

# Comprehensive Annual Financial Report

For the year ended December 31, 2005



Sedgwick County, Kansas



Sedgwick County...  
working for you

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
of  
THE COUNTY OF  
SEDGWICK, KANSAS  
for the  
Year Ended December 31, 2005



Prepared by:  
DIVISION OF FINANCE  
Chris Chronis, Chief Financial Officer  
Troy Bruun, Deputy Chief Financial Officer  
Shawn Henning, Director of Accounting

# COUNTY OF SEDGWICK, KANSAS BOARD OF COUNTY COMMISSIONERS

2005

Chairman  
David M. Unruh

Chairman Pro-Tem  
Ben Sciortino

Commissioner  
Tim R. Norton

Commissioner  
Thomas G. Winters

Commissioner  
Lucy Burnett

COUNTY MANAGER  
William P. Buchanan

2006

Chairman  
Ben Sciortino

Chair Pro-Tem  
Lucy Burnett

Commissioner  
David M. Unruh

Commissioner  
Tim R. Norton

Commissioner  
Thomas G. Winters

COUNTY MANAGER  
William P. Buchanan

## NON-DISCRIMINATION STATEMENT

Sedgwick County does not discriminate on the basis of handicapped status in the admission to, or treatment of, or employment in, its programs or activities. The Affirmative Action Officer has been designated to coordinate the non-discrimination requirements contained in Section 51.55 of the Revenue Sharing Regulations. The Coordinator may be contacted in the Sedgwick County Office of Affirmative Action, 510 North Main, Wichita, Kansas, 67203. Phone (316) 660-7058.

# SEDGWICK COUNTY, KANSAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2005

### TABLE OF CONTENTS

#### Introductory Section

	Page
Letter of Transmittal .....	i-vi
Certificate of Achievement .....	vii
Principal Officials .....	viii
Organization Chart .....	ix

#### Financial Section

<b>Independent Auditors' Report</b> .....	A-1
<b>Management's Discussion and Analysis</b> .....	A-3

#### Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Assets .....	A-14
Statement of Activities .....	A-16
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	A-18
Reconciliation of the Statement of Net Assets to the Balance Sheet for Governmental Funds .....	A-20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	A-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	A-24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Budgetary Basis General Fund .....	A-25
Balance Sheet – Proprietary Funds .....	A-26
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	A-27
Statement of Cash Flows – Proprietary Funds .....	A-28
Statement of Fiduciary Net Assets – Agency Funds .....	A-29
Notes to the Financial Statements .....	A-31

#### Combining and Individual Fund Statements and Schedules

Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	B-1
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	B-2
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	B-8
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	B-11
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	B-12
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Nonmajor Capital Projects Funds .....	B-18
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis):	
Special Revenue Funds:	
Wichita State University Program Development .....	B-20
Comprehensive Community Care .....	B-21
Emergency Medical Services .....	B-22
Extension Council .....	B-23
Aging Services .....	B-24
Public Works Highways .....	B-25
Noxious Weeds .....	B-26
Solid Waste .....	B-27
Special Parks and Recreation .....	B-28



# SEDGWICK COUNTY, KANSAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2005

### TABLE OF CONTENTS (continued)

#### Combining and Individual Fund Statements and Schedules (continued)

##### Governmental Funds (continued)

##### Schedules of Revenues, Expenditures and Changes in Fund Balances –

##### Budget and Actual (Non-GAAP Basis):

##### Special Revenue Funds (continued):

Emergency Telephone Services ..... B-29

Special Alcohol and Drug Programs ..... B-30

Convention Tourism Visitors Promotion ..... B-31

Community Health ..... B-32

Fire District Operating ..... B-33

##### Debt Service Funds:

County Bond and Interest ..... B-34

Fire District Bond and Interest ..... B-35

##### Enterprise Funds:

Combining Schedule of Net Assets – Coliseum/Arena Fund ..... C-1

##### Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets –

Coliseum/Arena Fund ..... C-2

##### Internal Service Funds:

Combining Balance Sheet ..... D-2

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets ..... D-4

Combining Statement of Cash Flows ..... D-6

##### Agency Funds:

Combining Statement of Changes in Assets and Liabilities ..... E-1

##### Component Unit:

Statement of Cash Flows – Sedgwick County Public Building Commission ..... F-1

#### Statistical Section

General Government Expenditures by Function ..... G-1

General Government Revenues by Source ..... G-2

General Property Tax Levies and Collections ..... G-3

Assessed and Estimated Actual Values of Taxable Tangible Property ..... G-4

Property Taxation Rate Averages by Jurisdiction Type ..... G-5

Special Assessment Collections ..... G-6

Net General Bonded Debt, Percentage of Assessed Value and Per Capita ..... G-6

Computation of Legal Debt Margin ..... G-7

General Obligation Debt Service Expenditures as a Percentage of Total General Expenditures ..... G-7

Direct, Underlying and Overlapping Debt Ratios ..... G-8

Ten Largest Taxpayers Ranked by Ad Valorem Taxes Levied ..... G-8

Demographic Statistics ..... G-9

Bank Deposits, Real Property Value, and Construction ..... G-9

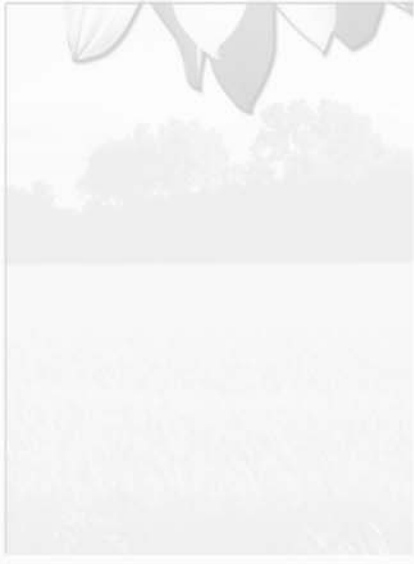
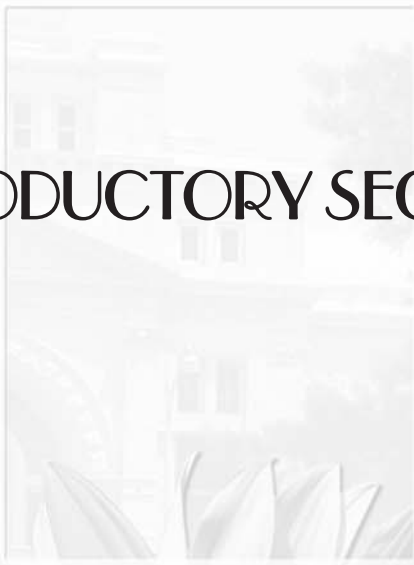
Major Industries and Employers ..... G-10

Civilian Labor Force ..... G-10

Retail Sales and Sales Taxes ..... G-11

Economic Development Revenue Bonds ..... G-11

# INTRODUCTORY SECTION





## COUNTY MANAGER'S OFFICE

Sedgwick County Courthouse  
525 N. Main, Suite 343  
Wichita, KS 67203  
Phone (316) 660-9393  
Fax (316) 383-7946  
[wbuchana@sedgwick.gov](mailto:wbuchana@sedgwick.gov)

**William P. Buchanan**  
County Manager

April 14, 2006

Board of County Commissioners  
Sedgwick County Courthouse  
525 N. Main  
Wichita, KS 67203-2703

Dear Commissioners:

Once again, the administration is pleased to present to you the Comprehensive Annual Financial Report of the County of Sedgwick, Kansas for the fiscal year ended December 31, 2005. This document is a review of what occurred financially last year. In that respect, it is a report card of our ability to manage our financial resources. This report indicates we are in sound financial shape.

This document can also be used as a means to inform you and the citizens regarding our financial condition as you struggle with the difficult choices of delivery of services. It provides a foundation of information that will help us all make informed decisions.

This report, along with management of our finances, is the fine work of Chief Financial Officer Chris Chronis, Deputy Chief Financial Officer Troy Bruun, Accounting Director Shawn Henning, and the good employees of Sedgwick County.

Sincerely,

William P. Buchanan  
County Manager

WPB/lmb

**"Sedgwick County...working for you"**

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## SEDGWICK COUNTY, KANSAS

### DIVISION OF FINANCE

\* 525 N. Main, Suite 823 \* Wichita, KS 67203 \* Telephone (316) 660-7591 \* FAX (316) 383-7729 \*

April 14, 2006

Board of County Commissioners  
Sedgwick County Courthouse  
525 N. Main  
Wichita, KS 67203-2703

Honorable Chair of the Board and Commissioners:

Good financial management requires that we provide full disclosure of the results of the County's fiscal activities each year, and that we obtain independent verification of the accuracy of our statements. Additionally, Kansas statutes call for an annual audit of all funds of the County by independent certified public accountants. Pursuant to these requirements, we hereby issue the comprehensive annual financial report of Sedgwick County for the fiscal year ended December 31, 2005. The County is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. I believe that the information presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of the various funds, and that all disclosures necessary for readers to gain an understanding of the County's financial affairs have been included.

Management has established an internal control structure designed to ensure that assets of the County are protected from loss, theft, or misuse and to compile adequate information to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The cost of the internal controls should not outweigh their benefits. Sedgwick County's internal controls are designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

The firm of Allen, Gibbs & Houlik L.C. audited the County's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there is a reasonable basis for rendering unqualified opinions that the statements are presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF SEDGWICK COUNTY**

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 Constitution of the State of Kansas in 1870. The County is the second most populous of the 105 counties in Kansas, with an estimated 463,802 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.

The County is governed by a five-member Board of County 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, is responsible for administrative matters. Two Assistant County Managers and six Division Directors aid him in his duties. The County has approximately 2,719 full-time employees.

Sedgwick County provides a full range of services to the community. These include public safety (sheriff, emergency medical services, emergency dispatch, emergency management, corrections, and the Regional Forensic Science Center), construction and maintenance of roads and bridges, health services, aging assistance, parks, the Sedgwick County Zoo, the Kansas Coliseum complex, public improvements, planning and zoning, judicial support, youth facilities, and general administrative services. In addition to general government activities, the governing body has operating and financial relationships with the Sedgwick County Fire District #1 and the Sedgwick County Public Building Commission (SCPBC).

The annual budget process begins 15 months before the start of each fiscal year, when the Budget Department prepares a revised five-year financial plan. The financial plan serves as the foundation for planning and control, forecasting revenues and expenditures for the next five years and comparing the prior year’s projections with actual results. The Budget Department also receives input from the Technology Review Committee, which evaluates division technology plans based on established criteria. The goals of the Technology Review Committee are to provide peer review of departmental technology plans and to evaluate and coordinate technology to provide efficient access to County information. The Budget Department also receives input from the Capital Improvement Program Committee. This committee ranks projects with significant multi-year benefits, such as buildings and infrastructure. Nine months before the start of the new fiscal year, the Budget Department prepares and distributes a base budget for all County Divisions. Division managers identify the service implications of the base budget and, if necessary, submit requests for additional funding or staff. Two months later, the Board of County Commissioners hold budget hearings to discuss service levels for the upcoming year. The Budget Department then submits a proposed budget to the County Manager. Six months before the new year, the County Manager submits the recommended budget to the Board of County Commissioners. The Commissioners hold public hearings to receive input from citizens. The budget is adopted approximately five months before the start of the new fiscal year and is submitted to the State of Kansas in compliance with State statutes. The legal level of budgetary control is at the individual fund level. The budget is prepared by fund, function, cost center and superior commitment item. Budget to actual comparisons are provided in this report for each individual governmental fund for which a legal appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page A-25 as part of the basic financial statements. For governmental funds (other than the General Fund) with legal appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, beginning on page B-20.

## **ECONOMIC CONDITION AND OUTLOOK**

Sedgwick County is a regional economic center with aircraft manufacturing, health care service, and retail trade as primary industries. The economic information contained herein was drawn from publications of the Center for Economic Development and Business Research (CEDBR) at Wichita State University.

The CEDBR projects that the economy will continue to modestly improve in 2006. Employment was up 0.9 percent in 2005 and 2006 employment is expected to increase by 2.0 percent. The unemployment rate is down slightly from 6.3 percent in the 3rd quarter 2004 to 6.0 percent in the 3rd quarter of 2005. The 2006 employment should see healthy growth in the manufacturing and business services sector. In Wichita, total personal income increased by 3.4 percent in 2005 and is estimated to increase by 5.1 percent in 2006. The WSU Consumer Expectations Index declined 7 index points for the 12 month period ending November 2005, compared to the previous 12 months. This was mainly due to consumers' expectations dampened by potential job losses in conjunction with the sale of Boeing Commercial Airplanes to Onex Corporation. Expectations also declined in September 2005 when consumers were dealing with rising gas prices and the impact of Hurricane Katrina on the national economy. Consumers are generally positive about their own personal finances, but continue to worry about local economic conditions. Their major concerns are higher interest rates, rising oil and gas prices and health care costs. While not robust, Wichita's labor market is recovering.

### **Manufacturing**

After six years of employment losses, Wichita's manufacturing employment ends 2005 with a growth of 2.6 percent or 1,500 jobs. Projections for 2006 are for an additional 4.8 percent growth for a total of 62,827 in manufacturing employment, a net gain of 2,895 jobs. Manufacturing accounted for 21 percent of all jobs in the Wichita Metropolitan Statistical Area (MSA) in 2005.

The aviation sector has exited its recession and entered a growth cycle. Supporting employment growth in aviation manufacturing are rising orders and increased deliveries. Orders totaled 616 planes for the first nine months of 2005, compared to 191 for the same months in 2004 for Boeing Commercial Airplanes. The company is forecasting 395 deliveries in 2006, up 36 percent from 2005's expected 290 deliveries.

Other highlights of the manufacturing sector are as follows:

- One of the major stories for 2005 was the sale of Boeing Wichita's commercial aircraft operations to Onex Corp., a Canadian-based company. The sale in June created a new company, Spirit AeroSystems, with 7,500 employees. The newly named Boeing Co. Integrated Defense System retained about 3,900 employees working on defense contracts.
- Cessna announced in April 2005 that it would need an additional 500 sheet metal assemblers in addition to the 600 job callbacks announced earlier in 2005.
- Honeywell International broke ground in May, 2005 on its new \$8 million manufacturing facility at Wichita's Mid-Continent Airport. Honeywell is consolidating its operations and currently employs about 200 at its Wichita facilities.
- Optima Bus in Park City has received large orders from cities throughout the country. The company has begun work on a hybrid bus that is expected to reduce fuel costs up to 50 percent.
- Wichita is host to many durable goods manufacturers that supply the aviation manufacturing industry and are indirect beneficiaries of the current increase in aviation orders through increased orders for input products.
- In November 2005, Koch Industries, a Sedgwick County-based conglomerate which is the largest privately owned corporation in the country, announced its \$13.2 billion purchase of Georgia-Pacific Corp. However, no net new jobs are expected in Wichita.

### **Other Sectors**

Retail trade, after employment losses in 2005, is set to gain 270 jobs in 2006. With healthy employment growth forecasted for 2006, taxable retail sales are expected to continue to grow from late 2005 and into 2006. The retail segment experienced a few minor and major losses in retailers, however, new developments, such as NewMarket Square and the Waterfront added tenants, and Gander Mountain was the first WaterWalk store to open.

Additional information regarding other employment sectors is as follows:

- While wholesale trade jobs were lost in 2005, this segment is expected to rebound in 2006 with a growth rate of 1.2 percent or 136 jobs.
- The professional and business services sector experienced strong increases in employment for 2005 and further strong growth is forecast for 2006. CEDBR estimates employment growth of 944 jobs in 2005 and another 3 percent growth or 807 additional jobs in 2006.
- Health care services continue to expand in the community, with the opening of several clinics, surgery centers, and specialty hospitals. Hospice Care of Kansas prepared to add a third location in Wichita and announced plans to add a fourth location. Additionally, Wesley Hospital began work on an \$11.7 million west side emergency and diagnostic center.
- Housing sales continue at robust levels, up 8.2 percent for the 12 months ending September 2005. A slowdown of sales is not expected until late 2006.
- Overall, natural resources, mining and construction employment added approximately 100 jobs in 2005 and is expected to increase by an estimated 400 jobs or 2.5 percent in 2006. These industries accounted for 5.9 percent of all jobs in the Wichita MSA during 2005.

## **COUNTY BUSINESS AND FINANCIAL PLAN**

### **Financial Plan**

Sedgwick County continues to demonstrate a strong financial standing. Efforts to reduce expenditures in recent years have helped us maintain a strong financial plan into the future. The County's mission has been, and continues to be, to provide quality public services for the citizens of Sedgwick County. We accomplish this by establishing and maintaining partnerships, encouraging innovation, ensuring informed decisions and allocating resources to meet changing needs.

The County uses a five-year financial plan to evaluate current and future fiscal conditions and to guide policy and programmatic decisions. The financial plan is a management tool that presents forecasted information based on current and projected financial conditions, identifying future revenue and expenditure trends that may have an immediate or long-term influence on County policies, strategic goals, or community services. The financial plan assists in the formation of decisions that reflect the County's objectives of fiscal discipline and the delivery of essential community services.

The financial plan shows that operating income for funds receiving statutorily authorized tax support is projected to remain strong throughout the planning horizon. Nevertheless, other funds, particularly grant funds are projected to experience operating deficits. After 2005, the operating deficits in the grant funds are projected to exceed the operating income generated in the tax-supported funds. Consequently, the financial plan anticipates that slight operating deficits could be realized for all operating funds if adjustments to grant funded operations are not implemented over the planning horizon. The projections in the financial plan reflect the trend of grant funding from the Federal and State levels that does not keep pace with inflationary growth.

Major initiatives of the County include the following:

- Sedgwick County received approval by the electors in November, 2004 and from the Kansas Legislature in April, 2005 to implement a 1% sales tax for the purpose of constructing the Sedgwick County Arena in downtown Wichita. The sales tax commenced July 1, 2005 and will terminate not later than 30 months after its commencement. Sedgwick County is extremely proud to bring the Arena to our community and assure the citizens that it will be a world-class entertainment venue for residents and visitors to enjoy.



- Sedgwick County is an active partner focused on growing jobs in our community. The Sedgwick County Technical Education and Training Authority (SCTE&TA) was established in 2005 to help encourage training programs to assure a skilled workforce. Sedgwick County is providing funding for technical education and training for 2006 and is providing additional economic development incentives to recruit new business and bring new jobs to our community.
- With public safety as one of the top priorities for our community, construction of the \$35 million Juvenile Justice Complex continues with completion of the juvenile detention facility in March 2006 and the juvenile court complex in 2008. Additionally, construction of the \$10.4 million Public Safety Center began in 2005. The new Public Safety Center will house the 9-1-1 dispatch center and provides the opportunity to respond to an increasing call volume with additional dispatchers funded in 2006.
- The Criminal Justice Coordinating Council (CJCC) was created to explore alternatives to increases in the jail population and out-of-County placements for inmates. CJCC is evaluating proposals such as the creation of special drug and mental health courts to achieve the goal of reducing the growth of the County's inmate population.
- Construction of an annex for the Regional Forensic Science Center to help meet increased demand for services is slated to begin in 2006.

### **Financial Management**

In addition to the five-year financial plan, the County began a long-range Capital Improvement Program (CIP) planning process in 1982 with the goal of facilitating area-wide economic development by updating the County's roads, bridges and drainage systems, as well as maintaining its facilities. The five-year CIP is used as a planning tool that specifies the capital spending budget for the 2005 budget year and projects it for 2006 through 2009, the planning years of the program. Planned capital spending for 2005 totaled almost \$24 million with noteworthy projects consisting of the widening of 63<sup>rd</sup> Street South, upgrades to infrastructure at Lake Afton and Sedgwick County Parks and a long-term space planning study for all County offices. The CIP is funded on a year-by-year basis from various funding sources, including annual operating revenues from property tax, sales tax, liquor tax, gasoline tax or by issuing bonds and making debt service payments over a period of years.

During 2005, as authorized by a comprehensive written investment policy, idle County funds were invested in certificates of deposit, obligations of the U.S. Treasury, government agency securities, repurchase agreements, money market funds, and the State of Kansas Municipal Investment Pool. Investments have a maximum maturity of four years. The weighted average maturity was 228 days and the average yield to maturity was 4.04 percent. The fair value of investments totaled \$409,372,728 at December 31, 2005.

Sedgwick County has maintained a debt management policy for several years designed to set guidelines for management and control of debt financing by the County. As the County continues to grow, many different demands are placed upon the services the County provides; therefore, it is necessary to ensure the demand for debt-financed projects does not outrun the County's legal and fiscal capability to finance projects.

Sedgwick County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Single audits are intended to eliminate duplication of audit effort by providing for only one audit entity-wide, specifically designed to meet the needs of all interested parties. Although individual federal grantor agencies may still arrange for additional audit work if they consider it necessary for their purposes, the law requires that any additional work be built upon the single audit.

The County's financial management policies may be viewed at the County Finance Division's website, <http://www.sedgwickcounty.org>.

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal financial assistance programs, and to evaluate the County's compliance with applicable laws and regulations.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sedgwick County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2004. This was the 24<sup>th</sup> consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Sedgwick County also received GFOA's Award for Distinguished Budget Presentation for its 2005 annual appropriated budget document. In order to qualify for the Distinguished Budget Presentation Award, a government must publish a document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. The award is valid for a period of one year only. Sedgwick County has received the award for 21 consecutive years (fiscal years 1985-2005).

### **Acknowledgements**

Preparation of this report required the cooperation and dedicated efforts of many County personnel outside the Division of Finance and the independent auditors, Allen, Gibbs & Houlik L.C. I sincerely appreciate this significant support. Specific appreciation is expressed to all members of the Division of Finance who contributed to this annual financial report of the County's financial systems in their daily work throughout the year and their particular fiscal year-end tasks.

In particular, I want to applaud the efforts of Troy Bruun, the Deputy CFO, and Shawn Henning, the Director of Accounting, whose service to the County is invaluable. I express special appreciation to the Board of County Commissioners and County Manager Bill Buchanan for interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully,



Chris Chronis  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sedgwick County,  
Kansas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

## PRINCIPAL OFFICIALS

March 21, 2006

<b>Elected Positions</b>	<b>Name</b>	<b>Date of Appointment</b>
Commissioner, 1 <sup>st</sup> District	David M. Unruh	January 13, 2003
Commissioner, 2 <sup>nd</sup> District	Tim R. Norton	January 8, 2001
Commissioner, 3 <sup>rd</sup> District	Thomas G. Winters	January 10, 1993
Commissioner, 4 <sup>th</sup> District	Lucy Burtnett	January 10, 2005
Commissioner, 5 <sup>th</sup> District	Ben Sciortino	January 11, 1999
Administrative Judge, 18 <sup>th</sup> Judicial District	Richard Ballinger	January 13, 2003
District Attorney	Nola Foulston	January 9, 1989
County Clerk	Don Brace	January 8, 2001
Register of Deeds	Bill Meek	April 20, 1998
County Sheriff	Gary Steed	January 8, 2001
County Treasurer	Ron Estes	October 11, 2005

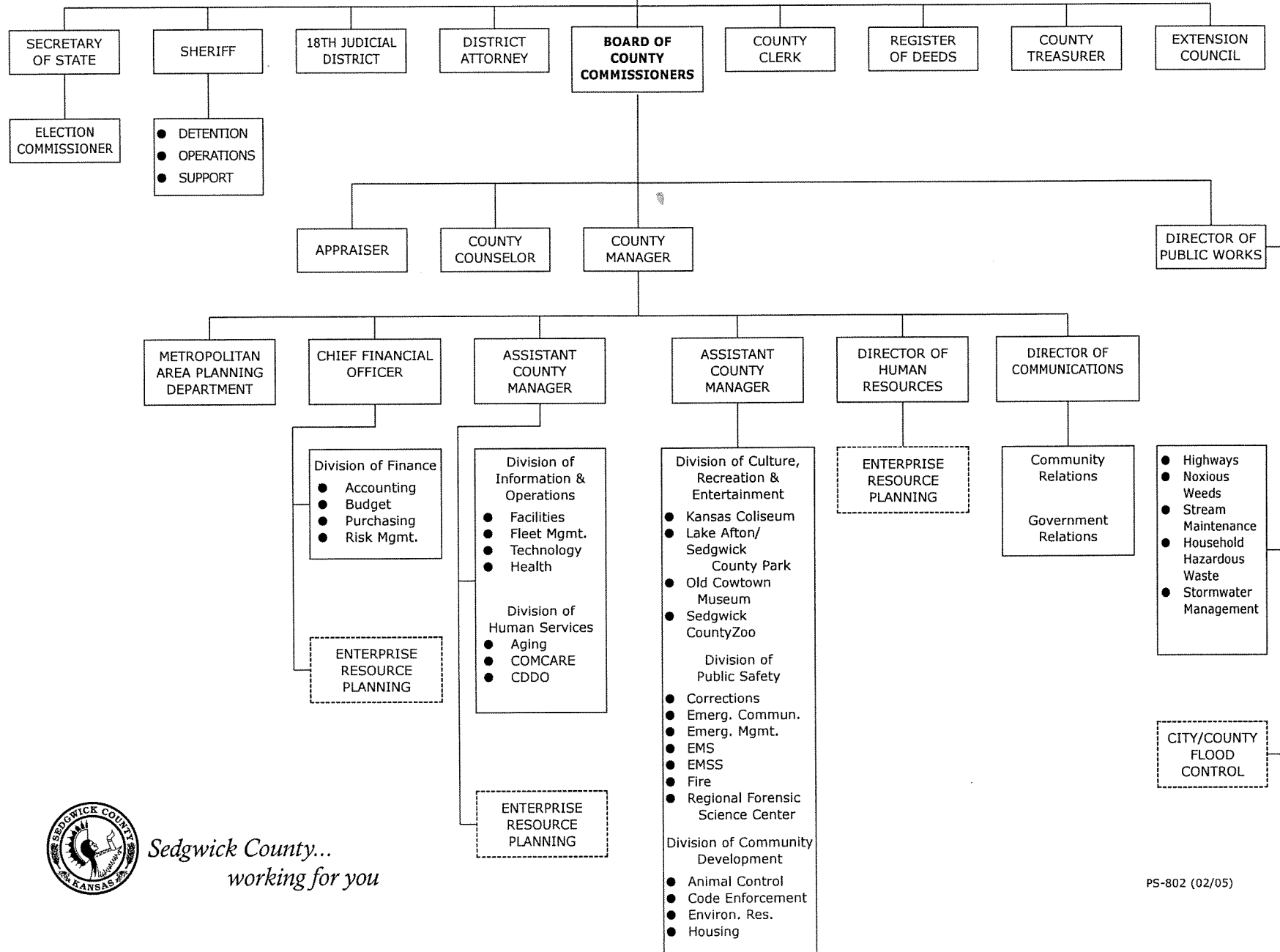
<b>County Manager/Divisions</b>	<b>Name</b>	<b>Date of Appointment</b>
County Manager	William P. Buchanan	March 18, 1991
Assistant County Manager	Vacant	N/A
Assistant County Manager	Ron Holt	February 20, 2005
Chief Financial Officer	Chris Chronis	January 4, 1999
Director, Division of Human Resources	M. Jo Templin	July 13, 2003
Director, Division of Communications	Kristi Zukovich	January 1, 2001
Director, Metropolitan Area Planning Department	John L. Schlegel	June 30, 2003
Director, Public Works / County Engineer	David Spears	July 1, 1985
County Counselor	Richard A. Euson	March 5, 1997
County Appraiser	Mike Borchard	December 15, 2004



# ORGANIZATIONAL CHART

VOTERS

SEDGWICK COUNTY, KS



*Sedgwick County...  
working for you*

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# FINANCIAL SECTION



Epic Center • 301 N. Main, Suite 1700  
Wichita, Kansas 67202-4868  
(316) 267-7231 • FAX (316) 267-0339

## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Sedgwick County, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sedgwick County, Kansas (County) as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2006, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit



performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

April 10, 2006  
Wichita, Kansas

## **Management's Discussion and Analysis**

The following discussion and analysis provides an overview of Sedgwick County's financial activities for the fiscal year ended December 31, 2005 and should be considered in conjunction with the letter of transmittal that precedes this narrative, the financial statements, as well as the notes to the financial statements.

### **Financial Highlights**

- The assets of Sedgwick County exceeded liabilities at the close of fiscal year 2005 by \$409,504,908, which represents net assets. Of this amount, \$49,000,928 is reported as unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased by \$64,481,662, indicating that Sedgwick County, as a whole, was better off after the year's activity.
- Governmental activities cost \$248,096,836, a decrease of \$3,897,214, or 1.5 percent from 2004.
- Program revenues decreased \$4,184,989, resulting in more reliance on general revenues to pay for expenses.
- At year-end, fund balance for the General Fund was \$38,068,364, of which \$1,403,228 was reserved. Unreserved fund balance increased \$5,177,836 during 2005.

### **Overview of the Financial Statements**

Management's discussion and analysis serves as an introduction to Sedgwick County's basic financial statements. The basic financial statements consist of three components: [1] government-wide financial statements, [2] fund financial statements, and [3] notes to the financial statements. This report also contains other information in addition to the basic financial statements.

The government-wide financial statements, which were first presented in the 2002 Comprehensive Annual Financial Report, provide financial information about the County as a whole, including its component units.

The fund financial statements focus on the County's operations in more detail than the government-wide financial statements. The financial statements presented for governmental funds report on the County's general government services and proprietary funds report on the activities that the County operates like private-sector businesses.

The basic financial section also includes notes that more fully explain the information in the government-wide and fund financial statements; the notes provide more detailed data essential to a full understanding of the data presented in the financial statements. The notes to the financial statements can be found on pages A-31 to A-56 of this report.

### **Government-wide Financial Statements**

The *government-wide financial statements* provide readers with a broad overview of Sedgwick County's finances. All current year revenues and expenditures are included, regardless of whether related cash has been received or paid. This reporting method produces a view of financial activities and position similar to that presented by most private-sector businesses.

The *statement of net assets* presents information on all of Sedgwick County's assets and liabilities, with the difference reported as *net assets*, which is one method to measure the County's financial condition. An increase or decrease in the County's net assets from one year to the next indicates whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report functions of the County that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of costs through user fees and charges (business-type activities). Governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, and economic development. The County has a single business-type activity, the Coliseum/Arena Fund.

The government-wide financial statements include not only Sedgwick County (known as the primary government), but also a legally separate entity, the Sedgwick County Public Building Commission, for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information for the primary government itself.

The government-wide financial statements can be found on pages A-14 through A-17 of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Sedgwick County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements focus on individual parts of the County, reporting the operations in more detail than the government-wide statements. Under the current reporting model, fund financial statements focus on the most significant funds within the County. The County's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### Governmental Funds

Governmental funds include most of the basic services provided by the County and account for essentially the same functions as reported in the governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, the fund financial statements focus on how money flows in and out of the funds during the fiscal year and spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

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

Sedgwick County maintains thirty-five individual governmental funds. Information is presented separately in the governmental funds *balance sheet* and in the governmental funds *statement of revenues, expenditures, and changes in fund balances* for the General Fund, Federal/State Assistance Fund, Debt Service Fund, and Debt Proceeds Fund, all of which are reported as major funds or are of particular interest. Information on the remaining non-major governmental funds is combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Governmental Funds subsection.

The County adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental funds financial statements and reconciliations to the government-wide financial statements can be found on pages A-18 through A-25 of this report.

### Proprietary Funds

Sedgwick County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County reports a single enterprise fund to account for the Coliseum/Arena complex. Additional information regarding the Kansas Coliseum and Downtown Arena subfunds is provided in the form of a combining schedule in the Enterprise Fund subsection.

*Internal service funds* are used to accumulate and allocate costs internally among Sedgwick County's various functions. The County utilizes internal service funds to account for its fleet of vehicles, employee health, dental and life insurance, worker's compensation activity, and risk management. The four internal service funds are combined into a single, aggregated column in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the Internal Service Funds subsection. Because activity of the internal service funds predominately benefit governmental rather than business-type functions, they are included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages A-26 through A-28 of this report.

### Fiduciary Funds

Fiduciary funds are used to report activities whereby the County acts as a trustee or fiduciary to hold resources for the benefit of parties outside the government. The accrual basis of accounting is used for fiduciary funds and is similar to the accounting used for proprietary funds. The government-wide statements exclude fiduciary fund activities and balances, because these assets are restricted in purpose and cannot be used by the County to finance its operations. The County must ensure that assets reported in fiduciary funds are used for their intended purpose.

The County's fiduciary funds are both classified as agency funds. These two funds account for tax collection and distribution, and for other clearing and fee collections. Individual fund detail is included in the form of *combining statements* in the Agency Funds subsection.

The basic fiduciary fund financial statement can be found on page A-29 of this report.

## Notes to the Financial Statements

The notes provide additional narrative and financial information that is essential to a full understanding of the data provided in the government-wide financial statements and the fund financial statements. The notes to the financial statements begin on page A-31 of this report.

## Other Information

Other information includes combining financial statements for nonmajor governmental, enterprise, internal service, and fiduciary funds, as well as the County's discretely presented component unit. Combining and individual fund statements and schedules can be found on pages B-1 through F-1 of this report.

## Government-wide Financial Analysis

### Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets of the primary government exceeded liabilities by \$409.5 million at the end of 2005.

<b>Sedgwick County, Kansas</b>						
<b>Net Assets</b>						
<b>As of December 31, 2005</b>						
<b>With Comparatives as of December 31, 2004</b>						
(millions of dollars)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Assets:						
Current and other assets	\$287.0	\$264.6	\$ 37.3	\$ 0.6	\$324.3	\$265.2
Capital assets	355.7	341.0	9.2	8.6	364.9	349.6
Total assets	642.7	605.6	46.5	9.2	689.2	614.8
Liabilities:						
Long-term liabilities	155.1	149.5	-	-	155.1	149.5
Other liabilities	124.3	120.0	0.3	0.3	124.6	120.3
Total liabilities	279.4	269.5	0.3	0.3	279.7	269.8
Net assets:						
Invested in capital assets, net of related debt	208.0	199.1	9.2	8.6	217.2	207.7
Restricted	106.5	88.0	36.8	-	143.3	88.0
Unrestricted	48.8	49.0	0.2	0.3	49.0	49.3
Total net assets	\$363.3	\$336.1	\$ 46.2	\$ 8.9	\$409.5	\$345.0

The largest portion of the County's net assets (53.0 percent) reflect its investment in capital assets (e.g. land, buildings, machinery and equipment), less 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. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other

sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$143.3 million or 35 percent of the County's net assets represents resources that are subject to external restrictions on how they may be used. The \$36.8 million of restricted net assets in the business-type activities column represents collected, but unspent sales tax restricted for the downtown arena. The remaining balance of *unrestricted net assets*, \$49.1 million, may be used to meet the government's ongoing obligations to citizens and creditors.

### Change in Net Assets

The County's net assets for governmental activities increased \$27.1 million (8.1 percent) since the beginning of the year, and net assets of the County's business-type activity increased \$37.4 million over the same time period, due to unspent sales tax collections for the new downtown arena. Changes in net assets were as follows:

**Sedgwick County, Kansas**  
**Change in Net Assets**  
**Fiscal Year Ended December 31, 2005**  
**With Comparatives for the Year Ended December 31, 2004**  
**(millions of dollars)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program revenues:						
Charges for services	\$66.7	\$ 67.1	\$ 2.2	\$ 2.5	\$ 68.8	\$ 69.6
Operating grants and contributions	47.5	52.3	-	-	47.5	52.3
Capital grants and contributions	2.8	1.8	-	-	2.8	1.8
General revenues:						
Property taxes	123.6	118.2	-	-	123.6	118.2
Sales taxes	22.9	22.3	39.0	-	61.9	22.3
Other taxes	2.7	2.5	-	-	2.7	2.5
Investment earnings	8.2	5.7	-	-	8.2	5.7
Total revenues	<u>274.4</u>	<u>269.9</u>	<u>41.2</u>	<u>2.5</u>	<u>315.6</u>	<u>272.4</u>
<b>Expenses</b>						
General government	49.9	48.3	-	-	49.9	48.3
Public safety	94.9	90.3	-	-	94.9	90.3
Public works	15.5	23.7	-	-	15.5	23.7
Health and welfare	61.8	62.3	-	-	61.8	62.3
Culture and recreation	7.9	6.9	-	-	7.9	6.9
Economic development	12.2	14.3	-	-	12.2	14.3
Interest on long-term debt	5.9	6.1	-	-	5.9	6.1
Coliseum/Arena	-	-	3.0	3.0	3.0	3.0
Total expenses	<u>248.1</u>	<u>251.9</u>	<u>3.0</u>	<u>3.0</u>	<u>251.1</u>	<u>254.9</u>
Increase (decrease) in net assets						
before transfers	26.3	18.0	38.2	(0.5)	64.5	17.5
Transfers	<u>0.8</u>	<u>(1.2)</u>	<u>(0.8)</u>	<u>1.2</u>	<u>-</u>	<u>-</u>
Increase in net assets	27.1	16.8	37.4	0.7	64.5	17.5
Prior period adjustment	-	4.0	-	-	-	4.0
Net assets, beginning	<u>336.1</u>	<u>315.3</u>	<u>8.9</u>	<u>8.2</u>	<u>345.0</u>	<u>323.5</u>
<b>Net assets, ending</b>	<u><u>\$363.2</u></u>	<u><u>\$336.1</u></u>	<u><u>\$46.3</u></u>	<u><u>\$ 8.9</u></u>	<u><u>\$409.5</u></u>	<u><u>\$345.0</u></u>

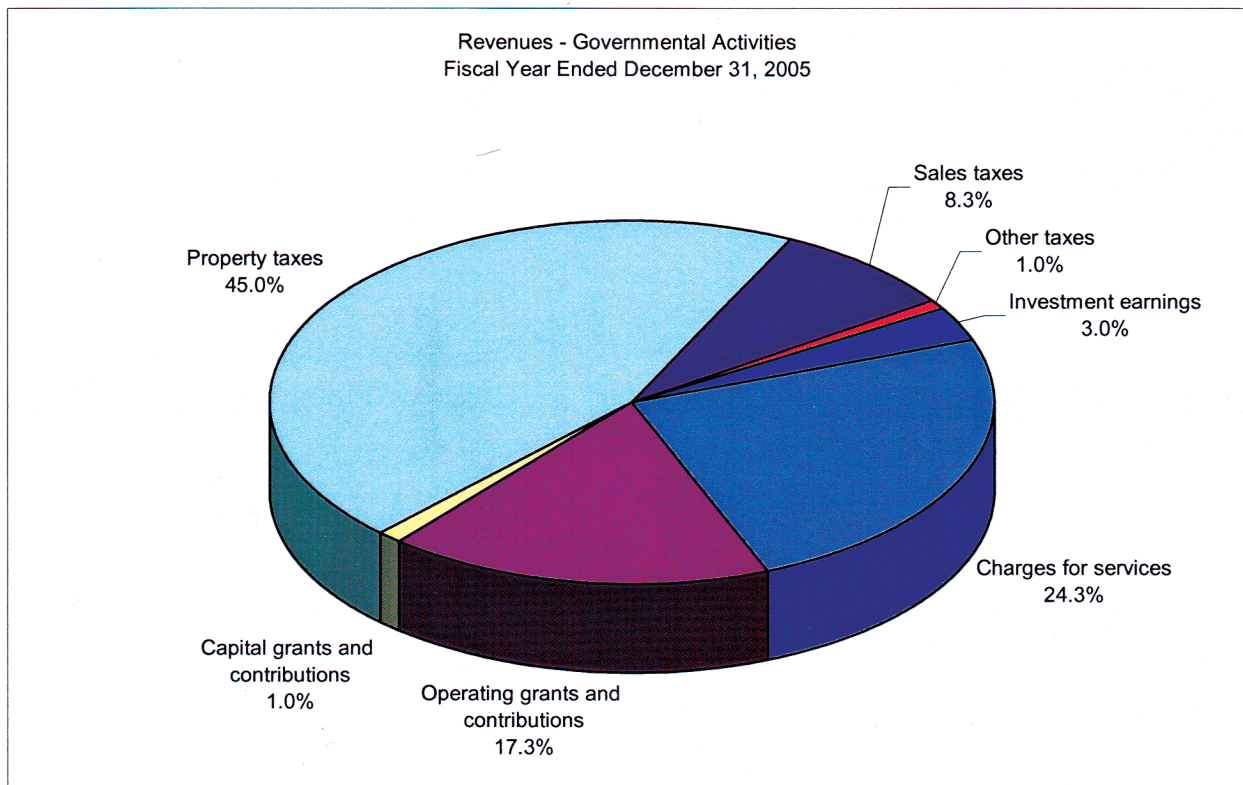


Governmental activities program revenue fell \$4.2 million from 2004, due to the receipt of a one-time grant of \$2.1 million in 2004 to fund improvements to Hoover Road and one-time contributions in the amount of \$2.7 million from other local governments to assist in funding 2004 road projects. Governmental activity program revenue decreases were more than offset by increases in general revenue. Property tax increased \$5.4 million and investment income increased \$2.5 million. The property tax increase was not due to an increase in mill levy, but rather a 4.8% increase in assessed value.

Expenses of governmental activities declined 1.5% or \$3.8 million. Although fluctuations occurred in each functional category when compared with 2004, the overall decrease is due to a reduction in the amount of capital outlay in Public Works. This reduction was partially offset by increased spending in Public Safety as the County implemented alternative programs aimed at lowering incarceration rates and the Sheriff implemented a market pay adjustment for patrol deputies. An increase of \$1.0 million in culture and recreation was due to the County's participation in funding the operations of Exploration Place.

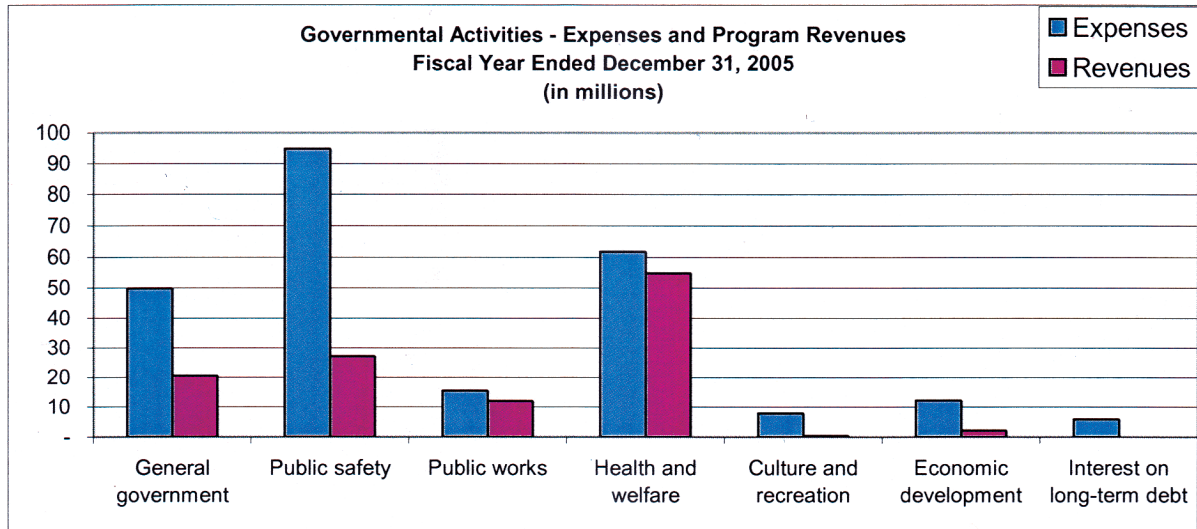
#### Governmental Activities

The following chart portrays governmental activities revenues by source.



As reflected in the chart above, property taxes provide 45 percent of the County's revenue for governmental activities and totaled \$123.6 million at the end of the year. Charges for services and operating grants and contributions totaled \$114.2 million, making up the other major revenue stream for governmental activities.

The chart below reflects expenses and program revenues for governmental activities as of December 31, 2005. Public safety, health and welfare and general government expenses rank higher than other functions of governmental activities, accounting for 83.3 percent of total expenses for governmental activities.



#### Business-type Activity

Sedgwick County has one business-type activity, the Coliseum/Arena fund. Net assets for fiscal year 2005 increased by \$37.4 million and is fully attributed to the collection of a special sales tax for the construction of a new downtown arena.

#### **County Funds Financial Analysis**

As noted earlier, Sedgwick County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term cash inflows and outflows during the fiscal year and balances of spendable resources at year-end. This information is useful in assessing the County's financing requirements. Unreserved fund balance may serve as a useful measure of the County's net resources available for future spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$125.3 million, an increase of \$18.8 million since the beginning of the year. The following table shows how fund balance changed in the major and other governmental funds.

Fund	Beginning Fund Balance	Ending Fund Balance	Change in Fund Balance
General	\$ 33,101,976	\$ 38,068,364	\$ 4,966,388
Federal/State Assistance	13,312,615	17,017,367	3,704,752
Debt Service	560,506	1,124,572	564,066
Debt Proceeds	18,644,572	19,651,350	1,006,778
Other Governmental	40,917,369	49,446,773	8,529,404
Total Governmental Funds	\$106,537,038	\$125,308,426	\$18,771,388

The General Fund is the chief operating fund of Sedgwick County. The ending fund balance in the General Fund increased just under \$5 million, compared to an increase of \$6.4 million a year ago. General Fund revenues jumped \$8.2 million, driven by a \$5 million increase in property tax receipts and a \$2 million increase in investment income. Expenditures rose by \$8.6 million, with almost half of the increase due to Health Department operations moving to the General Fund from a special revenue fund. Public safety expenditures increased by \$3 million, also contributing to the increase in General Fund expenditures. Net transfers out increased by \$1 million over fiscal year 2004. At the end of 2005, unreserved fund balance was \$36.7 million and total fund balance was \$38.1 million. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31.5% of total General Fund expenditures, while total fund balance represents 32.7%.

The Federal/State Assistance fund is a special revenue fund that accounts for programs that receive grant funding. The Federal/State Assistance fund ended the year with a fund balance of \$17 million. In 2005, fund balance of the Federal/State Assistance fund increased \$3.7 million, as compared to an increase of \$1.9 million last year. Of the \$17 million fund balance, 86% is unreserved. For 2005, revenues fell by \$2.2 million and expenditures decreased by \$4 million when compared to 2004.

The Debt Service fund has a total fund balance of \$1.1 million, all of which is reserved for the payment of debt service. The ending fund balance doubled compared to the ending balance of \$560,506 in 2004.

The Debt Proceeds fund is a capital projects fund that receives proceeds from general obligation bond issues and other long-term financing sources. The fund received \$14.5 million in general obligation bond proceeds and \$3.4 million in proceeds from the State revolving loan program. Transfers out to other capital projects funds included \$7.7 million for the new Juvenile Justice Complex, \$1.5 million for courthouse improvements, \$0.5 million to begin construction on the new 911 Emergency Operations Center, and \$7.2 million for various road construction projects. The Debt Proceeds fund also earned \$0.9 million from investments during 2005.

### Proprietary Funds

Sedgwick County's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Arena/Coliseum Fund at the end of the fiscal year amounted to \$220,110. The majority of the Arena/Coliseum Fund net assets are restricted for the construction of the new downtown arena. The restricted net assets are \$36.9 million and net assets invested in capital assets totals \$9.2 million.

### General Fund Budgetary Highlights

The County did not amend the budget during fiscal year 2005, although budgeted expenditures were shifted between line items in the General Fund.

Actual revenue was \$3.8 million above both the original and final budgets. Property tax receipts were \$1.9 million above budget and administrative charges to grants and other funds totaled \$3.1 more than budgeted. Charges for services fell for the second straight year by \$1 million. Code Enforcement inspection fees were \$0.6 million above budget, but were more than offset by shortfalls in most other charges for services.

Expenditures for personnel services were less than the original and final budgets by \$6.7 million and \$2.2 million, respectively. Contractual services ended the year almost \$7.5 million lower than the original budget. Transfers to other funds was \$5.5 million greater than the original budget, but was \$0.8 million less than the final budget. Overall budgetary fund balance in the General Fund increased nearly \$4.0 million in 2005.

### Capital Asset and Debt Administration

Sedgwick County's investment in capital assets for its governmental and business-type activities as of December 31, 2005, totaled \$364,883,699 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges, improvements, machinery and equipment, and park facilities.

Major capital asset events during the 2005 fiscal year included the following:

- Over \$23 million is recorded as construction in progress. The main projects are the Juvenile Justice Complex, Emergency Operations Center and the new downtown arena.
- More than \$12 million in additions to capital assets were recorded for road and bridge projects in Sedgwick County.
- Sedgwick County added over \$5 million in new machinery and equipment before depreciation in 2005, with \$1.7 million of additions to fleet operations.

#### Capital Assets December 31, 2005 (net of depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 16,633,918	\$ 1,514,844	\$ 18,148,762
Buildings and improvements	129,672,207	5,404,559	135,076,766
Improvements other than buildings	1,363,711	-	1,363,711
Machinery and equipment	19,066,469	94,141	19,160,610
Infrastructure	167,975,899	-	167,975,899
Construction in progress	21,008,446	2,149,505	23,157,951
Total	\$ 355,720,650	\$ 9,163,049	\$ 364,883,699

Additional information regarding capital assets can be found in note III. B, beginning on page A-44.

### Long-term Debt

At the end of 2005, Sedgwick County had total general obligation bonds outstanding of \$107,310,000. This amount includes \$16,550,000 of special assessment bonds. The County's long-term obligations also include direct financing leases with the Sedgwick County Public Building Commission, a discretely presented component unit of the County, totaling \$36,120,000. All outstanding debt at the end of the year was associated with governmental activities and is backed by the full faith and taxing power of Sedgwick County.

During the current fiscal year, Sedgwick County issued \$14,515,000 in general obligation bonds to finance the construction of a new emergency operations center to house the 911 emergency dispatch operations and to house the County's emergency management offices. The bonds also financed \$4 million

in road projects and just over \$230,000 in special assessment projects. The County also received a loan from the Kansas Department of Transportation to finance road projects undertaken in fiscal year 2004. Outstanding general obligation bonds of the County are rated “AAA” by Fitch Ratings (“Fitch”), “Aa1” by Moody’s Investors Service (“Moody’s”), and “AA+” by Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. (“S&P”).

State statutes limit the amount of general obligation debt county governments may issue to three percent of its total valuation. After subtracting deductions allowed by the statutes, Sedgwick County’s legal debt margin is \$70,001,608.

Additional information about the County’s long-term debt can be found in Note III. C, beginning on page A-45 of this report.

### **Economic Factors and Next Year’s Budgets and Rates**

- The unemployment rate stood at 4.8% at the end of 2005, which is higher than the state average of 4.3%, but improved from 5.3% at the end of 2004.
- Sales tax collections are forecast to increase by 3% in 2006.
- The County mill levy rate did not change for 2006.

On April 5, 2006 the Sedgwick County Commissioners authorized a \$49.225 million project to design, construct and furnish an approximate 380 bed expansion of the existing adult detention facility. Also on this date, the Commission approved a resolution requesting the Sedgwick County Public Building Commission to issue revenue bonds for the purpose of paying the costs to design, construct and equip a technical education complex. The estimated cost of the project is \$38 million.

### **Requests for Information**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the County’s finances and to demonstrate the County’s accountability for the funds it receives.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Sedgwick County Division of Finance, 525 N. Main, Suite 823, Wichita, Kansas 67203.

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# SEDGWICK COUNTY, KANSAS

## Statement of Net Assets

December 31, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash, including investments	\$134,003,340	\$ 499,105	\$134,502,445
Receivables, net	145,295,990	1,000	145,296,990
Due from other agencies	5,819,081	-	5,819,081
Inventories, at cost	1,826,881	-	1,826,881
Restricted assets:			
Cash, including investments	-	22,723,005	22,723,005
Sales tax receivable	-	14,145,996	14,145,996
Net investment in direct financing lease	-	-	-
Costs of issuance	-	-	-
Bond discount	-	-	-
Capital assets:			
Land and construction in progress	37,642,364	3,664,349	41,306,713
Other capital assets, net of depreciation	318,078,286	5,498,700	323,576,986
<b>Total assets</b>	<b>642,665,942</b>	<b>46,532,155</b>	<b>689,198,097</b>
<b>Liabilities</b>			
Accounts payable and other current liabilities	3,466,460	12,863	3,479,323
Accrued interest payable	2,533,332	-	2,533,332
Deferred revenue	110,987,364	-	110,987,364
Unearned revenue	7,318,512	267,132	7,585,644
Noncurrent liabilities:			
Due within one year	19,565,111	-	19,565,111
Due in more than one year	135,542,415	-	135,542,415
Less: deferred refunding	-	-	-
Bond premium	-	-	-
<b>Total liabilities</b>	<b>279,413,194</b>	<b>279,995</b>	<b>279,693,189</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	208,012,619	-	208,012,619
Invested in capital assets	-	9,163,049	9,163,049
Restricted for:			
Capital improvements	35,329,499	36,869,001	72,198,500
Debt service	23,618,378	-	23,618,378
Federal/State Assistance	20,282,059	-	20,282,059
Equipment and technology improvements	15,010,602	-	15,010,602
Fire protection	3,161,150	-	3,161,150
Court operations	2,497,995	-	2,497,995
Other purposes	6,559,628	-	6,559,628
Unrestricted	48,780,818	220,110	49,000,928
<b>Total net assets</b>	<b>\$363,252,748</b>	<b>\$ 46,252,160</b>	<b>\$409,504,908</b>

The notes to the financial statements are an integral part of this statement.



Component Unit	
SCPBC	
\$	-
	-
	-
	-
	-
	-
	-
	35,579,930
	413,814
	66,119
	-
	-
	<u>36,059,863</u>
	-
	564,497
	-
	-
	1,590,000
	34,530,000
	(683,378)
	<u>58,744</u>
	<u>36,059,863</u>
	-
	-
	-
	-
	-
	-
	-
	-
	-
	<u>\$ -</u>

# SEDGWICK COUNTY, KANSAS

## Statement of Activities

For the Year Ended December 31, 2005

		Program Revenues		
			Operating	Capital
	Expenses	Charges for	Grants and	Grants and
		Services	Contributions	Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 49,884,611	\$ 17,615,559	\$ 2,870,948	\$ -
Public safety	94,875,022	14,836,964	12,265,843	-
Public works	15,462,330	1,393,981	7,785,059	2,810,309
Health and welfare	61,857,647	31,870,736	22,997,389	-
Culture and recreation	7,869,915	388,293	-	-
Economic development	12,247,263	606,056	1,613,765	-
Interest on long-term debt	5,900,048	-	-	-
Total governmental activities	<u>248,096,836</u>	<u>66,711,589</u>	<u>47,533,004</u>	<u>2,810,309</u>
Business-type activities:				
Coliseum/Arena	<u>2,981,789</u>	<u>2,132,623</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>2,981,789</u>	<u>2,132,623</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 251,078,625</u>	<u>\$ 68,844,212</u>	<u>\$ 47,533,004</u>	<u>\$ 2,810,309</u>
<b>Component unit:</b>				
SCPBC	\$ -	\$ -	\$ -	\$ -
Total component unit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Property taxes

Sales taxes

Other taxes

Investment earnings

Transfers

Total general revenue and transfers

Change in net assets

Net assets, beginning of year

Net assets, end of year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component
Governmental Activities	Business-Type Activities	Total	Unit SCPBC
\$ (29,398,104)	\$ -	\$ (29,398,104)	\$ -
(67,772,215)	-	(67,772,215)	-
(3,472,981)	-	(3,472,981)	-
(6,989,522)	-	(6,989,522)	-
(7,481,622)	-	(7,481,622)	-
(10,027,442)	-	(10,027,442)	-
(5,900,048)	-	(5,900,048)	-
<u>(131,041,934)</u>	<u>-</u>	<u>(131,041,934)</u>	<u>-</u>
-	(849,166)	(849,166)	-
-	(849,166)	(849,166)	-
<u>(131,041,934)</u>	<u>(849,166)</u>	<u>(131,891,100)</u>	<u>-</u>
-	-	-	-
-	-	-	-
123,602,221	-	123,602,221	-
22,886,788	39,018,506	61,905,294	-
2,721,419	-	2,721,419	-
8,143,828	-	8,143,828	-
821,156	(821,156)	-	-
<u>158,175,412</u>	<u>38,197,350</u>	<u>196,372,762</u>	<u>-</u>
27,133,478	37,348,184	64,481,662	-
<u>336,119,270</u>	<u>8,903,976</u>	<u>345,023,246</u>	<u>-</u>
<u>\$ 363,252,748</u>	<u>\$ 46,252,160</u>	<u>\$ 409,504,908</u>	<u>\$ -</u>

# SEDGWICK COUNTY, KANSAS

## Balance Sheet Governmental Funds December 31, 2005

	General Fund	Federal/State Assistance Fund	Debt Service Fund
<b>Assets</b>			
Cash, including investments	\$ 32,242,733	\$ 19,091,253	\$ 1,144,735
Advance receivable	1,051,873	-	-
Due from other funds	-	-	-
Due from other agencies	19,795	2,073,511	-
Accounts receivable	64,565	1,250,425	-
Property tax receivable	73,404,904	-	7,572,149
Sales tax receivable	4,190,531	-	-
Special assessments receivable:			
Deferred	-	-	24,243,881
Delinquent (including interest)	-	-	758,991
Interest receivable	1,700,816	-	-
Inventories, at cost	-	88,966	-
Total assets	<u>\$ 112,675,217</u>	<u>\$ 22,504,155</u>	<u>\$ 33,719,756</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,201,949	\$ 800,974	\$ -
Due to other funds	-	-	-
Advance payable	-	-	-
Deferred revenue	73,404,904	4,685,814	32,575,021
Matured bonds and coupons payable	-	-	20,163
Total liabilities	<u>74,606,853</u>	<u>5,486,788</u>	<u>32,595,184</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	351,355	2,286,126	-
Inventory	-	88,966	-
Debt service	-	-	1,124,572
Advance receivable	1,051,873	-	-
Unreserved:			
Designated for:			
Subsequent year's budget	18,742,260	-	-
Capital improvements	-	-	-
Division of highways	2,095,266	-	-
Reported in Special Revenue Funds:			
Subsequent year's budget	-	-	-
Undesignated	15,827,610	14,642,275	-
Undesignated, reported in			
Special Revenue Funds	-	-	-
Undesignated, reported in			
Capital Projects Funds	-	-	-
Total fund balances	<u>38,068,364</u>	<u>17,017,367</u>	<u>1,124,572</u>
Total liabilities and fund balances	<u>\$ 112,675,217</u>	<u>\$ 22,504,155</u>	<u>\$ 33,719,756</u>

The notes to the financial statements are an integral part of this statement.

Debt Proceeds Fund	Other Governmental Funds	Total Governmental Funds
\$ 16,918,754	\$ 52,827,351	\$ 122,224,826
-	-	1,051,873
2,732,596	-	2,732,596
-	3,725,775	5,819,081
-	2,099,416	3,414,406
-	30,010,312	110,987,365
-	-	4,190,531
-	-	24,243,881
-	-	758,991
-	-	1,700,816
-	1,364,348	1,453,314
<u>\$ 19,651,350</u>	<u>\$ 90,027,202</u>	<u>\$ 278,577,680</u>
\$ -	\$ 888,258	\$ 2,891,181
-	2,732,596	2,732,596
-	1,051,873	1,051,873
-	35,907,702	146,573,441
-	-	20,163
<u>-</u>	<u>40,580,429</u>	<u>153,269,254</u>
-	15,721,688	18,359,169
-	1,364,348	1,453,314
-	24,266	1,148,838
-	-	1,051,873
-	-	18,742,260
19,651,350	-	19,651,350
-	-	2,095,266
-	6,951,752	6,951,752
-	-	30,469,885
-	16,938,906	16,938,906
-	8,445,813	8,445,813
<u>19,651,350</u>	<u>49,446,773</u>	<u>125,308,426</u>
<u>\$ 19,651,350</u>	<u>\$ 90,027,202</u>	<u>\$ 278,577,680</u>

# SEDGWICK COUNTY, KANSAS

## Reconciliation of the Statement of Net Assets to the Balance Sheet for Governmental Funds December 31, 2005

**Total fund balances of governmental funds** \$ 125,308,426

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$496,981,950 and the accumulated depreciation is \$160,533,960. 336,447,990

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. 29,140,131

Special assessments and certain accounts receivable resulting from charges for services are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are recognized as revenue in the entity-wide statements as soon as the related improvement has been completed or the related service has been provided. 28,267,564

Long-term liabilities are not due and payable in the current period and are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets. Long-term liabilities at year-end consist of:

Bonds payable	\$ (107,310,000)	
Direct financing lease payable	(36,120,000)	
Revolving loan payable	(3,323,895)	
Capital lease payable	(954,136)	
Compensated absences	(5,670,000)	
Accrued interest payable	(2,533,332)	(155,911,363)

**Net assets of governmental activities** \$ 363,252,748

The notes to the financial statements are an integral part of this statement.

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# SEDGWICK COUNTY, KANSAS

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

For the Year Ended December 31, 2005

	General Fund	Federal/State Assistance Fund	Debt Service Fund
<b>Revenues</b>			
Property taxes	\$ 84,389,821	\$ -	\$ 8,636,065
Emergency telephone services taxes	-	-	-
Sales taxes	22,886,788	-	-
Special assessments	-	-	3,725,503
Other taxes	222,570	66,418	-
Intergovernmental	2,333,403	35,130,095	-
Charges for services	17,961,778	31,922,900	81,667
Uses of money and property	6,845,942	53,677	42,184
Fines and forfeits	67,877	111,790	-
Licenses and permits	496,778	-	-
Reimbursed expenditures	3,496,425	523,359	-
Other	642,584	179,073	-
Total revenues	<u>139,343,966</u>	<u>67,987,312</u>	<u>12,485,419</u>
<b>Expenditures</b>			
Current:			
General government	37,234,275	835,088	-
Public safety	57,457,424	11,552,303	-
Public works	1,219,954	17,600	-
Health and welfare	7,056,825	50,805,421	-
Cultural and recreation	6,175,439	-	-
Economic development	4,481,296	1,679,931	-
Debt service:			
Principal	1,620,000	-	10,148,669
Interest and fiscal charges	1,265,919	2,185	4,354,497
Capital outlay	-	-	-
Total expenditures	<u>116,511,132</u>	<u>64,892,528</u>	<u>14,503,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,832,834</u>	<u>3,094,784</u>	<u>(2,017,747)</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	1,892,418	669,968	2,581,813
Transfers to other funds	(19,758,864)	(60,000)	-
Issuance of revolving loan	-	-	-
Issuance of general obligation bonds	-	-	-
Total other financing sources (uses)	<u>(17,866,446)</u>	<u>609,968</u>	<u>2,581,813</u>
Net change in fund balance	4,966,388	3,704,752	564,066
Fund balances, beginning of year	33,101,976	13,312,615	560,506
Increase in reserve for inventory	-	-	-
Fund balances, end of year	<u>\$ 38,068,364</u>	<u>\$ 17,017,367</u>	<u>\$ 1,124,572</u>

Debt Proceeds Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 30,576,335	\$ 123,602,221
-	2,297,370	2,297,370
-	-	22,886,788
-	71,969	3,797,472
-	135,061	424,049
-	10,069,508	47,533,006
-	13,999,566	63,965,911
901,559	180,017	8,023,379
-	-	179,667
-	107,307	604,085
-	325,469	4,345,253
44	80,591	902,292
<u>901,603</u>	<u>57,843,193</u>	<u>278,561,493</u>
216,077	7,956,968	46,242,408
-	23,922,541	92,932,268
-	10,100,422	11,337,976
-	5,247,069	63,109,315
-	60,044	6,235,483
-	6,077,726	12,238,953
-	328,097	12,096,766
-	120,600	5,743,201
-	27,452,820	27,452,820
<u>216,077</u>	<u>81,266,287</u>	<u>277,389,190</u>
<u>685,526</u>	<u>(23,423,094)</u>	<u>1,172,303</u>
-	36,556,592	41,700,791
(17,606,312)	(4,604,094)	(42,029,270)
3,412,564	-	3,412,564
14,515,000	-	14,515,000
<u>321,252</u>	<u>31,952,498</u>	<u>17,599,085</u>
1,006,778	8,529,404	18,771,388
18,644,572	40,843,801	106,463,470
-	73,568	73,568
<u>\$ 19,651,350</u>	<u>\$ 49,446,773</u>	<u>\$ 125,308,426</u>

# SEDGWICK COUNTY, KANSAS

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2005

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

Net change in fund balances - total governmental funds		\$ 18,771,388
Governmental funds report capital asset acquisitions as expenditures. However, in the statement of activities the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized assets exceeded depreciation in the current period.		
Capitalized assets	\$ 30,275,415	
Depreciation expense	<u>(15,157,756)</u>	
		15,117,659
Revenues reported in the funds that do not provide current financial resources are reported as revenues in the statement of activities.		(1,183,686)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(239,871)
Repayment of bond principal and other long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bonds payable	\$ 10,060,000	
Direct financing lease payable	1,820,000	
Revolving loan payable	88,669	
Capital lease payable	<u>128,098</u>	
		12,096,767
Bond and revolving loan proceeds provide current financial resources to government funds, but represents an increase in long-term liabilities in the statement of net assets.		(17,927,564)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are not reported until due.		(156,847)
In the statement of activities, compensated absences are measured by the amounts earned during the year, instead of by the amount paid.		(280,000)
In the statement of activities, consumption of inventory is reported as an expense, whereas in governmental funds, changes to inventory are adjustments to fund balance.		73,568
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>862,064</u>
Change in net assets of governmental activities		<u>\$ 27,133,478</u>

The notes to the financial statements are an integral part of this statement.

# SEDGWICK COUNTY, KANSAS

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget to Actual - Budgetary Basis General Fund For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Property taxes	\$ 82,454,805	\$ 82,454,805	\$ 84,389,821	\$ 1,935,016
Sales taxes	22,600,000	22,600,000	22,651,707	51,707
Other taxes	218,807	218,807	222,570	3,763
Intergovernmental	2,110,605	2,110,605	2,339,717	229,112
Charges for services	18,993,311	18,993,311	17,957,358	(1,035,953)
Uses of money and property	6,414,844	6,414,844	6,342,329	(72,515)
Fines and forfeits	259,786	259,786	67,877	(191,909)
Licenses and permits	456,684	456,684	496,778	40,094
Reimbursed expenditures	451,298	451,298	3,525,842	3,074,544
Other	834,730	834,730	642,583	(192,147)
<b>Total revenues</b>	<u>134,794,870</u>	<u>134,794,870</u>	<u>138,636,582</u>	<u>3,841,712</u>
<b>Expenditures</b>				
Current:				
Personnel services	82,776,023	78,251,952	76,049,083	2,202,869
Contractual services	39,695,395	39,208,500	32,031,198	7,177,302
Commodities	5,261,948	4,774,340	4,685,367	88,973
Capital outlay	1,850,363	1,043,965	957,567	86,398
Debt service:				
Principal			1,620,000	
Interest			1,265,919	
Total debt service	2,911,508	2,959,112	2,885,919	73,193
<b>Total expenditures</b>	<u>132,495,237</u>	<u>126,237,869</u>	<u>116,609,134</u>	<u>9,628,735</u>
<b>Revenues over expenditures</b>	<u>2,299,633</u>	<u>8,557,001</u>	<u>22,027,448</u>	<u>13,470,447</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	1,892,418	1,892,418
Transfers to other funds	(14,301,954)	(20,559,322)	(19,758,864)	800,458
<b>Total other financing sources (uses)</b>	<u>(14,301,954)</u>	<u>(20,559,322)</u>	<u>(17,866,446)</u>	<u>2,692,876</u>
Net change in fund balances	(12,002,321)	(12,002,321)	4,161,002	16,163,323
Fund balances, beginning of year	12,002,321	12,002,321	28,716,762	16,714,441
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,877,764</u>	<u>\$ 32,877,764</u>

The notes to the financial statements are an integral part of this statement.

# SEDGWICK COUNTY, KANSAS

## Balance Sheet Proprietary Funds December 31, 2005

	Business-type Activity - Enterprise Fund Arena/Coliseum Fund	Governmental Activities - Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash, including investments	\$ 499,105	\$ 11,778,514
Accounts receivable, net	1,000	-
Inventories, at cost	-	373,567
Total current assets	<u>500,105</u>	<u>12,152,081</u>
Restricted assets:		
Cash, including investments	22,723,005	-
Sales tax receivable	14,145,996	-
Total restricted assets	<u>36,869,001</u>	<u>-</u>
Noncurrent assets:		
Capital assets:		
Land	1,514,844	-
Buildings and improvements	14,649,502	8,303,571
Machinery and equipment	941,413	17,918,429
Construction in progress	2,149,505	-
Less accumulated depreciation	<u>(10,092,215)</u>	<u>(6,949,340)</u>
Total capital assets (net of accumulated depreciation)	<u>9,163,049</u>	<u>19,272,660</u>
Total assets	<u><u>\$ 46,532,155</u></u>	<u><u>\$ 31,424,741</u></u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 12,863	\$ 555,115
Estimated claims costs payable	-	1,706,682
Unearned revenue	267,132	-
Total current liabilities	<u>279,995</u>	<u>2,261,797</u>
Noncurrent liabilities:		
Estimated claims costs payable	-	22,813
Total liabilities	<u>279,995</u>	<u>2,284,610</u>
<b>Net Assets</b>		
Invested in capital assets	9,163,049	19,272,660
Restricted for capital projects	36,869,001	-
Unrestricted	220,110	9,867,471
Total net assets	<u>46,252,160</u>	<u>29,140,131</u>
Total liabilities and net assets	<u><u>\$ 46,532,155</u></u>	<u><u>\$ 31,424,741</u></u>

The notes to the financial statements are an integral part of this statement.

# SEDGWICK COUNTY, KANSAS

## Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Year Ended December 31, 2005

	Business-type Activity - Enterprise Fund <u>Arena/Coliseum Fund</u>	Governmental Activities - Internal Service Funds
<b>Operating revenues:</b>		
Charges for services	\$ 2,130,845	\$ 29,003,947
Reimbursements	-	197,471
Other revenue	1,778	6,428
Total operating revenues	<u>2,132,623</u>	<u>29,207,846</u>
<b>Operating expenses</b>		
Salaries and benefits	1,530,959	1,551,569
Contractual services	311,641	906,115
Utilities	438,302	74,145
Supplies and fuel	-	2,278,073
Administrative charges	201,250	94,247
Depreciation expense	271,517	1,879,711
Claims expense	-	23,337,910
Other expenses	228,120	14,300
Total operating expenses	<u>2,981,789</u>	<u>30,136,070</u>
Operating (loss)	<u>(849,166)</u>	<u>(928,224)</u>
<b>Nonoperating revenues</b>		
Local sales tax	39,018,506	-
Investment income	-	120,449
Proceeds on disposal of assets	-	520,204
Total nonoperating revenues	<u>39,018,506</u>	<u>640,653</u>
Income (loss) before transfers	38,169,340	(287,571)
<b>Transfers</b>		
Transfers from other funds	509,149	1,149,635
Transfers to other funds	<u>(1,330,305)</u>	<u>-</u>
Change in net assets	37,348,184	862,064
Total net assets, beginning of year	<u>8,903,976</u>	<u>28,278,067</u>
Total net assets, end of year	<u>\$ 46,252,160</u>	<u>\$ 29,140,131</u>

The notes to the financial statements are an integral part of this statement.

# SEDGWICK COUNTY, KANSAS

## Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2005

	Business-type Activity - Enterprise Fund <u>Arena/Coliseum Fund</u>	Governmental Activities - Internal Service Funds
<b>Cash flows from operating activities</b>		
Receipts from customers and users	\$ 2,087,390	\$ 29,003,947
Other operating revenues	1,778	203,899
Payments to suppliers for goods and services	(1,166,489)	(27,108,698)
Payments to employees for services	(1,530,959)	(1,549,286)
Net cash provided by (used in) operating activities	<u>(608,280)</u>	<u>549,862</u>
<b>Cash flows from noncapital financing activities</b>		
Transfers from other funds	509,149	1,149,635
Transfers to other funds	(1,330,305)	-
Net cash provided by (used in) noncapital financing activities	<u>(821,156)</u>	<u>1,149,635</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from capital debt	-	-
Capital contributions	-	-
Sales tax receipts	24,872,510	-
Proceeds from sale of capital assets	-	520,204
Purchases of capital assets	(819,200)	(1,698,936)
Acquisition and construction of capital assets	-	-
Net cash provided by (used in) capital and related financing activities	<u>24,053,310</u>	<u>(1,178,732)</u>
<b>Cash flows from investing activities</b>		
Interest on investments	-	120,449
Net cash provided by investing activities	<u>-</u>	<u>120,449</u>
Net increase in cash and cash equivalents	22,623,874	641,214
Cash and cash equivalents, beginning of the year	598,236	11,137,300
Cash and cash equivalents, end of the year	<u>\$ 23,222,110</u>	<u>\$ 11,778,514</u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>		
Operating loss	\$ (849,166)	\$ (928,224)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation expense	271,517	1,879,711
Decrease in accounts receivable	34,114	-
(Increase) in inventory	-	(72,125)
Increase in accounts payable	12,824	161,109
(Decrease) in estimated claims payable	-	(490,609)
(Decrease) in unearned revenue	(77,569)	-
Net cash provided by (used in) operating activities	<u>\$ (608,280)</u>	<u>\$ 549,862</u>

The notes to the financial statements are an integral part of this statement.



# SEDGWICK COUNTY, KANSAS

## Statement of Fiduciary Net Assets Agency Funds December 31, 2005

	<u>Agency Funds</u>
<b>Assets</b>	
Cash, including investments	\$ 257,446,258
Accounts receivable	764
Property tax levied	<u>206,447,169</u>
Total assets	<u><u>\$ 463,894,191</u></u>
<b>Liabilities</b>	
Accrued liabilities	\$ 6,904,069
Due to other governmental units	<u>456,990,122</u>
Total liabilities	<u><u>\$ 463,894,191</u></u>

The notes to the financial statements are an integral part of this statement.

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# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### INDEX

	PAGE
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity .....	A-32
B. Government-Wide and Fund Financial Statements .....	A-32
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.....	A-33
D. Assets, Liabilities, Net Assets or Equity .....	A-35
1. Deposits and Investments .....	A-35
2. Receivables .....	A-36
3. Inventories .....	A-37
4. Capital Assets.....	A-37
5. Compensated Absences .....	A-38
6. Long-term Obligations .....	A-38
7. Reserves and Designations of Fund Balances .....	A-39
8. Estimates .....	A-39
<b>II. Stewardship, Compliance and Accountability</b>	
A. Budgetary Information .....	A-40
B. Budget / GAAP Reconciliation .....	A-41
C. Deficit Fund Equity.....	A-41
<b>III. Detailed Notes on All Funds</b>	
A. Deposits and Investments .....	A-41
B. Capital Assets .....	A-44
C. Long-term Debt.....	A-45
D. Interfund Transfers .....	A-52
E. Interfund Receivables and Payables .....	A-52
<b>IV. Other Information</b>	
A. Risk Management.....	A-53
B. Contingent Liabilities.....	A-54
C. Defined Benefit Pension Plans .....	A-54
D. Construction Commitments .....	A-55
E. Pending GASB Statements .....	A-55

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies

#### A. Reporting Entity

Sedgwick County (County) is organized under the laws of the State of Kansas (Kansas or State) and is governed by an elected five-member board. As required by generally accepted accounting principles (GAAP), these financial statements present the primary government and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended Component Unit – The Sedgwick County Fire District (Fire District) is governed by the Sedgwick County Board of County Commissioners, acting as a separate governing body. The Fire District is a separate taxing entity by applicable Kansas statutes, providing fire protection services to certain unincorporated areas of the County. The costs of providing such service, including retirement of long-term debt, are provided from property taxes assessed to property owners in the benefit district. The Fire District general obligation bonds payable are general obligation debt of the Fire District and are secured by the full faith and credit of the Fire District. For financial reporting, the financial activities of the Fire District are accounted for within the special revenue funds, debt service funds, and capital project funds within the County's financial statements.

Discretely Presented Component Unit – The Sedgwick County Public Building Commission (SCPBC) was established to benefit the County and other governmental entities and is governed by a separate five-member board. The Sedgwick County Board of County Commissioners appoints all five members of the SCPBC Board and is able to impose its will on the SCPBC. The SCPBC has the authority to issue revenue bonds to finance the cost of acquiring and/or constructing land and facilities operated for a public purpose by a governmental entity. The SCPBC finances the debt service of the revenue bonds by leasing the land and facilities to the governmental entity that operates it. The operating governmental entity guarantees the rentals under the SCPBC lease. The SCPBC has no power to levy taxes, and revenue bonds issued by the SCPBC are not included in any legal debt limitations of the operating governmental entity.

Separate audited financial statements are not prepared for the Sedgwick County Fire District or the SCPBC.

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report financial information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies (continued)

#### B. Government-Wide and Fund Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and [2] grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting and Fund Financial Statement Presentation

Government-Wide Financial Statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Special assessments are recognized as revenue when levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues collected within 60 days of the end of the current fiscal period as available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are budgeted to finance the subsequent year's operations and, consequently, are not susceptible to accrual. Sales taxes collected and held by merchants and/or the State at year-end on behalf of the County are recognized as revenue. Licenses, fees, fines, forfeitures, charges for services, and other revenues are generally not susceptible to accrual and are recorded when received in cash.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year during which the entitlement is received.

The County's fiduciary funds consist of agency funds. Agency funds, unlike all other types of funds, report only assets and liabilities and use the accrual basis of accounting to recognize receivables and payables.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting and Fund Financial Statement Presentation (continued)

The County reports the following major governmental funds:

- ❑ The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- ❑ The *Federal/State Assistance Fund* is a special revenue fund established to account for revenues and expenditures derived from Federal and State grant sources.
- ❑ The *Debt Service Fund* accounts for the servicing of general long-term debt, including special assessment debt that is secured by the full faith and credit of the County, not being financed by proprietary funds.
- ❑ The *Debt Proceeds Fund* accounts for the receipt of proceeds from general obligation bonds and transfers to capital projects for financing the costs of improvements.

The *Coliseum/Arena Fund* is a major fund and the only enterprise fund of the County, accounting for activities of the County-owned multi-purpose coliseum facilities and the downtown arena.

Additionally, the County reports the following fund types:

- ❑ *Special revenue funds* account for the proceeds of specific revenue sources (other than for major capital projects) that legally restrict expenditures for specified purposes.
- ❑ *Capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities or improvements (other than those financed by proprietary funds).
- ❑ *Internal service funds* account for fleet management, health, dental and life insurance reserves, workers' compensation reserves, and risk management reserves that provide services to other departments on a cost-reimbursement basis.
- ❑ *Agency funds* are used to report resources held by the County in a custodial capacity for tax collections and related distributions to other governments, as well as amounts held as fiduciary resources for remittance to individuals, private organizations or other governments through established clearing/other fee collection accounts.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Based on accounting and reporting standards set forth in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has opted to apply only the accounting and reporting pronouncements issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989 for business-type activities and enterprise funds.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting and Fund Financial Statement Presentation (continued)

Amounts reported as *program revenues* include [1] charges to customers or applicants for goods, services or privileges provided, [2] operating grants and contributions, and [3] capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund and internal service funds are charges to customers for services. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

#### D. Assets, Liabilities and Net Assets or Equity

##### 1. Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds of the primary government and the SCPBC. The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also, effectively, may withdraw cash at any time without prior notice or penalty. The pooled cash is invested to the extent available in authorized investments. Each fund type's and component unit's portion of the pool is displayed on the financial statements as "cash, including investments."

For purposes of the statement of cash flows, the County considers all cash of the proprietary fund types and the SCPBC to be cash equivalents.

The County's investment policy and Kansas law (K.S.A. 12-1675 – 12-1677) allow monies not otherwise regulated by statute to be invested in:

- Temporary notes of Sedgwick County;
- Time deposits, open accounts, or certificates of deposits with maturities of not more than four years;
- Repurchase agreements with commercial banks, or State or federally chartered savings and loan associations that have offices in Sedgwick County;
- United States treasury bills or notes with maturities not exceeding four years;
- U.S. government agency securities with a maturity of not more than four years;
- The municipal investment pool fund operated by the Kansas Treasurer. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The fair value of the PMIB investments approximates the value of pool shares; and,
- A municipal investment pool established through the trust department of commercial banks that have offices in Sedgwick County;

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies (continued)

#### D. Assets, Liabilities and Net Assets or Equity (continued)

##### 1. Deposits and Investments (continued)

In addition to the preceding authorized investments, the County's investment policy and Kansas law (K.S.A. 10-131) allow investment of proceeds of bonds and temporary notes in the following:

- U.S. government and agency obligations;
- Time deposits with banks and trust companies in Sedgwick County;
- FNMA, FHLB, and FHLMC obligations;
- Collateralized repurchase agreements;
- Investment agreements with financial institutions, including broker/dealers whose obligations are rated in one of the three highest rating categories by either Moody's or Standard & Poor's;
- Mutual funds whose portfolio consists entirely of obligations of the U.S. government, U.S. government agencies, FNMA, FHLB, and FHLMC, and
- Certain Kansas municipal bonds.

During 2005, the County invested in certificates of deposit, repurchase agreements, the Kansas Municipal Investment Pool (overnight pool), U.S. government and agency obligations, and mutual funds whose portfolio consists entirely of obligations of the U.S. government.

Unless specifically required under applicable Kansas statutes or other restrictions, earnings from investments are allocated based on average available cash balances, and the remaining earnings are allocated to the General Fund. Investments are carried at fair value.

##### 2. Receivables

Interfund receivables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property tax receivables - In accordance with Kansas statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10 of the ensuing year. Kansas statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year.



# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies (continued)

#### D. Assets, Liabilities and Net Assets or Equity (continued)

##### 2. Receivables (continued)

Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue in the fund financial statements. It is not practicable to apportion delinquent taxes by the County Treasurer at the end of the year, and further, the amounts thereof are not material in relationship to the basic financial statements.

Special assessments receivable – As required by Kansas statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the County and are retired from the Debt Service Fund. Further, Kansas statutes permit levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the Debt Service Fund. Special assessment taxes are levied over a 10 or 15-year period, and the County may foreclose on liens against property benefited by special assessments when delinquent assessments are two years in arrears. In the fund financial statements, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the Debt Service Fund, with a corresponding amount recorded as deferred revenue in the fund financial statements at December 31.

##### 3. Inventories

Inventories of the governmental funds are valued at cost as determined by the first-in, first-out (FIFO) method. The consumption method is used to account for these inventories, except the Public Works Highways fund. Under the consumption method, inventories purchased are recorded as an asset and expenditure recognition is deferred until the inventories are actually consumed. The Public Works Highways fund uses the purchases method to account for inventory, reporting expenditures when inventory is purchased. Under the purchases method, significant amounts of inventory are reported as an asset. Reported inventories in governmental funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation, even though they are a component of reported assets. Inventories of proprietary funds are valued at cost determined on the moving weighted average method.

##### 4. Capital Assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, and infrastructure assets with initial, individual costs that exceed \$50,000 and estimated useful lives extending beyond a single reporting period are recorded as capital assets. Equipment is capitalized when the initial cost exceeds \$10,000 and its useful life extends beyond a single reporting period.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies (continued)

#### D. Assets, Liabilities and Net Assets or Equity (continued)

##### 4. Capital Assets (continued)

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Bridges	40
Drainage systems	30
Roads	30
Building improvements	20
Heavy equipment	10
Improvements other than buildings	10
Leasehold improvements	10
Office furniture and equipment	5
Operating equipment	5
Vehicles	3

##### 5. Compensated Absences

It is the County's policy to permit employees to accumulate a maximum of 20 calendar days of vacation. Upon termination or resignation from service to the County, employees are entitled to payment for all accrued vacation earned prior to termination or resignation.

All employees on permanent status earn sick leave at the rate of one calendar day per month with no maximum accumulation. Upon retirement, any employee who has accumulated 100 days of sick leave is entitled to 30 days of pay at the employee's current rate of salary. No allowance for unused sick leave is paid upon termination or resignation.

All leave pay is accrued when incurred in the government-wide statements and a liability for these amounts is reported.

##### 6. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the government-wide financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### I. Summary of Significant Accounting Policies (continued)

#### D. Assets, Liabilities and Net Assets or Equity (continued)

##### 6. Long-Term Obligations (continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

##### 7. Reserves and Designations of Fund Balances

In the fund financial statements, governmental funds report the following reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose:

- Reserved for encumbrances – used to segregate a portion of fund balance legally restricted for the future payment of outstanding encumbrances.
- Reserved for inventory – used to segregate a portion of fund balance to indicate that inventories do not represent available or spendable resources.
- Reserved for debt service – used to segregate a portion of fund balance for debt service resources legally restricted to the payment of general long-term debt principal and interest amounts in future years.
- Reserved for advance receivables – used to segregate a portion of fund balance to indicate that advance receivables do not represent available or spendable resources.

The following designations of fund balance are reflected in the governmental fund financial statements for amounts that represent tentative management plans that are subject to change:

- Designated for subsequent year's budget – used to segregate a portion of fund balance for current resources that were included in the subsequent year's budget to be used to finance operations of the ensuing year.
- Designated for division of highways – used to segregate a portion of fund balance for accrued sales tax receivable pledged for improvements of roads, highways, and bridges.
- Designated for capital improvements – used to segregate a portion of fund balance for current resources pledged for capital improvements.

##### 8. Estimates

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect [1] the reported amounts of assets and liabilities, [2] disclosures, such as contingencies, and [3] the reported amounts of revenues and expenditures or expenses included in the financial statements. Actual results could differ from those estimates.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

### II. Stewardship, Compliance and Accountability

#### A. Budgetary Information

Kansas statutes require an annual operating budget be legally adopted for the general fund and debt service funds. Legally adopted budgets are also required for special revenue funds, internal service funds and enterprise funds, unless specifically exempted by statute. The statutes provide for the following sequence and timetable of the legal annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
- Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
- Adoption of the final budget on or before August 25.

The County has the following levels of budget control:

- The legal level of control is established at the fund level by Kansas statutes.
- County resolution lowers the legal level of control to the object class level (i.e., personal services, contractual, commodities, etc.) by allowing management to transfer amounts between object classes within a fund, if approved by the governing body.
- As allowed by Kansas statute, the governing body can increase the fund level expenditures by amending the budget. An amendment may only be made for previously unbudgeted increases in revenue other than ad valorem taxes. A notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after the publication, the hearing may be held and the governing body may amend the budget at that time.

There were no budget amendments during 2005.

All unencumbered appropriations (legal budget expenditure authority) lapse at year-end, except for capital project funds appropriations, which are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled.

A legal operating budget is not required for capital projects, the County's single enterprise fund, or the following special revenue funds and internal service funds:

#### Non-Budgeted Special Revenue Funds

Federal and State Assistance Programs  
Highway Improvement  
Road and Bridge Equipment  
Sales Tax Road and Bridge  
Capital Improvements  
Equipment Reserve  
Fire District Special Equipment  
Fire District Research and Development  
Auto License  
Prosecuting Attorney Training  
Register of Deeds Technology  
Court Alcohol/Drug Safety Action Program  
District Court Trustee Operations  
Township Dissolution

#### Non-Budgeted Internal Service Funds

Health/Dental/Life Insurance Reserve  
Workers' Compensation Reserve  
Risk Management Reserve

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

### II. Stewardship, Compliance and Accountability (continued)

#### B. Budget / GAAP Reconciliation

All legal operating budgets are prepared using the modified cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Accordingly, the data presented in the budgetary comparison statements differs from the data presented in the financial statements prepared in accordance with GAAP. The following schedule provides a reconciliation from GAAP basis to budgetary basis for the General Fund.

	<b>December 31, 2005</b>
Fund balance, budgetary basis	\$ 32,877,764
Current year encumbrances	351,355
Fair value adjustment of investments	(1,061,897)
Accrued revenues	<u>5,901,142</u>
Fund balance, GAAP basis	<u>\$ 38,068,364</u>

#### C. Deficit Fund Equity

The following nonmajor governmental funds had fund balance deficits as of December 31, 2005:

The Building and Equipment Fund has a fund balance deficit of \$789,478. This deficit will be recovered through transfers from the Bond Proceeds Fund.

The Street, Bridge and Other Fund had a fund balance deficit of \$2,240,656. This deficit will be recovered through transfers from the Bond Proceeds Fund.

### III. Detailed Notes on All Funds

#### A. Deposits and Investments

Sedgwick County has adopted a formal investment policy. Primary objectives of investment activities are, in order of priority, safety, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent person" investment rule and shall be applied to management of the entire portfolio. This rule states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well the probable income to be derived."

At December 31, 2005, the County (including the SCPBC) had the following investments:

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### A. Deposits and Investments (continued)

Investment Type	Fair Value	Modified Duration (in years)	Percent of Total Pooled Funds
U.S. treasury coupon securities	\$ 9,930,859	0.368	2.4
U.S. agency coupon securities	148,169,274	1.524	36.2
U.S. agency discount securities	149,764,805	0.043	36.6
Repurchase agreement	55,223,000	-	13.5
Kansas Municipal Investment Pool	11,827,187	-	2.9
Mutual funds	28,957,603	-	7.1
Collateralized deposits	5,500,000	-	0.3
Total value	<u>\$409,372,728</u>		<u>100.0</u>
Portfolio modified duration		<u>.607</u>	

#### Custodial credit risk

Custodial credit risk is the risk that in the event of a bank failure or failure of the investment counterparty, the County's deposits may not be returned to the County, or the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The County requires that all investment transactions be settled delivery versus payment with an independent third party safekeeping agent under contract with the County. The County's investment policy requires compliance within the provisions of state law for the collateralization of all deposits and allowable securities are further limited to:

- Direct obligations of, or obligations insured by, the U.S. government or any agency thereof.
- Obligations and securities of U.S. government-sponsored corporations that, under federal law, may be accepted as security for public funds.
- Bonds of any Kansas municipality that have been refunded and are secured by U.S. obligations.
- Bonds of the State of Kansas.
- General obligation bonds of any Kansas municipality.
- Temporary notes of Sedgwick County Kansas.
- Surety bond of a surety corporation authorized to do business in Kansas in an amount equal to the amount on deposit.

Peak period collateral agreements and mortgages are not accepted by the County. Kansas law requires the fair value of collateral pledged to be equal to or greater than the entity's deposits. As of December 31, 2005, the market value of assets pledged to the County as collateral exceeded amounts on deposit.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### A. Deposits and Investments (continued)

##### Interest rate risk

Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by requiring that maturities be staggered in a way that avoids undue concentration of assets in a specific maturity sector, and that the investment portfolio remain sufficiently liquid to meet all operating requirements which might reasonably be anticipated. Additionally, the investment policy limits investments to a maximum stated maturity of four years.

##### Credit risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Kansas law limits the types of investments that can be made by Sedgwick County. The County's investment policy does not impose limitations beyond those of the State of Kansas. In accordance with the County's investment policy, the County minimizes credit risk by pre-qualifying financial institutions, brokers/dealers, intermediaries and advisors, as well as diversifying the portfolio so that potential losses on individual securities will be minimized. On December 31, 2005, the County's securities underlying repurchase agreements and investments consisting of U.S. agency obligations not directly guaranteed by the U.S. government included only instruments rated Aaa by Moody's. The County also holds investments with the Kansas Municipal Investment Pool, which is rated AAaf/S1+ by Standard & Poor's. Mutual funds utilized by the County were rated AAAm by Standard & Poor's at December 31, 2005.

##### Concentration of credit risk

The investment policy of the County limits the amount of investments that can be placed with a single financial institution to no more than 60% of the total value of demand and time deposits in the portfolio. The following maximum limits, by instrument, are also established for the County's total investment portfolio:

Investment Type	Maximum Percentage Of Portfolio
Repurchase agreements	15
Collateralized time and demand deposits	25
U.S. Treasury notes and bills	80
U.S. government agency obligations	80
Kansas Municipal Investment Pool	25
Bank Trust Department municipal pools	15
Temporary notes or no-fund warrants	10

Additionally, the limit on repurchase agreements and investments with the Kansas Municipal Investment Pool may not exceed 75% of the portfolio for a maximum of 45 days during each of the June and December tax seasons. Finally, investments established for bond proceeds are limited by instrument as a percentage of the County's total portfolio value. Invested amounts are not to exceed 20% for mutual funds, 15% for financial institution paper, and 10% for general obligation bonds of Kansas municipalities.

At December 31, the County held \$180.5 million or 45.5% of its portfolio in investments issued by the Federal Home Loan Bank and investments totaling \$92.2 million or 23.2% were held with the Federal National Mortgage Association.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### A. Deposits and Investments (continued)

A reconciliation of cash and investments as shown on the combined balance sheet follows:

Cash on hand	\$ 25,801
Carrying amount of deposits	5,273,179
Investments	<u>409,372,728</u>
Total	<u>\$414,671,708</u>

#### B. Capital Assets

Capital assets activity of the primary government for the year ended December 31, 2005 was as follows:

	Balance January 1	Increases	Decreases	Balance, December 31
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 15,408,424	\$ 1,225,494	\$ -	\$ 16,633,918
Construction in progress	9,951,468	11,056,978	-	21,008,446
Total capital assets, not being depreciated	<u>25,359,892</u>	<u>12,282,472</u>	<u>-</u>	<u>37,642,364</u>
Capital assets, being depreciated:				
Buildings and improvements	182,659,622	2,177,310	(347,276)	184,489,656
Leasehold improvements	2,234,871	-	-	2,234,871
Improvements other than buildings	7,512,638	267,791	(121,629)	7,658,800
Machinery and equipment	46,923,924	5,013,237	(2,251,063)	49,686,098
Infrastructure	229,518,620	12,233,541	(260,000)	241,492,161
Total capital assets being depreciated	<u>468,849,675</u>	<u>19,691,879</u>	<u>(2,979,968)</u>	<u>485,561,586</u>
Less accumulated depreciation for:				
Buildings	(50,549,269)	(4,796,976)	283,258	(55,062,987)
Leasehold improvements	(1,933,904)	(55,429)	-	(1,989,333)
Improvements other than buildings	(6,083,777)	(308,162)	96,850	(6,295,089)
Machinery and equipment	(28,536,330)	(4,322,295)	2,238,996	(30,619,629)
Infrastructure	(66,082,652)	(7,554,605)	120,995	(73,516,262)
Total accumulated depreciation	<u>(153,185,932)</u>	<u>(17,037,467)</u>	<u>2,740,099</u>	<u>(167,483,300)</u>
Total capital assets being depreciated, net	<u>315,663,743</u>	<u>2,654,412</u>	<u>(239,869)</u>	<u>318,078,286</u>
Governmental activities capital assets, net	<u>\$ 341,023,635</u>	<u>\$ 14,936,884</u>	<u>\$ (239,869)</u>	<u>\$ 355,720,650</u>



# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### B. Capital Assets (continued)

	Balance January 1	Increases	Decreases	Balance, December 31
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,514,844	\$ -	\$ -	\$ 1,514,844
Construction in progress	1,330,305	819,200	-	2,149,505
Total capital assets, not being depreciated	<u>2,845,149</u>	<u>819,200</u>	<u>-</u>	<u>3,664,349</u>
Capital assets, being depreciated:				
Buildings and improvements	14,649,502	-	-	14,649,502
Machinery and equipment	941,413	-	-	941,413
Total capital assets being depreciated	<u>15,590,915</u>	<u>-</u>	<u>-</u>	<u>15,590,915</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,973,426)	(271,517)	-	(9,244,943)
Machinery and equipment	(847,272)	-	-	(847,272)
Total accumulated depreciation	<u>(9,820,698)</u>	<u>(271,517)</u>	<u>-</u>	<u>(10,092,215)</u>
Total capital assets being depreciated, net	<u>5,770,217</u>	<u>(271,517)</u>	<u>-</u>	<u>5,498,700</u>
Business-type activities capital assets, net	<u>\$ 8,615,366</u>	<u>\$ 547,683</u>	<u>\$ -</u>	<u>\$ 9,163,049</u>

Depreciation expense was charged to functions of the primary government, as follows:

<b>Governmental activities:</b>	
General government	\$ 2,633,306
Public safety	2,974,962
Public works, including depreciation of general infrastructure assets	7,700,888
Health and welfare	114,252
Culture and recreation	1,678,404
Conservation and natural resources	55,944
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,879,711
Total depreciation expense – governmental activities	<u>\$17,037,467</u>
<b>Business-type activities:</b>	
Coliseum/Arena fund	\$ 271,517
Total depreciation expense – business-type activities	<u>\$ 271,517</u>

#### C. Long-Term Debt

##### General Obligation Bonds

Sedgwick County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, roads, bridges, storm water drainage systems and also to refund past debt issuances. All general obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of Sedgwick County. These bonds generally are issued as 20-year serial bonds with a level repayment schedule.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### C. Long-Term Debt (continued)

General obligation bonds outstanding at December 31, 2005 are as follows:

Purpose	Interest Rate	Amount
Governmental Activities – Road and Bridge	3.00 – 4.95%	\$ 36,282,720
Governmental Activities – Facilities	3.00 – 6.00%	40,923,380
Governmental Activities – Storm Water	4.00 – 4.95%	1,478,900
Governmental Activities – Refunding	3.00 – 4.75%	<u>12,075,000</u>
Total general obligation bonds outstanding		<u>\$ 90,760,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2006	\$ 9,015,000	\$ 3,806,148	\$ 12,821,148
2007	7,720,000	3,412,668	11,132,668
2008	7,430,000	3,108,758	10,538,758
2009	6,915,000	2,814,980	9,729,980
2010	6,125,000	2,556,100	8,681,100
2011 – 2015	26,325,000	9,446,699	35,771,699
2016 – 2020	20,880,000	3,885,151	24,765,151
2021 – 2025	<u>6,350,000</u>	<u>605,324</u>	<u>6,955,324</u>
Totals	<u>\$ 90,760,000</u>	<u>\$ 29,635,828</u>	<u>\$ 120,395,828</u>

Sedgwick County also issues special assessment debt. Prior to 2002, the County issued special assessment debt to provide funds for the construction of sewer systems and streets for residential and commercial development. The County sold the sewer system to the City of Wichita on April 1, 2001 and now only issues special assessment debt to provide funds for the construction of streets. Special assessment bonds will be repaid from amounts levied against the property owners benefited by the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the County will provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. These bonds are issued as 15-year serial bonds with a level repayment schedule. Special assessment bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Governmental activities – Street and Sewer	3.00 – 6.00%	\$16,550,000

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### C. Long-Term Debt (continued)

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2006	\$ 1,585,000	\$ 750,914	\$ 2,335,914
2007	1,655,000	673,210	2,328,210
2008	1,655,000	599,065	2,254,065
2009	1,725,000	524,492	2,249,492
2010	1,815,000	448,216	2,263,216
2011 – 2015	7,275,000	1,043,858	8,318,858
2016 – 2020	840,000	84,993	924,993
Totals	<u>\$ 16,550,000</u>	<u>\$ 4,124,748</u>	<u>\$ 20,674,748</u>

#### Sedgwick County Public Building Commission Revenue Bonds

The Sedgwick County Public Building Commission (SCPBC) is a component unit of Sedgwick County. The SCPBC has the authority to issue revenue bonds to finance the cost of acquiring and/or constructing land and facilities operated for a public purpose by a governmental entity. The SCPBC finances the debt service of the revenue bonds by leasing the land and facilities to the governmental entity, which operates it. The operating governmental entity guarantees the rentals under the SCPBC lease. The SCPBC has no power to levy taxes, and revenue bonds issued by the SCPBC are not included in any legal debt limitations of Sedgwick County. Three issues are outstanding with repayment schedules ranging from 12 to 18 years. The current bonds outstanding are as follows:

Purpose	Interest Rate	Amount
Public Services Administration Building	2.00 – 4.00%	\$ 2,955,000
Exploration Place	2.00 – 4.50%	13,620,000
Juvenile Justice Complex	2.00 – 4.65%	19,545,000
Total		<u>\$36,120,000</u>

Future minimum lease rentals to be received under the direct financing leases are equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ending December 31	Component Unit - SCPBC		
	Principal	Interest	Totals
2006	\$ 1,590,000	\$ 1,354,792	\$ 2,944,792
2007	1,630,000	1,322,993	2,952,993
2008	1,685,000	1,287,478	2,972,478
2009	1,735,000	1,240,115	2,975,115
2010	1,785,000	1,188,725	2,973,725
2011 – 2015	9,955,000	4,984,715	14,939,715
2016 – 2020	11,255,000	2,901,645	14,156,645
2021 – 2023	6,485,000	547,030	7,032,030
Totals	<u>\$ 36,120,000</u>	<u>\$ 14,827,493</u>	<u>\$ 50,947,493</u>

# **SEDGWICK COUNTY, KANSAS**

## **NOTES TO THE FINANCIAL STATEMENTS** December 31, 2005

### **III. Detailed Notes on All Funds (continued)**

#### **C. Long-Term Debt (continued)**

SCPBC Revenue Bonds – Public Services Administration Building. During 1997, the SCPBC issued revenue bonds to finance all or a portion of the costs to acquire a site and construct and equip thereon a facility for the Division of Public Works of the County, consisting of approximately 32,000 square feet, containing offices and working spaces for the County's engineering, public works, zoning, and code enforcement operations. The financing of this facility by the SCPBC represents a direct financing lease, and accordingly, the net investment in the lease is recorded in the SCPBC's balance sheet on the government-wide financial statements. The following lists the components of the net investment in the direct financing lease as of December 31, 2005:

Minimum lease payments receivable	\$ 3,688,620
Less unearned income	(869,130)
Net investment in direct financing lease	<u>\$ 2,819,490</u>

Future minimum lease rentals to be received under the direct financing lease are equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ended December 31	Principal	Interest	Total
2006	\$ 205,000	\$ 96,620	\$ 301,620
2007	210,000	92,520	302,520
2008	215,000	87,480	302,480
2009	220,000	82,105	302,105
2010	230,000	76,165	306,165
2011 – 2015	1,005,000	228,480	1,233,480
2016 – 2017	<u>870,000</u>	<u>70,250</u>	<u>940,250</u>
Total	<u>\$ 2,955,000</u>	<u>\$ 733,620</u>	<u>\$ 3,688,620</u>

SCPBC Revenue Bonds – Exploration Place. During 1997, the SCPBC issued revenue bonds to finance a portion of the costs of developing, constructing, and equipping a children's museum and science center known as Exploration Place, to be located in Wichita, Kansas, and consisting of a 90,000 square foot structure, attendant parking, landscaping, and related appurtenances thereto. The financing of this facility by the SCPBC represents a direct financing lease, and accordingly, the net investment in the lease is recorded in the SCPBC's balance sheet and as part of the long-term obligations of the County. The following lists the components of the net investment in the direct financing lease as of December 31, 2005:

Minimum lease payments receivable	\$ 19,117,500
Less unearned income	(6,066,405)
Net investment in direct financing lease	<u>\$ 13,051,095</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### C. Long-Term Debt (continued)

The County entered into an operating agreement with a not-for-profit corporation to operate the facility. The \$62 million project is funded through a public partnership that includes the County, the City of Wichita, and numerous private sector donors. The land on which the project is located is owned by the City of Wichita and is being leased to the SCPBC for 50 years.

Future minimum lease rentals to be paid by the County to the SCPBC under the direct financing lease will be equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ended December 31	Principal	Interest	Total
2006	\$ 570,000	\$ 504,508	\$ 1,074,508
2007	590,000	493,108	1,083,108
2008	625,000	481,307	1,106,307
2009	645,000	462,557	1,107,557
2010	660,000	443,208	1,103,208
2011 – 2015	3,720,000	1,874,235	5,594,235
2016 – 2020	4,625,000	1,091,147	5,716,147
2021 - 2022	2,185,000	147,430	2,332,430
Total	<u>\$13,620,000</u>	<u>\$ 5,497,500</u>	<u>\$19,117,500</u>

#### SCPBC Revenue Bonds - Juvenile Justice Complex

During 2003, the SCPBC issued revenue bonds to finance the costs of developing, constructing and equipping the Juvenile Justice Complex, to be located in Wichita, Kansas. The financing of this facility by the SCPBC represents a direct financing lease, and accordingly, the net investment of the lease is recorded in the SCPBC's balance sheet and as part of the long-term obligations of the County. The following lists the components of the net investment in the direct financing lease as of December 31, 2005:

Minimum lease payments receivable	\$ 28,141,373
Less unearned income	(8,432,028)
Net investment in direct financing lease	<u>\$ 19,709,345</u>

Future minimum lease rentals to be paid by the County to the SCPBC under the direct financing lease will be equal to the annual debt service requirements to maturity for the revenue bonds, as follows:

Year ended December 31	Principal	Interest	Total
2006	\$ 815,000	\$ 753,665	\$ 1,568,665
2007	830,000	737,365	1,567,365
2008	845,000	718,690	1,563,690
2009	870,000	695,453	1,565,453
2010	895,000	669,352	1,564,352
2011 – 2015	4,955,000	2,847,750	7,802,750
2016 – 2020	6,035,000	1,774,498	7,809,498
2021 – 2023	4,300,000	399,600	4,699,600
Total	<u>\$19,545,000</u>	<u>\$ 8,596,373</u>	<u>\$28,141,373</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### C. Long-Term Debt (continued)

##### Kansas Transportation Project Loan

In January 2005, the County entered into a loan agreement with the State of Kansas through the Kansas Department of Transportation to obtain funding of \$3,412,564 from the Kansas Transportation Revolving Fund to finance certain qualified transportation projects. This liability is considered a general obligation of the County and is payable over a 20-year term at an interest rate of 3.86%. Debt service requirements to maturity for the Kansas Transportation Project Loan are as follows:

Year ending December 31	Governmental Activities		
	Principal	Interest	Totals
2006	\$ 123,542	\$ 128,714	\$ 252,256
2007	128,722	123,534	252,256
2008	133,691	118,565	252,256
2009	138,852	113,404	252,256
2010	144,211	108,045	252,256
2011 – 2015	808,978	452,302	1,261,280
2016 – 2020	977,638	283,642	1,261,280
2021 – 2024	868,261	82,083	950,344
Totals	<u>\$ 3,323,895</u>	<u>\$ 1,410,289</u>	<u>\$ 4,734,184</u>

##### Capital Leases

In 2003 and 2004, the County entered into four lease agreements as lessee for financing the acquisition of major equipment for the Fire District. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The assets acquired through the capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 1,140,411
Less: accumulated depreciation	(238,691)
Total	<u>\$ 901,720</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2005, were as follows:

Year ended December 31	Governmental Activities
2006	\$ 166,396
2007	166,396
2008	166,396
2009	166,396
2010	166,396
2011 - 2012	257,838
Total minimum lease payments	1,089,818
Less: amount representing interest	(135,682)
Total	<u>\$ 954,136</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

### III. Detailed Notes on All Funds (continued)

#### C. Long-Term Debt (continued)

##### Changes in Long-Term Debt

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of the Internal Service Funds are included as part of the totals for governmental activities. At year-end, claims payable totaling \$1,729,495 are included in the amounts below. Claims are generally liquidated by the appropriate Internal Service Fund. Generally, compensated absences are liquidated by the General Fund. Long-term liability activity for the year ended December 31, 2005, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 86,355,000	\$ 13,040,000	\$ 8,635,000	\$ 90,760,000	\$ 9,015,000
Special assessment debt with government commitment	<u>16,500,000</u>	<u>1,475,000</u>	<u>1,425,000</u>	<u>16,550,000</u>	<u>1,585,000</u>
Total bonds payable	102,855,000	14,515,000	10,060,000	107,310,000	10,600,000
 KDOT Revolving Loan	-	3,412,564	88,669	3,323,895	123,542
Direct financing lease	37,940,000	-	1,820,000	36,120,000	1,590,000
Claims payable	2,220,104	7,662,180	8,152,789	1,729,495	1,706,682
Capital lease payable	1,082,234	-	128,098	954,136	130,887
Compensated absences	<u>5,390,000</u>	<u>6,295,428</u>	<u>6,015,428</u>	<u>5,670,000</u>	<u>5,414,000</u>
 Governmental activity long-term liabilities	<u>\$ 149,487,338</u>	<u>\$ 31,885,172</u>	<u>\$ 26,264,984</u>	<u>\$ 155,107,526</u>	<u>\$ 19,565,111</u>
 <b>Component unit: SCPBC</b>					
Bonds payable:					
Revenue bonds	<u>\$ 37,940,000</u>	<u>\$ -</u>	<u>\$ 1,820,000</u>	<u>\$ 36,120,000</u>	<u>\$ 1,590,000</u>

##### Conduit Debt

The County has issued Economic Development revenue bonds not directly obligated by the County. The County has issued these bonds individually and jointly with surrounding counties. The total amount outstanding at December 31, 2005 was \$649,505,347 for the Industrial Revenue Bonds and \$350,884,784 for the Single Family Mortgage Revenue Bonds. These bonds do not constitute an indebtedness or pledge of the faith and credit of the responsible entities or the County.

# **SEDGWICK COUNTY, KANSAS**

## **NOTES TO THE FINANCIAL STATEMENTS** December 31, 2005

### **III. Detailed Notes on All Funds (continued)**

#### **D. Interfund Transfers**

A summary of interfund transfers is as follows:

	Transfers In:						Totals
	General	Federal/State Assistance	Debt Service	Nonmajor Governmental	Internal Service	Coliseum/Arena	
Transfers out:							
General	\$ -	\$ 417,439	\$ 1,597,566	\$ 16,115,075	\$1,119,635	\$ 509,149	\$ 19,758,864
Federal/State Assistance	-	-	-	60,000	-	-	60,000
Debt Proceeds	-	-	619,358	16,986,954	-	-	17,606,312
Nonmajor Governmental	1,892,418	252,529	364,889	2,064,258	30,000	-	4,604,094
Coliseum/Arena	-	-	-	1,330,305	-	-	1,330,305
Total	<u>\$1,892,418</u>	<u>\$ 669,968</u>	<u>\$ 2,581,813</u>	<u>\$ 36,556,592</u>	<u>\$1,149,635</u>	<u>\$ 509,149</u>	<u>\$ 43,359,575</u>

Transfers are used to [1] move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, [2] move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and [3] use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### **E. Interfund Receivables and Payables**

Interfund balances result from the time lag between the dates that [1] interfund goods and services are provided or reimbursable expenditures occur, [2] transactions are recorded in the accounting system, and [3] payments between funds are made. Interfund payables at year-end relate to amounts spent in the capital projects funds that have yet to be repaid from long-term financing from the Debt Proceeds Fund.

A summary of interfund receivables and payables at December 31, 2005 is as follows

	Interfund Receivable	Interfund Payable
Debt Proceeds Fund	\$ 2,732,596	\$ -
Nonmajor Capital Projects Funds:		
Building and Equipment Fund	-	491,940
Street, Bridge and Other Fund	-	2,240,656
	<u>\$ 2,732,596</u>	<u>\$ 2,732,596</u>

During 2003, an interfund loan was made between the General Fund and the Capital Improvement Fund to provide for the funding of a specific capital improvement project, with repayment terms over the next 9 years. This advance receivable and payable as of December 31, 2005 is as follows:

	Advance Receivable	Advance Payable
General Fund	\$ 1,051,873	\$ -
Nonmajor Capital Projects Fund:		
Capital Improvement Fund	-	1,051,873
	<u>\$ 1,051,873</u>	<u>\$ 1,051,873</u>



## SEDGWICK COUNTY, KANSAS

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2005

#### IV. Other Information

##### A. Risk Management

The County's property and casualty insurance coverage consists of both a self-insurance program and insurance policies purchased from various insurance carriers. The overall cost of insurance coverage has increased significantly the past three years. There have not been any settlements in excess of insurance coverage during any of the prior three fiscal years. Exposure to various risks associated with weather related incidents such as wind, hail, and storm damage is covered by a property insurance policy.

Risks associated with the operation of the Kansas Coliseum include loss related to torts, theft, damage or destruction of assets, errors and omissions, injury to employees, and natural disasters. These risks are covered by commercial insurance. Settlements from these risks have not exceeded insurance coverage for the past three years.

Health/Dental/Life Insurance Reserve Fund. The County maintains both a self-insured health plan and a health plan purchased from an insurance company for accident and health claims. A dental benefit purchased from a dental insurance company is provided for all health plan participants. A prescription drug benefit purchased from a pharmacy benefit manager is provided for all health plan participants. The County does maintain reserves and pays all expenses for the health/dental/prescription benefit from the Health/Dental/Life Insurance Reserve Fund. In 2005, the County paid 80% and participating employees paid 20% of the cost of the health plan benefit.

Workers' Compensation Reserve Fund. The County does provide a workers' compensation benefit through a self-insured plan that has been approved by the State of Kansas. Workers' compensation claims are administered by Risk Management, with the assistance of a contract attorney. Funding (premiums) for this self insurance plan is allocated to County departments. Premiums are determined by a formula that uses both paid claims and the actual number of claims. The County does maintain reserves and pays all expenses for this plan from the Workers' Compensation Reserve Fund.

Risk Management Reserve Fund. The Risk Management Reserve Fund was established for the purpose of providing a contingency fund to pay self-insured claims, retentions and deductibles, and to provide an additional source of funding for the self-insured law enforcement liability, general liability, and public official's liability. Property insurance is also maintained with a commercial insurer and provides a self-insured retention of \$100,000 for each claim.

The following is a summary of the changes in the unpaid claims liability:

	<u>Workers'</u> <u>Compensation</u>	<u>Health/Dental/</u> <u>Life Insurance</u>
January 1, 2004 liability balances	\$ 1,468,646	\$ 711,519
Claims and changes in estimates	1,470,734	5,176,175
Claim payments	(1,350,100)	(5,256,870)
December 31, 2004 liability balances	1,589,280	630,824
Claims and changes in estimates	935,135	6,727,045
Claim payments	(1,524,078)	(6,628,711)
December 31, 2005 liability balances	<u>\$ 1,000,337</u>	<u>\$ 729,158</u>

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

### IV. Other Information (continued)

#### A. Risk Management (continued)

Net assets available for self-insurance expenses and future catastrophe losses are as follows:

Health/Dental/Life Insurance Reserve Fund	\$ 599,797
Workers' Compensation Reserve Fund	910,069
Risk Management Reserve Fund	1,861,492

#### B. Contingent Liabilities

The County is a defendant in various legal actions pending or in process for tax appeals, property damage, and miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. Management and the County's counsel are of the opinion that the final outcome of the cases will not have an adverse material effect on the County's financial statements.

#### C. Defined Benefit Pension Plans

Plan description. The County participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding policy. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary and the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established by statute for calendar year 2005 is 4.11%.

The County's contributions to KPERS for the years ended December 31, 2005, 2004, and 2003 were \$2,770,225, \$2,235,132 and \$1,919,905, respectively, equal to the statutory required contributions for each year. The KP&F uniform participating employer rate established for fiscal year 2005 is 12.06%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The County's contributions to KP&F for the years ended December 31, 2005, 2004, and 2003 were \$3,275,169, \$2,717,287 and \$1,929,295, respectively, equal to the statutory required contributions for each year.

# SEDGWICK COUNTY, KANSAS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

### IV. Other Information (continued)

#### D. Construction Commitments

The County had outstanding construction commitments for various capital projects and improvements totaling \$13,747,319 at December 31, 2005. This amount is reflected as reserved for encumbrances in the Capital Projects Funds, including the Building and Equipment Fund, Street, Bridge and Other Fund, Sales Tax Road and Bridge Fund, and the Capital Improvement Fund. These commitments will be funded through special assessments, general obligation bonds, local sales tax, intergovernmental revenue and existing local resources.

#### E. Pending Governmental Accounting Standards Board Statements

At December 31, 2005, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the County. The statements that might impact the County are as follows:

GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", was issued in April 2004. The objective of this statement is to establish uniform financial reporting standards for other postemployment benefit (OPEB) plans. The term "other postemployment benefits" refers to postemployment benefits other than pension benefits and includes [a] postemployment healthcare benefits and, [b] other types of postemployment benefits (i.e., life insurance) if provided separately from a pension plan. This statement provides standards for measurement, recognition, and display of the assets, liabilities, and, where applicable, net assets and changes in net assets of such funds and for related disclosures. The provisions of this statement are effective for periods beginning after December 15, 2005.

GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", was issued in May 2004. This statement amends the portions of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles, guiding the preparation of the statistical section. Statement No. 44 establishes the objectives of the statistical section and the five categories of information it contains – financial trends information, revenue capacity information, debt capacity information, demographic and economic information, as well as operating information. The provisions of this statement are effective for periods beginning after June 15, 2005.

GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", was issued in June 2004. This statement establishes standards for the measurement, recognition and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The term "other postemployment benefits" refers to postemployment benefits other than pension benefits and includes [a] postemployment healthcare benefits and, [b] other types of postemployment benefits (i.e., life insurance) if provided separately from a pension plan. The provisions of this statement are effective for periods beginning after December 15, 2006.

GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation", was issued in December, 2004. The objective of this statement is to enhance the usefulness and comparability of net asset information reported by state and local governments by clarifying the meaning of the phrase *legally enforceable* as it applies to restrictions imposed on net asset use by enabling legislation and by specifying the accounting and financial reporting requirements for those restricted net assets.

## **SEDGWICK COUNTY, KANSAS**

### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2005

#### **IV. Other Information (continued)**

##### **E. Pending Governmental Accounting Standards Board Statements (continued)**

GASB Statement No. 47, "Accounting for Termination Benefits", was issued in June 2005. This Statement establishes accounting standards for termination benefits for financial statements prepared on an accrual basis and a modified accrual basis of accounting. The Statement defines when a liability and expense should be recognized for voluntary termination benefits. The requirements of the Statement are effective in two parts. For benefits provided through an existing OPEB plan, the provisions should be implemented with the requirements of GASB Statement 45. For all other termination benefits, the effective date of this Statement is for financial statements for periods beginning after June 15, 2005.

# GOVERNMENTAL FUNDS

## Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of designated revenue sources that are used to finance specified activities as required by law or administrative regulation. The following nonmajor Special Revenue Funds are reported:

Wichita State University Program Development  
Comprehensive Community Care  
Emergency Medical Services  
Extension Council  
Aging Services  
Public Works Highways  
Noxious Weeds  
Solid Waste  
Special Parks and Recreation  
Emergency Telephone Services  
Court Trustee Operations  
Special Alcohol and Drug Programs

Auto License  
Court Alcohol/Drug Safety Action Program  
Convention Tourism Visitors Promotion  
Prosecuting Attorney Training  
Community Health  
Equipment Reserve  
Register of Deeds Technology  
Fire District Operating  
Fire District Special Equipment  
Fire District Research and Development  
Township Dissolution

## Nonmajor Debt Service Fund

Debt Service Funds are used to account for the proceeds of designated revenue sources that are used to finance general obligation debt. The following nonmajor Debt Service Fund is reported:

Fire District Debt Service

## Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for capital improvements (except those financed by proprietary funds) that are financed from the County's general obligation bond issues, special assessments and certain Federal grants. The following nonmajor Capital Projects Funds are reported:

Building and Equipment  
Street, Bridge and Other  
Sales Tax Road and Bridge  
Road and Bridge Equipment  
Highway Improvement  
Capital Improvements

# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2005

	Special Revenue Funds	Fire District Debt Service	Capital Projects Funds	Totals
<b>Assets</b>				
Cash, including investments	\$26,418,991	\$ 24,266	\$26,384,094	\$52,827,351
Due from other agencies	7,500	-	3,718,275	3,725,775
Accounts receivable	2,099,416	-	-	2,099,416
Property tax receivable	30,010,312	-	-	30,010,312
Inventories, at cost	1,364,348	-	-	1,364,348
<b>Total assets</b>	<u>\$59,900,567</u>	<u>\$ 24,266</u>	<u>\$30,102,369</u>	<u>\$90,027,202</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 467,006	\$ -	\$ 421,252	\$ 888,258
Due to other funds	-	-	2,732,596	2,732,596
Advance payable	-	-	1,051,873	1,051,873
Deferred revenue	32,204,186	-	3,703,516	35,907,702
<b>Total liabilities</b>	<u>32,671,192</u>	<u>-</u>	<u>7,909,237</u>	<u>40,580,429</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	1,974,369	-	13,747,319	15,721,688
Inventory	1,364,348	-	-	1,364,348
Debt service	-	24,266	-	24,266
Designated for:				
Subsequent year's budget	6,951,752	-	-	6,951,752
Undesignated	16,938,906	-	8,445,813	25,384,719
<b>Total fund balances</b>	<u>27,229,375</u>	<u>24,266</u>	<u>22,193,132</u>	<u>49,446,773</u>
<b>Total liabilities and fund balances</b>	<u>\$59,900,567</u>	<u>\$ 24,266</u>	<u>\$30,102,369</u>	<u>\$90,027,202</u>

# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet Nonmajor Governmental Funds - Special Revenue Funds December 31, 2005

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Extension Council
<b>Assets</b>				
Cash, including investments	\$ 130,432	\$ 490,324	\$ 787,375	\$ -
Due from other agencies	-	-	-	-
Accounts receivable	-	-	2,099,152	-
Property tax receivable	5,186,404	2,326,966	3,983,158	-
Inventories, at cost	-	-	203,056	-
	<u>-</u>	<u>-</u>	<u>203,056</u>	<u>-</u>
Total assets	<u>\$ 5,316,836</u>	<u>\$ 2,817,290</u>	<u>\$ 7,072,741</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 26,266	\$ 54,533	\$ -
Deferred revenue	5,186,404	2,414,188	6,082,310	-
	<u>5,186,404</u>	<u>2,414,188</u>	<u>6,082,310</u>	<u>-</u>
Total liabilities	<u>5,186,404</u>	<u>2,440,454</u>	<u>6,136,843</u>	<u>-</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	-	144	52,524	-
Inventory	-	-	203,056	-
Designated for:				
Subsequent year's budget	125,513	251,431	608,240	-
Undesignated	4,919	125,261	72,078	-
	<u>130,432</u>	<u>376,836</u>	<u>935,898</u>	<u>-</u>
Total fund balances	<u>130,432</u>	<u>376,836</u>	<u>935,898</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,316,836</u>	<u>\$ 2,817,290</u>	<u>\$ 7,072,741</u>	<u>\$ -</u>

<u>Aging Services</u>	<u>Public Works Highways</u>	<u>Noxious Weeds</u>	<u>Solid Waste</u>	<u>Special Parks and Recreation</u>	<u>Emergency Telephone Services</u>
\$ 194,952	\$ 1,500,186	\$ 30,396	\$ 963,619	\$ 14,460	\$ 775,874
-	7,500	-	-	-	-
-	-	-	-	-	-
1,829,072	4,840,644	307,727	-	-	-
-	1,161,292	-	-	-	-
<u>\$ 2,024,024</u>	<u>\$ 7,509,622</u>	<u>\$ 338,123</u>	<u>\$ 963,619</u>	<u>\$ 14,460</u>	<u>\$ 775,874</u>
\$ 2,870	\$ 50,081	\$ 1,201	\$ 11,976	\$ 100	\$ 14,789
1,829,072	4,848,144	307,727	-	-	-
<u>1,831,942</u>	<u>4,898,225</u>	<u>308,928</u>	<u>11,976</u>	<u>100</u>	<u>14,789</u>
2,260	130,284	488	-	817	231,851
-	1,161,292	-	-	-	-
117,763	640,452	28,707	686,038	12,647	466,416
72,059	679,369	-	265,605	896	62,818
<u>192,082</u>	<u>2,611,397</u>	<u>29,195</u>	<u>951,643</u>	<u>14,360</u>	<u>761,085</u>
<u>\$ 2,024,024</u>	<u>\$ 7,509,622</u>	<u>\$ 338,123</u>	<u>\$ 963,619</u>	<u>\$ 14,460</u>	<u>\$ 775,874</u>



# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet (continued) Nonmajor Governmental Funds - Special Revenue Funds December 31, 2005

	Court Trustee Operations	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program
<b>Assets</b>				
Cash, including investments	\$ 2,447,663	\$ 28,189	\$ 212,495	\$ 64,861
Due from other agencies	-	-	-	-
Accounts receivable	-	-	-	-
Property tax receivable	-	-	-	-
Inventories, at cost	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,447,663</u>	<u>\$ 28,189</u>	<u>\$ 212,495</u>	<u>\$ 64,861</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 14,529	\$ -	\$ 23,283	\$ -
Deferred revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>14,529</u>	<u>-</u>	<u>23,283</u>	<u>-</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	17	-	6,102	-
Inventory	-	-	-	-
Designated for:				
Subsequent year's budget	1,654,532	28,189	81,860	36,620
Undesignated	<u>778,585</u>	<u>-</u>	<u>101,250</u>	<u>28,241</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>2,433,134</u>	<u>28,189</u>	<u>189,212</u>	<u>64,861</u>
Total liabilities and fund balances	<u>\$ 2,447,663</u>	<u>\$ 28,189</u>	<u>\$ 212,495</u>	<u>\$ 64,861</u>

Convention Tourism Visitors Promotion	Prosecuting Attorney Training	Community Health	Equipment Reserve	Register of Deeds Technology	Fire District Operating
\$ 1,074	\$ 198,963	\$ -	\$ 13,939,989	\$ 1,248,491	\$ 3,156,972
-	-	-	-	-	-
-	-	-	-	-	264
-	-	-	-	-	11,536,341
-	-	-	-	-	-
<u>\$ 1,074</u>	<u>\$ 198,963</u>	<u>\$ -</u>	<u>\$ 13,939,989</u>	<u>\$ 1,248,491</u>	<u>\$ 14,693,577</u>
\$ -	\$ 11,019	\$ -	\$ 160,096	\$ 17,782	\$ 78,481
-	-	-	-	-	11,536,341
-	11,019	-	160,096	17,782	11,614,822
-	-	-	1,139,304	409,504	1,074
-	-	-	-	-	-
-	187,944	-	-	821,205	1,170,646
1,074	-	-	12,640,589	-	1,907,035
<u>1,074</u>	<u>187,944</u>	<u>-</u>	<u>13,779,893</u>	<u>1,230,709</u>	<u>3,078,755</u>
<u>\$ 1,074</u>	<u>\$ 198,963</u>	<u>\$ -</u>	<u>\$ 13,939,989</u>	<u>\$ 1,248,491</u>	<u>\$ 14,693,577</u>

# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet (continued) Nonmajor Governmental Funds - Special Revenue Funds December 31, 2005

	Fire District Special Equipment	Fire District Research and Development	Township Dissolution	Totals
<b>Assets</b>				
Cash, including investments	\$ 21,119	\$ 61,276	\$ 150,281	\$ 26,418,991
Due from other agencies	-	-	-	7,500
Accounts receivable	-	-	-	2,099,416
Property tax receivable	-	-	-	30,010,312
Inventories, at cost	-	-	-	1,364,348
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 21,119</u>	<u>\$ 61,276</u>	<u>\$ 150,281</u>	<u>\$ 59,900,567</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 467,006
Deferred revenue	-	-	-	32,204,186
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,671,192</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	-	-	-	1,974,369
Inventory	-	-	-	1,364,348
Designated for:				
Subsequent year's budget	-	33,549	-	6,951,752
Undesignated	21,119	27,727	150,281	16,938,907
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>21,119</u>	<u>61,276</u>	<u>150,281</u>	<u>27,229,375</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 21,119</u>	<u>\$ 61,276</u>	<u>\$ 150,281</u>	<u>\$ 59,900,567</u>

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# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2005

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge
<b>Assets</b>			
Cash, including investments	\$ -	\$ -	\$ 15,801,863
Due from other agencies	-	69,415	3,634,101
Total assets	<u>\$ -</u>	<u>\$ 69,415</u>	<u>\$ 19,435,964</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 297,538	\$ -	\$ 123,714
Due to other funds	491,940	2,240,656	-
Advance payable	-	-	-
Deferred revenue	-	69,415	3,634,101
Total liabilities	<u>789,478</u>	<u>2,310,071</u>	<u>3,757,815</u>
<b>Fund Balances (Deficits):</b>			
Reserved for encumbrances	8,951,448	574,410	3,784,917
Unreserved	(9,740,926)	(2,815,066)	11,893,232
Total fund balances (deficits)	<u>(789,478)</u>	<u>(2,240,656)</u>	<u>15,678,149</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 69,415</u>	<u>\$ 19,435,964</u>

Road and Bridge Equipment	Highway Improvement	Capital Improvements	Totals
\$ 268,179	\$ 202,010	\$ 10,112,042	\$ 26,384,094
-	-	14,759	3,718,275
<u>\$ 268,179</u>	<u>\$ 202,010</u>	<u>\$ 10,126,801</u>	<u>\$ 30,102,369</u>
\$ -	\$ -	\$ -	\$ 421,252
-	-	-	2,732,596
-	-	1,051,873	1,051,873
-	-	-	3,703,516
<u>-</u>	<u>-</u>	<u>1,051,873</u>	<u>7,909,237</u>
-	-	436,544	13,747,319
<u>268,179</u>	<u>202,010</u>	<u>8,638,384</u>	<u>8,445,813</u>
<u>268,179</u>	<u>202,010</u>	<u>9,074,928</u>	<u>22,193,132</u>
<u>\$ 268,179</u>	<u>\$ 202,010</u>	<u>\$ 10,126,801</u>	<u>\$ 30,102,369</u>

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# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

For the Year Ended December 31, 2005

	Special Revenue Funds	Fire District Debt Service	Capital Projects Funds	Totals
<b>Revenues</b>				
Property taxes	\$30,569,825	\$ 6,510	\$ -	\$ 30,576,335
Emergency telephone services taxes	2,297,370	-	-	2,297,370
Special assessments	-	-	71,969	71,969
Other taxes	135,061	-	-	135,061
Intergovernmental	7,987,002	-	2,082,506	10,069,508
Charges for services	13,999,566	-	-	13,999,566
Uses of money and property	180,017	-	-	180,017
Licenses and permits	107,307	-	-	107,307
Reimbursed expenditures	32,810	-	292,659	325,469
Other	80,591	-	-	80,591
 Total revenues	 <u>55,389,549</u>	 <u>6,510</u>	 <u>2,447,134</u>	 <u>57,843,193</u>
<b>Expenditures</b>				
Current:				
General government	7,956,968	-	-	7,956,968
Public safety	23,922,541	-	-	23,922,541
Public works	10,100,422	-	-	10,100,422
Health and welfare	5,247,069	-	-	5,247,069
Culture and recreation	60,044	-	-	60,044
Economic development	6,077,726	-	-	6,077,726
Debt service:				
Principal	328,097	-	-	328,097
Interest and fiscal charges	120,600	-	-	120,600
Capital outlay	1,863,984	-	25,588,836	27,452,820
 Total expenditures	 <u>55,677,451</u>	 <u>-</u>	 <u>25,588,836</u>	 <u>81,266,287</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(287,902)</u>	 <u>6,510</u>	 <u>(23,141,702)</u>	 <u>(23,423,094)</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	6,785,989	-	29,770,603	36,556,592
Transfers to other funds	(3,967,048)	-	(637,046)	(4,604,094)
Total other financing sources (uses)	<u>2,818,941</u>	<u>-</u>	<u>29,133,557</u>	<u>31,952,498</u>
 Net change in fund balances	 2,531,039	 6,510	 5,991,855	 8,529,404
 Fund balances, beginning of year	 24,624,768	 17,756	 16,201,277	 40,843,801
Increase in reserve for inventory	<u>73,568</u>	<u>-</u>	<u>-</u>	<u>73,568</u>
 Fund balances, end of year	 <u>\$27,229,375</u>	 <u>\$ 24,266</u>	 <u>\$ 22,193,132</u>	 <u>\$ 49,446,773</u>



# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2005

	Wichita State University Program Development	Comprehensive Community Care	Emergency Medical Services	Extension Council
<b>Revenues</b>				
Property taxes	\$ 5,819,703	\$ 2,277,391	\$ 4,233,504	\$ -
Emergency telephone services taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	-	348,891	-	-
Charges for services	-	-	7,866,243	-
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Reimbursed expenditures	-	1,857	376	-
Other	-	182	483	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	5,819,703	2,628,321	12,100,606	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	11,916,799	-
Public works	-	-	-	-
Health and welfare	-	3,025,035	-	-
Culture and recreation	-	-	-	-
Economic development	5,814,784	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,814,784	3,025,035	11,916,799	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	4,919	(396,714)	183,807	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(139,196)	(380,480)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(139,196)	(380,480)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	4,919	(396,714)	44,611	(380,480)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	125,513	773,550	891,287	380,480
Increase in reserve for inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 130,432</u>	<u>\$ 376,836</u>	<u>\$ 935,898</u>	<u>\$ -</u>

Aging Services	Public Works Highways	Noxious Weeds	Solid Waste	Special Parks and Recreation	Emergency Telephone Services
\$ 2,257,211	\$ 3,070,119	\$ 283,492	\$ -	\$ -	\$ -
-	-	-	-	-	2,297,370
-	-	-	-	58,947	-
12,938	5,291,215	-	-	-	-
-	64,361	68,847	914,673	-	-
-	-	-	-	-	38,268
-	8,629	-	92,863	-	-
104	6,542	-	-	-	180
6	12,380	-	13,541	-	1,523
<u>2,270,259</u>	<u>8,453,246</u>	<u>352,339</u>	<u>1,021,077</u>	<u>58,947</u>	<u>2,337,341</u>
-	-	-	191,248	-	-
-	-	-	-	-	1,282,251
-	9,222,574	411,770	466,078	-	-
2,102,589	-	-	-	-	-
-	-	-	-	60,044	-
-	-	-	262,942	-	-
-	200,000	-	-	-	-
-	82,300	-	-	-	-
-	-	-	-	-	-
<u>2,102,589</u>	<u>9,504,874</u>	<u>411,770</u>	<u>920,268</u>	<u>60,044</u>	<u>1,282,251</u>
<u>167,670</u>	<u>(1,051,628)</u>	<u>(59,431)</u>	<u>100,809</u>	<u>(1,097)</u>	<u>1,055,090</u>
-	8,133	-	-	-	-
(140,764)	(91,000)	-	(79,605)	(16,968)	(1,271,142)
(140,764)	(82,867)	-	(79,605)	(16,968)	(1,271,142)
26,906	(1,134,495)	(59,431)	21,204	(18,065)	(216,052)
165,176	3,672,324	88,626	930,439	32,425	977,137
-	73,568	-	-	-	-
<u>\$ 192,082</u>	<u>\$ 2,611,397</u>	<u>\$ 29,195</u>	<u>\$ 951,643</u>	<u>\$ 14,360</u>	<u>\$ 761,085</u>

(Continued)

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

### Nonmajor Special Revenue Funds

For the Year Ended December 31, 2005

	Court Trustee Operations	Special Alcohol and Drug Programs	Auto License	Court Alcohol/Drug Safety Action Program
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Emergency telephone services taxes	-	-	-	-
Other taxes	-	76,114	-	-
Intergovernmental	2,298,965	-	21,700	-
Charges for services	673,610	-	3,075,086	131,627
Uses of money and property	-	-	-	-
Licenses and permits	-	-	-	-
Reimbursed expenditures	-	-	21,708	-
Other	68	-	7,074	-
Total revenues	<u>2,972,643</u>	<u>76,114</u>	<u>3,125,568</u>	<u>131,627</u>
<b>Expenditures</b>				
Current:				
General government	3,046,825	-	2,846,849	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	15,800	-	103,645
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>3,046,825</u>	<u>15,800</u>	<u>2,846,849</u>	<u>103,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,182)</u>	<u>60,314</u>	<u>278,719</u>	<u>27,982</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	(67,976)	(173,460)	-
Total other financing sources (uses)	<u>-</u>	<u>(67,976)</u>	<u>(173,460)</u>	<u>-</u>
Net change in fund balances	(74,182)	(7,662)	105,259	27,982
Fund balances, beginning of year	2,507,316	35,851	83,953	36,879
Increase in reserve for inventory	-	-	-	-
Fund balances, end of year	<u>\$ 2,433,134</u>	<u>\$ 28,189</u>	<u>\$ 189,212</u>	<u>\$ 64,861</u>

Convention Tourism Visitors Promotion	Prosecuting Attorney Training	Community Health	Equipment Reserve	Register of Deeds Technology	Fire District Operating
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,628,405
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	13,292
-	28,061	-	35	972,612	204,412
-	-	-	-	6,638	133,609
-	-	-	-	-	5,815
-	2,004	-	12	-	27
-	-	-	90	-	5,455
-	30,065	-	137	979,250	12,991,015
-	93,677	-	643,588	1,134,781	-
-	-	-	-	-	10,710,457
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	128,097
-	-	-	-	-	38,300
-	-	-	1,180,963	291,407	391,614
-	93,677	-	1,824,551	1,426,188	11,268,468
-	(63,612)	-	(1,824,414)	(446,938)	1,722,547
-	-	-	6,616,398	-	11,177
-	-	(997,895)	-	-	(608,562)
-	-	(997,895)	6,616,398	-	(597,385)
-	(63,612)	(997,895)	4,791,984	(446,938)	1,125,162
1,074	251,556	997,895	8,987,909	1,677,647	1,953,593
-	-	-	-	-	-
\$ 1,074	\$ 187,944	\$ -	\$ 13,779,893	\$ 1,230,709	\$ 3,078,755

(Continued)

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

### Nonmajor Special Revenue Funds

For the Year Ended December 31, 2005

	Fire District Special Equipment	Fire District Research and Development	Township Dissolution	Totals
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 30,569,825
Emergency telephone services taxes	-	-	-	2,297,370
Other taxes	-	-	-	135,061
Intergovernmental	-	-	-	7,987,002
Charges for services	-	-	-	13,999,566
Uses of money and property	530	972	-	180,017
Licenses and permits	-	-	-	107,307
Reimbursed expenditures	-	-	-	32,810
Other	-	39,789	-	80,591
<b>Total revenues</b>	<b>530</b>	<b>40,761</b>	<b>-</b>	<b>55,389,549</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	7,956,968
Public safety	-	13,034	-	23,922,541
Public works	-	-	-	10,100,422
Health and welfare	-	-	-	5,247,069
Culture and recreation	-	-	-	60,044
Economic development	-	-	-	6,077,726
Debt service:				
Principal	-	-	-	328,097
Interest	-	-	-	120,600
Capital outlay	-	-	-	1,863,984
<b>Total expenditures</b>	<b>-</b>	<b>13,034</b>	<b>-</b>	<b>55,677,451</b>
Excess (deficiency) of revenues over (under) expenditures	530	27,727	-	(287,902)
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	150,281	6,785,989
Transfers to other funds	-	-	-	(3,967,048)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>150,281</b>	<b>2,818,941</b>
<b>Net change in fund balances</b>	<b>530</b>	<b>27,727</b>	<b>150,281</b>	<b>2,531,039</b>
Fund balances, beginning of year	20,589	33,549	-	24,624,768
Increase in reserve for inventory	-	-	-	73,568
<b>Fund balances, end of year</b>	<b>\$ 21,119</b>	<b>\$ 61,276</b>	<b>\$ 150,281</b>	<b>\$ 27,229,375</b>

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# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) Nonmajor Capital Projects Funds For the Year Ended December 31, 2005

	Building and Equipment	Street, Bridge and Other	Sales Tax Road and Bridge
<b>Revenues</b>			
Special assessments	\$ -	\$ 71,969	\$ -
Intergovernmental	-	1,229,672	852,834
Reimbursed expenditures	-	-	-
Total revenues	-	1,301,641	852,834
<b>Expenditures</b>			
Capital outlay	10,472,597	6,294,209	7,892,739
Total expenditures	10,472,597	6,294,209	7,892,739
(Deficiency) of revenues (under) expenditures	(10,472,597)	(4,992,568)	(7,039,905)
<b>Other financing sources (uses)</b>			
Transfers from other funds	10,948,593	7,218,666	9,780,155
Transfers to other funds	-	(285,284)	-
Total other financing sources (uses)	10,948,593	6,933,382	9,780,155
Net change in fund balances	475,996	1,940,814	2,740,250
Fund balances (deficits), beginning of year	(1,265,474)	(4,181,470)	12,937,899
Fund balances (deficits), end of year	<u>\$ (789,478)</u>	<u>\$ (2,240,656)</u>	<u>\$ 15,678,149</u>

Road and Bridge Equipment	Highway Improvement	Capital Improvements	Totals
\$ -	\$ -	\$ -	\$ 71,969
-	-	-	2,082,506
-	-	292,659	292,659
-	-	292,659	2,447,134
-	17,055	912,236	25,588,836
-	17,055	912,236	25,588,836
-	(17,055)	(619,577)	(23,141,702)
-	-	1,823,189	29,770,603
-	-	(351,762)	(637,046)
-	-	1,471,427	29,133,557
-	(17,055)	851,850	5,991,855
268,179	219,065	8,223,078	16,201,277
<u>\$ 268,179</u>	<u>\$ 202,010</u>	<u>\$ 9,074,928</u>	<u>\$ 22,193,132</u>



# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual Basis (Non-GAAP)

**Special Revenue Fund: Wichita State University Program Development**  
**For the year ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 5,641,963	\$ 5,641,963	\$ 5,819,703	\$ 177,740
Other	172,821	172,821	-	(172,821)
Total revenues	<u>5,814,784</u>	<u>5,814,784</u>	<u>5,819,703</u>	<u>4,919</u>
<b>Expenditures</b>				
Current:				
Contractual services	<u>5,814,784</u>	<u>5,814,784</u>	<u>5,814,784</u>	<u>-</u>
Total expenditures	<u>5,814,784</u>	<u>5,814,784</u>	<u>5,814,784</u>	<u>-</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>4,919</u>	<u>4,919</u>
Net change in fund balances	-	-	4,919	4,919
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>125,513</u>	<u>125,513</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,432</u>	<u>\$ 130,432</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Comprehensive Community Care**  
**For the year ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 2,209,027	\$ 2,209,027	\$ 2,277,391	\$ 68,364
Intergovernmental	397,442	397,442	348,891	(48,551)
Reimbursed expenditures	277	277	1,857	1,580
Other	182	182	183	1
Total revenues	<u>2,606,928</u>	<u>2,606,928</u>	<u>2,628,322</u>	<u>21,394</u>
<b>Expenditures</b>				
Current:				
Personnel services	2,188,684	2,188,684	2,095,312	93,372
Contractual services	856,480	815,405	802,476	12,929
Commodities	77,049	117,989	117,551	438
Capital outlay	-	135	135	-
Total expenditures	<u>3,122,213</u>	<u>3,122,213</u>	<u>3,015,474</u>	<u>106,739</u>
Revenues over (under) expenditures	<u>(515,285)</u>	<u>(515,285)</u>	<u>(387,152)</u>	<u>128,133</u>
Net change in fund balances	(515,285)	(515,285)	(387,152)	128,133
Fund balances, beginning of year	<u>515,285</u>	<u>515,285</u>	<u>763,844</u>	<u>248,559</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,692</u>	<u>\$ 376,692</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

### Special Revenue Fund: Emergency Medical Services For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 4,102,187	\$ 4,102,187	\$ 4,233,504	\$ 131,317
Charges for services	8,099,279	8,099,279	7,866,243	(233,036)
Reimbursed expenditures	-	-	376	376
Other	1,734	1,734	703	(1,031)
Total revenues	<u>12,203,200</u>	<u>12,203,200</u>	<u>12,100,826</u>	<u>(102,374)</u>
<b>Expenditures</b>				
Current:				
Personnel services	9,067,278	9,013,278	8,887,676	125,602
Contractual services	2,536,422	2,451,226	2,427,370	23,856
Commodities	599,500	595,500	574,479	21,021
Capital outlay	-	4,000	-	4,000
Total expenditures	<u>12,203,200</u>	<u>12,064,004</u>	<u>11,889,525</u>	<u>174,479</u>
Revenues over expenditures	<u>-</u>	<u>139,196</u>	<u>211,301</u>	<u>72,105</u>
<b>Other financing (uses)</b>				
Transfers to other funds	-	(139,196)	(139,196)	-
Total other financing (uses)	<u>-</u>	<u>(139,196)</u>	<u>(139,196)</u>	<u>-</u>
Net change in fund balances	-	-	72,105	72,105
Fund balances, beginning of year	-	-	608,213	608,213
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680,318</u>	<u>\$ 680,318</u>

# **SEDGWICK COUNTY, KANSAS**

## **Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)**

**Special Revenue Fund: Extension Council  
For the year ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive/ (Negative)</u>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Contractual services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing (uses)</b>				
Transfers to other funds	<u>-</u>	<u>(380,480)</u>	<u>(380,480)</u>	<u>-</u>
Total other financing (uses)	<u>-</u>	<u>(380,480)</u>	<u>(380,480)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(380,480)</u>	<u>(380,480)</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>380,480</u>	<u>380,480</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Aging Services**  
**For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 2,181,237	\$ 2,181,237	\$ 2,257,211	\$ 75,974
Intergovernmental	21,559	21,559	12,938	(8,621)
Reimbursed expenditures	62	62	104	42
Other	5,362	5,362	6	(5,356)
Total revenues	<u>2,208,220</u>	<u>2,208,220</u>	<u>2,270,259</u>	<u>62,039</u>
<b>Expenditures</b>				
Current:				
Personnel services	672,294	671,794	669,918	1,876
Contractual services	1,428,741	1,429,241	1,421,098	8,143
Commodities	6,000	6,000	5,999	1
Total expenditures	<u>2,107,035</u>	<u>2,107,035</u>	<u>2,097,015</u>	<u>10,020</u>
Revenues over expenditures	<u>101,185</u>	<u>101,185</u>	<u>173,244</u>	<u>72,059</u>
<b>Other financing (uses)</b>				
Transfers to other funds	(140,764)	(140,764)	(140,764)	-
Total other financing (uses)	<u>(140,764)</u>	<u>(140,764)</u>	<u>(140,764)</u>	<u>-</u>
Net change in fund balances	(39,579)	(39,579)	32,480	72,059
Fund balances, beginning of year	<u>39,579</u>	<u>39,579</u>	<u>157,342</u>	<u>117,763</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,822</u>	<u>\$ 189,822</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Public Works Highways**  
**For the year ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 2,946,691	\$ 2,946,691	\$ 3,070,119	\$ 123,428
Intergovernmental	5,339,683	5,339,683	5,291,215	(48,468)
Charges for services	134,677	134,677	64,361	(70,316)
Licenses and permits	11,791	11,791	8,629	(3,162)
Reimbursements	8,223	8,223	6,542	(1,681)
Other	42,001	42,001	24,528	(17,473)
Total revenues	<u>8,483,066</u>	<u>8,483,066</u>	<u>8,465,394</u>	<u>(17,672)</u>
<b>Expenditures</b>				
Current:				
Personnel services	5,906,241	5,801,786	5,532,251	269,535
Contractual services	3,135,984	3,242,194	2,998,046	244,148
Commodities	929,801	775,839	622,014	153,825
Capital outlay	-	61,207	57,273	3,934
Debt service:				
Principal	210,420	210,420	200,000	10,420
Interest	90,200	90,200	82,300	7,900
Total expenditures	<u>10,272,646</u>	<u>10,181,646</u>	<u>9,491,884</u>	<u>689,762</u>
Revenues (under) expenditures	<u>(1,789,580)</u>	<u>(1,698,580)</u>	<u>(1,026,490)</u>	<u>672,090</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	8,133	8,133
Transfers to other funds	-	(91,000)	(91,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(91,000)</u>	<u>(82,867)</u>	<u>8,133</u>
Net change in fund balances	(1,789,580)	(1,789,580)	(1,109,357)	680,223
Fund balances, beginning of year	<u>1,789,580</u>	<u>1,789,580</u>	<u>2,429,178</u>	<u>639,598</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,319,821</u>	<u>\$ 1,319,821</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Noxious Weeds**  
**For the year ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 274,729	\$ 274,729	\$ 283,492	\$ 8,763
Charges for services	93,345	93,345	68,848	(24,497)
Other	52	52	-	(52)
Total revenues	<u>368,126</u>	<u>368,126</u>	<u>352,340</u>	<u>(15,786)</u>
<b>Expenditures</b>				
Current:				
Personnel services	234,412	234,412	223,690	10,722
Contractual services	93,493	90,493	88,866	1,627
Commodities	96,754	94,454	94,132	322
Capital outlay	-	5,300	5,300	-
Total expenditures	<u>424,659</u>	<u>424,659</u>	<u>411,988</u>	<u>12,671</u>
Revenues (under) expenditures	<u>(56,533)</u>	<u>(56,533)</u>	<u>(59,648)</u>	<u>(3,115)</u>
Net change in fund balances	(56,533)	(56,533)	(59,648)	(3,115)
Fund balances, beginning of year	<u>56,533</u>	<u>56,533</u>	<u>88,355</u>	<u>31,822</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,707</u>	<u>\$ 28,707</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Solid Waste**  
**For the year ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues</b>				
Charges for services	\$ 751,359	\$ 751,359	\$ 914,673	\$ 163,314
Licenses and permits	72,702	72,702	92,863	20,161
Reimbursed expenditures	666	666	-	(666)
Other	5	5	14,669	14,664
Total revenues	<u>824,732</u>	<u>824,732</u>	<u>1,022,205</u>	<u>197,473</u>
<b>Expenditures</b>				
Current:				
Personnel services	606,704	606,704	569,545	37,159
Contractual services	979,003	864,590	304,681	559,909
Commodities	14,200	42,372	40,734	1,638
Capital outlay	-	6,636	6,436	200
Total expenditures	<u>1,599,907</u>	<u>1,520,302</u>	<u>921,396</u>	<u>598,906</u>
Revenues over (under) expenditures	<u>(775,175)</u>	<u>(695,570)</u>	<u>100,809</u>	<u>796,379</u>
<b>Other financing (uses)</b>				
Transfers to other funds	-	(79,605)	(79,605)	-
Total other financing (uses)	<u>-</u>	<u>(79,605)</u>	<u>(79,605)</u>	<u>-</u>
Net change in fund balances	(775,175)	(775,175)	21,204	796,379
Fund balances, beginning of year	<u>775,175</u>	<u>775,175</u>	<u>930,439</u>	<u>155,264</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 951,643</u>	<u>\$ 951,643</u>



# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

Special Revenue Fund: Special Parks and Recreation  
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 63,180	\$ 63,180	\$ 58,946	\$ (4,234)
Other	-	-	15,454	15,454
Total revenues	<u>63,180</u>	<u>63,180</u>	<u>74,400</u>	<u>11,220</u>
<b>Expenditures</b>				
Current:				
Personnel services	552	5,517	5,515	2
Contractual services	33,932	33,932	30,206	3,726
Commodities	53,075	30,558	24,267	6,291
Capital outlay	-	584	522	62
Total expenditures	<u>87,559</u>	<u>70,591</u>	<u>60,510</u>	<u>10,081</u>
Revenues over (under) expenditures	<u>(24,379)</u>	<u>(7,411)</u>	<u>13,890</u>	<u>21,301</u>
<b>Other financing (uses)</b>				
Transfers to other funds	-	(16,968)	(16,968)	-
Total other financing (uses)	<u>-</u>	<u>(16,968)</u>	<u>(16,968)</u>	<u>-</u>
Net change in fund balances	<u>(24,379)</u>	<u>(24,379)</u>	<u>(3,078)</u>	<u>21,301</u>
Fund balances, beginning of year	<u>24,379</u>	<u>24,379</u>	<u>16,621</u>	<u>(7,758)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,543</u>	<u>\$ 13,543</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Emergency Telephone Services**  
**For the year ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 2,542,884	\$ 2,542,884	\$ 2,297,370	\$ (245,514)
Uses of money and property	-	-	38,268	38,268
Reimbursed expenditures	-	-	180	180
Other	-	-	1,524	1,524
Total revenues	<u>2,542,884</u>	<u>2,542,884</u>	<u>2,337,342</u>	<u>(205,542)</u>
<b>Expenditures</b>				
Current:				
Contractual services	1,147,200	796,038	796,038	-
Commodities	480,500	55,021	26,845	28,176
Capital outlay	389,778	531,969	403,040	128,929
Total expenditures	<u>2,017,478</u>	<u>1,383,028</u>	<u>1,225,923</u>	<u>157,105</u>
Revenues over expenditures	<u>525,406</u>	<u>1,159,856</u>	<u>1,111,419</u>	<u>(48,437)</u>
<b>Other financing (uses)</b>				
Transfers to other funds	(750,000)	(1,384,450)	(1,271,142)	113,308
Total other financing (uses)	<u>(750,000)</u>	<u>(1,384,450)</u>	<u>(1,271,142)</u>	<u>113,308</u>
Net change in fund balances	(224,594)	(224,594)	(159,723)	64,871
Fund balances, beginning of year	<u>224,594</u>	<u>224,594</u>	<u>688,957</u>	<u>464,363</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 529,234</u>	<u>\$ 529,234</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

Special Revenue Fund: Special Alcohol and Drug Programs  
For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 83,820	\$ 83,820	\$ 76,114	\$ (7,706)
Total revenues	<u>83,820</u>	<u>83,820</u>	<u>76,114</u>	<u>(7,706)</u>
<b>Expenditures</b>				
Current:				
Contractual services	15,594	15,844	15,800	44
Total expenditures	<u>15,594</u>	<u>15,844</u>	<u>15,800</u>	<u>44</u>
Revenues over expenditures	<u>68,226</u>	<u>67,976</u>	<u>60,314</u>	<u>(7,662)</u>
<b>Other financing (uses)</b>				
Transfers to other funds	(68,226)	(67,976)	(67,976)	-
Total other financing (uses)	<u>(68,226)</u>	<u>(67,976)</u>	<u>(67,976)</u>	<u>-</u>
Net change in fund balances	-	-	(7,662)	(7,662)
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>35,851</u>	<u>35,851</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,189</u>	<u>\$ 28,189</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

**Special Revenue Fund: Convention Tourism Visitors Promotion  
For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current:	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	1,074	1,074
Fund balances, end of year	\$ -	\$ -	\$ 1,074	\$ 1,074

# SEDGWICK COUNTY, KANSAS

## Statement of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

Special Revenue Fund: Community Health  
For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues</b>				
Other	\$ -	\$ -	\$ 6,217	\$ 6,217
Total revenues	-	-	6,217	6,217
<b>Expenditures</b>				
Current:				
Personnel services	-	-	-	-
Contractual services	-	-	-	-
Commodities	-	-	-	-
Capital expenditures	-	-	-	-
Total expenditures	-	-	-	-
Revenues over expenditures	-	-	6,217	6,217
<b>Other financing (uses)</b>				
Transfers to other funds	(998,567)	(998,567)	(997,894)	673
Total other financing (uses)	(998,567)	(998,567)	(997,894)	673
Net change in fund balances	(998,567)	(998,567)	(991,677)	6,890
Fund balances, beginning of year	998,567	998,567	991,677	(6,890)
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

Special Revenue Fund: Fire District Operating  
For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 12,336,244	\$ 12,336,244	\$ 12,628,405	\$ 292,161
Intergovernmental	-	-	13,292	13,292
Charges for services	107,392	107,392	204,412	97,020
Uses of money and property	-	-	133,609	133,609
Licenses and permits	17,443	17,443	5,815	(11,628)
Reimbursed expenditures	951	951	26	(925)
Other	8,447	8,447	5,191	(3,256)
Total revenues	<u>12,470,477</u>	<u>12,470,477</u>	<u>12,990,750</u>	<u>520,273</u>
<b>Expenditures</b>				
Current:				
Personnel services	9,786,743	9,774,243	9,545,611	228,632
Contractual services	2,403,168	1,416,956	803,345	613,611
Commodities	309,767	418,237	360,011	58,226
Capital outlay	193,132	391,614	391,569	45
Debt service:				
Principal	128,097	128,097	128,097	-
Interest	43,835	127,033	38,300	88,733
Total expenditures	<u>12,864,742</u>	<u>12,256,180</u>	<u>11,266,933</u>	<u>989,247</u>
Revenues over (under) expenditures	<u>(394,265)</u>	<u>214,297</u>	<u>1,723,817</u>	<u>1,509,520</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	11,177	11,177
Transfers to other funds	-	(608,562)	(608,562)	-
Total other financing sources (uses)	<u>-</u>	<u>(608,562)</u>	<u>(597,385)</u>	<u>11,177</u>
Net change in fund balances	(394,265)	(394,265)	1,126,432	1,520,697
Fund balances, beginning of year	<u>394,265</u>	<u>394,265</u>	<u>1,950,985</u>	<u>1,556,720</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,077,417</u>	<u>\$ 3,077,417</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

Debt Service Fund: County Bond and Interest  
For the year ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues</b>				
Taxes	\$ 12,503,793	\$ 12,503,793	\$ 12,361,569	\$ (142,224)
Charges for services	79,772	79,772	81,667	1,895
Uses of money and property	59,218	59,218	42,183	(17,035)
Reimbursed expenditures	1,138	1,138	-	(1,138)
Other	55,125	55,125	-	(55,125)
Total revenues	<u>12,699,046</u>	<u>12,699,046</u>	<u>12,485,419</u>	<u>(213,627)</u>
<b>Expenditures</b>				
Current:				
Contractual services	-	3,486	3,486	-
Debt service:				
Principal	10,148,669	10,148,669	10,148,669	-
Interest and fiscal charges	5,169,201	5,165,715	4,351,011	814,704
Total expenditures	<u>15,317,870</u>	<u>15,317,870</u>	<u>14,503,166</u>	<u>814,704</u>
Revenues (under) expenditures	<u>(2,618,824)</u>	<u>(2,618,824)</u>	<u>(2,017,747)</u>	<u>601,077</u>
<b>Other financing sources</b>				
Transfers from other funds	2,347,566	2,347,566	2,581,813	234,247
Total other financing sources	<u>2,347,566</u>	<u>2,347,566</u>	<u>2,581,813</u>	<u>234,247</u>
Net change in fund balances	(271,258)	(271,258)	564,066	835,324
Fund balances, beginning of year	<u>271,258</u>	<u>271,258</u>	<u>560,506</u>	<u>289,248</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,124,572</u>	<u>\$ 1,124,572</u>

# SEDGWICK COUNTY, KANSAS

## Schedule of Budgetary Accounts Budget and Actual - Budgetary Basis (Non-GAAP)

Debt Service Fund: Fire District Bond and Interest  
For the year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 6,510	\$ 6,510
Total revenues	-	-	6,510	6,510
Revenues over expenditures	-	-	6,510	6,510
Net change in fund balances	-	-	6,510	6,510
Fund balances, beginning of year	-	-	17,756	17,756
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,266</u>	<u>\$ 24,266</u>



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# ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The fund measurement focus is based upon determination of net income, financial position and changes in financial position. Sedgwick County reports a single Enterprise Fund and additional information is presented in this section regarding the subfunds.

## Coliseum/Arena Fund

Kansas Coliseum Subfund  
Downtown Arena Subfund

# SEDGWICK COUNTY, KANSAS

## Combining Schedule of Net Assets Coliseum/Arena Fund December 31, 2005

	Kansas Coliseum Subfund	Downtown Arena Subfund	Totals - Coliseum/Arena Fund
<b>Assets</b>			
Current assets:			
Cash, including investments	\$ 499,105	\$ -	\$ 499,105
Accounts receivable, net	1,000	-	1,000
Total current assets	<u>500,105</u>	<u>-</u>	<u>500,105</u>
Restricted assets:			
Cash, including investments	-	22,723,005	22,723,005
Sales tax receivable	-	14,145,996	14,145,996
Total restricted assets	<u>-</u>	<u>36,869,001</u>	<u>36,869,001</u>
Noncurrent assets:			
Capital assets:			
Land	1,514,844	-	1,514,844
Buildings and improvements	14,649,502	-	14,649,502
Machinery and equipment	941,413	-	941,413
Construction in progress	-	2,149,505	2,149,505
Less accumulated depreciation	(10,092,215)	-	(10,092,215)
Total capital assets (net of accumulated depreciation)	<u>7,013,544</u>	<u>2,149,505</u>	<u>9,163,049</u>
Total assets	<u>\$ 7,513,649</u>	<u>\$ 39,018,506</u>	<u>\$ 46,532,155</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 12,863	\$ -	\$ 12,863
Unearned revenue	267,132	-	267,132
Total liabilities	<u>279,995</u>	<u>-</u>	<u>279,995</u>
<b>Net Assets</b>			
Invested in capital assets	7,013,544	2,149,505	9,163,049
Restricted for capital projects	-	36,869,001	36,869,001
Unrestricted	220,110	-	220,110
Total net assets	<u>7,233,654</u>	<u>39,018,506</u>	<u>46,252,160</u>
Total liabilities and net assets	<u>\$ 7,513,649</u>	<u>\$ 39,018,506</u>	<u>\$ 46,532,155</u>

# SEDGWICK COUNTY, KANSAS

## Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets Coliseum/Arena Fund For the Year Ended December 31, 2005

	Kansas Coliseum Subfund	Downtown Arena Subfund	Totals - Coliseum/Arena Fund
<b>Operating revenues</b>			
Charges for services	\$ 2,130,845	\$ -	\$ 2,130,845
Other revenue	1,778	-	1,778
Total operating revenues	<u>2,132,623</u>	<u>-</u>	<u>2,132,623</u>
<b>Operating expenses</b>			
Salaries and benefits	1,530,959	-	1,530,959
Contractual services	311,641	-	311,641
Utilities	438,302	-	438,302
Administrative charges	201,250	-	201,250
Depreciation expense	271,517	-	271,517
Other expenses	228,120	-	228,120
Total operating expenses	<u>2,981,789</u>	<u>-</u>	<u>2,981,789</u>
Operating (loss)	<u>(849,166)</u>	<u>-</u>	<u>(849,166)</u>
<b>Nonoperating revenues</b>			
Local sales tax	-	39,018,506	39,018,506
Total nonoperating revenues	<u>-</u>	<u>39,018,506</u>	<u>39,018,506</u>
Income (loss) before transfers	(849,166)	39,018,506	38,169,340
<b>Transfers</b>			
Transfers from other funds	509,149	-	509,149
Transfers to other funds	<u>-</u>	<u>(1,330,305)</u>	<u>(1,330,305)</u>
Change in net assets	(340,017)	37,688,201	37,348,184
Total net assets, beginning of year	<u>7,573,671</u>	<u>1,330,305</u>	<u>8,903,976</u>
Total net assets, end of year	<u>\$ 7,233,654</u>	<u>\$ 39,018,506</u>	<u>\$ 46,252,160</u>

# INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing and administration of general services provided to various departments of the County.

Fleet Management - provides and maintains vehicles and equipment for County departments.

Health/Dental/Life Insurance Reserve - provides for the payment of claims, judgments and expenses for health care and dental services.

Workers' Compensation Reserve - provides for the payment of workers' compensation claims and related costs.

Risk Management Reserve - provides the County reimbursement for insurable losses not otherwise insured.

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# SEDGWICK COUNTY, KANSAS

## Combining Balance Sheet Internal Service Funds December 31, 2005

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
<b>Assets</b>			
Current assets:			
Cash, including investments	\$ 6,340,420	\$ 1,642,197	\$ 1,922,342
Inventories, at cost	373,567	-	-
Total current assets	<u>6,713,987</u>	<u>1,642,197</u>	<u>1,922,342</u>
Noncurrent assets:			
Capital assets:			
Buildings and improvements	8,303,571	-	-
Machinery and equipment	17,918,429	-	-
Less: accumulated depreciation	<u>(6,949,340)</u>	<u>-</u>	<u>-</u>
Total capital assets - net of accumulated depreciation	<u>19,272,660</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 25,986,647</u></u>	<u><u>\$ 1,642,197</u></u>	<u><u>\$ 1,922,342</u></u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 217,874	\$ 313,242	\$ 11,936
Estimated claims costs payable	<u>-</u>	<u>729,158</u>	<u>977,524</u>
Total current liabilities	<u>217,874</u>	<u>1,042,400</u>	<u>989,460</u>
Noncurrent liabilities:			
Estimated claims costs payable	<u>-</u>	<u>-</u>	<u>22,813</u>
Total liabilities	<u><u>217,874</u></u>	<u><u>1,042,400</u></u>	<u><u>1,012,273</u></u>
<b>Net Assets</b>			
Invested in capital assets	19,272,660	-	-
Unrestricted	<u>6,496,113</u>	<u>599,797</u>	<u>910,069</u>
Total net assets	<u><u>25,768,773</u></u>	<u><u>599,797</u></u>	<u><u>910,069</u></u>
Total liabilities and net assets	<u><u>\$ 25,986,647</u></u>	<u><u>\$ 1,642,197</u></u>	<u><u>\$ 1,922,342</u></u>

Risk Management Reserve	Totals
\$ 1,873,555	\$ 11,778,514
-	373,567
<u>1,873,555</u>	<u>12,152,081</u>
-	8,303,571
-	17,918,429
-	<u>(6,949,340)</u>
-	19,272,660
<u>\$ 1,873,555</u>	<u>\$ 31,424,741</u>
\$ 12,063	\$ 555,115
-	1,706,682
<u>12,063</u>	<u>2,261,797</u>
-	22,813
<u>12,063</u>	<u>2,284,610</u>
-	19,272,660
1,861,492	9,867,471
<u>1,861,492</u>	<u>29,140,131</u>
<u>\$ 1,873,555</u>	<u>\$ 31,424,741</u>



# SEDGWICK COUNTY, KANSAS

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Internal Service Funds For the Year Ended December 31, 2005

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
<b>Operating revenues</b>			
Charges for services	\$ 6,265,515	\$ 21,066,024	\$ 1,672,408
Reimbursements	3,525	-	50,756
Other revenue	2,972	-	3,456
Total operating revenues	<u>6,272,012</u>	<u>21,066,024</u>	<u>1,726,620</u>
<b>Operating expenses</b>			
Salaries and benefits	1,110,873	80,526	178,237
Contractual services	264,610	167,926	7,395
Utilities	74,145	-	-
Supplies and fuel	2,278,073	-	-
Administrative charges	94,247	-	-
Depreciation	1,879,711	-	-
Claims expense	-	22,263,747	982,098
Other expenses	1,178	-	723
Total operating expenses	<u>5,702,837</u>	<u>22,512,199</u>	<u>1,168,453</u>
Operating income (loss)	<u>569,175</u>	<u>(1,446,175)</u>	<u>558,167</u>
<b>Nonoperating revenues</b>			
Investment income	-	36,804	48,823
Proceeds from disposal of assets	520,204	-	-
Total nonoperating revenues	<u>520,204</u>	<u>36,804</u>	<u>48,823</u>
Income (loss) before transfers	1,089,379	(1,409,371)	606,990
<b>Transfers</b>			
Transfers from other funds	<u>77,485</u>	<u>500,000</u>	<u>-</u>
Change in net assets	1,166,864	(909,371)	606,990
Total net assets, beginning of year	<u>24,601,909</u>	<u>1,509,168</u>	<u>303,079</u>
Total net assets, end of year	<u>\$ 25,768,773</u>	<u>\$ 599,797</u>	<u>\$ 910,069</u>

Risk Management Reserve	Totals
\$ -	\$ 29,003,947
143,190	197,471
-	6,428
<u>143,190</u>	<u>29,207,846</u>
181,933	1,551,569
466,184	906,115
-	74,145
-	2,278,073
-	94,247
-	1,879,711
92,065	23,337,910
12,399	14,300
<u>752,581</u>	<u>30,136,070</u>
<u>(609,391)</u>	<u>(928,224)</u>
34,822	120,449
-	520,204
<u>34,822</u>	<u>640,653</u>
(574,569)	(287,571)
<u>572,150</u>	<u>1,149,635</u>
(2,419)	862,064
<u>1,863,911</u>	<u>28,278,067</u>
<u>\$ 1,861,492</u>	<u>\$ 29,140,131</u>

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Cash Flows Internal Service Funds For the year ended December 31, 2005

	Fleet Management	Health/Dental/ Life Insurance Reserve	Workers' Compensation Reserve
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 6,265,515	\$ 21,066,024	\$ 1,672,408
Other operating revenues	6,497	-	54,212
Payments to suppliers for goods and services	(2,591,945)	(22,375,390)	(1,570,715)
Payments to employees for services	(1,110,873)	(80,526)	(178,237)
Net cash provided by (used in) operating activities	<u>2,569,194</u>	<u>(1,389,892)</u>	<u>(22,332)</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers from other funds	<u>77,485</u>	<u>500,000</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>77,485</u>	<u>500,000</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds on disposal of capital assets	520,204	-	-
Purchases of capital assets	<u>(1,698,936)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>(1,178,732)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest on investments	<u>-</u>	<u>36,804</u>	<u>48,823</u>
Net cash provided by investing activities	<u>-</u>	<u>36,804</u>	<u>48,823</u>
Net increase (decrease) in cash and cash equivalents	1,467,947	(853,088)	26,491
Cash and cash equivalents, beginning of year	<u>4,872,473</u>	<u>2,495,285</u>	<u>1,895,851</u>
Cash and cash equivalents, end of year	<u>\$ 6,340,420</u>	<u>\$ 1,642,197</u>	<u>\$ 1,922,342</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	<u>\$ 569,175</u>	<u>\$ (1,446,175)</u>	<u>\$ 558,167</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	1,879,711	-	-
(Increase) in inventories	(72,125)	-	-
Increase (decrease) in accounts payable	192,433	(42,051)	8,444
Increase (decrease) in estimated claims payable	-	98,334	(588,943)
Total adjustments	<u>2,000,019</u>	<u>56,283</u>	<u>(580,499)</u>
Net cash provided by (used in) operating activities	<u>\$ 2,569,194</u>	<u>\$ (1,389,892)</u>	<u>\$ (22,332)</u>

Risk Management Reserve	Totals
\$ -	\$ 29,003,947
143,190	203,899
(570,648)	(27,108,698)
(179,650)	(1,549,286)
<u>(607,108)</u>	<u>549,862</u>
572,150	1,149,635
<u>572,150</u>	<u>1,149,635</u>
-	520,204
<u>-</u>	<u>(1,698,936)</u>
-	(1,178,732)
<u>34,822</u>	<u>120,449</u>
<u>34,822</u>	<u>120,449</u>
(136)	641,214
<u>1,873,691</u>	<u>11,137,300</u>
<u>\$ 1,873,555</u>	<u>\$ 11,778,514</u>
<u>\$ (609,391)</u>	<u>\$ (928,224)</u>
-	1,879,711
-	(72,125)
2,283	161,109
-	(490,609)
<u>2,283</u>	<u>1,478,086</u>
<u>\$ (607,108)</u>	<u>\$ 549,862</u>

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# AGENCY FUNDS

Agency Funds account for resources received and held by the County as agent which are to be expended as directed by the party for which the County is acting as agent.

Tax Collection/Distribution Accounts  
Clearing/Other Fee Collections

# SEDGWICK COUNTY, KANSAS

## Combining Statement of Changes in Assets and Liabilities All Agency Funds For the Year Ended December 31, 2005

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>Assets</b>				
Cash	\$ 242,954,211	\$ 971,415,850	\$ (956,923,803)	\$ 257,446,258
Accounts receivable	685	1,182	(1,103)	764
Property tax levied	198,059,169	452,613,594	(444,225,594)	206,447,169
Total assets	<u>\$ 441,014,065</u>	<u>\$ 1,424,030,626</u>	<u>\$(1,401,150,500)</u>	<u>\$ 463,894,191</u>
<b>Liabilities</b>				
Accrued liabilities	\$ 4,992,859	\$ 224,648,845	\$ (222,737,635)	\$ 6,904,069
Due to other governmental units	436,021,206	1,199,381,781	(1,178,412,865)	456,990,122
Total liabilities	<u>\$ 441,014,065</u>	<u>\$ 1,424,030,626</u>	<u>\$(1,401,150,500)</u>	<u>\$ 463,894,191</u>
<b><u>TAX COLLECTION AND DISTRIBUTION ACCOUNTS</u></b>				
<b>Assets</b>				
Cash	\$ 237,962,037	\$ 746,768,187	\$ (734,187,271)	\$ 250,542,953
Property tax levied	198,059,169	452,613,594	(444,225,594)	206,447,169
Total assets	<u>\$ 436,021,206</u>	<u>\$ 1,199,381,781</u>	<u>\$(1,178,412,865)</u>	<u>\$ 456,990,122</u>
<b>Liabilities</b>				
Due to other governmental units	\$ 436,021,206	\$ 1,199,381,781	\$(1,178,412,865)	\$ 456,990,122
Total liabilities	<u>\$ 436,021,206</u>	<u>\$ 1,199,381,781</u>	<u>\$(1,178,412,865)</u>	<u>\$ 456,990,122</u>
<b><u>CLEARING/OTHER FEE COLLECTIONS</u></b>				
<b>Assets</b>				
Cash	\$ 4,992,174	\$ 224,647,663	\$ (222,736,532)	\$ 6,903,305
Accounts receivable	685	1,182	(1,103)	764
Total assets	<u>\$ 4,992,859</u>	<u>\$ 224,648,845</u>	<u>\$ (222,737,635)</u>	<u>\$ 6,904,069</u>
<b>Liabilities</b>				
Accrued liabilities	\$ 4,992,859	\$ 224,648,845	\$ (222,737,635)	\$ 6,904,069
Total liabilities	<u>\$ 4,992,859</u>	<u>\$ 224,648,845</u>	<u>\$ (222,737,635)</u>	<u>\$ 6,904,069</u>

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# COMPONENT UNIT

The Sedgwick County Public Building Commission (SCPBC) is reported as a discretely presented component unit within the financial statements of Sedgwick County (the reporting entity) to emphasize its separate legal status. The SCPBC acquires and finances buildings or facilities for Sedgwick County or other local agencies.

# **SEDGWICK COUNTY, KANSAS**

## **Statement of Cash Flows** **Component Unit - Sedgwick County Public Building Commission** **For the Year Ended December 31, 2005**

### **Cash flows from capital and related financing activities:**

Received on direct financing lease	\$ 3,149,682
Debt service - principal	(1,820,000)
Debt service - interest expense	<u>(1,398,068)</u>
Net cash used in capital and related financing activities	<u>(68,386)</u>
Net decrease in cash and cash equivalents	(68,386)
Cash and cash equivalents - beginning of the year	<u>68,386</u>
Cash and cash equivalents - end of the year	<u>\$ -</u>

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# STATISTICAL SECTION

The statistical section includes schedules showing ten-year financial trends as extracted from current and prior years' financial reports and other supplemental information relevant to the County. The statistical schedules reflect social and economic data, financial trends and the fiscal capacity of the County.

# SEDGWICK COUNTY, KANSAS

## STATISTICAL SECTION

<u>Title</u>	<u>Page</u>
General Government Expenditures by Function	G - 1
General Government Revenues by Source	G - 2
General Property Tax Levies and Collections	G - 3
Assessed and Estimated Actual Values of Taxable Tangible Property	G - 4
Property Taxation Rate Averages by Jurisdiction Type	G - 5
Special Assessment Collections	G - 6
Net General Bonded Debt, Percentage of Assessed Value and Per Capita	G - 6
Computation of Legal Debt Margin	G - 7
General Obligation Debt Service Expenditures as a Percentage of Total General Expenditures	G - 7
Direct, Underlying, and Overlapping Debt Ratios	G - 8
Ten Largest Taxpayers Ranked by Ad Valorem Taxes Levied	G - 8
Demographic Statistics	G - 9
Bank Deposits, Real Property Value, and Construction	G - 9
Major Industries and Employers	G - 10
Civilian Labor Force	G - 10
Retail Sales and Sales Taxes	G - 11
Economic Development Revenue Bonds	G - 11,12

# SEDGWICK COUNTY, KANSAS

## GENERAL GOVERNMENT EXPENDITURES BY FUNCTION Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Health and Welfare	Culture and Recreation
1996	\$ 41,418,791	\$ 53,747,733	\$ 9,812,009	\$ 29,127,821	\$ 4,279,591
1997	33,436,512	56,311,923	9,893,522	30,697,092	4,381,336
1998	35,097,301	60,956,917	9,645,515	31,609,104	4,340,148
1999	38,511,565	67,227,646	10,057,486	32,955,409	4,745,708
2000	43,983,447	74,948,197	21,675,325	36,001,900	5,661,334
2001	49,471,868	81,466,373	24,720,767	46,775,485	5,838,713
2002	45,918,343	78,953,236	12,488,556	55,495,774	6,201,912
2003	45,966,182	84,507,118	13,001,534	59,891,538	5,702,682
2004	44,615,992	88,796,476	14,084,378	63,980,325	5,575,072
2005	46,242,408	92,932,268	11,337,976	63,109,315	6,235,483

Fiscal Year	Economic Development	Debt Service	Capital Outlay	Total
1996	\$ 8,271,351	\$ 16,407,379	\$ 38,523,455	\$201,588,130
1997	9,520,966	15,739,884	46,441,377	206,422,612
1998	9,411,840	18,293,884	67,320,221	236,674,930
1999	9,537,892	19,709,052	37,588,597	220,333,355
2000	10,836,836	20,025,571	3,876,939	217,009,549
2001	10,789,685	16,851,873	5,352,503	241,267,267
2002	11,920,583	34,692,571	24,105,644	269,776,619
2003	13,162,142	16,459,113	38,748,611	277,438,920
2004	14,453,010	18,702,992	35,003,587	285,211,832
2005	12,238,953	17,839,967	27,452,820	277,389,190

Note: All Governmental Funds are reported for 1996-2005, including Expendable Trust Funds for 1996-2001.

# SEDGWICK COUNTY, KANSAS

## GENERAL GOVERNMENT REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year	Taxes (Including Special Assessments)	Licenses and Permits	Inter- governmental	Charges for Services
1996	\$ 102,915,073	\$ 123,511	\$ 35,516,824	\$ 23,415,882
1997	108,275,491	151,093	40,391,433	20,363,297
1998	120,142,185	144,750	39,491,345	25,864,346
1999	121,895,833	123,183	45,396,423	24,321,459
2000	126,793,480	143,225	44,094,165	28,582,503
2001	129,570,328	186,293	45,762,159	37,817,292
2002	132,149,399	283,119	50,265,923	48,139,448
2003	136,566,224	596,606	42,073,063	59,851,539
2004	147,121,575	450,997	52,316,985	62,864,042
2005	153,007,900	604,085	47,533,006	63,965,911

Fiscal Year	Fines and Forfeitures	Uses of Money and Property and Other <sup>1</sup>	Total
1996	\$ 213,968	\$ 15,561,507	\$ 177,746,765
1997	173,958	14,342,395	183,697,667
1998	309,907	15,677,477	201,630,010
1999	404,553	15,316,313	207,457,764
2000	498,445	17,396,353	217,508,171
2001	547,415	16,873,702	230,757,189
2002	426,301	14,876,951	246,141,141
2003	283,330	10,719,777	250,090,539
2004	175,385	12,283,679	275,212,663
2005	179,667	13,270,924	278,561,493

<sup>1</sup> Beginning in 1995, reimbursed expenses are included in this figure.

Note: All Governmental Funds are reported, including Expendable Trust Funds for 1996-2001.

# SEDGWICK COUNTY, KANSAS

## GENERAL PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

### SEDGWICK COUNTY PRIMARY GOVERNMENT

Tax Year <sup>1</sup>	Adjusted Tax Levy	Current Collected <sup>2</sup>	% of Levy Collected	Delinquent Collected <sup>3</sup>	Total Collected	% of Total Tax Collected To Tax Levy
1995	\$59,535,266	\$ 58,172,187	97.71%	\$ 1,206,340	\$ 59,378,527	99.74%
1996	61,563,045	60,178,793	97.75%	1,208,491	61,387,284	99.71%
1997	70,163,449	68,619,982	97.80%	995,669	69,615,651	99.22%
1998	72,577,032	70,999,015	97.83%	1,249,239	72,248,254	99.55%
1999	75,097,430	72,924,106	97.11%	1,269,685	74,193,791	98.80%
2000	79,369,047	77,184,854	97.25%	1,042,912	78,227,766	98.56%
2001	84,519,780	81,564,178	96.50%	1,606,396	83,170,574	98.40%
2002	87,635,391	84,773,787	96.73%	1,830,410	86,604,197	98.82%
2003	94,080,703	91,068,224	96.80%	1,973,979	93,042,203	98.90%
2004	97,748,335	94,695,003	96.88%	2,050,618	96,745,621	98.97%

### SEDGWICK COUNTY FIRE DISTRICT #1

Tax Year <sup>1</sup>	Adjusted Tax Levy	Current Collected <sup>2</sup>	% of Levy Collected	Delinquent Collected <sup>3</sup>	Total Collected	% of Total Tax Collected To Tax Levy
1995	\$ 6,246,603	\$ 6,135,719	98.22%	\$ 107,923	\$ 6,243,642	99.95%
1996	6,368,913	6,254,297	98.20%	105,070	6,359,367	99.85%
1997	7,068,928	6,957,443	98.42%	76,446	7,033,889	99.50%
1998	8,002,786	7,877,417	98.43%	83,060	7,960,477	99.47%
1999	8,237,315	8,041,212	97.62%	107,066	8,148,278	98.92%
2000	7,992,831	7,831,508	97.98%	107,278	7,938,786	99.32%
2001	8,084,884	7,854,202	97.15%	125,065	7,979,267	98.69%
2002	8,228,256	8,028,002	97.57%	161,558	8,189,560	99.53%
2003	9,693,160	9,423,315	97.22%	161,464	9,584,779	98.88%
2004	11,346,064	11,091,213	97.75%	163,719	11,254,932	99.20%

<sup>1</sup> Taxes levied support the subsequent year's budget, e.g., 2004 taxes financed 2005 spending.

<sup>2</sup> Net of refunding warrants.

<sup>3</sup> Excludes interest penalties.

Source: Sedgwick County Treasurer



# SEDGWICK COUNTY, KANSAS

## ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE TANGIBLE PROPERTY Including Motor Vehicles, Last Ten Fiscal Years

### SEDGWICK COUNTY PRIMARY GOVERNMENT (Dollars in Thousands)

	Real Property		Personal Property		Total <sup>1</sup>		
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed/ Actual Ratio
1996	\$ 1,652,625	\$ 11,621,354	\$ 949,774	\$ 2,943,377	\$ 2,602,399	\$ 14,564,731	17.87%
1997	1,763,539	12,345,401	983,593	3,174,446	2,747,131	15,519,847	17.70%
1998	1,854,181	13,025,389	1,017,210	4,167,792	2,871,392	17,193,182	16.70%
1999	2,000,772	14,128,911	1,024,492	4,222,712	3,025,264	18,351,623	16.48%
2000	2,173,066	15,262,596	1,051,832	4,260,450	3,224,898	19,523,047	16.52%
2001	2,324,187	16,310,311	1,056,770	4,533,394	3,380,957	20,843,705	16.22%
2002	2,464,039	17,192,910	1,046,810	4,536,948	3,510,849	21,729,858	16.16%
2003	2,704,995	18,788,455	1,072,064	4,598,427	3,777,059	23,386,882	16.15%
2004	2,831,621	19,723,089	1,088,563	4,710,991	3,920,184	24,434,080	16.04%
2005	2,994,083	19,727,010	1,114,926	4,813,199	4,109,009	24,540,209	16.74%

### SEDGWICK COUNTY FIRE DISTRICT #1 (Dollars in Thousands)

	Real Property		Personal Property		Total <sup>1</sup>		
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed/ Actual Ratio
1996	\$ 282,403	\$ 2,078,153	\$ 331,795	\$ 931,528	\$ 614,198	\$ 3,009,681	20.41%
1997	320,983	2,299,499	278,683	1,114,097	599,665	3,413,596	17.57%
1998	327,589	2,365,714	288,849	1,175,221	616,438	3,540,935	17.41%
1999	340,366	2,466,254	286,725	1,168,354	627,091	3,634,607	17.25%
2000	479,704	3,561,126	286,662	1,222,230	766,366	4,783,356	16.02%
2001	538,057	3,988,844	287,581	1,230,188	825,638	5,219,033	15.82%
2002	380,539	2,657,619	228,639	1,093,361	609,178	3,750,980	16.24%
2003	429,885	2,971,327	226,211	958,559	656,096	3,929,886	16.70%
2004	452,974	3,172,813	234,002	989,026	686,976	4,161,839	16.51%
2005	475,972	3,359,937	251,072	1,058,181	727,044	4,418,118	16.46%

<sup>1</sup> Represents the equalized valuation of tangible property, including motor vehicles.

Source: Sedgwick County Clerk

# SEDGWICK COUNTY, KANSAS

## PROPERTY TAXATION RATE AVERAGES BY JURISDICTION TYPE Last Ten Fiscal Years

### MILL LEVIES

Year	State	County	Fire District	Cities Average	Townships Average	Schools Average
1996	1.500	28.061	14.026	31.620	4.658	53.104
1997	1.500	30.196	14.011	31.502	4.244	46.539
1998	1.500	29.638	14.951	31.457	5.101	37.412
1999	1.500	28.699	15.978	31.497	5.082	37.389
2000	1.500	28.600	15.426	31.573	4.890	38.906
2001	1.500	28.654	15.373	31.880	4.627	55.197
2002	1.500	28.776	15.407	32.985	4.950	52.798
2003	1.500	28.817	16.695	32.544	4.549	51.558
2004	1.500	28.763	18.579	32.581	4.766	51.861
2005	1.500	28.758	18.556	32.701	4.908	51.790

Year	Misc. Dist. Average	Rural Average Rate	Urban Average Rate	County Average Rate
1996	1.090	105.043	111.112	110.060
1997	1.109	102.127	105.107	104.568
1998	1.191	94.985	100.607	99.546
1999	1.037	97.839	100.730	100.230
2000	1.131	103.730	109.296	108.423
2001	1.465	105.045	116.702	114.949
2002	1.536	105.407	114.636	113.331
2003	1.500	103.861	114.063	112.620
2004	1.536	107.035	114.316	113.293
2005	1.528	106.884	114.899	113.787

Source: Sedgwick County Clerk

# SEDGWICK COUNTY, KANSAS

## SPECIAL ASSESSMENT COLLECTIONS Last Ten Fiscal Years

Tax Year <sup>1</sup>	Adjusted Levy	Current Collected	Percent Collected	Delinquent Collected	Total Collected	% of Total Collected to Current Assessments
1995	\$ 3,662,489	\$ 3,402,044	92.89%	\$ 522,365	\$ 3,924,409	107.15%
1996	3,780,444	3,511,593	92.89%	379,354	3,890,947	102.92%
1997	4,122,518	3,852,243	93.44%	109,653	3,961,896	96.10%
1998	4,089,077	3,883,626	94.98%	64,832	3,948,458	96.56%
1999	4,405,721	4,077,804	92.56%	295,947	4,373,751	99.27%
2000	4,621,593	4,157,930	89.97%	185,642	4,343,571	93.98%
2001	3,928,364	3,609,709	91.89%	309,560	3,919,269	99.77%
2002	3,943,121	3,619,024	91.78%	330,841	3,949,865	100.17%
2003	4,131,258	3,959,019	95.83%	509,983	4,469,002	108.18%
2004	3,802,031	3,634,326	95.59%	172,454	3,806,780	100.12%

<sup>1</sup> Assessments levied support the subsequent year's budget, e.g., 2004 assessments financed 2005 spending.

Source: Sedgwick County Treasurer

## NET GENERAL BONDED DEBT PERCENTAGE OF ASSESSED VALUE AND PER CAPITA Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value (thousands)	General Obligation Debt <sup>1</sup>	Debt Service Monies Available	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1996	428,633	\$ 2,602,399	\$ 57,684,458	\$ 2,624,364	\$ 55,060,094	2.12%	\$ 128.46
1997	432,779	2,747,131	74,773,197	2,930,272	71,842,925	2.62%	166.00
1998	438,679	2,871,392	98,585,000	2,841,520	95,743,480	3.33%	218.25
1999	448,050	3,025,264	94,613,459	3,762,449	90,851,010	3.00%	202.77
2000	452,869	3,224,898	83,820,000	4,280,340	79,539,660	2.47%	175.64
2001	456,351	3,380,957	84,819,300	7,195,893	77,623,407	2.30%	170.10
2002	460,643	3,510,849	106,655,000	5,677,358	100,977,642	2.88%	219.21
2003	462,896	3,777,059	138,115,000	4,105,465	134,009,535	3.55%	289.50
2004	463,802	3,920,184	124,295,000	560,506	123,734,494	3.16%	266.78
2005	463,802	4,109,009	126,880,000	1,124,572	125,755,428	3.06%	271.14

<sup>1</sup> Includes General Obligation and Public Building Commission debt, excludes Fire District #1, special assessment debt and KDOT Revolving Loan.

Sources: Population estimates for each year, except 2000. Actual population for 2000 is from the U.S. Census Bureau. 2005 estimates not yet available.

Assessed valuation numbers furnished by Sedgwick County Clerk and County Appraiser.

# SEDGWICK COUNTY, KANSAS

## COMPUTATION OF LEGAL DEBT MARGIN December 31, 2005

**Statutory debt capacity:**

Equalized assessed valuation of taxable tangible property	\$ 3,611,220,832
Estimated tangible valuation of motor vehicles	<u>497,788,127</u>
Estimated tangible valuation for computation of bonded indebtedness limitations	<u><u>\$ 4,109,008,959</u></u>

Debt limit (3% of total valuation) \$ 123,270,269

**Outstanding indebtedness:**

Total bonded indebtedness	<u>\$ 146,753,895</u>
Less deductions allowed by law:	
Road and bridge bonds	\$ 29,833,859
Special assessments	13,763,560
Facilities	1,000,000
Series A, 2002 Refunding Bonds	8,319,348
Public Building Commission revenue bonds	36,120,000
KDOT Revolving Loan	3,323,895
Balance available in Debt Service Fund	1,124,572
Total exempt issues	<u>93,485,234</u>

Legal debt applicable to debt limit 53,268,661  
**Legal debt margin** \$ 70,001,608

### GENERAL OBLIGATION DEBT SERVICE EXPENDITURES AS A PERCENTAGE OF TOTAL GENERAL EXPENDITURES Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service <sup>1</sup>	Total General Expenditures	%
1996	\$ 10,720,000	\$ 3,762,611	\$ 14,482,611	\$ 201,588,130	7.18%
1997	10,845,000	3,681,525	14,526,525	206,422,612	7.04%
1998	10,970,000	3,563,747	14,533,747	236,674,930	6.14%
1999	11,350,000	5,198,174	16,548,174	220,333,355	7.51%
2000	12,000,000	4,783,206	16,783,206	217,009,549	7.73%
2001	9,475,000	4,404,396	13,879,396	241,267,267	5.75%
2002	9,355,000	4,483,735	13,838,735	269,776,619	5.13%
2003	10,125,000	4,474,276	14,599,276	277,438,920	5.26%
2004	10,515,000	4,658,228	15,173,228	285,211,832	5.32%
2005	10,060,000	4,307,870	14,367,870	277,389,190	5.18%

<sup>1</sup> Includes debt service for General Obligation and special assessment bonded indebtedness, excludes Fire District #1, Public Building Commission and KDOT Revolving Loan.

Source: Sedgwick County Division of Finance.

# **SEDGWICK COUNTY, KANSAS**

## **DIRECT, UNDERLYING, AND OVERLAPPING DEBT RATIOS As of December 31, 2005**

	Total Assessed Valuation <sup>1</sup>	County Share of Bonded Debt <sup>2</sup>	Ratio of Debt to Assessed Valuation
Direct Debt Sedgwick County	<u>\$ 4,109,008,959</u>	<u>\$ 146,753,895</u>	<u>3.57%</u>
Underlying and Overlapping Debt			
Cities		610,342,967	14.85%
Public Building Commissions		18,325,876	0.45%
School Districts		402,493,353	9.80%
Temporary Notes		<u>75,715,000</u>	<u>1.84%</u>
Total Underlying and Overlapping Debt		<u>1,106,877,196</u>	<u>26.94%</u>
Total Direct, Underlying and Overlapping Debt		<u><u>\$ 1,253,631,091</u></u>	<u><u>30.51%</u></u>

<sup>1</sup> Assessed valuation supplied by Sedgwick County Clerk and County Appraiser.

<sup>2</sup> Total bonded indebtedness (including special assessments, revenue bonds and KDOT Revolving Loan) supplied by individual taxing districts.

## **TEN LARGEST TAXPAYERS RANKED BY AD VALOREM TAXES LEVIED (December 2005)**

Name	Primary Business	Assessed Valuation	Taxes Levied	% of Total Taxes Levied
Westar Energy	Electric/Gas Utility	\$ 74,309,612	\$ 8,190,405	1.99%
Boeing Military Airplane	Aircraft Manufacturing	59,285,191	6,361,619	1.55%
Southwestern Bell Telephone	Telecommunications	55,110,198	6,403,936	1.56%
Mid-Western Aircraft Sys.	Aircraft Manufacturing	47,870,561	5,088,079	1.24%
Wesley Medical Center, LLC	Hospital	36,705,064	4,391,322	1.07%
Simon Property Group	Real Property Leasing	30,457,488	3,455,585	0.84%
Cessna Aircraft	Aircraft Manufacturing	24,105,770	2,484,344	0.60%
Raytheon Aircraft Company	Aircraft Manufacturing	17,412,202	1,831,517	0.44%
Kansas Gas Service	Gas Utility	17,100,542	1,980,085	0.48%
Builders, Inc.	Real Property Leasing	10,210,527	1,160,941	0.28%
Totals		<u><u>\$ 372,567,155</u></u>	<u><u>\$ 41,347,833</u></u>	<u><u>10.05%</u></u>

Source: Sedgwick County Clerk

# SEDGWICK COUNTY, KANSAS

## DEMOGRAPHIC STATISTICS Last Ten Fiscal Years

Fiscal Year	Population <sup>1</sup>	Public School Enrollment <sup>2</sup>	Per Capita Income <sup>3</sup>	Average Wage per Job <sup>3</sup>	Unemployment Rate <sup>4</sup>
1996	428,633	80,931	\$ 24,554	\$ 27,787	4.4%
1997	432,779	82,030	25,723	29,269	3.4%
1998	438,679	83,416	27,105	30,623	3.3%
1999	448,050	84,024	27,442	30,989	3.4%
2000	452,869	85,808	28,054	31,890	3.8%
2001	456,351	85,918	29,036	32,874	4.5%
2002	460,643	86,242	29,694	33,085	6.1%
2003	462,896	86,859	29,438	32,325	7.1%
2004	463,802	87,010	30,811	34,760	6.6%
2005	463,802	79,693	Not Available	Not Available	5.6%

Sources: <sup>1</sup> Population is estimated for each year, except 2000. Actual population for 2000 is from the U.S. Census Bureau.

<sup>2</sup> Kansas State Board of Education (organization level headcount).

<sup>3</sup> U.S. Bureau of Economic Analysis.

<sup>4</sup> Kansas Department of Human Resources.

## BANK DEPOSITS, REAL PROPERTY VALUE, AND CONSTRUCTION Last Ten Fiscal Years

Fiscal Year	Value of New Construction <sup>1</sup>	Total Property Value <sup>1</sup>	Commercial Bank Deposits <sup>2</sup>
1996	\$ 369,671,602	\$ 11,621,353,853	\$ 3,609,795,000
1997	323,718,429	12,345,400,832	3,807,705,000
1998	348,258,998	13,025,389,306	3,966,725,000
1999	494,574,694	14,128,911,018	4,156,833,000
2000	393,159,519	15,226,964,859	3,491,159,000
2001	379,086,963	16,310,311,223	3,977,145,000
2002	390,600,245	17,192,909,871	4,317,000,000
2003	448,027,247	19,356,118,403	4,547,000,000
2004	375,136,654	19,723,089,085	4,695,000,000
2005	476,612,032	20,874,086,884	4,897,000,000

Sources: <sup>1</sup> Sedgwick County Clerk.

<sup>2</sup> Federal Deposit Insurance Corporation.

**SEDGWICK COUNTY, KANSAS**  
**MAJOR INDUSTRIES AND EMPLOYERS**

<u>Company</u>	<u>Product/Services</u>	<u>FT Employees</u>	<u>% of MSA Total<sup>1</sup></u>
Cessna Aircraft Company	Aircraft	9,393	3.08%
Spirit AeroSystems, Inc.	Aircraft	8,300	2.72%
Raytheon Aircraft Corporation	Aircraft	6,259	2.05%
United States Government	Government	5,435	1.78%
Unified School District #259	Education	5,033	1.65%
Via Christi Health System	Health care	4,810	1.58%
State of Kansas	Government	3,977	1.30%
Boeing IDS Wichita	Aircraft	3,700	1.21%
City of Wichita	Government	3,070	1.01%
Sedgwick County	Government	2,719	0.89%
Bombardier Aerospace Learjet, Inc.	Aircraft	2,577	0.84%
Koch Industries, Inc.	Petroleum products	2,000	0.65%
Wesley Medical Center	Health care	1,659	0.54%
Wichita State University	Education	1,650	0.54%
AGCO Corp. - Hesston operations	Agricultural equipment	1,310	0.43%
Catholic Diocese of Wichita	Diocesan services/Education	1,256	0.41%
<b>Totals</b>		<b>63,148</b>	<b>20.68%</b>

<sup>1</sup> Includes Sedgwick, Butler, Harvey and Sumner counties for 2004 and 2005. Data for 2001, 2002 and 2003 includes Sedgwick, Butler and Harvey counties.

Source: Wichita Business Journal

**CIVILIAN LABOR FORCE<sup>2</sup>**  
**Month of December**

	2001	2002	2003	2004	2005
Total civilian labor force (in numbers of persons)					
Wichita MSA <sup>1</sup>	282,593	286,689	284,620	303,470	305,367
Total employed					
Wichita MSA <sup>1</sup>	269,737	269,163	267,339	287,767	291,076
Unemployed					
Number: Wichita MSA <sup>1</sup>	12,856	17,526	17,281	15,703	14,291
Rate (percent) <sup>3</sup>					
Wichita MSA <sup>1</sup>	4.5%	6.1%	6.1%	5.2%	4.7%
Kansas	4.3%	5.1%	5.4%	4.7%	4.3%
United States	4.8%	5.8%	6.0%	5.5%	5.1%

<sup>1</sup> Includes Sedgwick, Butler, Harvey and Sumner counties for 2004 and 2005. Data for 2001, 2002 and 2003 includes Sedgwick, Butler and Harvey counties.

<sup>2</sup> Wichita MSA and Kansas numbers represent Residence Data; national figures are Household Data.

<sup>3</sup> Not seasonally adjusted.

Sources: Kansas Department of Labor  
U.S. Bureau of Labor Statistics Data

## SEDGWICK COUNTY, KANSAS

### RETAIL SALES AND SALES TAXES

Year	State Sales Tax		Local Sales Tax <sup>1</sup>	
	Collections	% Chg	Collections	% Chg
1996	\$ 220,983,891	1.12%	\$ 55,903,695	-1.15%
1997	230,164,250	4.15%	59,219,913	5.93%
1998	307,283,928	33.51%	67,867,356	14.60%
1999	305,662,147	-0.53%	65,254,540	-3.85%
2000	298,022,980	-2.50%	64,909,398	-0.53%
2001	298,964,728	0.32%	68,012,444	4.78%
2002	319,286,784	6.80%	68,446,519	0.64%
2003	326,771,531	2.34%	65,298,054	-4.60%
2004	337,593,529	3.31%	68,660,313	5.15%
2005	337,477,219	-0.03%	92,644,988	34.93%

<sup>1</sup> Includes sales taxes distributed to all local governments in Sedgwick County and dedicated sales tax for the Sedgwick County Arena in the amount of \$24,872,510.

Source: Kansas Department of Revenue

### ECONOMIC DEVELOPMENT REVENUE BONDS

Kansas Statutes 12-1740 to 12-1749a authorize the issuance of economic development revenue bonds by municipalities. The Statutes state, "the revenue bonds shall not in any respect be a general obligation of such city or county, nor shall they be payable in any manner by taxation."

#### Industrial Revenue Bonds:

Responsible Entity	Purpose	Date of Issuance	Original Amount	Amount Outstanding at 12/31/05
Raytheon Aircraft	Acquiring facilities	12/19/94	\$ 45,045,000	\$ 1,061,200
Labelit Land Co.	Acquiring facilities	12/15/94	2,075,000	785,000
Raytheon Aircraft	Acquiring facilities	12/18/95	45,045,000	9,155,620
Metro Sr. Residences	Multifamily senior housing	07/29/96	2,562,300	1,236,054
Metro Sr. Residences	Multifamily senior housing	07/29/96	442,400	95,958
Raytheon Aircraft	Acquiring facilities	12/19/96	50,000,000	16,247,510
Raytheon Aircraft	Acquiring facilities	12/16/97	137,000,000	59,822,480
Raytheon Aircraft	Acquiring facilities	12/16/98	117,000,000	63,094,240
Flight Safety Intern'tl	Airport facility	03/24/99	34,000,000	34,000,000
Raytheon Aircraft	Various improvements	12/15/99	103,000,000	65,242,535
Raytheon Aircraft	Acquiring facilities	12/15/00	110,000,000	79,175,911
United Warehouse	Acquiring land	12/01/00	4,500,000	4,075,000
Catholic Care Center	Additional facility	05/01/01	14,000,000	13,755,000
Raytheon Aircraft	Acquiring facilities	12/21/01	128,000,000	102,290,398
Raytheon Aircraft	Acquiring facilities	06/01/02	65,000,000	56,681,800
United Warehouse	Acquiring land	06/19/02	3,500,000	3,385,000
Catholic Care Center	Additional facility	05/01/03	4,420,000	4,180,000
Raytheon Aircraft	Various improvements	06/01/03	63,500,000	59,611,641
Raytheon Aircraft	Various improvements	12/17/04	45,500,000	44,135,000
United Warehouse	Various improvements	05/31/05	975,000	975,000
Raytheon Aircraft	Various improvements	12/16/05	30,500,000	30,500,000
			<u>\$ 1,006,064,700</u>	<u>\$ 649,505,347</u>



# SEDGWICK COUNTY, KANSAS

## ECONOMIC DEVELOPMENT REVENUE BONDS (Continued)

Single Family Mortgage Revenue Bonds:			
Issuer or Joint Issuers	Date of Issuance	Original Amount	Amount Outstanding at 12/31/05
Finney and Sedgwick Counties	11/15/85	\$ 40,175,000	\$ 5,000
Sedgwick County	12/01/87	55,350,000	5,000
Sedgwick County	11/01/89	10,012,000	451,442
Shawnee and Sedgwick Counties (2 issues)	06/01/92	43,025,000	866,792
Shawnee and Sedgwick Counties (3 issues)	07/01/94	7,000,000	300,000
Reno, Shawnee and Sedgwick Counties	03/01/95	51,525,000	2,190,000
Sedgwick County	10/01/97	5,540,000	260,000
Shawnee and Sedgwick Counties (3 issues)	10/01/97	60,000,000	7,350,000
Shawnee and Sedgwick Counties	10/01/97	18,605,000	340,000
Shawnee and Sedgwick Counties	08/01/98	65,000,572	15,965,333
Shawnee and Sedgwick Counties	07/01/99	69,999,500	11,431,217
Shawnee and Sedgwick Counties	05/01/00	53,000,000	5,435,000
Shawnee and Sedgwick Counties	04/03/01	44,330,000	16,285,000
Shawnee and Sedgwick Counties	08/28/01	67,750,000	24,470,000
Shawnee and Sedgwick Counties	05/30/02	10,000,000	3,760,000
Shawnee and Sedgwick Counties	06/18/02	10,000,000	4,065,000
Shawnee and Sedgwick Counties	07/25/02	15,000,000	7,860,000
Shawnee and Sedgwick Counties	09/12/02	12,500,000	6,810,000
Shawnee and Sedgwick Counties	10/30/02	12,500,000	7,885,000
Shawnee and Sedgwick Counties	12/19/02	10,000,000	6,780,000
Shawnee and Sedgwick Counties	02/27/03	10,000,000	6,625,000
Shawnee and Sedgwick Counties	04/17/03	10,000,000	7,180,000
Shawnee and Sedgwick Counties	05/18/03	15,000,000	11,580,000
Shawnee and Sedgwick Counties	07/10/03	15,000,000	11,910,000
Shawnee and Sedgwick Counties	09/13/03	11,500,000	8,385,000
Shawnee and Sedgwick Counties	11/13/03	10,000,000	7,610,000
Shawnee and Sedgwick Counties	01/14/04	10,000,000	8,120,000
Shawnee and Sedgwick Counties	03/10/04	13,500,000	11,245,000
Shawnee and Sedgwick Counties	05/12/04	15,000,000	13,135,000
Shawnee and Sedgwick Counties	07/15/04	15,000,000	12,435,000
Shawnee and Sedgwick Counties	08/31/04	15,000,000	13,250,000
Shawnee and Sedgwick Counties	10/26/04	10,000,000	9,020,000
Shawnee and Sedgwick Counties	12/09/04	10,000,000	9,405,000
Shawnee and Sedgwick Counties	02/10/05	10,000,000	9,585,000
Shawnee and Sedgwick Counties	04/06/05	15,000,000	14,295,000
Shawnee and Sedgwick Counties	06/02/05	15,000,000	14,645,000
Shawnee and Sedgwick Counties	07/27/05	20,000,000	19,945,000
Shawnee and Sedgwick Counties	09/29/05	15,000,000	15,000,000
Shawnee and Sedgwick Counties	11/22/05	10,000,000	10,000,000
Shawnee and Sedgwick Counties	12/21/05	15,000,000	15,000,000
		<u>\$ 921,312,072</u>	<u>\$ 350,884,784</u>