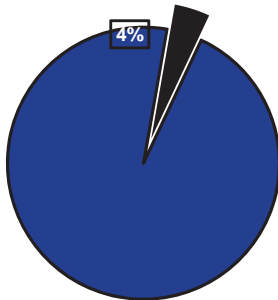


Bond and Interest

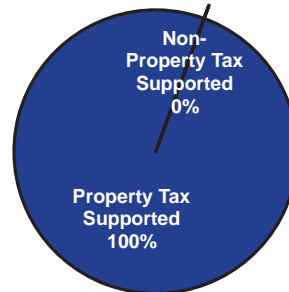
Inside:

		2018 Budget by Operating Fund Type					
		2018 Budget All Operating Funds	Special Revenue Funds			Enterprise/ Internal Serv.	
Page	Department		General Fund	Debt Service Funds	Property Tax Supported		Non-Property Tax Supported
254	Bond and Interest	17,887,904	-	17,887,904	-	-	-
	Total	17,887,904	-	17,887,904	-	-	-

% of Total Operating Budget



Operating Expenditures by Fund Type



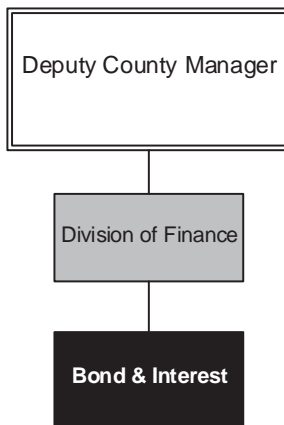
* Includes the General, Debt Service and Property Tax Supported Special Revenue Funds



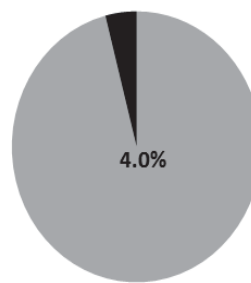
Hope Hernandez
 Accounting Director
 525 N Main, Suite 823
 Wichita, Kansas 67203
 316-660-7136
hope.hernandez@sedgwick.gov

Mission:

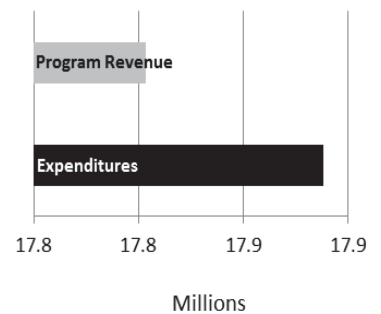
- To assure Sedgwick County government and citizens of proper use of County resources and informed financial decision-making.



% of Total Operating Budget



Expenditures & Program Revenue



Description of Major Services

The Bond and Interest Fund provides for the retirement of general obligation, Public Building Commission (PBC) revenue bonds, and special assessment bonds of Sedgwick County. Each year, the County levies taxes that, together with special assessments and other revenues credited to the Fund, are sufficient to pay the principal and interest payments due throughout the year.

The County’s Debt Policy establishes guidelines pertaining to the County’s use of debt. The objectives of the policy are to ensure financing is obtained only when necessary; the process for identifying the timing and amount of debt or other financing is as efficient as possible; the most favorable interest rate and other related costs are obtained; and future financial flexibility is maintained.

A summary of key points from the Sedgwick County Debt Policy is presented here:

- Debt management committee is formed to ensure compliance with debt policy.
- Pay-as-you-go financing is favored when the project can be funded from available current revenue and

fund balances, the project can be completed in an acceptable timeframe given available resources, additional debt could affect the County credit rating, or when repayment sources or market conditions are considered unstable or suggest difficulty in marketing the debt.

- Debt financing is favored when market conditions are favorable, a project is mandated and current revenue or fund balances are insufficient, or a project is immediately required to meet capacity needs. The useful life of each project must equal or exceed the term of the financing.
- Total outstanding debt is capped. The policy limits direct debt per capita (\$500), overlapping and underlying debt per capita (\$3,000), direct and overall debt as a percentage of estimated full market value (1.5 percent and 6.0 percent, respectively), and debt service is limited to 10.0 percent of general and debt service fund budgeted expenditures. Debt issuance is prohibited if two of the first four measures are exceeded or if the final ratio measuring debt service as a percent of budget is exceeded on its own.
- Debt repayment is expedited. Debt issues are to be structured so that at least 30.0 percent of the

aggregate outstanding principal amount is repaid within five years and 60.0 percent within 10 years.

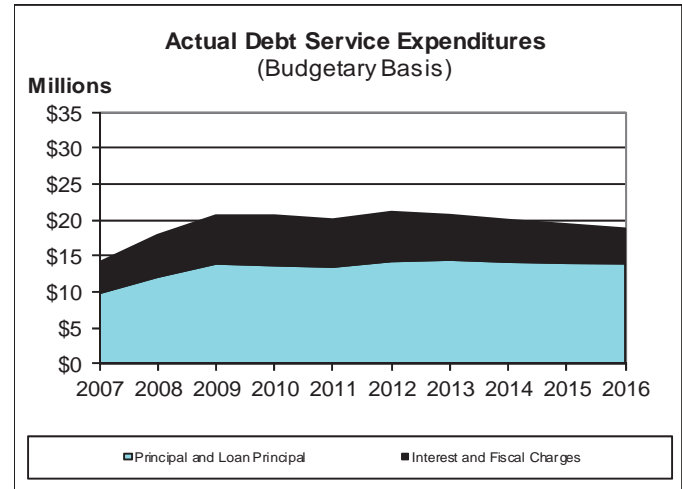
Sedgwick County issues debt primarily to finance major capital projects such as roads, bridges, buildings, or other facilities. The instruments used to finance these projects are typically general obligation bonds or Public Building Commission (PBC) revenue bonds. General obligation bonds are issued by Sedgwick County and backed by the County’s full faith and taxing power, meaning that bondholders have the power to compel the County to levy property taxes to repay the bonds. When a project meets a specific set of criteria described in Kansas law, the County can ask the PBC to issue revenue bonds on its behalf. These bonds are secured by lease revenues paid to the PBC by the County. The lease payments to the PBC are also backed by the full faith and taxing power of Sedgwick County.

Another type of debt occasionally issued by Sedgwick County is special assessment bonds. Special assessment bonds are issued to develop basic infrastructure for the benefit of properties within a defined district. Typically such projects are requested by property owners within the district, and as part of their petition for specified improvements, they agree to pay the project costs through specially assessed taxes. Special assessment taxes are then levied on property within the benefit district for up to 15 years to repay the principal and interest on the bonds sold by the County to finance the cost of the improvements.

When a jurisdiction issues debt, it has the option of obtaining a debt rating -- an evaluation of its credit worthiness -- by an independent rating service. Sedgwick County currently has high debt ratings from each of three credit rating agencies: “AAA” from Standard & Poor’s, “Aaa” from Moody’s Investors Service, and “AA+” from Fitch Rating Service.

Sedgwick County and its PBC have issued debt for various large projects including adult and juvenile detention facilities, roads and bridges, courthouse improvements, a juvenile court building, a public safety center, Exploration Place (an interactive science center), and the National Center for Aviation Training (a technical education facility). The debt for these projects, in addition to special assessment debt, leaves the County with total outstanding direct debt of \$103.7 million as of November 30, 2017.

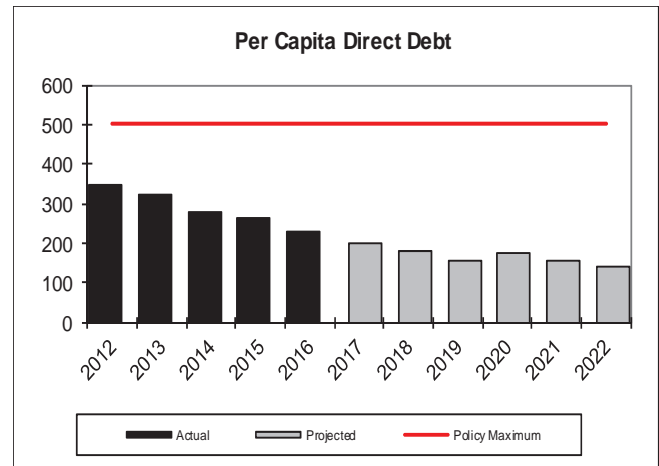
In recent years, the County’s annual debt service, including both the repayment of principal and interest on outstanding bonds has been approximately \$18 million.



The following table shows the debt service requirements on debt existing as of November 30, 2017. If no additional bonds were issued, Sedgwick County would pay its debt in full by 2035. During this time period, yearly principal and interest payments would decrease from \$18.3 million in 2017 to \$0.4 million in 2035. When Sedgwick County issues additional bonds, debt service requirements will be extended into the future.

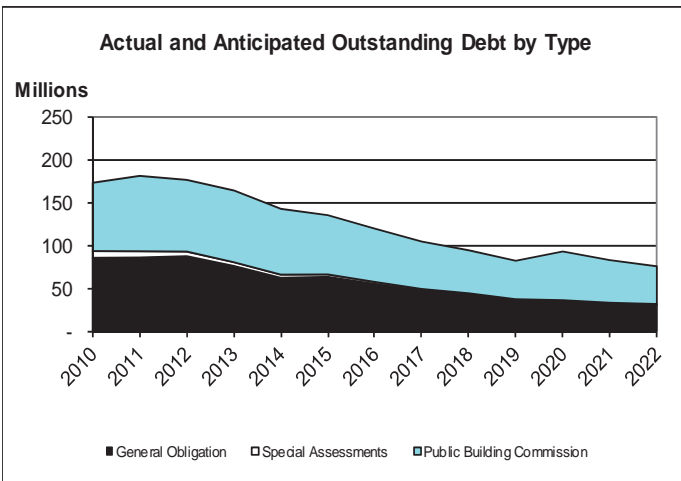
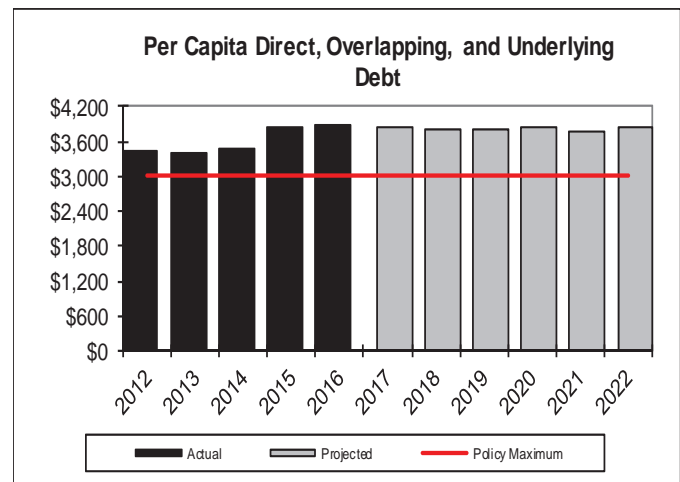
Schedule of Existing Debt Service Requirements as of November 30, 2017				
Budget Year	Bonds Outstanding	Principal	Interest	Total
2017	103,695,000	13,620,000	4,677,206	18,297,206
2018	90,030,000	13,665,000	4,202,904	17,867,904
2019	75,735,000	14,295,000	3,331,311	17,626,311
2020	65,495,000	10,240,000	2,789,490	13,029,490
2021	55,080,000	10,415,000	2,356,245	12,771,245
2022	45,055,000	10,025,000	1,936,805	11,961,805
2023	37,060,000	7,995,000	1,502,524	9,497,524
2024	30,430,000	6,630,000	1,197,355	7,827,355
2025	23,800,000	6,630,000	947,264	7,577,264
2026	18,095,000	5,705,000	762,611	6,467,611
2027	13,140,000	4,955,000	603,689	5,558,689
2028	8,055,000	5,085,000	458,179	5,543,179
2029	5,935,000	2,120,000	293,774	2,413,774
2030	3,945,000	1,990,000	212,324	2,202,324
2031	2,080,000	1,865,000	136,719	2,001,719
2032	1,375,000	705,000	68,900	773,900
2033	820,000	555,000	45,688	600,688
2034	415,000	405,000	26,144	431,144
2035	-	415,000	13,488	428,488

The 2018 budget includes projects supported with bonds in all five years, to include significant facility projects like a County administrative building, remodeling of space in the main Courthouse to accommodate public safety agency needs, an Elections building, EMS posts, and large road/bridge projects. Other significant projects include flooring removal at the Sedgwick County Adult Detention Facility (SCADF), major maintenance to the flood control system as well as repairs, replacement of exterior joint sealant at SCADF, and the installation and repair of outdoor warning devices and installation of new devices. Based on this plan, the County will repay more debt than is issued each year, until 2020.



Per Capita Direct, Overlapping & Underlying Debt

This per capita ratio adds overlapping and underlying debt, which is the debt issued by cities, school districts, and special districts within Sedgwick County and backed by Sedgwick County taxpayers. Thus, this ratio measures that total amount of local government debt borne by each resident in the County. The debt policy sets a limit of \$3,000 per capita. Since 2008, due to multiple bond issuances by cities and school districts, this target ratio has been exceeded. Based on anticipated future debt issuances by cities, school districts, and other governmental units in this County, this ratio is expected to remain above the targeted maximum through 2022, and is expected to be approximately \$3,800 throughout that period.



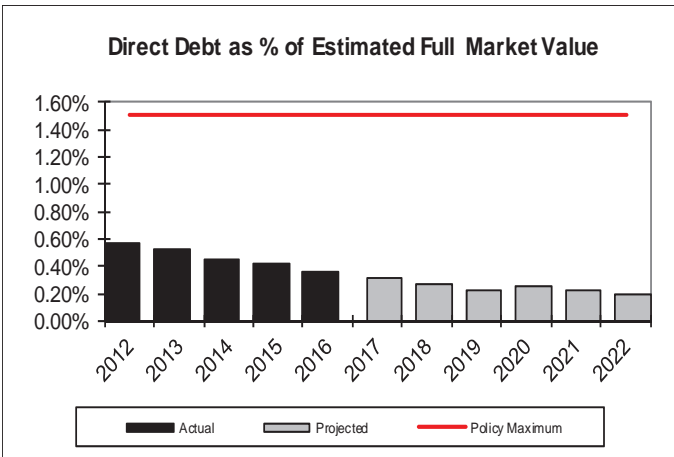
If the County chose to issue debt as included in the “Anticipated Debt with Issuance Costs” table the last page of this narrative, it would be in compliance with four of the five County’s debt limits, discussed below.

Per Capita Direct Debt

This ratio, which is figured by dividing total direct debt by the population of Sedgwick County, measures the amount of County government debt per resident. The debt policy sets \$500 per capita as the maximum limit. Between 2011 and 2013, Sedgwick County remained below this level by approximately \$150. The County has remained below that level through 2016, and in 2017 the County was below the \$500 limit by more than \$250. The margin between County per capita direct debt and the policy maximum will decline from 2017 to 2019, but will increase in 2020 before declining again in 2020 through 2022. At the end of 2022, per capita direct debt is estimated to be at \$141.

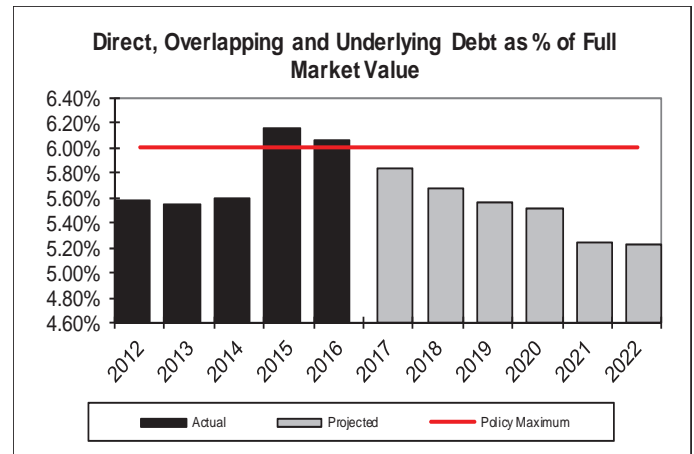
Direct Debt as Percent of Estimated Full Market Value

This ratio shows the impact of debt issued by Sedgwick County or its PBC on the property tax base. The policy limit is 1.5 percent for this measure. The County consistently has remained well below this threshold, and has reduced it from 0.57 percent in 2012 to 0.36 percent in 2016. It is projected to be further reduced to 0.19 percent of the estimated full market value by the end of 2022.



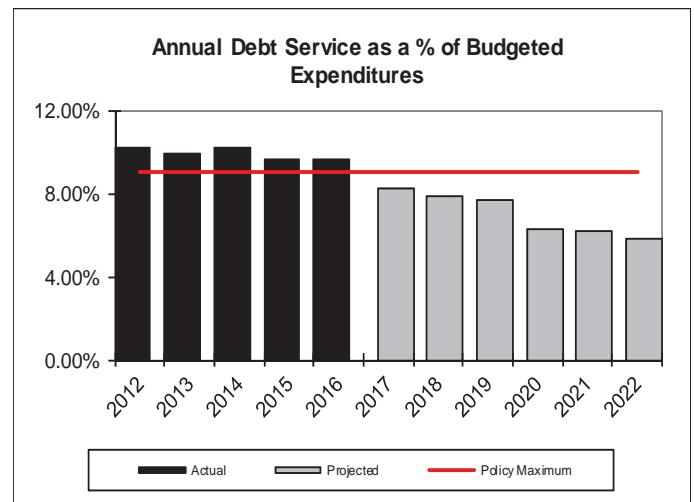
Direct, Overlapping & Underlying Debt as Percent of Full Market Value

This ratio shows the impact of all local government debt, without regard to the governmental issuer within the County, on Sedgwick County’s property tax base. The policy sets a maximum target of 6.0 percent. From 2012 to 2013, the ratio declined from 5.58 percent to a low of 5.55 percent. Due to bond issuances by cities and school districts, it then increased to a peak of 6.15 percent in 2015 before dropping to 6.05 percent in 2016. The ratio is projected to further decrease throughout the planning horizon, ending at 5.23 percent in 2022.



Annual Debt Service as a Percent of Budgeted Expenditures

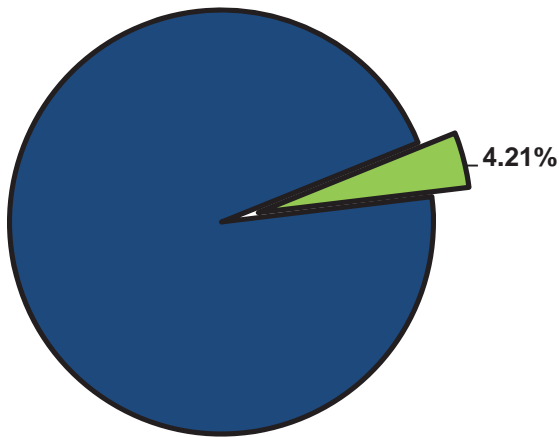
This measure shows the extent to which debt service obligations consume resources that otherwise might be used to deliver County services. Sedgwick County’s debt policy sets a limit of 10.0 percent. The County’s debt service stayed below 10.2 percent of budgeted expenditures between 2012 and 2016, and is expected to drop to 5.8 percent of budgeted expenditures by the end of 2022.



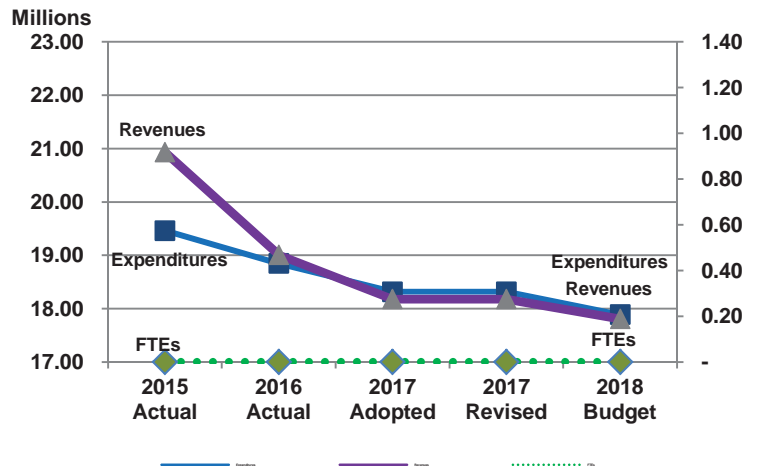
Sedgwick County Anticipated Debt with Issuance Costs					
Project	2018	2019	2020	2021	2022
Road/Bridge Improvements	3,450,000	1,800,000	865,000		
County Administration Building		16,000,000			
District Court & District Attorney Office Expansion/Renovation			3,000,000	3,000,000	1,500,000
County Elections Building		3,000,000			
Construct EMS Garage Facility				667,589	
Replace EMS Post 1				1,000,000	
Totals	3,450,000	20,800,000	3,865,000	4,667,589	1,500,000

Divisional Graphical Summary

Bond & Interest
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amount Chg '17 Rev.-'18	% Chg '17 Rev.-'18
Expenditures							
Personnel	-	-	-	-	-	-	-
Contractual Services	1,725	1,700	20,000	20,000	20,000	-	0.00%
Debt Service	19,459,126	18,843,980	18,297,206	18,297,206	17,867,904	(429,302)	-2.35%
Commodities	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Total Expenditures	19,460,851	18,845,680	18,317,206	18,317,206	17,887,904	(429,302)	-2.34%
Revenues							
Tax Revenues	16,590,802	14,522,661	14,085,644	14,085,644	14,549,534	463,890	3.29%
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	84,796	245,945	239,649	239,649	148,847	(90,802)	-37.89%
Charges for Services	638,371	628,582	664,161	664,161	677,444	13,283	2.00%
All Other Revenue	3,612,646	3,609,320	3,185,409	3,185,409	2,427,675	(757,734)	-23.79%
Total Revenues	20,926,615	19,006,507	18,174,863	18,174,863	17,803,500	(371,363)	-2.04%
Full-Time Equivalents (FTEs)							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	-	-	-	-	-	-	-

Budget Summary by Fund

Fund	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	Amount Chg '17 Rev.-'18	% Chg '17 Rev.-'18
Bond & Interest	19,460,851	18,845,680	18,317,206	18,317,206	17,887,904	(429,302)	-2.34%
Total Expenditures	19,460,851	18,845,680	18,317,206	18,317,206	17,887,904	(429,302)	-2.34%

Significant Budget Adjustments from Prior Year Revised Budget

	Expenditures	Revenues	FTEs
Reduce budget to anticipated 2018 principal and interest costs.	(429,302)		

Total	(429,302)	-	-
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Budget Summary by Program

Program	Fund	2015 Actual	2016 Actual	2017 Adopted	2017 Revised	2018 Budget	% Chg '17 Rev.-'18	2018 FTEs
Bond & Interest	301	19,460,851	18,845,680	18,317,206	18,317,206	17,887,904	-2.34%	-
Total		19,460,851	18,845,680	18,317,206	18,317,206	17,887,904	-2.34%	-