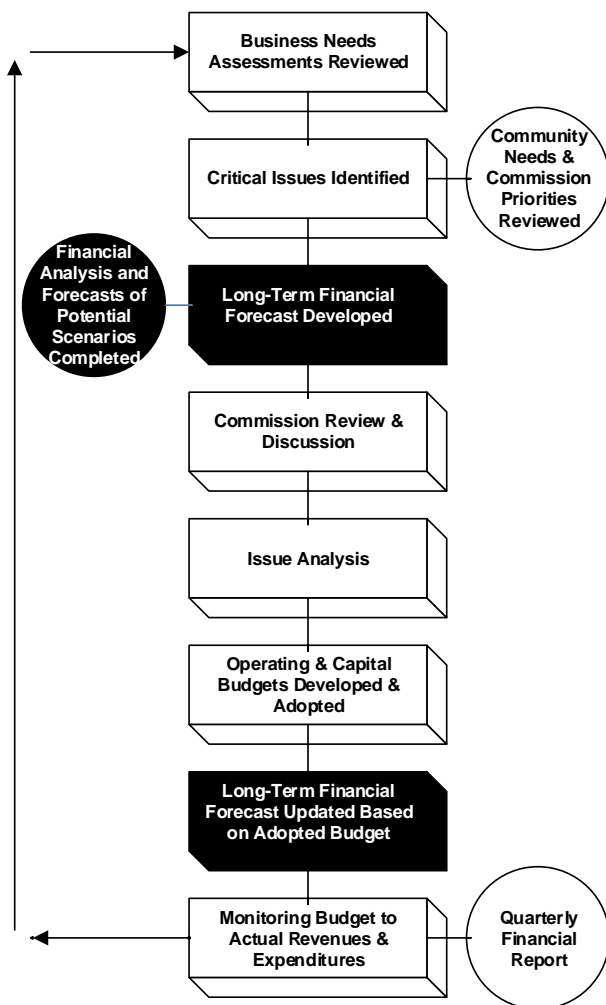


Sedgwick County
General Fund Financial Forecast
+
For the Period of 2023 - 2028

■ Introduction

Sedgwick County prepares an annual long-term financial forecast as a fundamental element of the budget process. The purpose of the forecast is to evaluate current and future fiscal conditions to guide policy and program decisions. A financial forecast is a fiscal management tool that presents estimated information based on current and projected financial conditions to identify future revenue and expenditure trends that may have an immediate or long-term influence on County policies, strategic goals, or services. The forecast assists in the formation of decisions that exercise fiscal discipline and deliver essential community services as an integral part of the annual budgeting process.

Financial Forecast and the Budget Process



■ Financial Forecast vs. Budget

The long-term financial forecast should be distinguished from the annual budget, as the forecast projects expected revenues and expenditures for the current year and five years into the future, while the budget sets the maximum amount of spending for one year. Additionally, the budget typically includes contingencies to provide additional budget authority beyond the amount allocated to an individual division for unanticipated uses. For 2024, General Fund contingencies are \$33.8 million. While budgeted, these contingencies typically are not anticipated to be spent in the forecast. To illustrate the difference: the total expenditure budget for the County General Fund is \$303,014,183 in 2024. However, the financial forecast projects actual expenses of \$265,748,457, a difference of more than \$37.3 million. Almost all of the difference can be attributed to the \$33.8 million in budgeted contingencies.

The revenue and expenditure estimates included in this financial forecast section pertain only to the County’s General Fund. Beginning in 2022 the EMS, COMCARE, and Noxious Weeds tax funds were consolidated into the General Fund to allow for flexibility and efficiencies within those departments. All information is presented on a budgetary basis unless otherwise indicated.

■ Forecasting Methodology

The estimates included in the forecast are formulated through the use of quantitative and qualitative methods. Quantitatively, historical revenues and expenditures were analyzed primarily through trend analysis and percentage growth patterns. In addition, national, state, and local economic conditions were evaluated to determine what impact they may have on the County’s ability to generate specific types of revenue. Qualitatively, the forecast draws upon the experience and knowledge of finance staff, along with input from department managers, to outline the most likely results.

Whenever forecasts are done, even a local weather forecast, one often loses sight that they are performed based on the most recently available variables. For the financial forecast, these variables include economic data through October 2023, along with the changes included in the 2024 budget. Unfortunately, financial variables are constantly

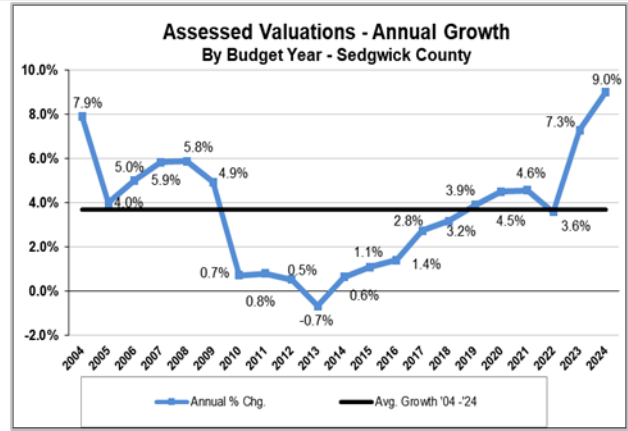
changing. The County’s forecast is subject to unforeseen and uncontrollable national, state, and local events, in addition to the timing of large capital projects and operational decisions that may make the forecast less accurate.

Executive Summary

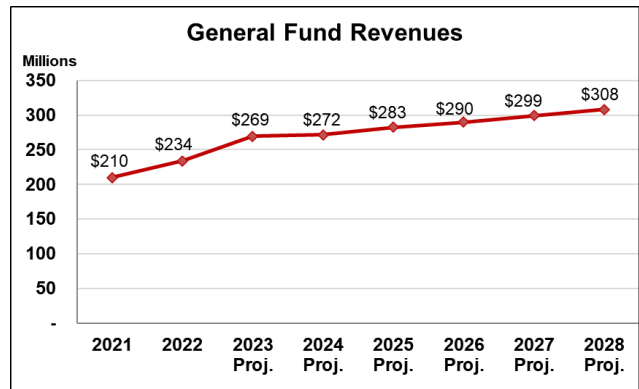
The 2024 budget of \$546.2 million is presented as the economy continues to weather unanticipated global stressors, including very high inflation, supply chain disruption, extreme weather, and the after-effects of COVID-19. Locally, home values increased significantly due to a very tight market. In addition, residents, businesses, and governments are all dealing with higher interest rates, inflated costs for goods, and shortages of certain products. Unemployment is also very low, and competition for qualified workforce is challenging for all industries. These factors put pressure on local government to be particularly conscious of property taxes and fees; however, difficult economic times often also result in more demand for safety net services, which increase those costs. Within this context, the Board of County Commissioners identified some key priorities as part of the County’s 2024 budget process: address workforce shortages with compensation adjustments to preserve service levels, while also maintaining a level property tax rate.

The County’s 2023 budget included a variety of compensation strategies, including implementation of step plans for Fire District #1 and Emergency Medical Services (EMS), market adjustments for departments experiencing significant vacancies, and a substantial pay adjustment for all other County employees. The 2024 budget builds on the 2023 strategies with compensation adjustments for employees on the General Pay Plan, full funding for step plans, pay structure movements, and general pay adjustments for all staff.

Like much of the country, Sedgwick County saw gradual improvement in assessed valuation after the Great Recession. In recent years, value growth has finally rebounded to pre-recession levels. Growth in assessed valuation to support the 2023 budget was 7.3 percent, while growth for the 2024 budget is 9.0 percent due to a very strong residential home market in 2021 and 2022; it is estimated that this growth will level off to more typical levels as the economy is expected to cool in the near future. The table in the next column illustrates changes in Sedgwick County’s assessed valuation since 2004.

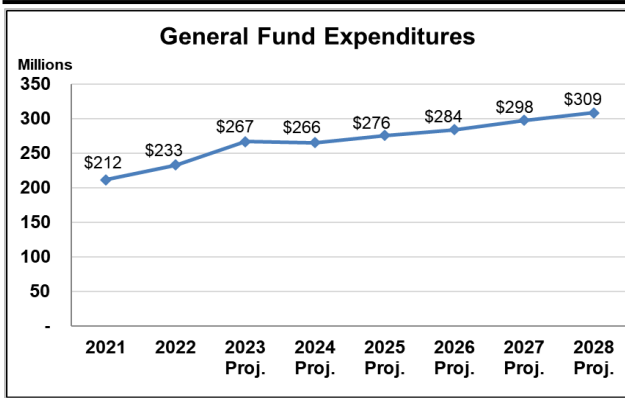


In 2022, property taxes made up 56 percent of revenues received in the General Fund. Another 40 percent of the revenues received in the General Fund in 2022 came from seven key revenue sources, which are highlighted later in this section. As shown in the table below, projections outline increased revenue in 2023. Additional growth expectations are moderated in future years due to an anticipated cooling down of the local economy.



The County’s primary objective is to deliver services to constituents, which is primarily done through County workforce. However, the organization has experienced significant turnover since the pandemic began. To address the workforce shortage, the County made compensation its highest priority in recent budget years, with more than half of the 2024 budget going toward personnel.

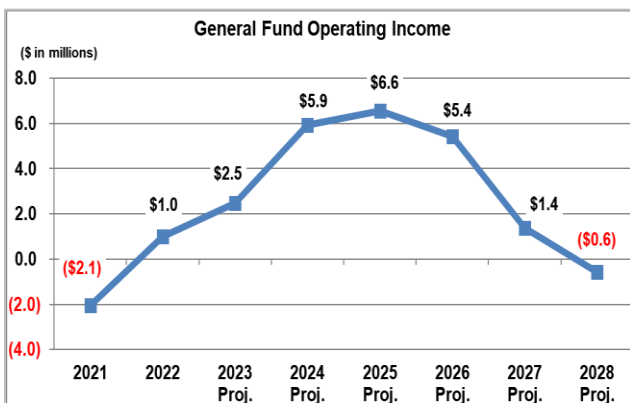
Financial Forecast – Sedgwick County General Fund



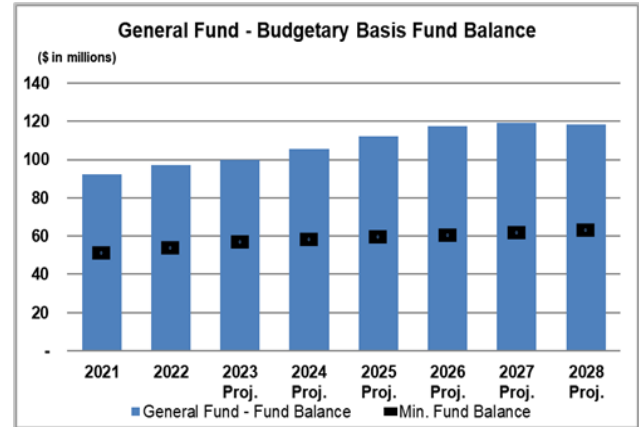
The County has been responsive to the financial challenges outlined in the financial forecast to not only maintain a positive balance in the General Fund, but to ensure adherence to the County’s minimum fund balance policy, which calls for a minimum unrestricted balance of 20 percent of budgeted expenditures and transfers out.

Prior to the national recession, Sedgwick County proactively implemented an initiative to increase its fund balances during the good times to weather significant economic downturns later through a “Rainy Day Reserve”.

The table below outlines projected operating results in each year of the forecast. Current projections outline surpluses in all years of the forecast except for 2028 as revenues are projected to exceed expenditures in each of those years. The County’s General Fund is projected to have a surplus of \$2.1 million in 2021; however, \$6.2 million in one-time revenues is included in this amount due to the transfer of the remaining fund balances and the final payment of administrative charges from the EMS, COMCARE, and Noxious Weeds tax funds after their consolidation into the General Fund in 2022. As illustrated in the table below, the General Fund ending balance is projected to remain above the minimum policy requirement in all years.



The 2024-2028 Capital Improvement Program (CIP) includes projects supported with a mix of cash and debt in all five years, to include significant facility projects like equipment refresh at the Historic Courthouse Datacenter, water heater replacement at the Adult Detention Facility, renovation of the Red Brick East Restroom at Lake Afton Park, and replacement of EMS Post 1.



As outlined previously, the organization’s strategic efforts are significantly influenced by the forecast. The forecast is a valuable planning tool that is used to ensure the long-term continuity of essential services. Due to the County’s previous actions to develop a “Rainy Day Reserve”, the County has been able to make strategic decisions regarding how and when to make service changes to minimize the impact on community services. As the economy enters an unpredictable phase, the sustainability of the County is placed at risk if existing operations are not monitored and adjusted to address current economic conditions.

Over the planning horizon of the financial forecast, the County will continue to confront a variety of challenges beyond the COVID-19 pandemic. In addition to challenges from an uncertain economy, actions at the Federal and State levels continue to cause concern to County management. These challenges will require the County to continue to concentrate on a variety of core financial guidelines, as outlined in the following section.

- **Revenue Core Guidelines**

- Maintaining a consistent property tax rate
- Maintaining a diversified revenue base requires diligence. Adjust current fees when appropriate
- Effective governance is the result of effective partnerships. County services mandated by

another government should be funded by that government

• **Expenditure Core Guidelines**

- o Concentrate public services on those areas of greatest need for resources
- o Strategically use debt and bonding
- o Seek innovative programs for delivering public services beyond current operating standards
- o Educate State legislators on the impact of past, new, and pending State mandates
- o Ensuring adequate compensation to recruit and retain a quality workforce

■ **Minimum Fund Balance Requirement**

When determining the appropriate level of fund balance and evaluating the use of fund balance, Sedgwick County adheres to standards set by the Governmental Accounting Standards Board (GASB). In 2010, GASB updated its fund balance reporting standards through a document called Statement No. 54. The standard establishes six different categories of fund balance to provide clear and consistent classifications: non-spendable, restricted, committed, assigned, unassigned, and unrestricted. Classifications are based on the strength of limitations and the extent to which the government is bound to honor such limitations.

When the County evaluates its General Fund fund balance in the context of the GASB standards, it does so on an accounting basis referred to as the Generally Accepted Accounting Principles (GAAP), rather than the budgetary basis used in budget materials.

On a GAAP basis, the County must account for more than just revenues received by the County's General Fund; it also must take into account assets in terms of cash, accounts receivable, inventories, and amounts due from other funds. It must account for more than just payroll and costs paid to vendors; it also must take into account all liabilities, including accounts payable and unearned revenues. This is done by classifying six types of fund balance:

- **Nonspendable:** amounts not in spendable form (i.e., inventories, prepaid amounts, long-term amounts for loans, and notes receivable), or legally or contractually required to be maintained
- **Restricted:** constrained by creditors, grantors, and contributors, through constitution or legislation. Such limitations are externally enforceable by constitution or legislation.

- **Assigned:** used for specific purposes which do not meet the criteria of restricted or committed. Limitations are self-imposed by government or management.
- **Committed:** used for specific purposes. Limitations are self-imposed and determined by formal action of the BOCC. Restrictions are removed in the same manner in which formal action was taken.
- **Unassigned:** excess portion of fund balance over nonspendable, restricted, committed, and assigned fund balances.
- **Unrestricted:** combined balances of committed, assigned, and unassigned fund balances

The BOCC adopted a revised minimum fund balance policy in 2011. The policy outlines that, "County finances will be managed so as to maintain balances of the various funds at levels sufficient to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, ensure stable tax rates, and protect the County's creditworthiness."

The policy further states that the County's General Fund will be managed to maintain a minimum unrestricted fund balance equal to at least 20 percent of budget annual expenditures and transfers out. If fund balance exceeds the minimum requirement at the end of a fiscal year, the policy outlines how the excess may be used:

- Appropriated in the following budget cycle to lower the amount of bonds needed to fund capital projects in the County's Capital Improvement Program.
- Appropriated in the following budget cycle to fund the County's expected liabilities in risk management and workers compensation.
- Appropriated in the following budget cycle as one-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs.
- Appropriated in the following budget cycle to increase reserves for equipment replacement.
- Start-up expenditures for new programs, provided that such action is approved by the Board of County Commissioners and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Finance Division.

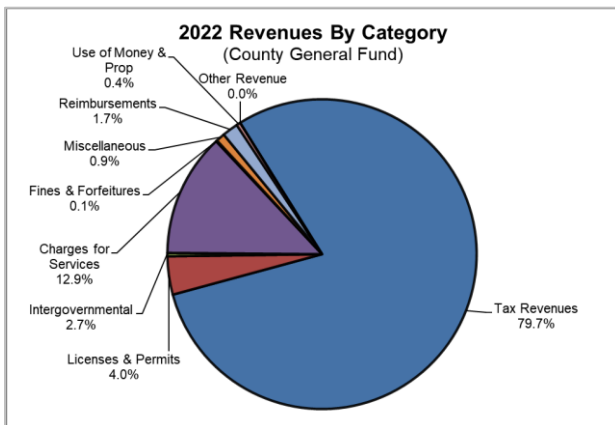
Financial Forecast – Sedgwick County General Fund

At the beginning of the 2024 budget development process in January 2023, the General Fund's unrestricted fund balance was \$75,178,518 on a GAAP basis. Based on the policy outlined above, the minimum required in 2023 is \$56,915,158, resulting in excess, “spendable” fund balance of \$18.3 million. To compare, on a budgetary basis, the fund balance was \$97,242,961 in January 2023.

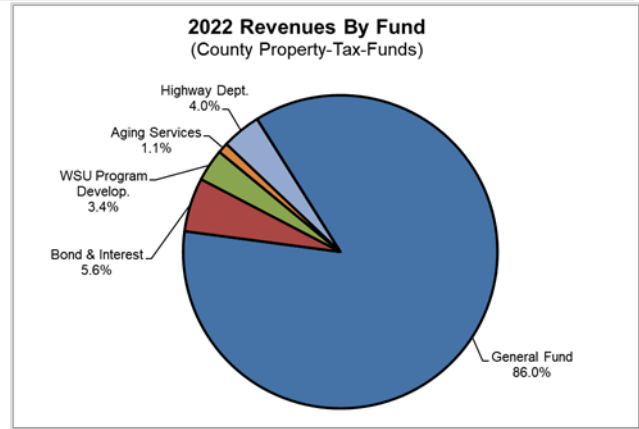
Based on 2023 activity, revenues are estimated to exceed expenditures by \$2.5 million at year-end, which would result in an unrestricted fund balance of \$77.7 million to start 2024, \$17.0 million more than the minimum required by policy.

■ Revenues & Transfers In

Sedgwick County’s revenue structure for the General Fund groups the revenues into seven primary revenue categories, with aggregate tax collections as the largest revenue source, followed by charges for service, reimbursements, and uses of money and property. These revenue categories are shown in the chart below. In 2022, a total of \$234,141,537 in revenue and transfers in was received in the General Fund, with 80 percent collected from multiple tax sources. These actual results are the baseline from which financial estimates in the financial forecast are made.



Of the funds receiving property tax support, the largest is the General Fund, with 86 percent of total revenue collections in 2022. Revenues by fund are outlined in the chart in the next column.



Specific Revenue Projections in the Financial Forecast

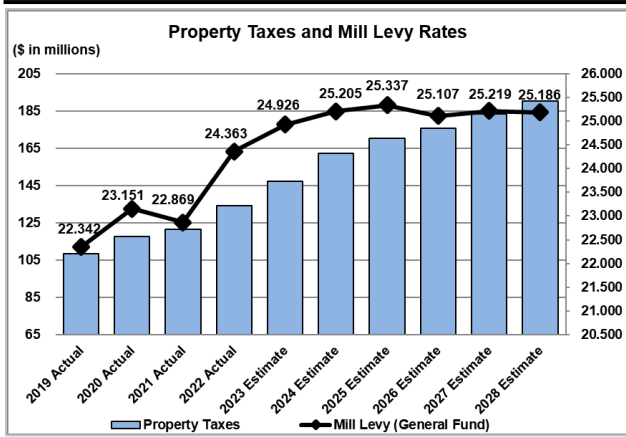
Of the total revenue collections and transfers from other funds in the General Fund, about 96 percent is collected through eight distinct revenue sources. The following discussion on revenue projections included in the financial forecast will concentrate on these major revenues, which are listed in the table below.

Major Revenues County General Fund		
	2022	% of Total
Total Revenues & Transfers In	\$ 234,141,537	100%
Property Taxes	\$ 131,471,883	56%
Local sales & use tax	\$ 38,187,177	16%
Motor vehicle tax	\$ 16,633,123	7%
Medical charges for services	\$ 17,191,408	7%
Licenses & permits	\$ 9,348,114	4%
Officer fees	\$ 4,381,247	2%
Prisoner Housing/Care	\$ 4,060,066	2%
Administrative reimbursements	\$ 3,698,931	2%
Total	\$ 224,971,949	96%

Property Taxes

Property taxes play a vital role in financing essential public services. Property tax revenues are used to fund services County-wide in the General Fund. This reliable revenue source has no attached mandates as many other State and Federal revenues often do. The table on the next page shows the estimated mill levy rate and property tax levy in the General Fund throughout the forecast. The table reflects the total property tax levy, not just estimated collections, which are shown in the table above. Collections are often significantly less than the levy due to delinquent taxpayers and certain economic development incentives that allow property owners to divert property taxes in a defined area toward an economic development or public improvement project.

Financial Forecast – Sedgwick County General Fund



The 2024 budget includes a total mill levy rate of 28.988 mills. This forecast assumes that the property tax rate will remain unchanged at an estimated 28.988 mills through 2028. However, as illustrated in the table above, the mill levy rate assigned to the General Fund will shift as resources are needed across the five total County property-tax-supported funds.

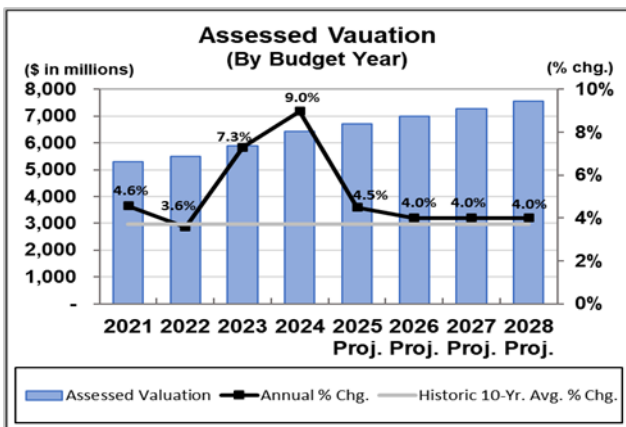
Projected revenue from property tax collections in this financial plan are based on:

- An assumption that the property tax rate will remain at 28.988 mills through 2028, absent technical adjustments.
- Increases or decreases in property tax revenues will result from estimated changes in assessed valuations and not changes to the mill levy rate.
- An assumption that collection delinquencies will remain at about 3.0 percent, after the delinquency rate reached 4.2 percent in 2010.

when valuation increased by less than a percent. Growth was less than one percent through 2012; then, for the first time in 20 years, assessed valuation decreased for the 2013 budget year. Growth was 3.9 percent for the 2019 budget, 4.5 percent for the 2020 budget, 4.6 percent for the 2021 budget, and 3.6 percent for the 2022 budget. Growth in assessed valuation to support the 2023 budget was 7.3 percent, while growth for the 2024 budget is 9.0 percent due to a very strong residential home market in 2021 and 2022; it is estimated that this growth will level off to more typical levels as the economy is expected to cool in the near future.

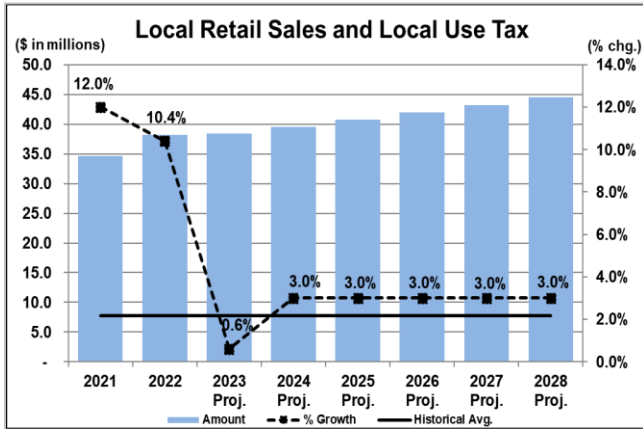
Within the financial forecast, property tax rates among different County property-tax-supported funds can be and are distributed based on the total available resources to achieve the greatest outcomes in service delivery. In some instances, distribution of the total property tax rate is adjusted due to changing operations, one-time projects such as capital improvements, or the availability of unexpected resources. The table below outlines the property tax rate movements estimated within this plan for all County property-tax-supported funds.

Property Tax Rates by Fund (in mills)						
	2023	2024	2025 Est.	2026 Est.	2027 Est.	2028 Est.
General	24.926	25.205	25.337	25.107	25.219	25.186
Bond & Int.	1.861	1.156	1.128	1.236	1.108	1.118
WSU	1.500	1.500	1.500	1.500	1.500	1.500
Highway	0.710	0.742	0.642	0.780	0.779	0.810
Aging	0.371	0.385	0.381	0.365	0.382	0.374
Total	29.368	28.988	28.988	28.988	28.988	28.988



Over the past 10 years, Sedgwick County’s assessed valuation has grown an average of 3.7 percent annually. Like many other jurisdictions, the County experienced strong valuation growth between the years of 2000 to 2009 with an average growth rate of 5.6 percent. That trend changed notably in 2010

Local Retail Sales and Use Tax



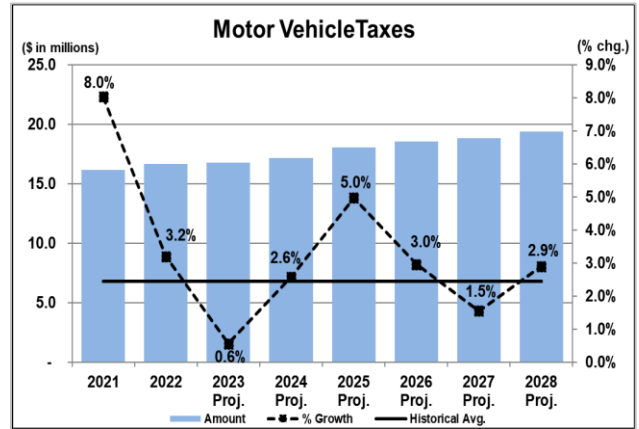
Local retail sales tax is generated from a County-wide one-percent tax on retail sales, imposed pursuant to voter approval in July 1985. Local use tax, per State statute K.S.A. 12-198, is a tax paid on tangible personal property purchased from other states and used, stored, or consumed in Kansas on which no sales tax was paid. Use tax is also applied if a taxable item is relocated to Sedgwick County from another state and that state’s sales tax rate is less than the Kansas rate.

Distribution of these revenues to the County and cities is based half on their individual population levels and half on property tax levies per State statute K.S.A 12-187. Sedgwick County receives 28.5 percent of the revenue produced by the County-wide sales tax in its General Fund; the balance is distributed by the State government to the 20 cities located within the county. There are three principal factors that influence the County’s collection of local retail sales tax revenue:

- Total taxable retail sales in Sedgwick County
- Population in the unincorporated areas of the County as a percentage of total County population
- The County’s property tax levies as a percentage of total taxes levied by all governmental entities

Historically, retail sales and use tax collections have experienced an average growth rate of 2.2 percent over the past 10 years. Total revenues of \$38.2 million were collected in 2022 with estimated increases to \$38.4 million in 2023 and to \$39.6 million in 2024. As the economy improves, revenues in this category are estimated to generally increase in the outer years of the forecast.

Motor Vehicle Taxes



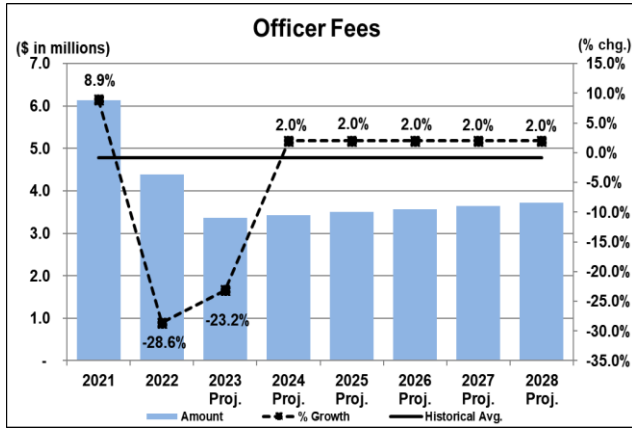
The State statute describing the collection and distribution of Motor Vehicle Taxes is outlined in K.S.A. 79-5101 et seq. Motor vehicles are distinguished by 20 vehicle classes, and then taxed at 20 percent of the class value based on the average County-wide mill levy during the previous year. State statutes define the average county-wide mill levy as the amount of general property taxes levied within the county by the State, county, and all other property taxing subdivisions; and then divided by the county’s total assessed valuation.

The 2012 Legislature enacted legislation requiring that an annual commercial vehicle fee be paid in lieu of current property taxes for both interstate and intrastate commercial vehicles registered in Kansas.

Collected taxes are distributed by the County Treasurer to the taxing jurisdictions based on the owner’s residency and the ratio of levied taxes by the jurisdiction to the total taxes levied. Once the County’s portion is distributed, statute further directs revenues be shared across the eight County property-tax-supported funds based on each fund’s mill levy rate for the previous year.

Collections are dependent not only on economic conditions and vehicle sales, but also on the ratio of County property taxes to all of the other property taxing jurisdictions.

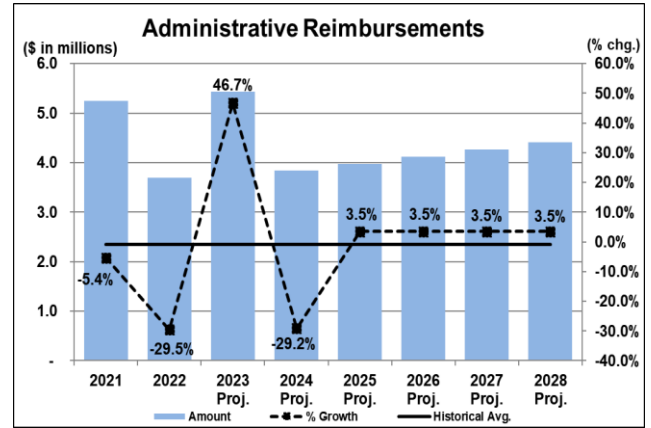
Officer Fees



Officer fees were established under K.S.A. 28-115 to replace mortgage registration fees, which were phased out by legislative action starting in 2015, with complete elimination by 2019. These fees are a per-page fee that varies based on the type and length of document being filed.

Within this revenue source, collection levels are strongly correlated with the strength of the local real estate and refinancing market. After a large increase in 2021, officer fees are expected to stabilize in 2023 with what is anticipated to be normal annual collections, remaining fairly flat through 2028. Collections are estimated at \$3.4 million for 2023.

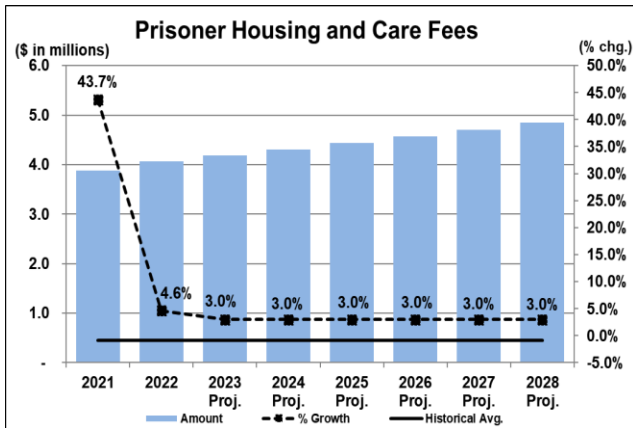
Administrative Reimbursements



Administrative reimbursements to the General Fund are charges that are passed along to departments operating outside of the General Fund for the indirect support of those operations. Consultants prepare a Cost Allocation Plan annually as a basis for budgeted reimbursements. For the General Fund to receive reimbursement revenue from those funds receiving grants from the Federal government, an annual allocation plan following specific accounting guidelines is required.

The decrease in 2022 is due to the consolidation of three County tax funds (EMS, COMCARE, and Noxious Weeds) into the General Fund in 2022. The increase in 2023 is due to the final payment of Administrative Reimbursements from the consolidated funds before returning to more normal levels in 2024.

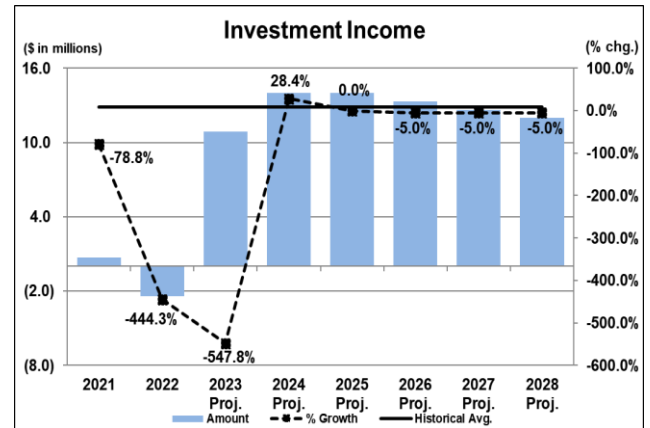
Prisoner Housing and Care Fees



Prisoner housing and care fees are received from Federal, State, and local authorities for housing their prisoners in the Sedgwick County Adult Detention Facility and care in Sedgwick County Correctional facilities.

In 2007, the BOCC adopted a municipal housing fee for all cities located within Sedgwick County to mitigate the overcrowding issues in the Adult Detention Facility. Collections began in 2008. Some cities chose not to pay immediately, including the City of Wichita, resulting in litigation. In 2010, the County settled its claims against the cities that had not paid for less than what was owed and gave rebates of 85 percent to those cities that had paid, resulting in lower revenues.

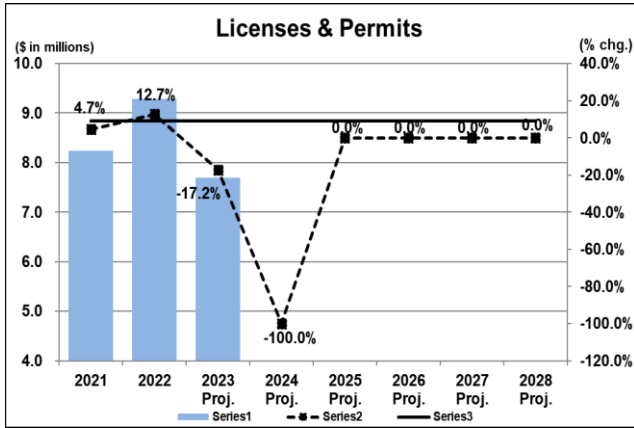
Investment Income



Investment income accounts for revenues generated from the investment of idle County funds. Traditionally, this revenue source can be volatile with collections dependent on interest rates in investment markets, the timing in which investments mature, and the size of the investment portfolio. State law outlines that all investment income is to be deposited in the General Fund unless otherwise directed by statute.

The County has an investment portfolio that ranges from \$225 million to \$600 million depending on the time of year. By law, the County’s investments are restricted to short maturities having little or no risk. In 2022, the County pulled cash out of greatly underperforming long-term investments to immediately reinvest in more lucrative investments and due to timing a negative balance is shown in 2022. Interest rates have increased significantly and more investment of idle funds. The forecast projects revenue of \$10.9 million in 2023.

Licenses & Permits



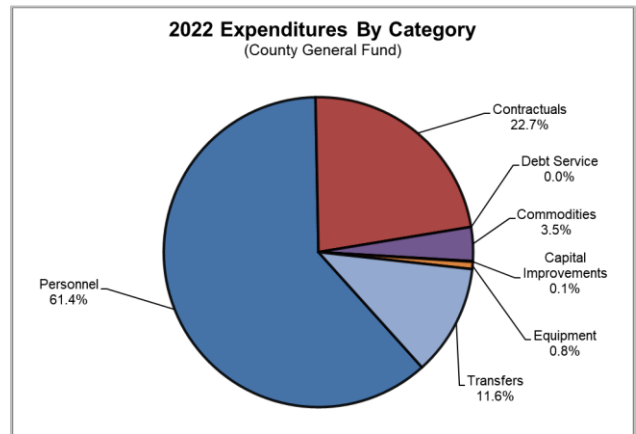
License and permit fee revenues are generated from businesses needing licenses and/or permits in order to construct new buildings or make improvements to existing structures to ensure compliance with City or County codes.

Licenses and permits became a key revenue for the County in 2017 as a result of the County-City of Wichita code function merger. In 2017, the first year with the County as managing partner, the County began receiving all revenue related to the MABCD, the bulk of which had previously been received by the City. Beginning in 2024 these revenues will move to the new Code Inspection & Enforcement Enterprise Fund. Because these revenues will not be received within property-tax-supported funds, starting in 2024 they will not be included within this forecast.

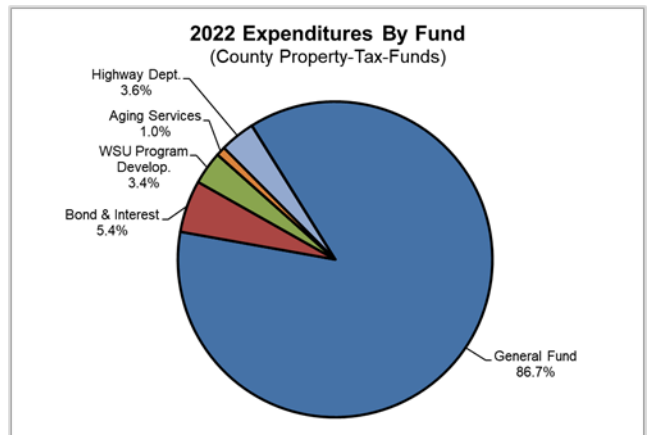
Expenditures

Sedgwick County’s expenditure structure is divided into seven primary spending categories: personnel, contractuals, debt service, commodities, capital improvements, equipment, and interfund transfers. Total expenditures incurred in 2022 in the County General Fund were \$233,150,404. Of those, 61 percent were for personnel costs and 23 percent for contractual services.

As with revenues, these actual results are the baseline from which the current financial forecast was developed.

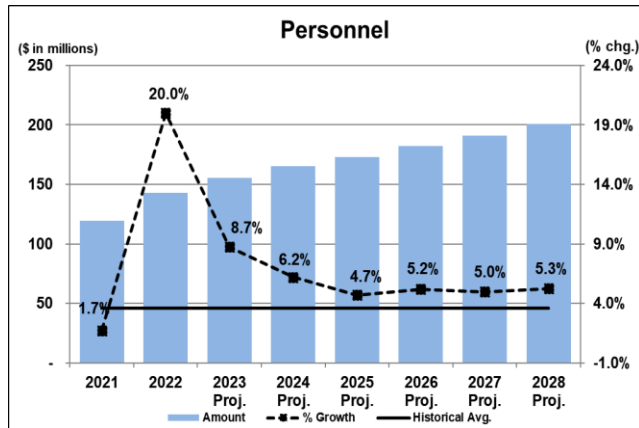


Of the total spent in funds receiving property tax support, the fund with the greatest portion of total expenses is the General Fund with 87 percent of total 2022 expenditures.



Specific Expenditure Projections in the Financial Forecast

Personnel



Similar to most government and proprietary entities, personnel expenditures represent the largest cost in delivering services. The projections included in this financial forecast incorporate the following variables for 2024:

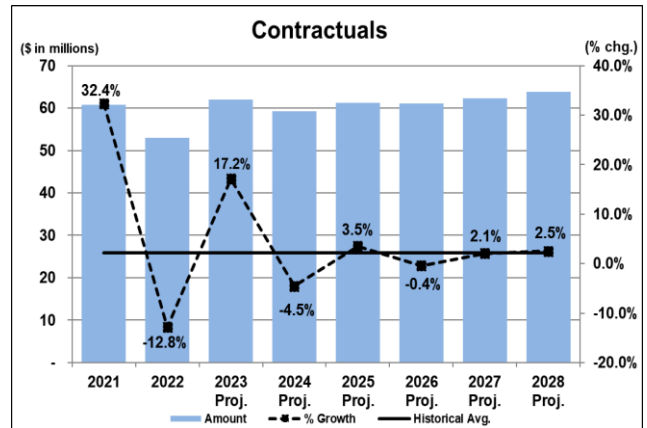
- The implementation of a new General Pay Plan and adjustments for placement of employees onto that plan
- Full funding of step plans for the Sheriff’s Office, EMS, and Fire District #1 along with a 2.0 percent structure adjustment for those plans
- A 3.0 percent general pay adjustment (GPA) for all County employees not on a step plan

Beyond 2024, the forecast includes:

- A pay pool of 4.0 percent in 2025 through 2028 to continue the multi-year compensation strategy
- Increases of 5.0 percent in employee health insurance premiums in 2025 through 2028
- Increases in retirement contribution rates through the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen’s Retirement System (KP&F)

	2019	2020	2021	2022	2023	2024
KPERS - Retirement Rates	9.89%	9.89%	9.87%	9.90%	9.43%	10.26%
KP&F - Retirement Rates						
Sheriff	22.13%	21.93%	22.80%	22.99%	22.86%	23.10%
Fire	22.13%	21.93%	22.80%	22.99%	22.86%	23.10%
EMS	22.13%	21.93%	22.80%	22.99%	22.86%	23.10%

Contractuals

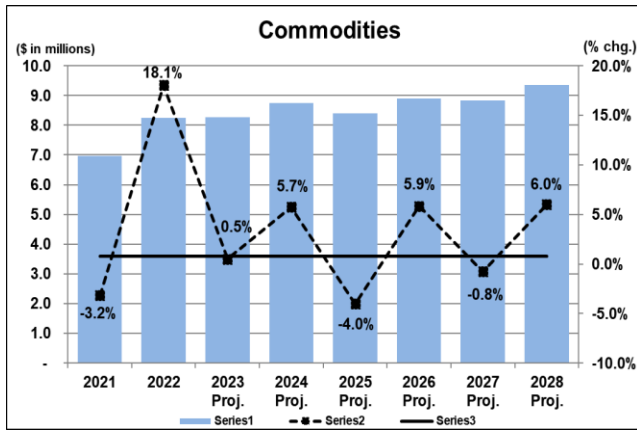


Contractual expenditures, the second largest expenditure category, include services purchased from and delivered by an external entity and internal departmental charges to other funds. These may include utility services, insurance services, software agreements, social services delivered by other community providers, or internal fleet and administrative charges.

Increased costs in 2021 were largely due to an award to the Sedgwick County Zoo for a new entrance and administrative center (\$2.0 million). Increased costs in 2023 are largely due to the final payment of administrative charges for the consolidated tax funds (\$1.7 million) as well as an increase in Technology Review Board (TRB projects).

Excluding those changes, increases included in this forecast anticipate continuing increases in utilities, inmate medical and food service contracts, and software and technology equipment maintenance costs. The cyclical nature of national, State, and local elections also contribute to expenditure variations in this category.

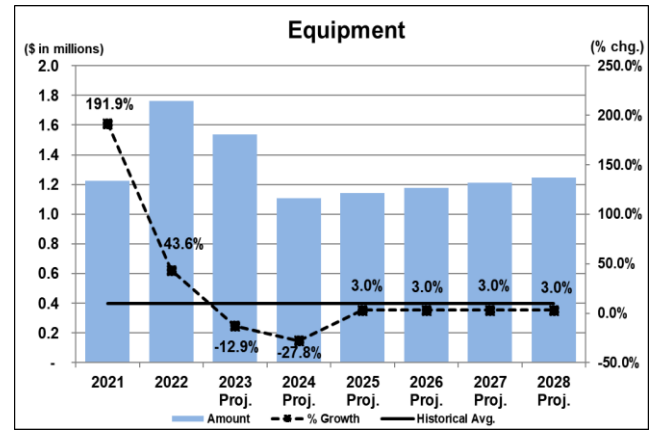
Commodities



This category includes expenditures for the purchase of common tangible items. This may include office supplies, fuel, food, clothing, software, and equipment with acquisition costs of less than \$10,000 per unit.

Commodity expenditures often fluctuate from year to year. These fluctuations often are due to the election cycle, when expenses vary from odd years to even year (even years representing either gubernatorial or presidential election cycles).

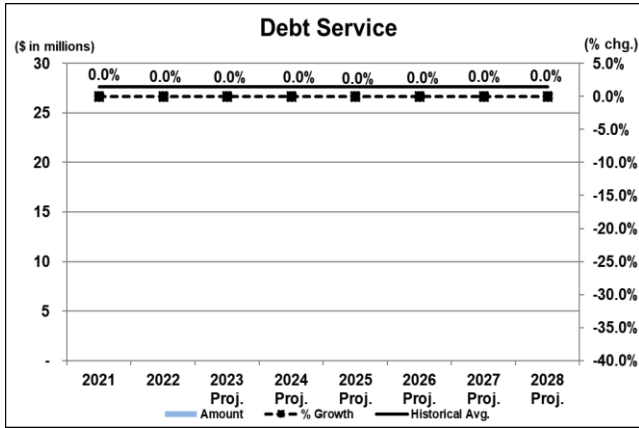
Equipment (Capital Outlay)



Equipment includes expenditures for office, technical, operating, and vehicular equipment that are more than \$10,000. Overall, the County spends relatively small amounts for equipment in the property-tax-supported funds, so isolated purchases can often result in sizable year-to-year percentage changes.

Increased costs in 2022 and 2023 are due to mobile and portable radio replacements across the organization as the radios reach the end of support. Costs are anticipated to return to more typical levels in 2024.

Debt Service

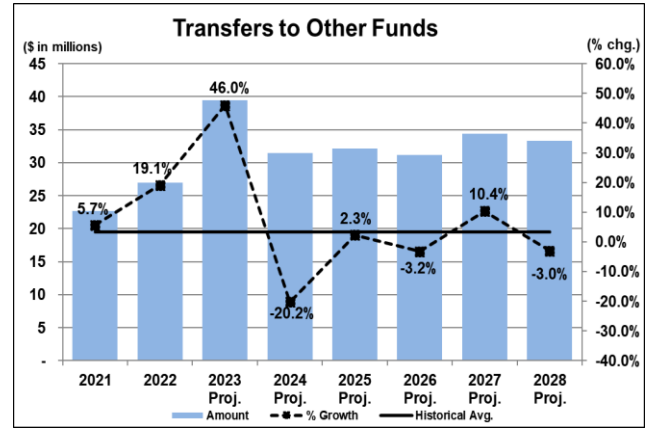


The financial forecast incorporates debt service payments on current debt obligations. Sedgwick County continues to hold high bond ratings from the three most widely used rating agencies: Moody’s Investor Services, Standard & Poor’s, and Fitch Ratings. In a recent rating evaluation, Standard & Poor’s outlined that Sedgwick County’s management is “very strong, with ‘strong’ financial management policies and practices...indicating financial practices are strong, well embedded, and likely sustainable.”

Bond Ratings	
Rating Agency	Rating
Standard & Poor’s	AAA
Moody’s	Aaa
Fitch	AA+

The debt service calculations in the financial plan include the projects listed within the Capital Improvement section of the budget book. Typically, debt service payments are made from the Debt Service Fund.

Transfers to Other Funds



Within statutory limitations, the County is allowed to transfer funding from the General Fund to other funds to finance equipment purchases, capital improvements, or grant matches. Traditionally, transfers to other funds are relatively consistent from one year to the next with the exception of transfers for capital improvement projects and transfers for one-time equipment and software purchases to the Equipment Reserve Fund.

Recurring annual transfers from the General Fund to other funds include:

- \$1,597,566 annually in collected retail sales and use tax revenues to the Bond & Interest Fund to mitigate the cost of debt service on road and bridge projects
- Approximately \$17.3 million to \$22.3 million annually in retail sales and use tax revenues to the Sales Tax Road & Bridge Fund for capital projects
- Approximately \$3.1 to \$4.5 million annually to the Risk Management Fund
- Annual transfers of varying amounts for cash-funded capital projects as included in the CIP

As outlined in the table on the next page, significant changes in transfers from one year to the next are largely related to cash-funded capital projects included in the County’s CIP.

Financial Forecast – Sedgwick County General Fund

Primary Recurring Transfers				
	Sales Tax to LST Road & Bridge Fund	Sales Tax to Bond & Interest Fund	Other Cash Funded Capital Projects	General Fund to Risk Mgmt.
2021	17,293,433	1,597,566	1,386,145	3,540,888
2022	19,093,588	1,597,566	2,772,243	3,910,357
2023 Proj.	19,208,150	1,597,566	3,446,529	3,105,202
2024 Proj.	19,784,395	1,597,566	5,319,167	4,079,939
2025 Proj.	20,377,926	1,597,566	5,287,915	4,120,229
2026 Proj.	20,989,264	1,597,566	3,796,691	4,274,738
2027 Proj.	21,618,942	1,597,566	6,284,027	4,307,425
2028 Proj.	22,267,510	1,597,566	4,338,549	4,482,448

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Financial Forecast 2020 - 2028

County General Fund

Modified Accrual Basis

	Actual					Estimates				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	
1 Beginning Fund Balance										
2 Operating Revenue										
3 Taxes										
4 Current property taxes	161,556,172	170,629,881	186,564,353	200,607,889	215,401,137	225,393,974	232,199,945	241,295,026	250,079,123	
5 Back property taxes & warrants	113,099,293	117,395,133	129,603,089	143,186,800	156,323,908	164,259,572	169,315,915	176,914,379	183,788,982	
6 Special assessment property taxes	2,365,711	2,276,030	1,868,794	2,002,026	2,070,496	2,084,650	2,075,204	2,020,928	2,083,489	
7 Motor vehicle taxes	14,921,769	16,118,566	16,633,123	16,726,061	17,156,631	18,007,899	18,539,529	18,826,216	19,371,082	
8 Local retail sales tax	26,776,858	29,433,084	31,904,327	32,095,753	33,058,626	34,050,385	35,071,896	36,124,053	37,207,775	
9 Local use tax	4,100,886	5,153,782	6,282,849	6,320,547	6,510,163	6,705,468	6,906,632	7,113,831	7,327,246	
10 Other taxes	291,653	253,286	272,169	276,702	281,312	286,001	290,769	295,618	300,550	
11 Intergovernmental	571,801	1,150,642	815,587	955,851	963,623	972,121	981,343	991,289	1,001,959	
12 Charges for service	13,262,174	15,403,838	30,125,414	31,826,457	31,333,328	32,102,684	32,891,528	33,700,362	34,529,707	
13 Reimbursements	5,630,679	6,092,597	3,881,448	5,722,968	4,211,486	4,348,980	4,491,213	4,638,347	4,790,556	
14 Use of money and property	7,538,334	5,302,687	963,534	14,635,249	17,473,120	17,511,430	16,850,248	16,224,583	15,632,696	
15 Other revenues	10,392,790	11,161,980	11,790,725	11,171,185	2,297,939	2,230,761	2,241,483	2,252,422	2,263,581	
16 Transfers from other funds	17,754,736	67,927	471	4,514,238						
17 Total Revenue	216,706,870	209,809,552	234,141,537	269,433,837	271,680,633	282,559,950	289,655,758	299,102,029	308,297,622	
18 Operating Expenditures										
19 Personnel and benefits	117,217,413	119,223,197	143,066,225	155,573,159	165,226,845	172,998,434	181,983,689	191,028,003	201,060,954	
20 Contractual services	45,881,316	60,729,477	52,926,851	62,006,841	59,198,213	61,269,499	61,023,212	62,282,487	63,842,057	
21 Debt service										
22 Commodities	7,206,224	6,976,945	8,236,812	8,278,686	8,753,008	8,400,418	8,892,372	8,823,085	9,351,486	
23 Capital improvements	1,583	1,034,795	153,431	142,888						
24 Capital outlay > \$10,000	420,329	1,226,886	1,761,966	1,535,058	1,108,943	1,142,212	1,176,478	1,211,772	1,248,125	
25 Transfers to other funds	21,461,624	22,675,412	27,005,119	39,423,670	31,461,447	32,190,221	31,160,906	34,391,083	33,361,395	
26 Total Expenditures	192,188,489	211,866,712	233,150,404	266,960,303	265,748,457	276,000,784	284,236,657	297,736,430	308,864,017	
27 Operating Income	24,518,381	(2,057,160)	991,133	2,473,535	5,932,176	6,559,166	5,419,100	1,365,599	(566,395)	
28 Ending Fund Balance	98,308,987	96,251,827	97,242,961	99,716,495	105,648,671	112,207,937	117,626,938	118,992,537	118,426,141	
29 Assessed valuation	5,077,374,541	5,309,726,413	5,499,916,842	5,901,350,627	6,433,934,558	6,723,461,613	6,992,400,078	7,272,096,081	7,562,979,924	
30 Assessed valuation % chg.	1.41%	4.58%	3.58%	7.30%	9.02%	4.50%	4.00%	4.00%	4.00%	
31 Mill levy	23.151	22.869	24.363	24.926	25.205	25.337	25.107	25.219	25.186	
32 Mill levy change	(6.232)	(0.282)	1.494	0.563	0.279	0.132	(0.230)	0.112	(0.033)	