

Bond & Interest

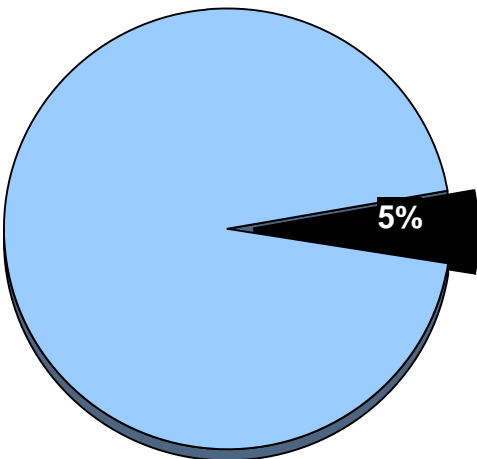
Inside:

2010 Budget By Operating Fund Type

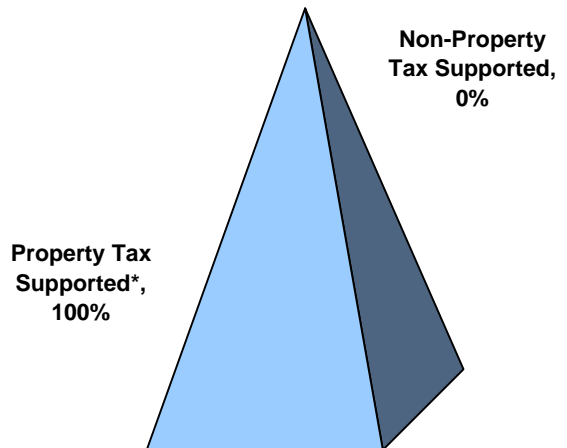
Page	Department	2010 Budget All Operating Funds	Special Revenue Funds				
			General Fund	Debt Service Funds	Property Tax Supported	Non-Property Tax Supported	Enterprise/ Internal Serv.
210	Bond & Interest	20,918,730	-	20,918,730	-	-	-
Total		20,918,730	-	20,918,730	-	-	-



% of Total Operating Budget



Operating Expenditures by Fund Type



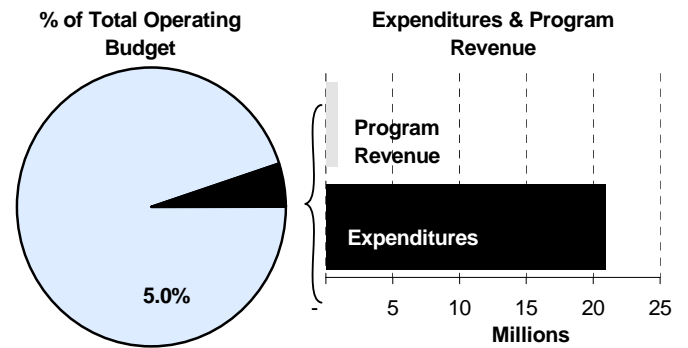
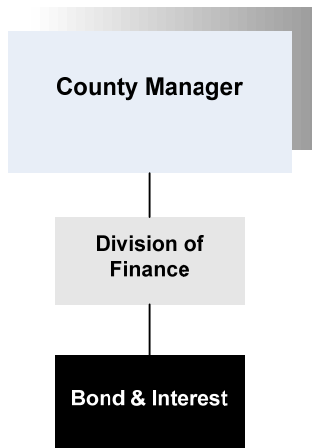
* Includes the General Fund, Debt Service Funds, and Property Tax Supported Special Revenue Funds



Ginger Radley
 Accounting Manager
 525 N Main, Suite 823
 Wichita, Kansas 67203
 316-660-7127
gradley@sedgwick.gov

Mission:

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



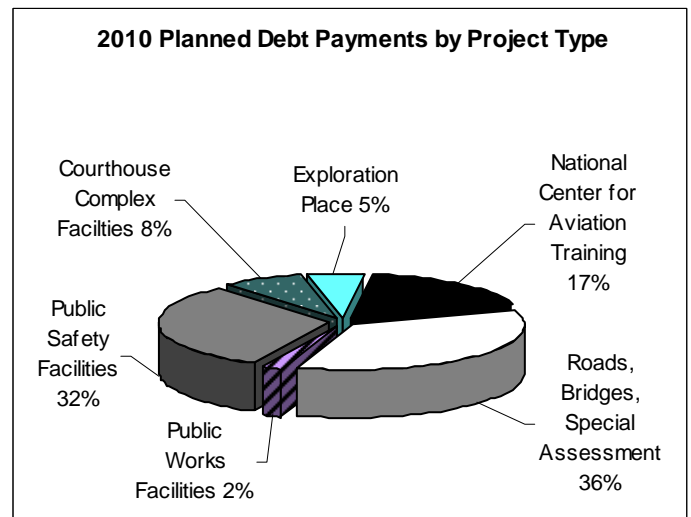
Program Information

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 credited to the Fund, are sufficient to pay the principal and interest payments due throughout the year.

In July 2003, the Board of County Commissioners approved a revised debt financing policy, which provides clear guidance on 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 be as efficient as possible; the most favorable interest rate and other related costs be 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.
- 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 percent, respectively), and debt service is limited to 20 percent of general and debt service fund budgeted expenditures.
- As a benchmark, the County strives to repay at least 30 percent of the principal amount of its bonded debt within five years and 60 percent within 10 years.

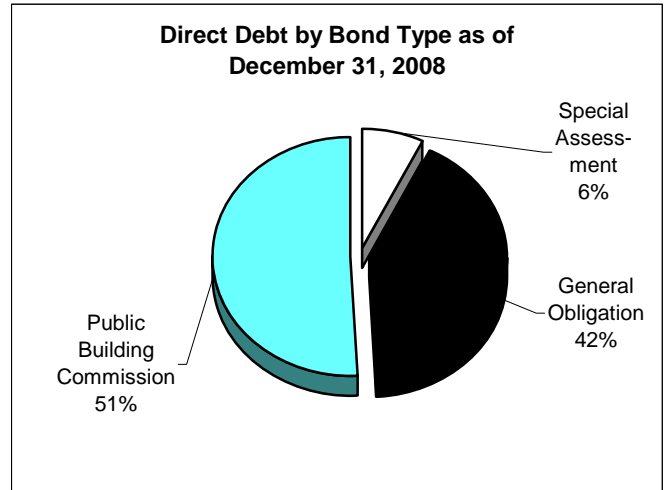
Sedgwick County issues debt primarily to finance major capital projects such as roads, bridges, buildings, or other facilities. The instruments used to finance these projects are typically general obligation bonds or Public Building Commission (PBC) revenue bonds. General obligation bonds are issued by Sedgwick County and backed by the County’s full faith and credit, 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 their behalf. These bonds are secured by lease revenues paid to the Public Building Commission by the County.

The other type of debt commonly issued by Sedgwick County is special assessment bonds. Special assessment bonds are issued to develop facilities and basic infrastructure for the benefit of properties within a benefit district. County policy allows the payment of up to 50 percent of the proposed costs related to benefit district improvements such as roads, sewers, curbs and gutters. Special assessment taxes are then levied on property within the benefit district, for up to 15 years, to repay the principal and interest on these bonds.

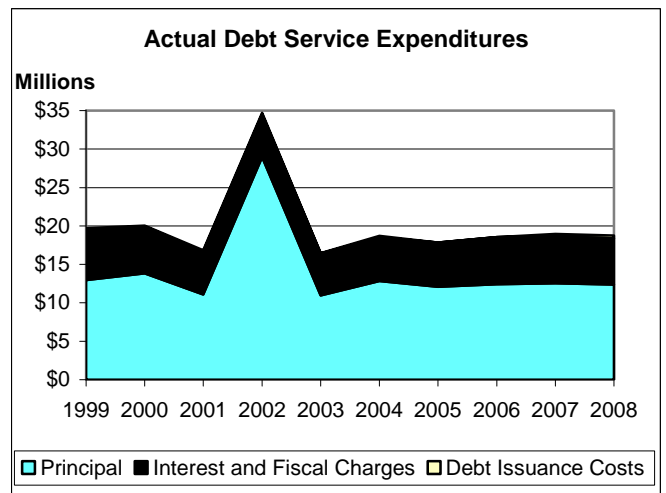
When a jurisdiction issues debt, it has the option of obtaining a credit rating, or evaluation of its credit worthiness, by an independent rating service. Sedgwick County has strong credit ratings and in the most recent bond sale, the County’s bonds were rated “AAA” by Fitch Rating Service, “AAA” by Standard & Poor’s, and “Aa1” by Moody’s Investment Service. The highest rating granted by any of the rating agencies is “AAA”. The County’s debt policy sets the minimum rating requirement for its direct, long-term, debt obligations at

“AA” or higher. If a given debt cannot meet this requirement, credit enhancement may be sought, or the obligations may be sold without a rating.

Sedgwick County has issued debt for many large projects including a detention facility, courthouse improvements, a juvenile court building, and a new public safety center. The debt for these projects, in addition to special assessment debt, leaves the County with total outstanding direct debt of \$174.4 million as of December 31, 2008.

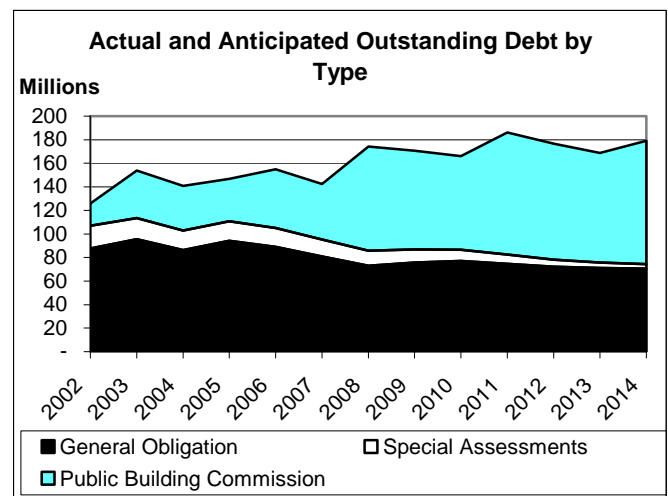


Historically, Sedgwick County’s debt service expenditures have typically remained between \$15 and \$20 million per year. The highest point between 1999 and 2008 was in 2002, when a large portion of bond principal was paid through the issuance of refunding bonds. It is expected that the amount paid annually for debt service will increase with additional bond issuances planned for 2009 through 2014.



The following table shows the debt service requirements on debt existing as of December 31, 2008. If no additional bonds were issued, Sedgwick County would pay its debt in full by 2028. During this time period, yearly principal and interest payments would decrease from \$20.7 million in 2009 to \$3.4 million in 2028. When Sedgwick County issues additional bonds, debt service requirements will be extended into the future.

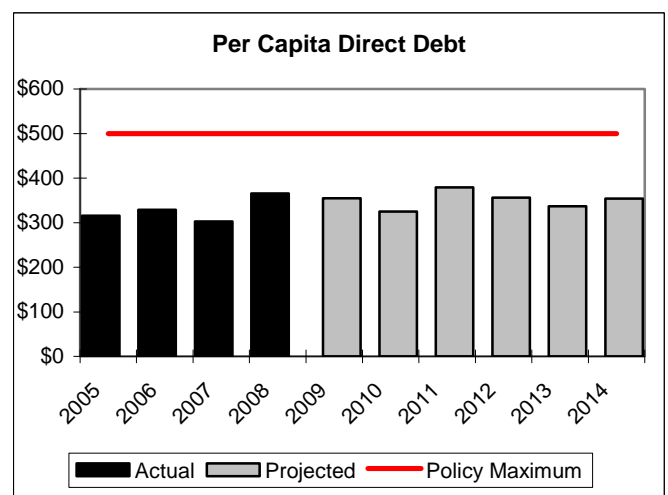
Schedule of Existing Debt Service Requirements as of December 31, 2008				
Budget Year	Bonds			
	Outstanding	Principal	Interest	Total
2009	174,352,940	13,913,852	6,766,736	20,680,588
2010	160,439,089	12,649,211	7,024,674	19,673,885
2011	147,789,877	12,104,778	6,525,728	18,630,506
2012	135,685,100	11,975,559	6,049,824	18,025,384
2013	123,709,541	11,816,564	5,547,040	17,363,604
2014	111,892,977	11,497,800	5,042,041	16,539,841
2015	100,395,177	11,399,277	4,546,246	15,945,524
2016	88,995,900	11,036,004	4,053,704	15,089,709
2017	77,959,895	10,692,991	3,573,209	14,266,200
2018	67,266,904	10,820,248	3,100,240	13,920,487
2019	56,446,657	7,702,784	2,633,963	10,336,747
2020	48,743,873	8,095,612	2,291,821	10,387,432
2021	40,648,261	8,343,741	1,933,411	10,277,152
2022	32,304,520	7,927,185	1,549,185	9,476,370
2023	24,377,335	5,640,954	1,184,553	6,825,507
2024	18,736,382	4,286,382	923,677	5,210,058
2025	14,450,000	4,295,000	724,073	5,019,073
2026	10,155,000	3,850,000	522,431	4,372,431
2027	6,305,000	3,070,000	331,013	3,401,013
2028	3,235,000	3,235,000	169,838	3,404,838



With these anticipated debt issuances and debt issuances planned for 2010 and 2014 (displayed on the last page of this section) Sedgwick County’s debt limits, which are set in the Sedgwick County Debt Policy and discussed above, will likely change. Each is 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 debt per resident. The debt policy sets \$500 per capita as the maximum limit. Between 2005 and 2008, Sedgwick County remained below this level, by approximately \$150. Even with all of the anticipated debt issuances between 2009 and 2014, the County will remain below the per capita direct debt limit. The County will be closest to the limit in 2011, when per capita debt reaches \$379. This is driven by the issuance of nearly \$24.0 million in debt to upgrade the County’s analog radio system to digital and expand the 800 MHz radio system.

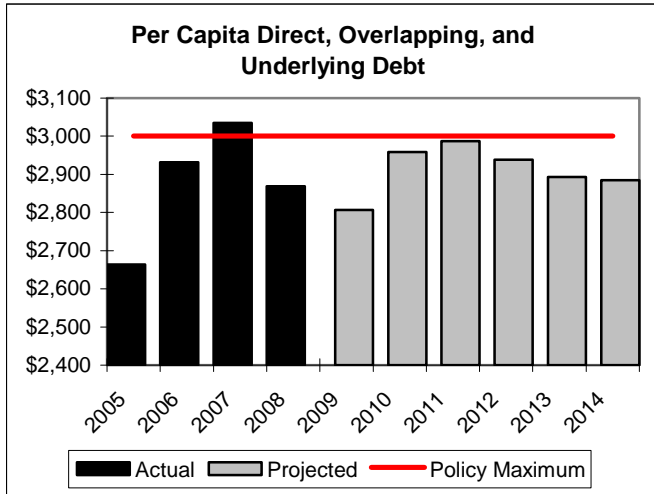


Sedgwick County anticipates issuing \$10.3 million of GO debt in 2009, to fund multiple Courthouse improvements including modernization of fire alarms systems, structural repair, and HVAC upgrades in the Historic Courthouse, in addition to lobby and restroom remodels, and adding an additional courtroom and chambers in the main Courthouse. Bonds will also be issued for various road and bridge projects and special assessments. Issuance of this debt is expected in August 2009 increasing the amount of bonded debt outstanding to \$184.6 million.

Between 2010 and 2014, Sedgwick County anticipates issuing an additional \$75.8 million of debt. In addition to funding Courthouse improvements, road and bridge improvements, and special assessments, the County will issue debt for repairs to the Lake Afton Spillway, converting the County’s analog radio system to digital, and Heartland Fire/Law Center improvements.

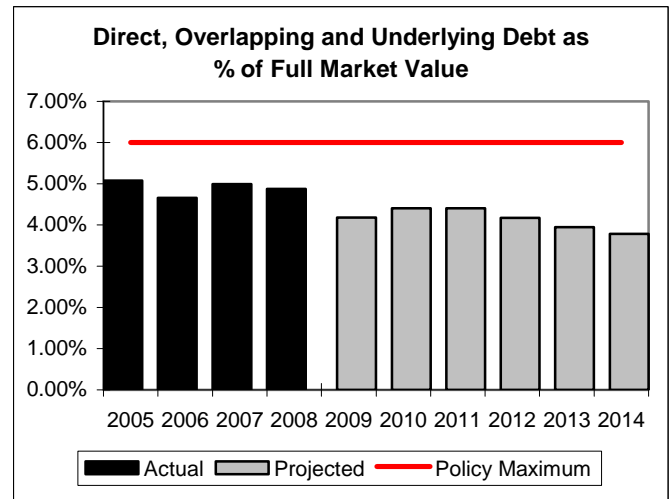
Per Capita Direct, Overlapping & Underlying Debt

This per capita ratio includes overlapping and underlying debt which is the debt issued by cities, school districts, and special districts within Sedgwick County. In turn, this ratio measures that total amount of debt borne by each resident in the County. The debt policy sets a limit of \$3,000 per capita. In 2007, due to multiple bond issuances by cities and school districts, the policy limit was exceeded. Based on anticipated debt issuances, this measure will remain below the policy maximum every year from 2009 to 2014.



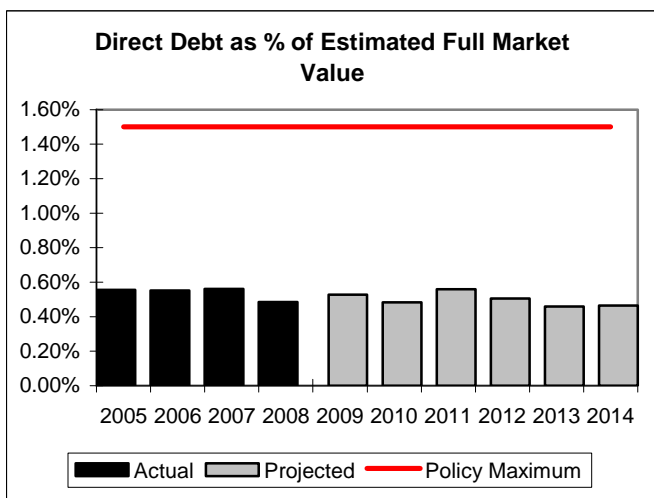
Direct, Overlapping & Underlying Debt as % of Full Market Value

This ratio shows the impact of direct debt, overlapping and underlying debt on Sedgwick County's property tax base, for which the debt policy sets a limit of 6.0 percent. Between 2005 and 2008 the ratio remained near 5.0 percent and is projected to decrease each year between 2011 and 2014, which is due to the estimated continued growth in full market property value.



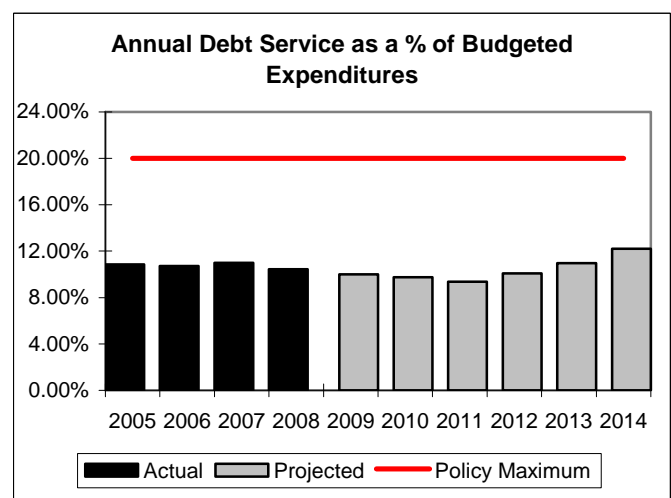
Direct Debt as % of Estimated Full Market Value

This ratio shows the impact of direct debt on Sedgwick County's property tax base. The policy limit is 1.5 percent for this measure. From 2005 to 2008, the County stayed well below the policy maximum holding near 0.5 percent, and is not projected to exceed even 0.6 percent of the estimated full market value.



Annual Debt Service as a % of Budgeted Expenditures

This measure shows the percent of budgeted expenditures dedicated to annual debt service. Sedgwick County's debt policy sets a limit of 20.0 percent. The County's debt service stayed near 11.0 percent between 2005 and 2008, and is anticipated to decrease through 2011. At that time, annual debt service will increase to approximately 12.0 percent of budgeted expenditures, still below the policy maximum.



Direct Debt					
As of December 31, 2008					
Series	Use	Issue Date	Maturity Date	Original Principal	Principal Outstanding
Special Assessments					
1997A	Road/Sewer/Drainage Improvements	8/1/1997	2012	4,781,803	1,660,000
1998A	Sewer Improvements	4/15/1998	2012	1,630,000	570,000
1998B	Road/Sewer Improvements	8/1/1998	2013	3,425,000	1,450,000
1999A	Road/Sewer Improvements	8/1/1999	2014	5,801,541	2,885,000
2000A	Road/Sewer Improvements	8/1/2000	2015	3,970,000	2,285,000
2001A	Road/Sewer Improvements	8/1/2001	2016	2,100,700	1,275,000
2002A	Road Improvements	8/15/2002	2017	265,000	175,000
2003A	Road Improvements	8/15/2003	2018	180,000	135,000
2005A	Road/Sewer/Drainage Improvements	6/1/2005	2020	1,475,000	1,220,000
2006A	Road Improvements	12/1/2006	2021	1,000,000	885,000
				24,629,044	12,540,000
General Obligation					
1998A	Adult Detention Facility	4/15/1998	2018	26,120,000	16,655,000
1999A	Road & Bridge Projects	8/1/1999	2009	6,393,459	780,000
2001A	Road & Bridge Projects, Household Harzardous Waste Facility, Stormwater Drainage	8/1/2001	2021	9,119,300	6,750,000
2002A	Refunding and Road Projects	8/15/2002	2022	43,440,000	20,150,000
2003A	Road & Bridge Projects/Courthouse Complex Improvements	8/15/2003	2018	16,415,000	11,490,000
2005A	Public Safety Center	6/1/2005	2025	14,515,000	10,770,000
2006A	Road Project	12/1/2006	2026	4,065,000	3,595,000
Revolving Loan Note	Road & Bridge Projects	1/5/2005	2024	3,412,564	2,937,940
				123,480,323	73,127,940
Public Building Commission					
2003-1	Juvenile Justice Complex	12/1/2003	2023	21,400,000	17,055,000
2003-2	Advance Refunding of 1997A Exploration Place	12/1/2003	2022	14,940,000	11,835,000
2003-3	Advance Refunding of 1997B Public Works Administration Building	12/1/2003	2017	3,385,000	2,325,000
2007-1	Juvenile Court Complex	1/1/2007	2026	15,445,000	13,640,000
2008-1	National Center for Aviation Training	12/15/2008	2028	43,830,000	43,830,000
				99,000,000	88,685,000
				Total Direct Debt:	174,352,940

Sedgwick County Anticipated Debt with Issuance Costs						
Project	2009	2010	2011	2012	2013	2014
Road/Bridge Improvements	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000
Special Assessments	305,000	305,000	305,000	305,000	305,000	305,000
Courthouse Improvements	5,910,000	4,185,000			1,485,000	2,315,000
Lake Afton Spillway			3,130,000			
Digital Radio System			23,925,000			
EMS Post Replacement/Remodel			1,465,000			
Heartland Fire/Law Improvements						14,960,000
Regional Park						2,515,000
Totals	\$10,275,000	\$8,550,000	\$32,885,000	\$4,365,000	\$5,850,000	\$24,155,000



Significant Adjustments From Previous Budget Year

Expenditures Revenue FTEs

- No significant adjustments for the budget year

Total - - -

Budget Summary by Category

Budget Summary by Fund

	2008 Actual	2009 Adopted	2009 Revised	2010 Budget	% Chg. 09-10
Expenditures					
Personnel	-	-	-	-	-
Contractual Services	9,494	8,815	8,815	8,815	0.0%
Debt Service	17,945,093	22,232,054	22,232,054	20,909,915	-5.9%
Commodities	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Capital Equipment	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total Expenditures	17,954,587	22,240,869	22,240,869	20,918,730	-5.9%
Revenue					
Taxes	23,249,067	18,588,693	18,588,693	9,915,987	-46.7%
Intergovernmental	-	-	-	-	-
Charges For Service	80,500	800,000	800,000	880,000	10.0%
Other Revenue	2,148,348	2,146,159	2,146,159	2,146,123	0.0%
Total Revenue	25,477,914	21,534,852	21,534,852	12,942,110	-39.9%
Full-Time Equivalents (FTEs)	-	-	-	-	-

	2009 Revised	2010 Budget
Expenditures		
Bond & Interest-301	22,240,869	20,918,730
Total Expenditures	22,240,869	20,918,730

Budget Summary by Program

Program	Fund	Expenditures			2010 Budget	% Chg. 09-10
		2008 Actual	2009 Adopted	2009 Revised		
Bond & Interest	301	17,954,587	22,240,869	22,240,869	20,918,730	-5.9%
Total		17,954,587	22,240,869	22,240,869	20,918,730	-5.9%

Full-Time Equivalents (FTEs)		
2009 Adopted	2009 Revised	2010 Budget
-	-	-
-	-	-

