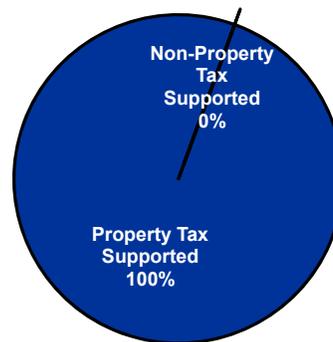
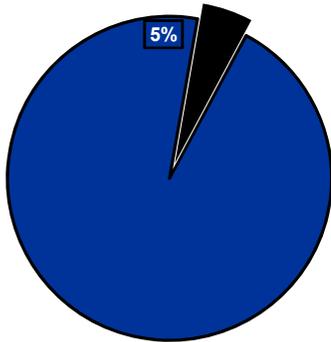


Bond and Interest

Inside:

		2015 Budget by Operating Fund Type					
		2015 Budget All Operating Funds	Special Revenue Funds				
Page	Department		General Fund	Debt Service Funds	Propert Tax Supported	Non-Property Tax Supported	Enterprise/ Internal Serv.
238	Bond and Interest	21,351,418	-	21,351,418	-	-	-
	Total	21,351,418	-	21,351,418	-	-	-

% of Total Operating Budget



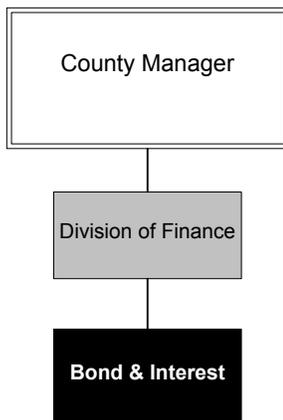
* Includes the General, Debt Service and Property Tax Supported Special Revenue Funds



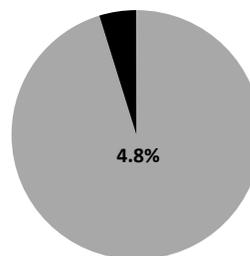
Sara Jantz
 Accounting Director
 525 N Main, Suite 823
 Wichita, Kansas 67203
 316-660-7136
sara.jantz@sedgwick.gov

Mission:

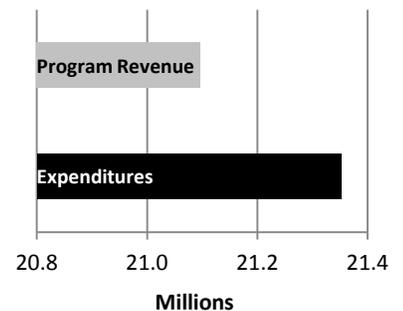
- To assure Sedgwick County government and citizens of proper use of County resources and informed financial decision-making.



% of Total Operating Budget



Expenditures & Program Revenue



Description of Major Services

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

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

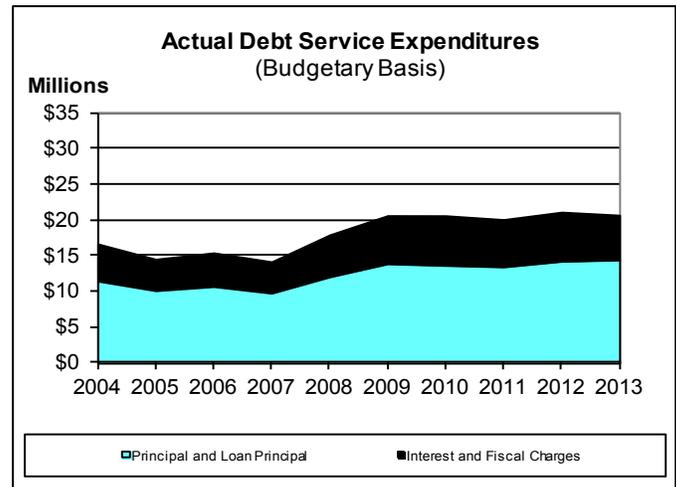
A summary of key points from the Sedgwick County Debt Policy is presented here:

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

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

- Debt financing is favored when market conditions are favorable, a project is mandated and current revenue or fund balances are insufficient, or a project is immediately required to meet capacity needs. The useful life of each project must equal or exceed the term of the financing.
- Total outstanding debt is capped. The policy limits direct debt per capita (\$500), overlapping and underlying debt per capita (\$3,000), direct and overall debt as a percentage of estimated full market value (1.5 percent and 6 percent, respectively), and debt service is limited to 20 percent of general and debt service fund budgeted expenditures. Debt ratios throughout the life of the proposed obligation must be lower than at least three of the five benchmarks listed.
- Debt repayment is expedited. Debt issues are to be structured so that at least 30 percent of the aggregate outstanding principal amount is repaid within five years and 60 percent within 10 years.

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



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

The following table shows the debt service requirements on debt existing as of November 15, 2014. If no additional bonds were issued, Sedgwick County would pay its debt in full by 2033. During this time period, yearly principal and interest payments would decrease from \$20.1 million in 2014 to \$0.2 million in 2033. When Sedgwick County issues additional bonds, debt service requirements will be extended into the future.

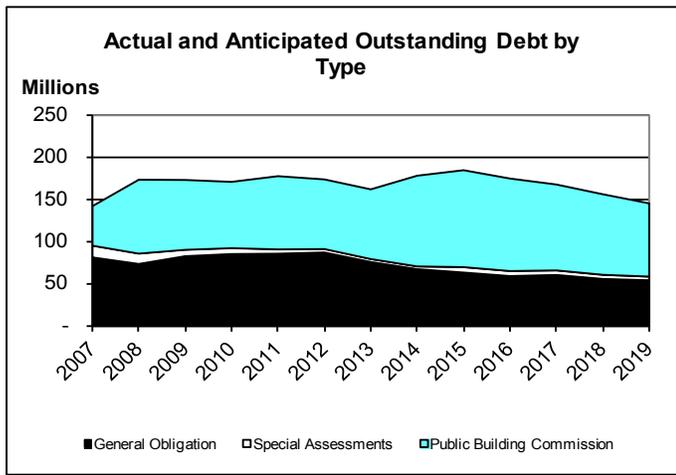
When a jurisdiction issues debt, it has the option of obtaining a debt rating -- an evaluation of its credit worthiness -- by an independent rating service. Sedgwick County currently has the highest debt rating possible from each of three credit rating agencies: “AAA” from Fitch Rating Service, “AAA”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

Schedule of Existing Debt Service Requirements as of November 15, 2014				
Budget Year	Bonds Outstanding	Principal	Interest	Total
2014	175,065,000	14,235,000	5,890,588	20,125,588
2015	155,275,000	14,005,000	5,530,001	19,535,001
2016	135,445,000	13,655,000	4,890,238	18,545,238
2017	122,255,000	13,190,000	4,381,791	17,571,791
2018	82,950,000	13,240,000	3,916,910	17,156,910
2019	72,790,000	10,160,000	3,076,806	13,236,806
2020	62,670,000	10,120,000	2,737,073	12,857,073
2021	52,355,000	10,315,000	2,320,543	12,635,543
2022	42,430,000	9,925,000	1,916,035	11,841,035
2023	34,640,000	7,790,000	1,494,481	9,284,481
2024	28,215,000	6,425,000	1,201,263	7,626,263
2025	21,785,000	6,430,000	940,151	7,370,151
2026	16,000,000	5,785,000	744,439	6,529,439
2027	10,975,000	5,025,000	571,926	5,596,926
2028	5,810,000	5,165,000	413,716	5,578,716
2029	3,610,000	2,200,000	235,781	2,435,781
2030	1,980,000	1,630,000	140,536	1,770,536
2031	485,000	1,495,000	75,731	1,570,731
2032	160,000	325,000	19,013	344,013
2033	-	160,000	7,200	167,200

Sedgwick County and its PBC have issued debt for various large projects including adult and juvenile detention facilities, roads and bridges, courthouse improvements, a juvenile court building, a public safety center, Exploration Place (an interactive science center), and the National Center for Aviation Training (a technical education facility). The debt for these projects, in addition to special assessment debt, leaves the County with total outstanding direct debt of \$175.1 million as of November 15, 2014.

In recent years the County’s annual debt service, including both the repayment of principal and interest on outstanding bonds, has been approximately \$20 million.

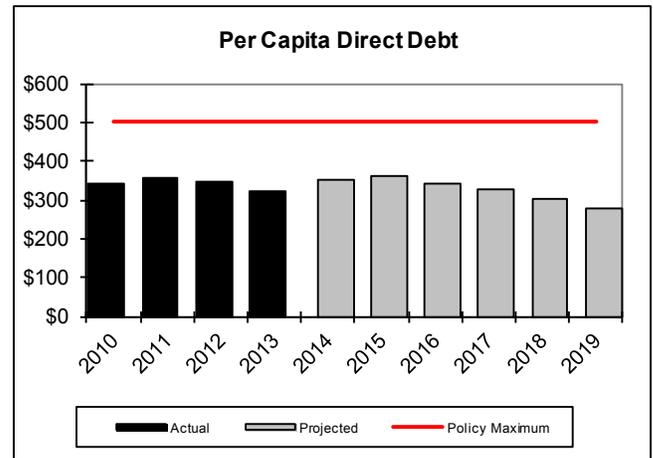
The County's current plan includes anticipated bond issues of \$4.0 million each year through 2019 for roads and bridges, and a bond issue of \$1.9 million in 2015 for a special assessment drainage project. Other significant projects include an upgrade to the Work Release security system, construction of a bike/pedestrian bridge on Meridian and various maintenance projects such as replacing air vents at JDF and replacing the Stillwell complex fence. Based on this plan the County will repay more debt than is issued each year, and both the annual debt service and the total outstanding debt will decrease each year.



With these anticipated debt issuances (displayed on the last page of this section), Sedgwick County's debt limits, which are set in the Sedgwick County Debt Policy and discussed above, likely will change. Each is discussed below.

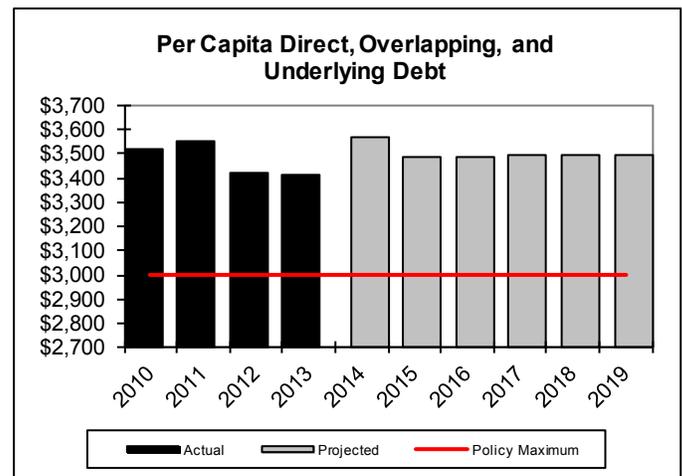
Per Capita Direct Debt

This ratio, which is figured by dividing total direct debt by the population of Sedgwick County, measures the amount of debt per resident. The debt policy sets \$500 per capita as the maximum limit. Between 2010 and 2013, Sedgwick County remained below this level by approximately \$150. Over the next five years, the margin between County per capita direct debt and the policy maximum will increase slightly in 2015, then decline in 2016-2019. At the end of the five-year planning horizon, per capita direct debt is estimated to be \$280.



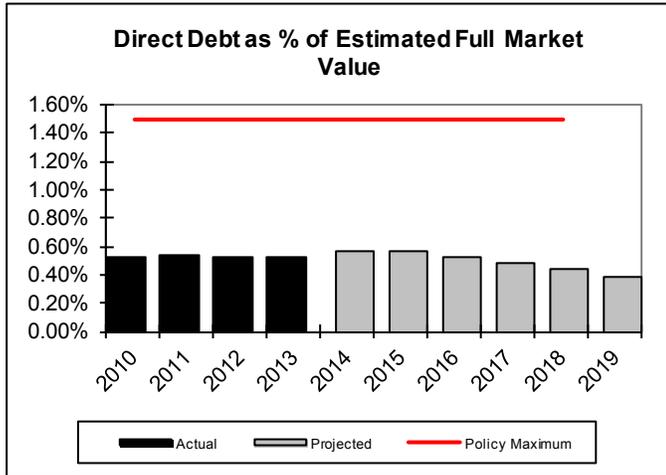
Per Capita Direct, Overlapping & Underlying Debt

This per capita ratio adds overlapping and underlying debt, which is the debt issued by cities, school districts, and special districts within Sedgwick County and backed by Sedgwick County taxpayers. Thus, this ratio measures that total amount of local government debt borne by each resident in the County. The debt policy sets a limit of \$3,000 per capita. In 2008, due to multiple bond issuances by cities and school districts, the policy limit was exceeded. Based on anticipated debt issuances this measure will remain above the policy maximum through 2019, and is expected to decrease from \$3,565 at the end of 2014 to \$3,498 at the end of 2019.



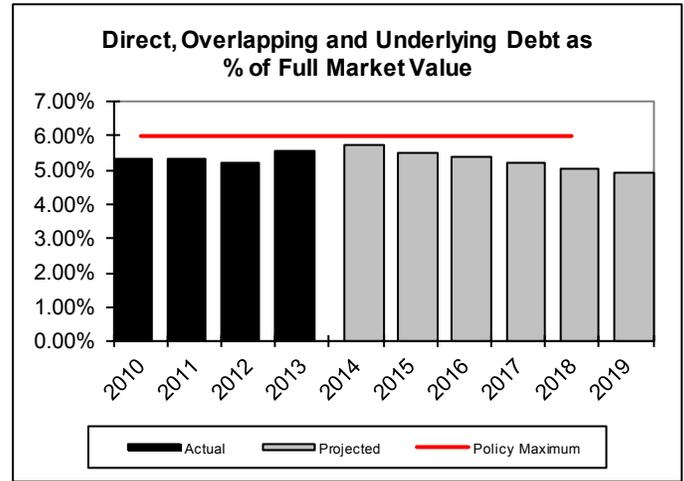
Direct Debt as Percent of Estimated Full Market Value

This ratio shows the impact of debt issued by Sedgwick County or its PBC on the property tax base. The policy limit is 1.5 percent for this measure. From 2010 to 2013, the County was well below the policy limit holding under 0.54 percent. The ratio is projected to decrease to 0.39 percent of the estimated full market value by the end of 2019.



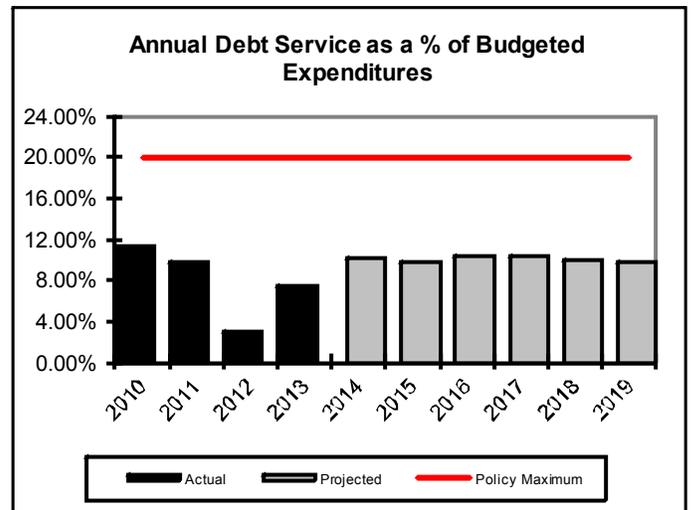
Direct, Overlapping & Underlying Debt as Percent of Full Market Value

This ratio shows the impact of all local government debt, without regard to the governmental issuer within the County, on Sedgwick County's property tax base. The policy sets a maximum target of 6.0 percent. Since 2012, when the ratio was at a low of 5.19%, it has increased each year and was 5.55% at the end of 2013. The ratio is projected to have a slight increase in 2014 and then decrease until 2019, when it is projected to be 4.93%.



Annual Debt Service as a Percent of Budgeted Expenditures

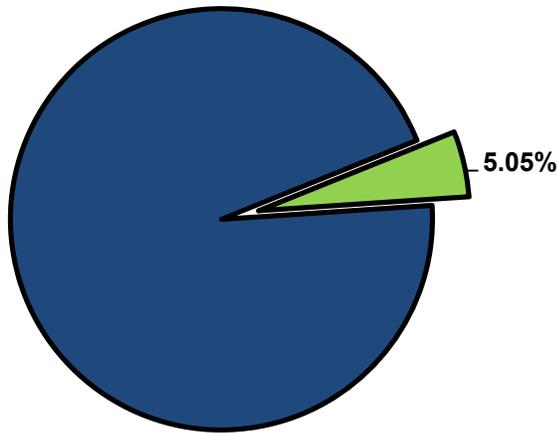
This measure shows the extent to which debt service obligations consume resources that otherwise might be used to deliver County services. Sedgwick County's debt policy sets a limit of 20.0 percent. The County's debt service stayed below 11.3 percent of budgeted expenditures between 2010 and 2013, and is expected to drop to 9.79% of budgeted expenditures by the end of 2019.



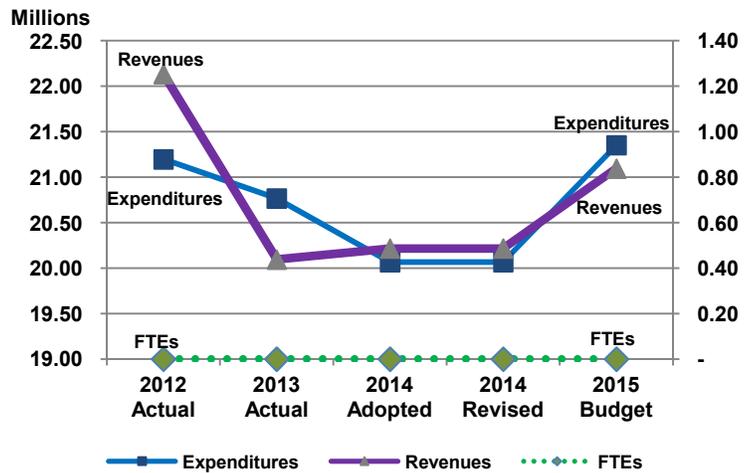
Sedgwick County Anticipated Debt with Issuance Costs					
Project	2015	2016	2017	2018	2019
Road/Bridge Improvements	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000
Haysville Drainage	1,615,000				
EMS NE Post & Garage		2,290,000			
Jail 1st Floor Addition			5,515,000		
Special Assessments	1,915,000				
Totals	\$7,590,000	\$6,350,000	\$9,575,000	\$4,060,000	\$4,060,000

Departmental Graphical Summary

Bond & Interest
Percent of Total County Operating Budget



Expenditures, Program Revenue & FTEs
All Operating Funds



Budget Summary by Category

	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amount Chg '14 Rev.-'15	% Chg '14 Rev.-'15
Expenditures							
Personnel	-	-	-	-	-	-	-
Contractual Services	17,962	17,630	20,000	3,000	20,000	17,000	566.67%
Debt Service	21,177,428	20,749,043	20,045,805	20,062,805	21,331,418	1,268,613	6.32%
Commodities	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
Total Expenditures	21,195,390	20,766,673	20,065,805	20,065,805	21,351,418	1,285,613	6.41%
Revenues							
Tax Revenues	18,859,422	15,170,125	15,729,684	15,729,684	16,791,941	1,062,257	6.75%
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	205,277	190,666	192,281	192,281	192,281	-	0.00%
Charges for Services	720,651	692,768	677,851	677,851	498,479	(179,372)	-26.46%
All Other Revenue	2,348,228	4,041,207	3,615,689	3,615,689	3,612,646	(3,043)	-0.08%
Total Revenues	22,133,577	20,094,766	20,215,505	20,215,505	21,095,347	879,842	4.35%
Full-Time Equivalents (FTEs)							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
Total FTEs	-	-	-	-	-	-	-

Budget Summary by Fund

Fund	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	Amount Chg '14 Rev.-'15	% Chg '14 Rev.-'15
Bond & Interest	21,195,390	20,766,673	20,065,805	20,065,805	21,351,418	1,285,613	6.41%
Total Expenditures	21,195,390	20,766,673	20,065,805	20,065,805	21,351,418	1,285,613	6.41%

Significant Budget Adjustments from Prior Year Revised Budget

Expenditures Revenues FTEs

Total - - -

Budget Summary by Program

Program	Fund	2012 Actual	2013 Actual	2014 Adopted	2014 Revised	2015 Budget	% Chg '14 Rev.-'15	2015 FTEs
Bond & Interest	301	21,195,390	20,766,673	20,065,805	20,065,805	21,351,418	6.41%	-
Total		21,195,390	20,766,673	20,065,805	20,065,805	21,351,418	6.41%	-