



SEDGWICK COUNTY

2010 Financial Year In Review



*Sedgwick County...
working for you*



REVIEW Contents

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Sedgwick County Finance

"To assure informed financial decision making and the proper use of public resources by Sedgwick County government."

Mission

GFOA Award

December 31, 2009

"Sedgwick County receives the Popular Award for the 2009 report."

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

Sedgwick County
Kansas

for the Fiscal Year Ended
December 31, 2009



Jeffrey L. Esser
President
Executive Director



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Sedgwick County for its Popular Annual Financial Report for the fiscal year ended December 31, 2009. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The current report continues to conform to the popular annual financial reporting requirements, and will be submitted to the GFOA to determine its eligibility for another certificate.

Sedgwick County is located in south central Kansas and encompasses 1,008 square miles. The county was organized under the territorial laws of the state of Kansas and the Kansas Constitution in 1870. The county is the second most populous of the 105 counties in Kansas, with an estimated 498,365 residents. The county seat is Wichita, the largest city in the state of Kansas. Wichita is known as the “Air Capital of the World” for its internationally recognized concentration of commercial and military airplane production and aviation services.

Sedgwick County’s mission is to assure quality public services that provide for the present and future well-being of citizens. We accomplish this by establishing and maintaining partnerships, encouraging creativity and innovation, ensuring informed decisions and allocating resources to meet the changing needs of our community.

Sedgwick County is governed by a five-member board of commissioners. The commissioners serve as full-time county officials and meet in regular session each Wednesday morning. The board, which performs both executive and legislative functions, is responsible for all policy and executive decisions. A county manager, appointed by the board and aided by two assistant county managers, is responsible for administrative matters. The county has 2,913 full-time employees.



Attractions

Exploration Place

It would be an understatement to call Exploration Place in Sedgwick County, Kan. simply a museum. This riverfront complex is a truly unique science and discovery center, located in the heart of the largest city in Kansas.

Intrust Bank Arena

Completed in December 2009, INTRUST Bank Arena is a modern, world-class sports and entertainment facility, located in downtown Wichita. The arena’s main tenant, the Thunder Hockey Team, is a favorite among local sports fans.

Kansas African American Museum

A regional and cultural museum and an important source of historical reference material, creative works and media.

Kansas Pavilions

For more than 30 years, the Kansas Pavilions have been host to rodeos, horse and dog shows, car and truck shows, swap meets and more!

Lake Afton Park and Observatory

An 828-acre park complete with opportunities for boating, swimming, fishing, camping and star gazing.

Sedgwick County Extension Center

The Sedgwick County and Kansas State University partnership for youth development, family and consumer sciences, agriculture, horticulture and community development.

Sedgwick County Zoo

Opening in 1971, Sedgwick County Zoo has been ranked among the best zoos in the United States. Home to more than 2,000 individual animals of nearly 400 different species, the zoo is the #1 outdoor family attraction in Kansas.

Wichita River Festival

Sedgwick County is a long-time supporter and participant in this week-long festival of events, music, art, food and community development to welcome summer.

Demographic

Information	2008	2009	2010
Population	482,863	485,760	498,365
Per Capita Income	40,176	37,723	38,855 est.
Sedgwick MSA Unemployment Rate	4.9%	7.6%	7.9%
Number of County Employees	2,813	2,911	2,913

Service Statistics

Function/Program	2009	2010
General Government		
Number of registered voters	252,101	259,888
Number of taxable real estate parcels	217,134	217,684
Public Safety		
Average monthly 9-1-1 calls	38,627	36,635
Average monthly EMS responses	4,150	4,401
Number of residential structural fires (per 100,000 households)	280.0	161.0
Average monthly number of medical responses by the Fire District	248	292
Average daily population of juveniles in detention	106	113
Average daily population in custody of the sheriff	1,645	1,561
Public Works		
Miles of road improved	61	76
Miles of road maintained	617	617
Health and Welfare		
Number of mental health program clients	11,934	12,483
Number of individuals eligible for developmental disability services	2,285	2,278
Culture and Recreation		
Number of events per year at Kansas Pavilions	110	55
Annual attendance at Kansas Pavilions events	500,801	202,922
Number of events per year at INTRUST Bank Arena	-	109
Annual attendance at INTRUST Bank Arena	-	492,532
Annual attendance at Sedgwick County Zoo	654,494	548,919
Annual attendance at Sedgwick County Park	1,060,267	966,792
Community Development		
Total value of merchandise moving through foreign trade zone (in millions)	\$25.7	\$46.0
Average monthly number of Sec. 8 housing clients	306	294

Source: County operating departments



ACCOMPLISHMENTS

Continued support for the Kansas Affordable Airfares Program, which provides more flight options, more competition for air travel, and affordable airfares in Kansas.

INTRUST Bank Arena hosted its first event – a Brad Paisley concert – and more than 490,000 attendees throughout 2010.

The National Center for Aviation Training, a facility designed to train students with the essential skills that employers need in the aviation and manufacturing industry, opened and began offering classes in August 2010.

Exploration Place celebrated its 10th anniversary.

The first Kansas resident to receive assistance from the federal Neighborhood Stabilization Program (NSP) moved into her new home in Sedgwick County.

Sedgwick County continues to maintain a record of strong financial performance as demonstrated through AAA bond ratings with the three major bond rating agencies.

Manatron, the new tax administration system, was implemented in August 2010 allowing increased productivity of property tax administration.

Legistar, the new electronic agenda management system, was implemented in August 2010. This update saves 125,000 sheets of paper annually and allows citizens access to background information on specific topics.

Opening of Fire Station 35 in Goddard, Kan.

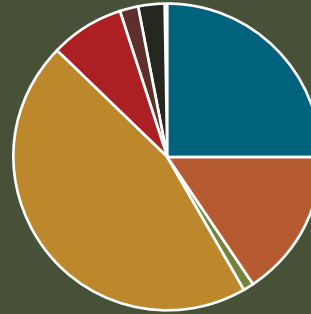
The 2010 mill levy rate was 29.359, more than a half mill less than the 2009 rate of 29.868.

Revenues

Source	2009	2010
Charges for services	\$ 86,379,043	\$ 79,197,723
Operating grants/contributions	\$ 53,059,954	\$ 51,425,824
Capital grants/contributions	\$ 1,537,809	\$ 2,547,638
Property tax	\$ 157,669,623	\$ 154,371,208
Sales tax	\$ 25,225,445	\$ 24,575,414
Other tax	\$ 3,052,011	\$ 3,146,170
Investment income	\$ 7,753,307	\$ 4,758,857
Total Revenues	\$ 334,677,192	\$ 320,022,834

%
26%
16%
0%
47%
8%
1%
2%
2010

Government-Wide Sources of Revenue

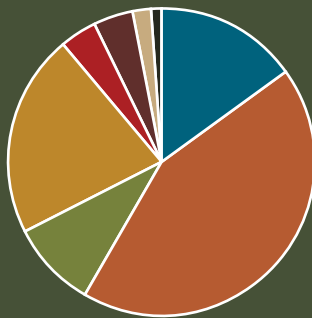


Charges for services revenues fell by \$7.18 million in 2010; the state of Kansas lowered Medicaid payments by 10 percent from January through June 2010 in an effort to ease the state's budget crisis. In addition, mortgage registration fees dropped by almost \$1 million.

Property tax collections were down \$3.3 million. Assessed valuations were slightly lowered and the county lowered the mill levy by approximately 0.5 mills.

Investment earnings were down \$3.0 million in 2010 because of a smaller investment portfolio and slightly lower returns on investment. The average yield on county investments was 0.80 percent at the beginning of 2010 and fell to 0.50 percent at the end of the year.

Government-Wide Expenses by Service Area



%
15%
43%
9%
21%
4%
4%
2%
1%
2010

Expenses

Service Area	2009	2010
General Government	\$ 48,207,197	\$ 51,626,927
Public Safety	\$ 134,712,863	\$ 143,056,732
Public Works	\$ 26,918,844	\$ 30,471,325
Health/Welfare	\$ 66,495,063	\$ 66,600,199
Culture/Recreation	\$ 11,840,940	\$ 11,814,466
Economic Development	\$ 12,626,170	\$ 16,466,134
Interest on Long-Term Debt	\$ 6,934,908	\$ 7,113,384
Kansas Pavilions/Arena	\$ 3,707,728	\$ 6,933,493
Total Expenditures	\$ 311,443,713	\$ 334,082,660

Government-wide expenses increased by \$22.6 million. Economic Development increased by 30 percent due to a \$4 million grant from the Kansas Department of Commerce for the Neighborhood Stabilization Program.

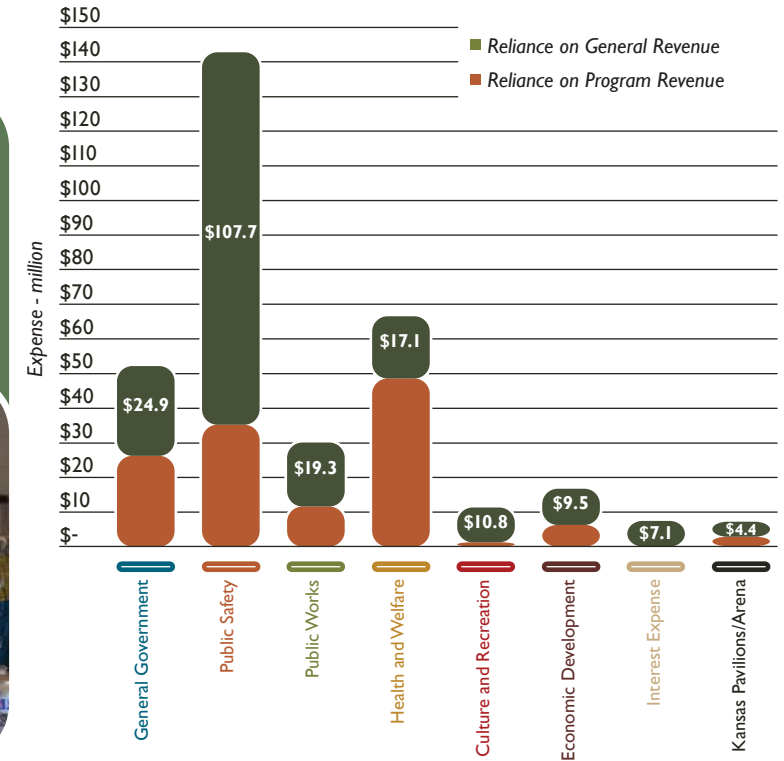
Public Works expenses increased by 13.2 percent mainly due to a \$2.0 million increase in road maintenance, \$0.5 increase in depreciation and \$0.3 million increase in salary and benefits.

The first year of depreciation on the new downtown arena caused depreciation expense to increase by \$4.4 million over 2009, explaining the increase in expenses in the Kansas Pavilions/Arena area.



Where does the money come from?

The chart to the right shows the total expenses for each function of governmental activities. The chart also shows total program revenue for each function, as well as total reliance on general revenues. General revenues are taxes and investment income.



Government

- General Government** – County Appraiser – County Clerk – County Commissioners
County Counselor – County Manager – County Treasurer – Election Commissioner
Enterprise Resource Planning – Facilities Management – Financial Management
Human Resources – Metropolitan Area Planning Department – Register of Deeds
- Public Safety** – 18th Judicial District – Department of Corrections – District Attorney
Emergency Communications – Emergency Management – Emergency Medical Service
Fire District I – Regional Forensic Science Center – Sheriff's Office
- Public Works** – Highways – Household Hazardous Waste – Noxious Weeds – Storm Drainage
- Health and Welfare** – COMCARE – Community Developmental Disability Organization
Department on Aging – Health Department
- Culture and Recreation** – Exploration Place
INTRUST Bank Arena – Kansas African American Museum
Kansas Pavilions – Lake Afton Park – Sedgwick County Park
Sedgwick County Zoo
- Community Development** – Animal Control – Code Enforcement
Economic Development – Environmental Resources
Extension Council – Housing



School Districts	Mill Levy	Amount Levied
Andover Jt. #385	67.126	\$ 8,967,676.83
Burton Jt. #369	62.621	\$ 41,358.54
Cheney Jt. #268	64.894	\$ 1,327,834.94
Circle Jt. #375	55.790	\$ 4,106,843.38
Clearwater Jt. #264	62.881	\$ 3,330,993.01
Conway Spgs. Jt. #356	65.539	\$ 152,133.06
Derby #260	58.324	\$ 22,810,279.60
Goddard #265	70.835	\$ 15,805,763.76
Halstead Jt. #440	49.630	\$ 351,354.49
Haven Jt. #312	51.077	\$ 289,510.46

Jt. - includes another county

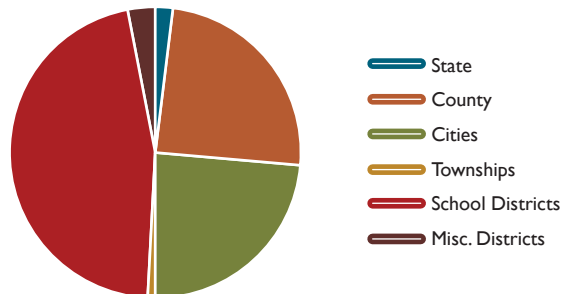
Cities	Mill Levy	Amount Levied
Andale	42.361	\$ 260,287.25
Bel Aire	39.050	\$ 1,755,495.91
Bentley	53.633	\$ 132,729.07
Cheney	55.116	\$ 621,080.65
Clearwater	46.000	\$ 635,702.06
Colwich	33.328	\$ 337,987.58
Derby	47.818	\$ 8,446,814.34
Eastborough	57.944	\$ 672,889.94
Garden Plain	49.347	\$ 272,413.60
Goddard	27.146	\$ 852,605.80

Total Cities Levies \$ 125,865,268

SEDGWICK County

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From	%	Amount
State	1.21%	\$ 6,419,375
County	23.76%	\$ 125,644,285
Cities	23.80%	\$ 125,865,268
Townships	0.65%	\$ 3,458,473
School Districts	47.49%	\$ 251,105,943
Misc. Districts	3.08%	\$ 16,291,448
Total Collected		\$528,784,793



Haysville #261	62.180	\$ 8,185,242.82
Kingman Jt. #331	59.074	\$ 24,177.22
Maize #266	57.340	\$ 19,542,328.49
Mulvane Jt. #263	56.205	\$ 2,342,589.50
Remington Jt. #206	49.964	\$ 228,090.76
Renwick Jt. #267	64.320	\$ 5,791,156.68
Rose Hill Jt. #394	61.271	\$ 775,577.02
Sedgwick Jt. #439	42.809	\$ 148,750.87
Valley Center Jt. #262	63.006	\$ 7,159,214.58
Wichita #259	56.928	\$ 149,725,066.95

Total School Districts \$ 251,105,943

Haysville	48.421	\$ 2,602,285.59
Kechi	33.774	\$ 522,828.14
Maize	43.323	\$ 1,190,852.66
Mount Hope	51.332	\$ 202,268.66
Mulvane	53.753	\$ 1,441,287.09
Park City	37.395	\$ 2,044,132.68
Sedgwick	65.055	\$ 80,822.06
Valley Center	48.448	\$ 2,121,663.16
Viola	14.677	\$ 9,532.05
Wichita	32.272	\$ 101,661,590.10

Total Cities Levies \$ 125,865,268



PROPERTY Taxes Levied

NET Assets

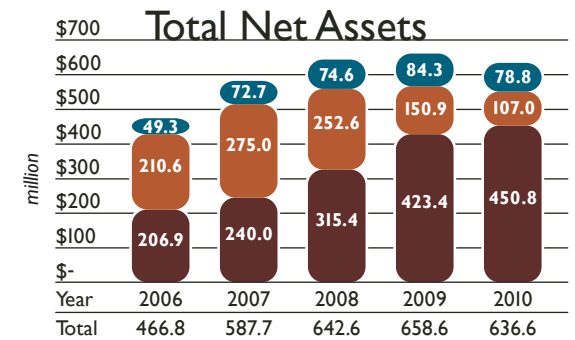
At the end of 2010, total net assets (assets minus liabilities) of Sedgwick County were \$636.6 million.

The largest portion of the county's net assets, \$450.8 million (70.8 percent), is invested in capital assets (e.g. land, buildings, infrastructure, machinery and equipment) less depreciation and any related outstanding debt used to acquire those assets. Sedgwick County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

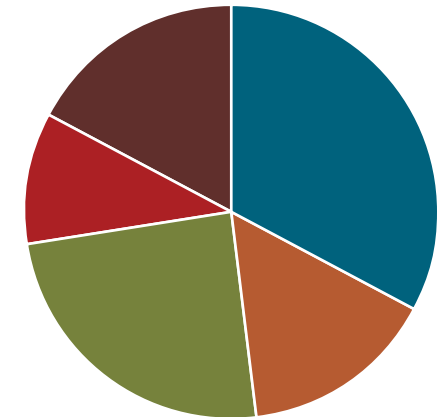
The county's net assets have grown significantly since 2006 due to large projects, such as the INTRUST Bank Arena and the National Center for Aviation Training. The National Center for Aviation Training opened its doors and began classes in the fall of 2010. The INTRUST Bank Arena hosted its first event on January 9, 2010. The project cost \$191.1 million, making it the most expensive single capital project in Sedgwick County's history. It was funded entirely with cash collected from the voter-approved temporary sales tax.

Restricted net assets of \$107.0 million (16.8 percent of net assets) are resources that are subject to external restrictions on how they may be used.

Unrestricted funds at the end of 2010 totaled \$78.8 million. These resources may be used to meet the county's ongoing obligations to citizens and creditors.



Invested in Capital Assets Net of Debt
Restricted
Unrestricted



2010 Restricted \$107.0 Million
Capital Improvements - \$35.2
Debt Service - \$16.6
Fed/State - \$26.2
Equip/Tech - \$11.0
Other - \$18.0



seven

Major Fiscal Challenges

Making smart decisions about use of county reserves to maintain needed services despite reductions of current receipts.

Since 2003, rainy day reserves have been gathered to help the county respond to economic downturns. To provide the intended benefit, the county must resist suggestions to use the reserves to add new programs or projects or to reduce taxes.

Addressing the impact of decreased key revenues.

Property and sales taxes provide 2/3 of all local funding for county government. In 2011 and 2012 both are expected to yield less revenue than they did in any of the prior three years, but costs are expected to increase.

Balancing contradictory effects of the economic downturn: reduced revenues and increased demand for mental health programs, aging services, workforce development and public safety.

County government is expected to collect less governmental funding in 2011, 2012 and 2013 than it did in 2007, 2008, 2009 and 2010. At the same time, the emotional stresses created by the economic downturn have led to increased incidence of spousal and child abuse, mental health problems, and reliance on public services to the elderly; increased unemployment has led to greater need for worker re-training.

Potential shifting of programs from grant-funding to local tax funding due to state actions.

More than 30 percent of the total cost of services provided by county government is funded by state-controlled revenues. In response to its own budget pressures, the state is reducing funding but constituents still expect to receive the services.

eight

Top 10 Employers

— Spirit AeroSystems, Inc.	10,300
— Cessna Aircraft Company	6,193
— Unified School District #259	5,420
— Via Christi Health System	5,276
— Hawker Beechcraft Corp	5,000
— State of Kansas	3,759
— City of Wichita	3,184
— Sedgwick County	2,913
— Boeing Defense, Space & Security	2,300
— Koch Industries	2,162

Source: Wichita Business Journal

2011 Projects

- Historic Courthouse stone treatment/repair and elevator modernization.
- Adult Detention Facility - expand entrance and remodel medical clinic.
- Lake Afton Park - repair lower spillway.
- Reconstruction of I35th St. West from US54 to K-42, a north-south rural arterial for the southwest portion of the county.
- Infrastructure for the Heartland Preparedness Center.
- Conversion of the emergency communication 800 MHz radio system from analog to digital.
- Replacement and renovation of three Emergency Medical Services facilities.
- Erosion repair for a bridge over the Ninnescah River southwest of Clearwater on I51st St. West.

Economic Indicators

- The unemployment rate in the Wichita MSA stood at 7.9 percent at the end of 2010, as compared to 7.6 percent at the end of 2009.
- The 2010 mill levy rate was 29.359, more than a half mill less than the 2009 rate of 29.868 mills.
- For 2010, the value of new residential construction permits decreased 24.3 percent and home sales decreased 9.2 percent. Wichita home prices have increased .26 percent.
- The number of outbound airline passengers increased 3.5 percent while outbound airfreight shipments decreased 2.8 percent. The Wichita MSA's hotel occupancy rates decreased 1 percent.
- Cost of living in Wichita is a moderate 91.8, roughly 8 percent below the national urban area average.
- Hawker Beechcraft Corporation announced that it has reached a formal agreement with the state of Kansas that significantly incentivizes the company to maintain its presence in Wichita over the next 10 years.
- The Wichita MSA ranks 12th among U.S. cities for number of manufacturing jobs.

Comprehensive Annual Financial Report (CAFR) is available on the county's website at www.sedgwickcounty.org. Click "Finance" from the "Quick Click and Go To" drop-down menu.

COUNTY Directory

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Sedgwick County 2010 Financial Year - In Review

Animal Control	660-7070	Fire District I	660-3473
Appraiser's Office	660-9261	Flood Control - City and County	268-4591
Code Enforcement	660-1840	Health Department	660-7300
COMCARE	660-7600	Homeless Programs	660-7615
Crisis Intervention Services 24/7	660-7500	Household Hazardous Waste	660-7464
Communications	660-9370	Housing Department	660-7270
Community Development	660-9863	Human Resources	660-7050
County Clerk	660-9222	Information & Operations	660-9800
County Commissioners	660-9300	Kansas Pavilions	660-1000
County Manager	660-9393	Lake Afton Park	794-2774
Department on Aging	660-7298	Noxious Weeds	660-7459
Department of Corrections	660-7003	Planning Department	268-4221
District Attorney	660-3600	Public Works	383-7901
Economic Development	268-1139	Purchasing	660-7255
Election Commissioner	660-7100	Regional Forensic Science Center	660-4800
Emergency Management	660-5959	Register of Deeds	660-9400
Emergency Medical Service	660-7994	Sedgwick County Park	943-0192
Environmental Resources	660-7200	Sedgwick County Zoo	660-9453
Exploration Place	660-0670	Sheriff's Department	660-3900
Extension Service	722-7721	Treasurer/Tag Office	660-9110
Finance	660-7591		



2011 Board of Sedgwick County Commissioners

Dave Unruh, 1st District • Tim Norton, 2nd District

Karl Peterjohn, 3rd District • Richard Ranzau, 4th District • James Skelton, 5th District

Bill Buchanan, county manager

Chris Chronis, chief financial officer

2010 Board of Sedgwick County Commissioners

Dave Unruh, 1st District • Tim Norton, 2nd District

Karl Peterjohn, 3rd District • Kelly Parks, 4th District • Gwen Welshimer, 5th District

Published April 2011

This publication provides the public with an easy-to-read overview of Sedgwick County's financial condition.

The information contained in this report is derived from the 2010 Sedgwick County Comprehensive Annual Financial Report (CAFR). The CAFR contains more detailed information about the County's finances, was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the County's independent auditors. The schedules shown in the PAFR are different from the GAAP financial statements because accounting data has been summarized.

Division of Finance • 316-660-7591 • 525 N. Main #823, Wichita, KS 67203

www.sedgwickcounty.org



Sedgwick County...
working for you