

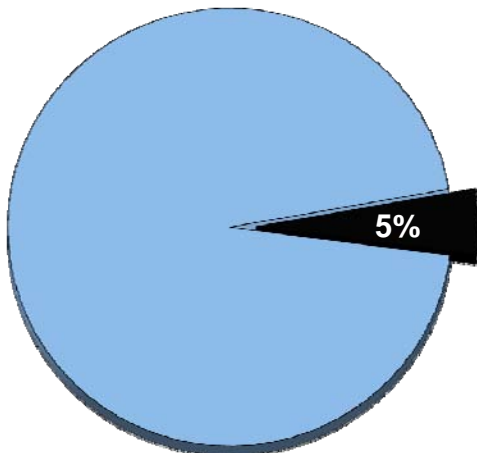
Bond & Interest

Inside:

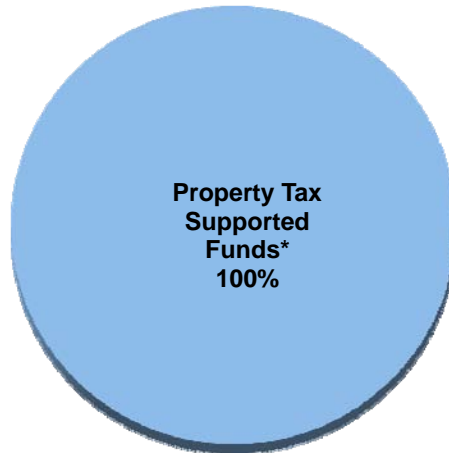
Page	Department	2014 Budget All Operating Funds	2014 Budget By Operating Fund Type				
			Property Tax Supported			Non-Property Tax Supported	
			General Fund	Debt Service Funds	Special Revenue	Special Revenue	Enterprise/ Internal Serv.
216	Bond & Interest	20,065,805	-	20,065,805	-	-	-
Total		20,065,805	-	20,065,805	-	-	-



% of Total Operating Budget



Operating Expenditures by Fund Type



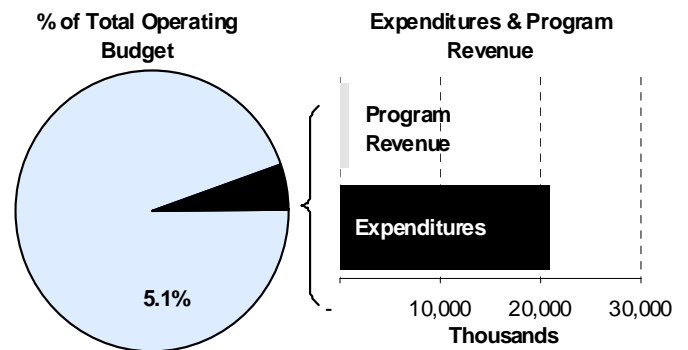
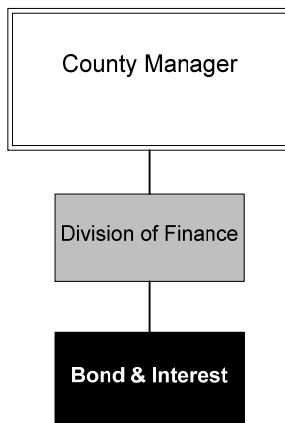
* Includes the General, Debt Service, and Property Tax Supported Special Revenue Funds



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Mission:

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



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.

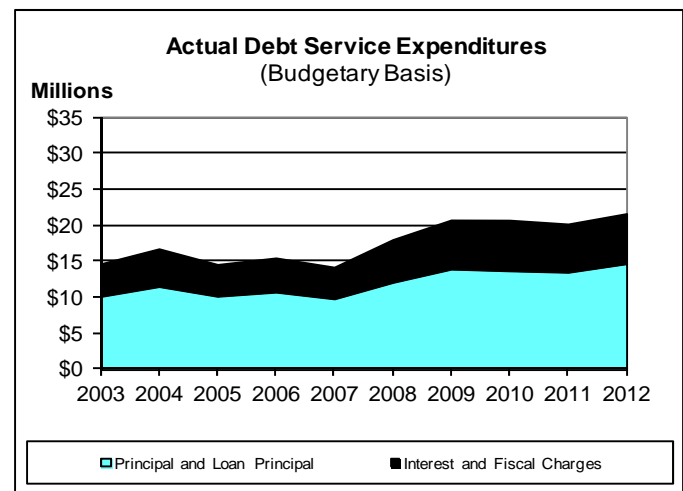
Sedgwick County issues debt primarily to finance major capital projects such as roads, bridges, buildings, or other facilities. The instruments used to finance these projects are typically general obligation bonds or Public Building Commission (PBC) revenue bonds. General obligation bonds are issued 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.

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.

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 \$157.0 million as of November 1, 2013.

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.



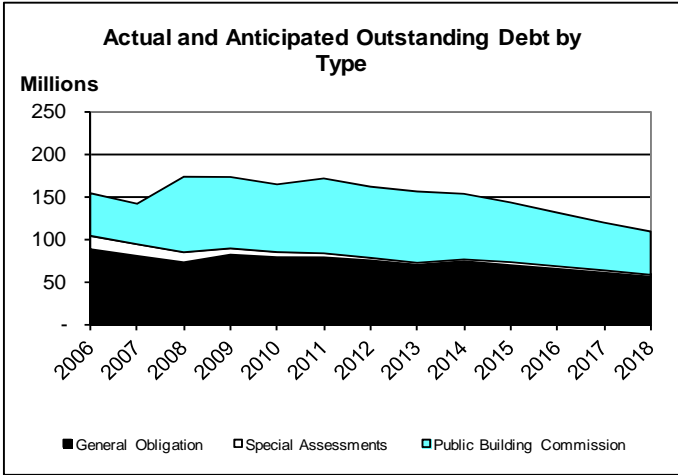
The following table shows the debt service requirements on debt existing as of November 1, 2013. If no additional bonds were issued, Sedgwick County would pay its debt in full by 2033. During this time period, yearly principal and interest payments would decrease from \$21.6 million in 2014 to \$0.2 million in 2033. When Sedgwick County issues additional bonds, debt service requirements will be extended into the future.

Schedule of Existing Debt Service Requirements as of November 1, 2013				
Budget Year	Bonds Outstanding	Principal	Interest	Total
2014	157,015,000	15,495,000	6,106,596	21,601,596
2015	141,520,000	15,310,000	5,703,126	21,013,126
2016	126,210,000	15,025,000	4,996,488	20,021,488
2017	111,185,000	14,640,000	4,457,098	19,097,098
2018	96,545,000	13,245,000	3,960,866	17,205,866
2019	83,300,000	10,100,000	3,492,750	13,592,750
2020	73,200,000	10,110,000	3,097,216	13,207,216
2021	63,090,000	10,290,000	2,697,811	12,987,811
2022	52,800,000	9,915,000	2,279,029	12,194,029
2023	42,885,000	7,775,000	1,864,225	9,639,225
2024	35,110,000	6,420,000	1,560,244	7,980,244
2025	28,690,000	6,440,000	1,285,926	7,725,926
2026	22,250,000	5,880,000	1,007,545	6,887,545
2027	16,370,000	5,165,000	739,539	5,904,539
2028	11,205,000	5,395,000	493,404	5,888,404
2029	5,810,000	2,200,000	235,781	2,435,781
2030	3,610,000	1,630,000	140,536	1,770,536
2031	1,980,000	1,495,000	75,731	1,570,731
2032	485,000	325,000	19,013	344,013
2033	160,000	160,000	7,200	167,200

Sedgwick County anticipates issuing \$4.0 million of general obligation debt in 2013 to fund various road and bridge projects, along with Public Building Commission bonds for Wichita State University. Year-end bonded debt outstanding is expected to be \$157.0 million.



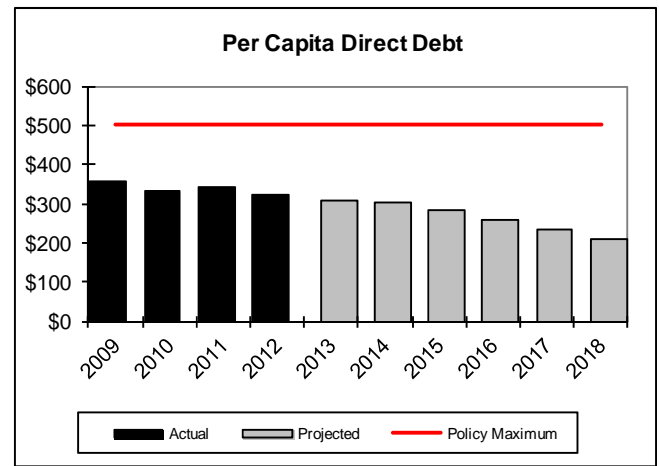
The County's current plan includes anticipated bond issues of \$4.0 million each year through 2018 for roads and bridges, and a bond issue of \$1.9 million in 2015 for a special assessment drainage project. Based on this plan the County will repay more debt than is issued each year, and both the annual 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.

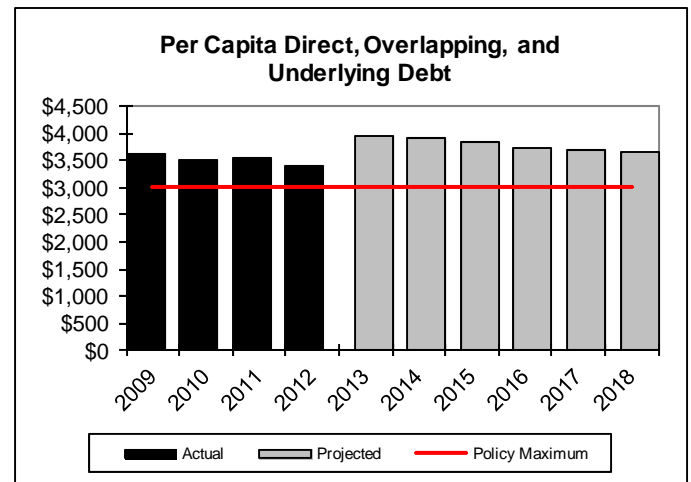
Per Capita Direct Debt

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 2009 and 2012, 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 each year. At the end of the five-year planning horizon, per capita direct debt is estimated to be \$212.



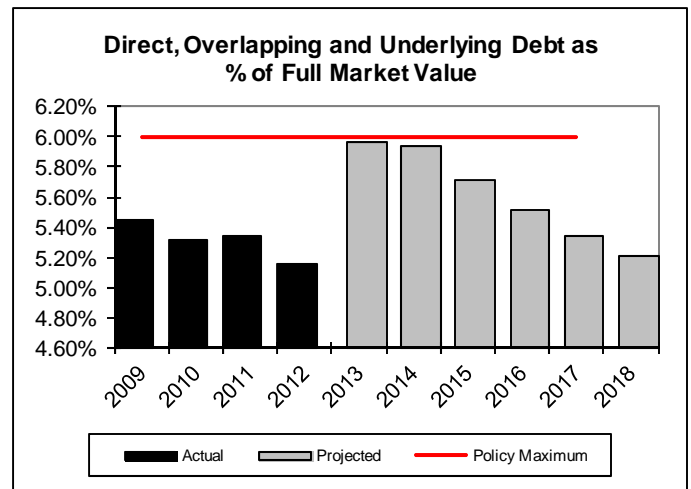
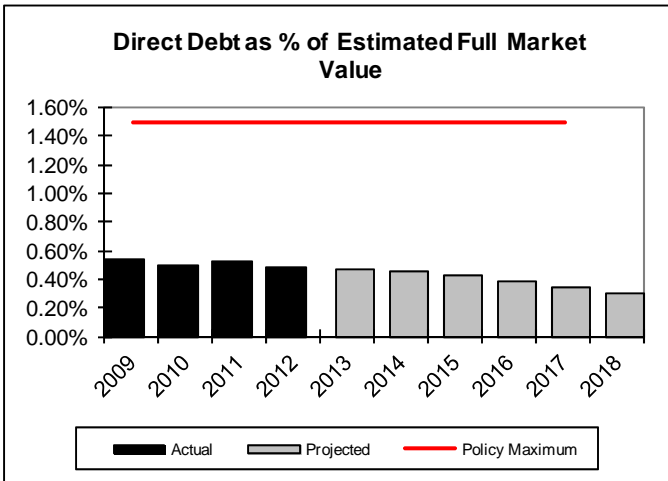
Per Capita Direct, Overlapping & Underlying Debt

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 2018, but is expected to decrease from \$3,956 at the end of 2013 to \$3,646 at the end of 2018.



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 2009 to 2012, the County was well below the policy limit holding under 0.54 percent. The ratio is projected to decrease to 0.3 percent of the estimated full market value by the end of 2018.

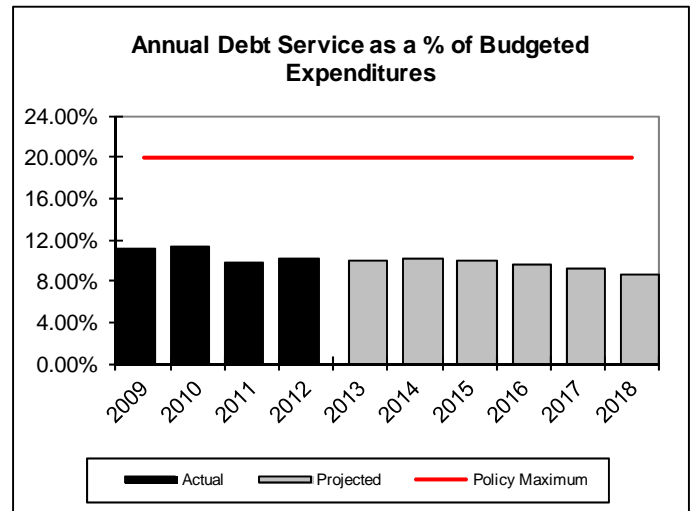


Annual Debt Service as a Percent of Budgeted Expenditures

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 2009 and 2012, and is expected to drop to 8.5% of budgeted expenditures by the end of 2018.

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 the end of 2009, when the ratio was 5.45%, it has decreased each year, and was 5.16% at the end of 2012. The ratio is projected to be about the same in 2018, when it is projected to be 5.21%.



Sedgwick County Anticipated Debt with Issuance Costs					
Project	2014	2015	2016	2017	2018
Road/Bridge Improvements	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000
Special Assessments		1,915,000			
Totals	\$4,060,000	\$5,975,000	\$4,060,000	\$4,060,000	\$4,060,000



Significant Adjustments From Previous Budget Year

- Reduce budget related to debt service payments

Expenditures	Revenue	FTEs
(793,677)		

Total	(793,677)	-	-
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Budget Summary by Category

	2012 Actual	2013 Adopted	2013 Revised	2014 Budget	% Chg. '13-'14
Expenditures					
Personnel	-	-	-	-	
Contractual Services	17,962	19,813	19,813	20,000	0.9%
Debt Service	21,177,428	20,839,669	20,839,669	20,045,805	-3.8%
Commodities	-	-	-	-	
Capital Improvements	-	-	-	-	
Capital Equipment	-	-	-	-	
Interfund Transfers	-	-	-	-	
Total Expenditures	21,195,390	20,859,482	20,859,482	20,065,805	-3.8%
Revenue					
Taxes	18,859,420	14,961,489	14,961,489	15,729,684	5.1%
Intergovernmental	205,277	199,337	199,337	192,281	-3.5%
Charges For Service	720,651	683,739	683,739	677,851	-0.9%
Other Revenue	2,348,228	4,091,843	4,091,843	3,615,689	-11.6%
Total Revenue	22,133,576	19,936,408	19,936,408	20,215,505	1.4%
Full-Time Equivalents (FTEs)	-	-	-	-	

Budget Summary by Fund

Expenditures	2013 Revised	2014 Budget
Bond & Interest-301	20,859,482	20,065,805
Total Expenditures	20,859,482	20,065,805

Budget Summary by Program

Program	Fund	Expenditures				2014 Budget	% Chg. '13-'14	Full-Time Equivalents (FTEs)		
		2012 Actual	2013 Adopted	2013 Revised	2013 Adopted			2013 Revised	2014 Budget	
Bond & Interest	301	21,195,390	20,859,482	20,859,482	20,065,805	-3.8%	-	-	-	
Total		21,195,390	20,859,482	20,859,482	20,065,805	-3.8%	-	-	-	

