752,877
Taxes receivable, net	-	38,399	-	-	-	-	-	-
Accounts receivable, net	145,284	147,040	-	-	-	-	-	-
Due from other governments	525,872	-	15,414	1,976,096	-	9,882	190,664	-
Prepaids	7,500	-	-	-	-	-	72,300	4,975
Total assets	$ 3,093,825	$ 435,115	$ 15,414	$ 9,495,560	$ -	$ 85,825	$ 1,275,968	$ 757,852
Liabilities, deferred inflows of resources and fund balances								
Liabilities:								
Accounts payable	$ 90,658	$ 38,015	$ -	$ 12,045	$ -	$ 2,439	$ 6,427	$ 3,006
Accrued expenditures	149,319	-	-	-	-	37,468	-	3,156
Due to other governments	-	-	-	251,497	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	80,646	-	-	-	-	45,736	-	-
Total liabilities	320,623	38,015	-	263,542	-	85,643	6,427	6,162
Deferred inflows of resources:								
Unavailable revenue - property taxes	-	37,247	-	-	-	-	-	-
Unavailable revenue - grants	270,475	-	-	-	-	-	-	-
Total deferred inflows of resources	270,475	37,247	-	-	-	-	-	-
Fund balances								
Nonspendable:								
Prepaid Items	7,500	-	-	-	-	-	72,300	4,975
Restricted:								
Public safety and judicial	-	-	-	-	-	182	1,197,241	-
Public works, highways and streets	-	-	-	-	-	-	-	-
Health, welfare and education	244,285	-	-	-	-	-	-	-
Economic development	-	-	-	9,232,018	-	-	-	-
Other purposes	-	359,853	15,414	-	-	-	-	746,715
Committed:								
Public safety and judicial	-	-	-	-	-	-	-	-
Assigned:								
Public safety and judicial	-	-	-	-	-	-	-	-
Public works, highways and streets	-	-	-	-	-	-	-	-
Health, welfare and education	2,250,942	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	2,502,727	359,853	15,414	9,232,018	-	182	1,269,541	751,690
Total liabilities, deferred inflows of resources and fund balances	$ 3,093,825	$ 435,115	$ 15,414	$ 9,495,560	$ -	$ 85,825	$ 1,275,968	$ 757,852

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Special Revenue Funds
December 31, 2019

	Motor Vehicle	Special Liability	Special Highway, Bridge and Machinery	Other Special Revenue	Federal Grants	State Grants	Total Non-Major Special Revenue Funds
Assets							
Cash and short-term investments	$ 228,464	$ 327,174	$ 4,174,418	$ 2,921,295	$ -	$ 79,210	$ 19,756,694
Taxes receivable, net	-	86,892	-	-	-	-	125,291
Accounts receivable, net	-	-	-	4,792	-	-	297,116
Due from other governments	-	-	-	-	26,985	9,598	2,754,511
Prepaids	47,874	-	-	32,720	-	-	165,369
Total assets	$ 276,338	$ 414,066	$ 4,174,418	$ 2,958,807	$ 26,985	$ 88,808	$ 23,098,981
Liabilities, deferred inflows of resources and fund balances							
Liabilities:							
Accounts payable	$ 6,572	$ 60	$ 11,465	$ 82,130	$ 94,126	$ 22,495	$ 369,438
Accrued expenditures	57,565	-	-	4,150	-	15,051	266,709
Due to other governments	-	-	-	-	-	-	251,497
Due to other funds	164,327	-	-	-	-	-	164,327
Unearned revenue	-	-	-	-	37,848	50,962	215,192
Total liabilities	228,464	60	11,465	86,280	131,974	88,508	1,267,163
Deferred inflows of resources:							
Unavailable revenue - property taxes	-	86,468	-	-	-	-	123,715
Unavailable revenue - grants	-	-	-	-	104,990	-	375,465
Total deferred inflows of resources	-	86,468	-	-	104,990	-	499,180
Fund balances							
Nonspendable:							
Prepaid items	47,874	-	-	32,720	-	-	165,369
Restricted:							
Public safety and judicial	-	-	-	425,495	-	300	1,623,218
Public works, highways and streets	-	-	4,162,953	-	-	-	4,162,953
Health, welfare and education	-	-	-	188,619	-	-	432,904
Economic development	-	-	-	-	-	-	9,232,018
Other purposes	-	327,538	-	-	-	-	1,449,520
Committed:							
Public safety and judicial	-	-	-	372,419	-	-	372,419
Assigned:							
Public safety and judicial	-	-	-	1,256,324	-	-	1,256,324
Public works, highways and streets	-	-	-	7,121	-	-	7,121
Health, welfare and education	-	-	-	14,169	-	-	2,265,111
Culture and recreation	-	-	-	575,660	-	-	575,660
Unassigned	-	-	-	-	(209,979)	-	(209,979)
Total fund balances	47,874	327,538	4,162,953	2,872,527	(209,979)	300	21,332,638
Total liabilities, deferred inflows of resources and fund balances	$ 276,338	$ 414,066	$ 4,174,418	$ 2,958,807	$ 26,985	$ 88,808	$ 23,098,981

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2019

	Health Department	Sewers	Transient Guest Tax	Sales Tax	Special Alcohol & Drug Program	Corrections	911 Emergency	Register of Deeds Technology
Revenues:								
Taxes:								
Property	$ -	$ 36,949	$ -	$ -	$ -	$ -	$ -	$ -
Motor vehicle	-	-	-	-	-	-	-	-
Sales	-	-	62,546	7,870,014	-	-	-	-
911 emergency	-	-	-	-	-	-	1,099,506	-
Intergovernmental	2,288,760	-	-	-	45,328	1,557,006	-	-
Charges for services	559,154	1,976,015	-	-	-	-	-	-
License, fines, fees and permits	-	-	-	-	-	-	-	328,623
Other	421,148	-	-	2,046,619	-	-	-	-
Total revenues	3,269,062	2,012,964	62,546	9,916,633	45,328	1,557,006	1,099,506	328,623
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	246,822
Public safety and judicial	-	-	-	-	36,346	1,519,466	651,815	-
Public works, highways and streets	-	1,191,039	-	-	-	-	-	-
Health, welfare and education	5,398,788	-	-	1,994,545	-	-	-	-
Culture and recreation	-	-	91,007	-	-	-	-	-
Economic development	-	-	-	1,602,385	-	-	-	-
Debt service:								
Principal retirement	-	659,255	-	850,000	-	-	243,786	-
Interest and fiscal charges	-	103,792	-	-	-	-	250,011	-
Capital outlay	-	-	-	-	-	-	-	36,145
Total expenditures	5,398,788	1,954,086	91,007	4,446,930	36,346	1,519,466	1,145,612	282,967
Excess of revenues over (under) expenditures	(2,129,726)	58,878	(28,461)	5,469,703	8,982	37,540	(46,106)	45,656
Other financing sources (uses):								
Transfers in	2,151,781	15,810	-	1,250	-	-	-	-
Transfers (out)	(350,000)	(34,416)	-	(4,314,219)	(12,690)	(37,358)	-	-
Total other financing sources (uses)	1,801,781	(18,606)	-	(4,312,969)	(12,690)	(37,358)	-	-
Net change in fund balances	(327,945)	40,272	(28,461)	1,156,734	(3,708)	182	(46,106)	45,656
Fund balances - beginning of year	2,830,672	319,581	43,875	8,075,284	3,708	-	1,315,647	706,034
Fund balances - end of year	$ 2,502,727	$ 359,853	$ 15,414	$ 9,232,018	$ -	$ 182	$ 1,269,541	$ 751,690

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2019

	Motor Vehicle	Special Liability	Special Highway, Bridge and Machinery	Other Special Revenue	Federal Grants	State Grants	Total Non-Major Special Revenue Funds
Revenues:							
Taxes:							
Property	$ -	$ 97,496	$ -	$ -	$ -	$ -	$ 134,445
Motor vehicle	-	12,891	-	-	-	-	12,891
Sales	-	-	-	-	-	-	7,932,560
911 emergency	-	-	-	-	-	-	1,099,506
Intergovernmental	-	-	3,308	166,661	591,715	1,272,424	5,925,202
Charges for services	-	-	-	368,098	-	-	2,903,267
License, fines, fees and permits	1,659,250	-	7,352	105,156	-	-	2,100,381
Other	225	2,943	2,474	515,968	-	-	2,989,377
Total revenues	1,659,475	113,330	13,134	1,155,883	591,715	1,272,424	23,097,629
Expenditures:							
Current:							
General government	1,501,379	3,490	-	-	-	-	1,751,691
Public safety and judicial	-	-	-	1,163,590	382,818	1,260,973	5,015,008
Public works, highways and streets	-	-	300,232	-	-	-	1,491,271
Health, welfare and education	-	-	-	86,641	-	-	7,479,974
Culture and recreation	-	-	-	62,378	-	-	153,385
Economic development	-	-	-	-	-	-	1,602,385
Debt service:							
Principal retirement	-	-	-	-	-	-	1,753,041
Interest and fiscal charges	-	-	-	-	-	-	353,803
Capital outlay	7,275	-	559,625	250,714	-	-	853,759
Total expenditures	1,508,654	3,490	859,857	1,563,323	382,818	1,260,973	20,454,317
Excess of revenues over (under) expenditures	150,821	109,840	(846,723)	(407,440)	208,897	11,451	2,643,312
Other financing sources (uses):							
Transfers in	-	-	1,878,133	51,653	3,756	-	4,102,383
Transfers (out)	(164,327)	-	(1,424,290)	(54,213)	-	(11,452)	(6,402,965)
Total other financing sources (uses)	(164,327)	-	453,843	(2,560)	3,756	(11,452)	(2,300,582)
Net change in fund balances	(13,506)	109,840	(392,880)	(410,000)	212,653	(1)	342,730
Fund balances - beginning of year	61,380	217,698	4,555,833	3,282,527	(422,632)	301	20,989,908
Fund balances - end of year	$ 47,874	$ 327,538	$ 4,162,953	$ 2,872,527	$ (209,979)	$ 300	$ 21,332,638

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Capital Project Funds
December 31, 2019

	Building and Maintenance	Bridge Projects	County Projects	Equipment	Infrastructure	Special Assessments	Certificates of Participation	Total Non-Major Capital Project Funds
Assets								
Cash and short-term investments	$ 3,849,621	$ 5,778,737	$ 1,253,403	$ 9,114,730	$ 1,626,922	$ -	$ 262,283	$ 21,885,696
Accounts receivable, net	160	-	96,288	-	-	19,200	-	115,648
Total assets	$ 3,849,781	$ 5,778,737	$ 1,349,691	$ 9,114,730	$ 1,626,922	$ 19,200	$ 262,283	$ 22,001,344
Liabilities, deferred inflows of resources and fund balances (deficits)								
Liabilities:								
Accounts payable	$ 359,959	$ 824,608	$ 198,345	$ 475,090	$ -	$ -	$ 63,122	$ 1,921,124
Total liabilities	359,959	824,608	198,345	475,090	-	-	63,122	1,921,124
Fund balances (deficits)								
Restricted:								
Capital projects	-	-	-	-	-	-	199,161	199,161
Assigned:								
Capital projects	3,489,822	4,954,129	1,151,346	8,639,640	1,626,922	19,200	-	19,881,059
	3,489,822	4,954,129	1,151,346	8,639,640	1,626,922	19,200	199,161	20,080,220
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 3,849,781	$ 5,778,737	$ 1,349,691	$ 9,114,730	$ 1,626,922	$ 19,200	$ 262,283	$ 22,001,344

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended December 31, 2019

	Building and Maintenance	Bridge Projects	County Projects	Equipment	Infrastructure	Special Assessments	Certificates of Participation	Total Non-Major Capital Project Funds
Revenues:								
Intergovernmental	$ 11,906	$ 856,428	$ -	$ -	$ 268,012	$ -	$ -	$ 1,136,346
Charges for services	257,829	-	-	-	-	-	-	257,829
License, fines, fees and permits	-	-	7,874	-	-	28,812	-	36,686
Other	100,362	-	121,732	106,429	-	-	14,134	342,657
Total revenues	370,097	856,428	129,606	106,429	268,012	28,812	14,134	1,773,518
Expenditures:								
Current:								
General government	1,402,255	-	250,236	-	-	-	-	1,652,491
Public works, highways and streets	-	9,015	-	2,312,419	65	9,724	-	2,331,223
Capital outlay	20,202	5,795,920	67,000	898,954	669,573	-	414,297	7,865,946
Total expenditures	1,422,457	5,804,935	317,236	3,211,373	669,638	9,724	414,297	11,849,660
Excess of revenues over (under) expenditures	(1,052,360)	(4,948,507)	(187,630)	(3,104,944)	(401,626)	19,088	(400,163)	(10,076,142)
Other financing sources (uses):								
Transfers in	1,691,183	2,285,688	767,643	2,000,000	1,945,268	-	-	8,689,782
Transfers (out)	-	-	(605,885)	-	(650,326)	(17,610)	(3,059)	(1,276,880)
Total other financing sources (uses)	1,691,183	2,285,688	161,758	2,000,000	1,294,942	(17,610)	(3,059)	7,412,902
Net change in fund balances	638,823	(2,662,819)	(25,872)	(1,104,944)	893,316	1,478	(403,222)	(2,663,240)
Fund balances (deficits) - beginning of year	2,850,999	7,616,948	1,177,218	9,744,584	733,606	17,722	602,383	22,743,460
Fund balances (deficits) - end of year	$ 3,489,822	$ 4,954,129	$ 1,151,346	$ 8,639,640	$ 1,626,922	$ 19,200	$ 199,161	$ 20,080,220

Shawnee County, Kansas
Combining Statement of Net Position
Internal Service Funds
December 31, 2019

	Workers' Compensation	Health Insurance	Total
Assets			
Cash and short-term investments	$ 3,668,291	$ 5,809,530	**$ 9,477,821**
Total assets	$ 3,668,291	$ 5,809,530	**$ 9,477,821**
Liabilities			
Accounts payable	$ 53,122	$ 169,013	**$ 222,135**
Claims payable	3,032,913	782,622	**3,815,535**
Total liabilities	3,086,035	951,635	**4,037,670**
Net Position			
Total Unrestricted net position	$ 582,256	$ 4,857,895	**$ 5,440,151**

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Net Position -
Internal Service Funds
For the Year Ended December 31, 2019

	Workers' Compensation	Health Insurance	Total
Operating Revenues:			
Charges for Services	$ 1,874,845	$ 11,469,882	**$ 13,344,727**
Other	64,311	219,166	**283,477**
Total operating revenues	1,939,156	11,689,048	**13,628,204**
Operating Expenses:			
Personnel services	36,296	-	**36,296**
Contractual services	100,963	1,256,814	**1,357,777**
Claims	2,889,028	8,711,006	**11,600,034**
Other	-	910	**910**
Total operating expenses	3,026,287	9,968,730	**12,995,017**
Operating income (loss)	(1,087,131)	1,720,318	**633,187**
Net position - beginning of year	1,669,387	3,137,577	**4,806,964**
Net position - end of year	$ 582,256	$ 4,857,895	**$ 5,440,151**

Shawnee County, Kansas
Combining Statement of Cash Flows -
Internal Service Funds
For the Year Ended December 31, 2019

	Workers' Compensation	Health Insurance	Total
Cash flows from operating activities:			
Receipts from interfund and other services	$ 1,939,156	$ 11,693,213	$ 13,632,369
Payments of claims and other	(1,436,175)	(10,340,230)	(11,776,405)
Payments to employees for services	(36,296)	-	(36,296)
Net cash provided by operating activities	466,685	1,352,983	1,819,668
Net increase in cash and short-term investments	466,685	1,352,983	1,819,668
Cash and short-term investments, beginning of year	3,201,606	4,456,547	7,658,153
Cash and short-term investments, end of year	$ 3,668,291	$ 5,809,530	$ 9,477,821
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	$ (1,087,131)	$ 1,720,318	$ 633,187
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Change in assets and liabilities:			
Accounts payable and accrued expenses	53,122	(246,367)	(193,245)
Accounts receivable	-	4,165	4,165
Claims payable	1,500,694	(125,133)	1,375,561
Net cash provided by operating activities	$ 466,685	$ 1,352,983	$ 1,819,668

Shawnee County, Kansas
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2019

	Tax Holding Accounts	Special Taxing Districts	Other	Total Agency Funds
Assets				
Cash and investments	$ 149,105,733	$ 177,726	$ 874,472	$ 150,157,931
Tax Receivable, net	-	656,772	-	656,772
	$ 149,105,733	$ 834,498	$ 874,472	$ 150,814,703
Liabilities				
Due to taxing districts, governments, and others	$ 149,105,733	$ 834,498	$ 874,472	$ 150,814,703

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Shawnee County, Kansas

Compliance Report
Year Ended December 31, 2019

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of County Commissioners
Shawnee County, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas (the 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, and have issued our report thereon dated June 30, 2020.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

RSM US LLP

Kansas City, Missouri
June 30, 2020

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Report on Compliance for each Major Federal Program,
Report on Internal Control Over Compliance and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

Independent Auditor's Report

Board of County Commissioners
Shawnee County, Kansas

Report on Compliance for Each Major Federal Program
We have audited Shawnee County, Kansas' (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program
In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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. We issued our report thereon dated June 30, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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, the schedule of expenditure of federal awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Kansas City, Missouri
June 30, 2020

Shawnee County, Kansas

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:				
Passed through Kansas Department of Health and Environment:				
FY19 WIC CONTRACT W/ KDHE	10.557	193KS703W1003	$ 821,367	$ 20,944
FY19 WIC CONTRACT W/ KDHE	10.557	16163KS803W5003	16,787	-
FY20 WIC CONTRACT W/ KDHE	10.557	203KS703W1003	271,846	5,720
FY20 WIC CONTRACT W/ KDHE	10.557	17173KS803W5003	7,258	-
Total U.S. Department of Agriculture			1,117,258	26,664
U.S. Department of Justice:				
Direct Funding:				
2014 Equitable Sharing Program	16.922	15-5042-0-2-752	5,082	-
SH Federal Forfeiture	16.922	N/A	347,936	-
Total U.S. Department of Justice			353,018	-
U.S. Department of Transportation:				
Passed through Kansas Adjutant General's Department:				
HMEP Hyde Park Corner	20.703	HM-HMP-0542-16-01-00	25,900	-
Passed through Kansas Department of Transportation				
Highway Safety Cluster - Kansas Clicks STEP	20.600	69A37518300004020KS0	2,505	-
Total U.S. Department of Transportation			28,405	-
Office of National Drug Control Policy:				
Passed through Kansas Bureau of Investigation:				
Midwest High Intensity Drug Trafficking Area (HIDTA)	95.001	G16MW0003A	162,101	-
High Intensity Drug Trafficking Area (HIDTA) - DEA Grant	95.001	G16MW0003A	77,350	-
Total Office of National Drug Control Policy			239,451	-

(Continued)

Shawnee County, Kansas

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
Direct Funding:				
FY14 MRC Capacity Building (NACCHO)	93.008	N/A	337	-
Passed through Kansas Department of Health and Environment:				
FY19 Preparedness Grant	93.069	U90TP000523-06	63,906	-
FY20 Preparedness Grant	93.069	NU90TP921936-01-04	49,343	-
FY19 Regionalization	93.069	CDC-RFA-TP17-1701	19,142	638
FY20 Regionalization	93.069	NU90TP922049	10,068	492
Subtotal			142,459	1,130
FY19 TB Control Nurse Grant	93.116	U52PS004679-03	12,500	-
FY19 Immunization Action Plan	93.268	H23IP000748-05	7,192	-
FY20 Immunization Action Plan	93.268	H23IP000748-05	4,568	-
Subtotal			11,760	-
FY19 Chronic Disease Risk Reduction	93.758	NB01OT009173-01	15,577	-
FY20 Chronic Disease Risk Reduction	93.305	5NU58DP005993-05	10,000	-
FY20 Chronic Disease Risk Reduction	93.991	NB01OT009202-01	15,500	-
FY20 Child Care Licensing Program	93.575	N/A	102,918	-
FY20 Family Planning	93.217	FPHPA006448-01	15,315	-
Medicaid Cluster:				
FY19 Outreach, Prevention & Early Intervention - KCSL	93.778	KDHE2019-068	59,351	59,351
FY20 Outreach, Prevention & Early Intervention - KCSL	93.778	KDHE2019-068	49,803	49,803
FY19 Outreach, Prevention & Early Intervention - SCHD	93.778	KDHE2019-068	113,330	-
FY20 Outreach, Prevention & Early Intervention - SCHD	93.778	KDHE2019-068	73,882	-
Total Medicaid Cluster			296,366	109,154
FY19 Maternal & Child Health	93.994	B04MC30614-01	45,090	-
FY20 Maternal & Child Health	93.994	B04MC31488-01	17,626	-
FY20 Maternal & Child Health	93.994	B04MC32543-01	74,369	-
Subtotal			137,085	-
FY19 Mosquito Surveillance	93.323	6NU50CK0041-05-01	11,000	-
Total U.S. Department of Health and Human Services			770,817	110,284
U.S. Department of Homeland Security:				
Passed through Kansas Department of Emergency Management:				
FY12 EMPG	97.042	DHS-14-GDP-042-007-01	5,535	-
FY19 EMPG	97.042	EMK-2018-EP-00005	97,475	-
HMPG Weather Radio	97.039	FEMA-4319-DR-KS	11,952	-
Subtotal			114,962	-
Passed through North Central Regional Planning Commission:				
Rescue Training Equipment (Transfer of Property)	97.067	16-NEK170327.001	29,188	-
Message Boards (Transfer of Property)	97.067	10-NEK130604.001	3,733	-
Subtotal			32,921	-
Total U.S. Department of Homeland Security			147,883	-
Total expenditures of federal awards			$ 2,656,832	$ 136,948

See notes to schedule of expenditures of federal awards.

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Shawnee County, Kansas (County) for the year ended December 31, 2019 and is presented on the accrual basis of accounting. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, and expended during the year are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Expenditures of federal awards are recognized in the accounting period when the liability is incurred and approved for reimbursement. Such expenditures are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

Note 4. Outstanding Loans

The County has an outstanding loan under the Capitalized Grant for Clean Water State Revolving Loan Fund from the Kansas Department of Health and Environment, as a pass-through agency for the Environmental Protection Agency CFDA No. 66.458. As of December 31, 2019, the outstanding loan balance was $459,829.

Shawnee County
AUDIT-FINANCE OFFICE
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Topeka, KS 66603-3903

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Financial Statement Findings

2018-001

Audit Finding: The County did not properly record capital assets in the government-wide financial statements. Specifically, there were instances where infrastructure projects in process were being capitalized twice by two separate departments, as both construction in progress and infrastructure

Corrective Action Taken: Corrected. The County implemented a practice on May 22, 2019 where Asset Input Forms for infrastructure items are submitted to the Audit Finance Department to be included in the calculation of the County's Construction in Progress. Audit Finance will initial all Asset Input Forms for completed projects and submit them to the Fixed Asset Manager. The Fixed Asset Manager will enter the item in the Finance Enterprise accounting system using the project completion date as the Asset in Service date.

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Shawnee County, Kansas

Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

I. **Summary of the Independent Auditor's Results**

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? ☐ Yes ☑ No
- Significant deficiency identified? ☐ Yes ☑ None reported

Noncompliance material to financial statements noted? ☐ Yes ☑ No

Federal Awards

Internal control over major programs:

- Material weakness identified? ☐ Yes ☑ No
- Significant deficiency identified? ☐ Yes ☑ None reported

Type of auditor's report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200 516(a)? ☐ Yes ☑ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	WIC CONTRACT W/ KDHE - Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
93.778	Medicaid Cluster - Outreach, Prevention and Early Intervention Services (Medicaid Match)

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ☑ Yes ☐ No

(Continued)

II. Financial Statement Findings

A. Internal Control

No matters were reported.

B. Compliance Findings

No matters were reported.

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

No matters were reported.

B. Instances of Noncompliance

No matters were reported.

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